

# Borderland Co-op



# Forced Labour in Canadian Supply Chains

Borderland Co-op

DATE: April 2024



**Contents**

Introduction.....3

1. Structure, Activities, and Supply Chain .....3

2. Policies and Processes in Relation to Forced and Child Labour .....4

3. Identification of Risks.....5

4. Remediation of Forced and Child Labour.....6

5. Remediation of Loss of Income.....6

6. Employee Training.....6

7. Efficacy of Actions .....6

8. Approval and Attestation of the Report .....7



## **Introduction**

This report is Borderland Co-op's response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending February 3<sup>rd</sup>, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Borderland Co-op. The reporting entity covered by this statement is Borderland Co-operative Limited, business number 10058 3830.

For the purposes of the Act, Borderland Co-op meets the entity definition by having a business in Canada, doing business in Canada and meeting all three threshold criteria for revenue, assets and employees. Borderland Co-op is incorporated provincially and is obligated to submit a report to the Minister of Public Safety and provide a public report in response to the Supply Chains Act by May 31, 2024.

Guided by core values of Being Accountable & Taking Responsibility, Borderland Co-op is committed to making ethical business decisions and taking proactive measures to address issues such as forced and child labour.

### **1. Structure, Activities, and Supply Chain**

Operating in rural communities in the Southeast portion of Saskatchewan, with its main office in Moosomin Saskatchewan, Borderland Co-op is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Borderland Co-op is in turn owned by over 13,000 members in Saskatchewan and Manitoba. As part of the CRS, Borderland Co-op helps build, feed and fuel individuals and in our local rural communities. We employ over 340 people.

Borderland Co-op's business is largely business-to-consumer focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, agriculture, home and building, fuel and convenience stores.

#### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Borderland Co-op with 19 retail locations in 7 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Borderland Co-op sources 94 percent of the products for resale from FCL. These products are purchased by FCL from within Canada or imported and distributed throughout the CRS using FCL's fleet, distribution centres, bulk fuel distribution centres, fuel



terminals and fertilizer plants.

The remaining 6 percent of products are sourced by Borderland Co-op from local suppliers within Canada.

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, seeds
<b>FOOD</b>	Tobacco, food products, liquor, bakery items, flowers, convenience items
<b>HOME AND BUILDING SUPPLIES</b>	Hardware, building materials, seasonal items, appliances

## **2. Policies and Processes in Relation to Forced and Child Labour**

Borderland Co-op maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. Borderland Co-op has an established internal process for anonymous reporting of actual or potential wrongdoing including any actual or potential violation of law, regulation, policy and procedure. Procedures are put in place to protect the anonymity of whistle-blowers from retaliation. Borderland Co-op's Human Resources team regularly review human resource related policies to ensure Borderland Co-op remains in compliance with applicable workplace and labour legislation.

Borderland Co-op ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per Saskatchewan's labour laws, Borderland Co-op does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 16.

Borderland Co-op is exploring the implementation of effective grievance and remediation mechanisms in effort to address concerns or potential cases of forced and child labour in the supply chain. Borderland Co-op's goal is to prioritize the reporting and remediation of forced and child labour incidents, protect victims and prevent future cases. Potential mechanisms may include:



- Development of a remediation framework with information on when to safeguard the victim, develop and implement a corrective action plan with the employer, alert national authorities and consult a third-party expert organization;
- Implementation of a software solution to audit suppliers; or
- Develop a grievance mechanism that suppliers' employees can access anonymously in a format that is inclusive and accessible.

### 3. Identification of Risks

Borderland Co-op's main supplier, FCL, accounts for 94% of total procured goods. In assessing the risk of forced labour or child labour at the direct supplier level for this relationship, FCL has concluded on the following assessment of the use of child labour and/or forced labour within their supply chain, using two separate indices - *Walk Free's Global Slavery Index* and *the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor*:

1. Goods procured within the food categories of 1) protein foods (specifically seafood); 2) beverages (specifically coffee); and 3) other (specifically chocolate):
  - a. An inherent risk of child and forced labour has been identified within the above categories. FCL has a sustainable seafood policy and, sustainably sources fair-trade-certified products to mitigate these risks.
2. Goods procured for home building centres:
  - a. Key suppliers of FCL's home building centres import from China, which has been identified as a country with a high inherent risk of forced and child labour. To mitigate this risk, FCL requires key suppliers to sign a Social Responsibility Agreement. The agreement requires suppliers to ensure they are supporting commitments to responsible sourcing and provide workers with fair wages and working hours, as well as a safe, clean, and healthy work environment.

FCL is exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain therefore, Borderland Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 6% of goods purchased by Borderland Co-op are procured from outside of FCL. Of this 6%, supply chain mapping activities were done on our most material vendors. Materiality was determined by selecting our top 1% of suppliers by total spend in 2023. Borderland Co-op has two main categories of goods for resale, which include liquor and tobacco. Using two separate indices, *Walk Free's Global Slavery Index* and *the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor*, Borderland



Co-op has conducted an initial risk assessment of liquor and tobacco and identified inherent risks of forced and/or child labour in tobacco. To mitigate the inherent risks with these category types we intend to review our procurement and risk management practices to determine appropriate enhancements we can make to further address the risk of modern slavery in our supply chain.

#### **4. Remediation of Forced and Child Labour**

In the future, Borderland Co-op will explore opportunities to increase auditing and monitoring of suppliers to reduce the risk of forced and child labour. If specific incidents of forced and child labour are identified, Borderland Co-op will work with suppliers to determine and implement remedial action.

#### **5. Remediation of Loss of Income**

Borderland Co-op has not identified any child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate the loss of income to vulnerable families that results from any measures taken.

#### **6. Employee Training**

Annual training and attestation are currently required for all employees to ensure compliance with Borderland Co-op's Code of Conduct on company ethical standards, policies, laws and regulations. The Code of Conduct is applicable to everyone that conducts business on behalf of the organization which includes the Borderland Co-op Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Borderland Co-op has identified the opportunity to incorporate human rights awareness training into the annual Code of Conduct attestation to create awareness and the associated risks of forced and child labour. In addition, Borderland Co-op is exploring opportunities to provide role specific training to educate team members and help them identify and respond to risks of child and forced labour in supply chains. These opportunities will be evaluated through the 2024 fiscal year.

#### **7. Efficacy of Actions**

Borderland Co-op has conducted a review of current policies and procedures as they pertain to child and forced labour and is currently evaluating further measures to assess the efficacy of actions. Success will be evaluated by tracking relevant performance indicators, such as levels of employee awareness, number of vendors signing the Social Responsibility Agreement,



number of employees in procurement roles participating in training, as well as an annual review of the policies and procedures in place related to forced and child labour.

## 8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name Jason Schenn  
Title CEO  
Date April 29, 2024

Signature 

I have the authority to bind Borderland Co-op. The Statement has been reviewed and approved by the Board on behalf of itself.