

# Dauphin Consumers Cooperative Ltd



## Forced Labour in Canadian Supply Chains

Dauphin Consumers Cooperative Ltd

May 16, 2024





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## Introduction

This report is Dauphin Consumers Cooperative Ltd. response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the fiscal year ending January 29, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Dauphin Consumers Cooperative Ltd. The reporting entity covered by this statement is Dauphin Consumers Cooperative Ltd, business number 101278265.

For the purposes of the Act, Dauphin Consumers Cooperative Ltd. meets the entity definition by having a business in Canada, doing business in Canada, and meeting all two of the three threshold's criteria for revenue and assets. Dauphin Consumers Cooperative Ltd 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.

Dauphin Consumers Cooperative Ltd is committed to continuous improvement in the areas of identification and remediation of forced and child labour in operations as well as local and global supply chains. Further, the Co-op is committed to respecting all human rights, in accordance with applicable law and the principles set forth in international standards, including the UN's Declaration of Human Rights, the UN Rights of Indigenous Peoples and UN Guiding Principles on Business and Human Rights.

Guided by the core values of Dauphin Consumers Cooperative Ltd, the Co-op is committed to making ethical business decisions and taking initiative-taking measures to address issues such as forced and child labour.

## 1. Structure, Activities, and Supply Chain

### Structure

Based in both Dauphin and Ste Rose du Lac, Manitoba, Dauphin Consumers Cooperative Ltd is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Dauphin Consumers Cooperative Ltd is in turn owned by over 13,000 members in Manitoba. As part of the CRS, Dauphin Consumers Cooperative Ltd helps build, feed and fuel individuals in our local communities. We employ 193 individuals in peak seasons and approximately 170 in non-peak seasons.

### Activities

Dauphin Consumers Cooperative Ltd business is largely business-to-consumer focused on







serving the communities in which we operate. Our core retail lines of business include food, agriculture, home and building, fuel, and convenience stores.

## Supply Chain

### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Dauphin Consumers Cooperative Ltd with 7 retail locations in 2 communities in the province of Manitoba including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and fuel. Dauphin Consumers Cooperative Ltd sources 99% 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 1% percent of products are sourced by Dauphin Consumers Cooperative Ltd from other parts of Manitoba and are normally Hardware and Building supply items.

Dauphin Consumers Cooperative Ltd.'s supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale.

### Wholesale and Retail Trade: Products Sourced for Resale

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, crop protection products, fertilizer, and feed
<b>ENERGY</b>	Fuel, lubricants, propane
<b>FOOD</b>	convenience store items and candy
<b>HOME AND BUILDING SUPPLIES</b>	hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products

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

### Internal

Dauphin Consumers Cooperative Ltd maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. Dauphin Consumers







Cooperative Ltd 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. Dauphin Consumers Cooperative Ltd.'s People and Culture team regularly reviews human resource related policies to ensure Dauphin Consumers Cooperative Ltd remains in compliance with applicable workplace and labour legislation.

Dauphin Consumers Cooperative Ltd ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per Manitoba's labour laws, Dauphin Consumers Cooperative Ltd does not employ anyone under the age of 13 and follows all applicable young worker restrictions for employees under the age of 18.

The Co-op has internal policies as we do not hire people under the age of thirteen. When between the ages of 13-15 a Young Workers Readiness Certificate needs to be completed by the young worker and endorsed by their parent or guardian. Students are not able to work more than 20 hours per week. The Co-op also has a "working alone" policy so any student works under direct supervision.

Dauphin Consumers Cooperative Ltd 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. The Co-op's goal is to prioritize the reporting and remediation of forced and child labour incidents, protect victims and prevent future instances.

### **3. Identification of Risks**

Dauphin Consumers Cooperative Ltd.'s main supplier, FCL, accounts for 99% 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, Dauphin Consumers Cooperative Ltd will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 1% of goods purchased by the Co-op are procured from outside of FCL. The Co-op has 4 main categories of goods for resale, which include, food, agriculture, energy, fuel, and home and building supplies. 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, the Co-op has conducted an initial risk assessment of food, agriculture, energy, fuel, and home and building supplies and identified inherent risks of forced and/or child labour. To mitigate the inherent risks with these food types, The Co-op will be working on implementing policies, procedures, and management oversight controls.

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

Dauphin Consumers Cooperative Ltd has taken action to remediate potential risks of forced and child labour through deployment of the policies and procedures outlined in Section 2 of the report. In the future, Dauphin Consumers Cooperative Ltd 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, Dauphin Consumers Cooperative Ltd will work with suppliers to determine and implement remedial action.

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

Dauphin Consumers Cooperative Ltd 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 required for all employees to ensure compliance with Dauphin Consumers Cooperative Ltd'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 Dauphin Consumers Cooperative Ltd Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Dauphin Consumers Cooperative Ltd 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, Dauphin Consumers Cooperative Ltd is exploring opportunities to provide role specific training to educate team members and help them identify and respond to the risks of child and forced labour in supply chains. These opportunities will be evaluated through fiscal year 2024.

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

Dauphin Consumers Cooperative Ltd 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.

A handwritten signature in blue ink, appearing to read "Chris Dzisiak", is written over a horizontal line.

Chris Dzisiak  
Board President

I have the authority to bind Dauphin Consumers Cooperative Ltd. The Statement has been reviewed and approved by the Board on behalf of itself on the 30<sup>th</sup> day of May, 2024

