

# Evergreen Co-operative Association



## Forced Labour in Canadian Supply Chains

Evergreen Co-operative Association

May 25, 2024



## Contents

Introduction.....	3
1. Structure, Activities, and Supply Chain .....	3
2. Policies and Processes in Relation to Forced and Child Labour .....	5
3. Identification of Risks.....	5
4. Remediation of Forced and Child Labour.....	7
5. Remediation of Loss of Income.....	8
6. Employee Training.....	8
7. Efficacy of Actions .....	8
8. Approval and Attestation of the Report .....	8



## Introduction

This report is Evergreen Co-operative Association'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 November 30, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Evergreen Co-operative Association. The reporting entity covered by this statement is Evergreen Co-operative Association, business number R10459 3645.

For the purposes of the Act, Evergreen Co-operative Association 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. Evergreen Co-operative Association 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.

Evergreen Co-operative Association 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, Evergreen Co-operative Association 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 core values of Teamwork, Integrity and Excellence, Evergreen Co-operative Association 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

### Structure

Based in Rocky Mountain House, Alberta, Evergreen Co-operative Association is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Co-operative Limited (FCL). Evergreen Co-operative Association is in turn owned by 19,256 members in Alberta. As part of the CRS, Evergreen Co-operative Association helps build, feed and fuel individuals and in our local communities. We employ 240 individuals, and our mission is to provide exceptional experiences to the communities we serve.

### Activities

Evergreen Co-operative Association'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, pharmacy, 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 Evergreen Co-operative Association with 14 retail locations in 3 communities within Alberta; including food, home and building supplies, agricultural equipment, livestock feed, propane, lubricants, liquor, sporting goods, pharmaceuticals, and petroleum. Evergreen Co-operative Association sources 89.3% 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, and fuel terminals.

The remaining 10.7% of products are sourced by Evergreen Co-operative Association from local, within Canada or imported. In 2023 one direct overseas purchase originated from China.

Evergreen Co-operative Association's supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale. The same is true for Evergreen Co-operative Association's other suppliers.

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

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, fertilizer and feed
<b>ENERGY</b>	Fuel, lubricants, propane
<b>FOOD</b>	Food, convenience store items, liquor and pharmacy, candy
<b>HOME AND BUILDING SUPPLIES</b>	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products
<b>LIQUOR</b>	Beer, spirits and wine



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

### Internal

Evergreen Co-operative Association maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. Evergreen Co-operative Association 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. Evergreen Co-operative Association's People and Culture team regularly reviews human resource-related policies to ensure Evergreen Co-operative Association remains in compliance with applicable workplace and labour legislation.

Evergreen Co-operative Association ensures that there is a reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per Alberta's labour laws, Evergreen Co-operative Association does not employ anyone under the age of 15, and follows all applicable young worker restrictions for employees under the age of 18.

Evergreen Co-operative Association is exploring the implementation of effective grievance and remediation mechanisms in an effort to address concerns or potential cases of forced and child labour in the supply chain. Evergreen Co-operative Association'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**

Evergreen Co-operative Association's main supplier, FCL, accounts for 89.3% 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, Evergreen Co-operative Association will be relying on this ongoing assessment to continue assessing goods procured from FCL.

The remaining 10.7% of goods purchased by Evergreen Co-operative Association are procured from outside of FCL. Evergreen Co-operative Association has seven main categories of goods for resale, which include, food, agriculture, energy, pharmaceuticals, liquor, fuel, and home and building supplies. These product lines are sourced from three different countries, including the United States of America, Mexico and China. The figure below represents the countries of origin for a variety of goods. Key suppliers of Evergreen Co-operative Association's Food Store imports goods from China. 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, China has been identified as a [high inherent risk country](#) for forced and/or child labour.

Evergreen Co-operative Association is exploring opportunities to implement a supplier code of conduct to minimize this impending risk. At this time Evergreen does not currently have a centralized supply chain auditing or monitoring program in place.

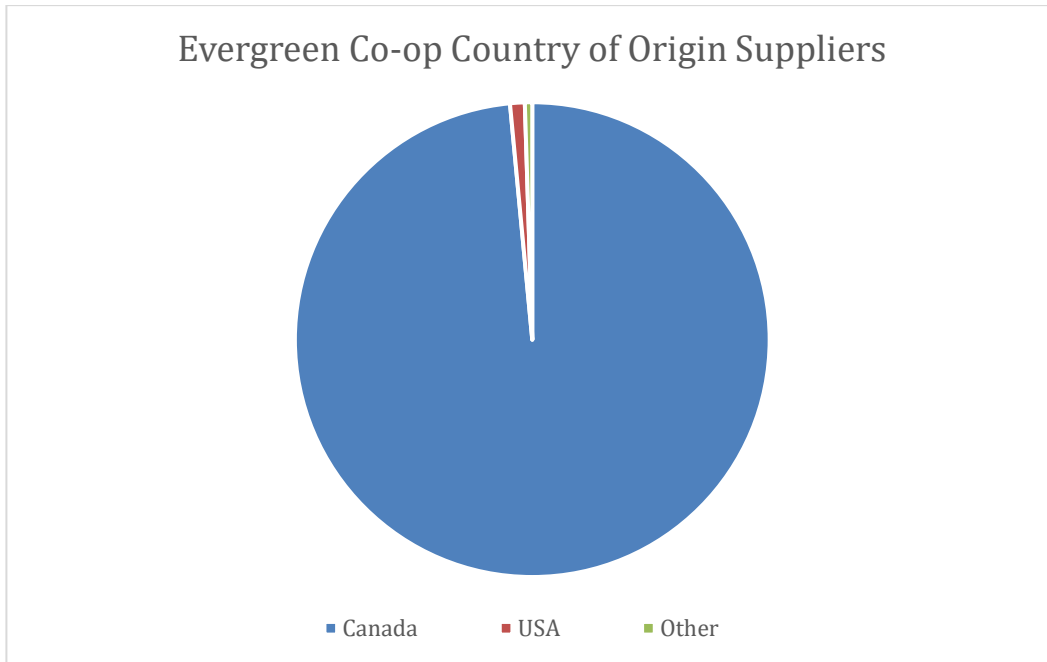


Figure 1. Total spend by country in fiscal year 2023 on Top 25% of Suppliers.

Evergreen Co-operative Association's supply chain mapping activities on were limited to our most material vendors. Materiality was determined by selecting our top 25% of suppliers by total spend in 2023.

To mitigate the inherent risks, Evergreen Co-operative Association has implemented the following policies, procedures and management oversight controls:

- Policy No: 906.00.01 Child & Forced Labour in Canadian Supply Chains

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

Evergreen Co-operative Association has taken action to remediate potential risks of forced and child labour through the deployment of the policies and procedures outlined in Section 2 of the report. In the future, Evergreen Co-operative Association 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, Evergreen Co-operative Association will work with suppliers to determine and implement remedial action.



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

Evergreen Co-operative Association 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 Evergreen Co-operative Association's Code of Conduct on company ethical standards, policies, laws and regulations. The Code of Conduct applies to everyone who conducts business on behalf of the organization which includes the Evergreen Co-operative Association Board of Directors, the Senior Leadership Team, all current and new employees, as well as contractors. Evergreen Co-operative Association 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, Evergreen Co-operative Association 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 fiscal year 2024.

## **7. Efficacy of Actions**

Evergreen Co-operative Association 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.





Shane Buss  
General Manager  
April 23, 2024

A handwritten signature in black ink that reads "Buss".

---

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