

Fort St. John Co-op



Forced Labour in Canadian Supply Chains

Fort St. John Co-operative Association

May 2024



Contents

Introduction	3
1. Structure, Activities, and Supply Chain	3
2. Policies and Processes in Relation to Forced and Child Labour	6
3. Identification of Risks	7
4. Remediation of Forced and Child Labour	9
5. Remediation of Loss of Income	11
6. Employee Training	11
7. Efficacy of Actions	12
8. Approval and Attestation of the Report	14



Introduction

This report is Fort St. John 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, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Fort St. John Co-operative Association (DBA Fort St. John Co-op).

For the purposes of the Act, Fort St. John Co-op meets the entity definition by having a business in Canada, doing business in Canada, and meeting the threshold criteria for revenue, assets and employees. Fort St. John 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.

Fort St. John Co-op 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, Fort St. John 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 Universal Declaration of Human Rights, the UN Rights of Indigenous Peoples and UN Guiding Principles on Business and Human Rights.

Guided by core values of Integrity, Commitment and Responsibility, Fort St. John 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

Structure

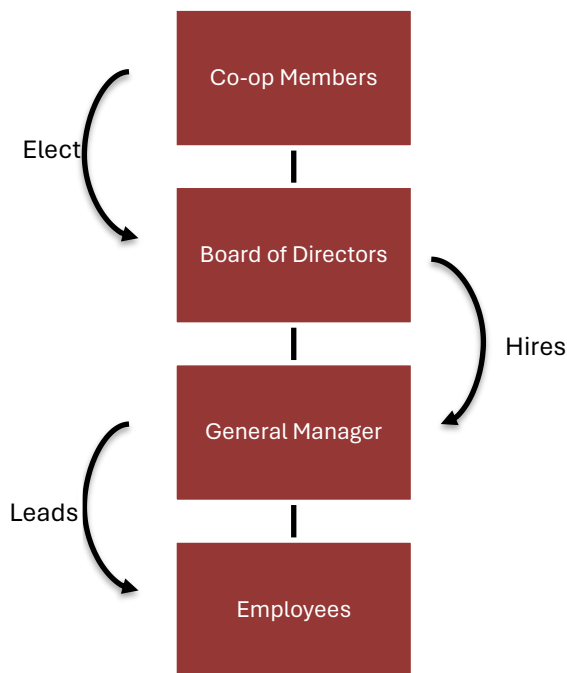
Fort St. John Co-operative Association, operating under the brand Fort St. John Co-op, is a co-operative under the Co-operative Act of Canada and British Columbia. Since its inception in 1944, our co-operative structure has facilitated a strong commitment to serving our members' needs, grounded in our core values of Integrity, Commitment, and Responsibility.

Our organizational structure is tailored to support extensive operations in the North Peace and Northern Rockies regions of British Columbia. This includes a variety of service offerings at multiple locations, such as convenience stores, cardlocks, gas bars, and bulk petroleum. Our structure promotes operational efficiency and accountability, centered around a clear chain of command and departmentalization.

Leading the Co-op is the General Manager, who is responsible for overseeing the strategic and day-



to-day operations of Fort St. John Co-op. The General Manager reports directly to a democratically elected Board of Directors. The Board consists of members elected by the Co-op's members for three-year terms. This governance structure ensures that our organization remains closely aligned with our members' interests and upholds the highest standards of corporate governance. Board members are responsible for setting the strategic direction of the Co-op, overseeing the General Manager's performance, and ensuring the Co-op's long-term sustainability and adherence to its values and ethical standards.



Fort St. John Co-op employs approximately 70 individuals, exclusively within Canada, reinforcing our commitment to local employment and community engagement. Our organizational mandate emphasizes providing high-quality goods and services to our members and the broader community, fostering sustainable growth, and supporting local needs.

Our partnership with Federated Co-operatives Limited (FCL) significantly enhances our operational capacity and strategic positioning. This partnership, along with memberships in various industry groups, supports our operational objectives and reinforces our commitment to ethical business practices.

Fort St. John Co-op operates solely within Canada, specifically serving the North Peace and Northern Rockies regions of British Columbia. We do not maintain or control entities outside of Canada. Our operations are designed to align with our ethical standards and operational goals, with a strong commitment to combating forced and child labour in our supply chains.



Activities

Fort St. John Co-operative Association focuses on serving our communities through a business-to-consumer and business-to-business model. Our primary retail operations encompass fuel and convenience stores, aiming to meet the everyday needs of our customers in the regions we serve.

Our activities are predominantly based within Western Canada, reflecting our commitment to local and regional service. This geographical focus supports our strategic objectives of contributing to local economies and ensuring the availability of essential goods and services to our communities.

Supply Chain

Wholesale and Retail Trade

Fort St. John Co-op's supply chain is structured to support our core business lines, including fuel, convenience stores, propane, lubricants, and petroleum products. We currently source over 99% of our products from Federated Co-operatives Limited (FCL), a testament to our strong partnership and shared commitment to quality and sustainability. FCL's sourcing and distribution network spans across Canada, leveraging their extensive logistics infrastructure, including distribution centers, bulk fuel distribution centers, fuel terminals, and, where applicable, fertilizer plants. This infrastructure ensures that the products supplied to Fort St. John Co-op are of the highest standard, meeting our customers' needs reliably and efficiently.

The remaining products, accounting for less than 1% of our inventory, are sourced directly from local suppliers within British Columbia. This approach not only supports local businesses and economies but also aligns with our values of community engagement and sustainability. By prioritizing local suppliers for these goods, we enhance our product offerings with unique, locally produced items that resonate with our customers' preferences and values.

Supply Chain Transparency

In alignment with our commitment to transparency and ethical business practices, it's important to note that our supply chain is confined to operations within Canada. Fort St. John Co-op does not engage in the importation of international goods or services, reflecting our strategy to support Canadian businesses and minimize our carbon footprint. This approach ensures that we maintain a supply chain that is both sustainable and aligned with our ethical standards.



Our supplier relationship with FCL is based on a mutual understanding of the importance of ethical sourcing, quality assurance, and community support. This partnership allows us to offer a wide range of products while adhering to our commitment to ethical business practices and sustainability.

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

Fort St. John Co-op is committed to maintaining the highest standards of ethical conduct and compliance with all laws related to forced labour and child labour within our operations and supply chain. This commitment is reflected in our comprehensive policies, rigorous due diligence procedures, and robust mechanisms for reporting and remediation.

Due Diligence Procedures

- **Supplier Code of Conduct:** We have established a Supplier Code of Conduct that all our suppliers must adhere to. This code explicitly prohibits forced and child labour and outlines our expectations regarding ethical practices.
- **Supplier Questionnaire:** A detailed questionnaire is used to gather more information about potential and existing suppliers. This tool helps us vet their qualifications, suitability, and compliance with our ethical standards, particularly concerning forced and child labour.
- **Supplier Contract Clauses:** We are introducing new clauses in contracts with our suppliers that specifically address forced and child labour. These clauses mandate compliance with our policies and allow for termination of the contract if violations are found.
- **Securing Relationship with FCL:** Our relationship with Federated Co-operatives Limited (FCL) is governed by shared commitments to ethical practices. Mechanisms specific to our partnership with FCL ensure adherence to our standards against forced and child labour.
- **Whistleblower Policy:** This policy underpins our accountability framework, ensuring that all employees and stakeholders can report unethical conduct anonymously. It offers protection to whistleblowers, ensuring their anonymity and shielding them from retaliation.
- **Preventing Child Labour Policy:** In response to the need for specific actions against child labour, we have adopted a comprehensive policy that outlines our stance and the measures to prevent child labour in our operations and supply chain.

Exploring Grievance and Remediation Mechanisms



Fort St. John Co-op is actively exploring the implementation of effective grievance and remediation mechanisms to address concerns or potential cases of forced and child labour within our supply chain. Our goal is to ensure the prompt reporting and remediation of incidents, safeguard victims, and prevent future cases. Potential mechanisms under consideration include:

- **Development of a Remediation Framework:** This framework will detail procedures for safeguarding victims, developing and implementing corrective action plans with employers, alerting national authorities, and consulting third-party expert organizations.
- **Supplier Audit Software Solution:** We are evaluating the implementation of a software solution to enhance our ability to audit suppliers, ensuring they comply with our ethical standards.
- **Grievance Mechanism for Suppliers' Employees:** The development of an anonymous and accessible grievance mechanism for employees of our suppliers is underway. This will enable them to report concerns securely and inclusively.

3. Identification of Risks

Fort St. John Co-operative Association recognizes the importance of identifying and mitigating the risks of forced and child labour within our supply chain. Our commitment to ethical sourcing and responsibility extends throughout our operations, including the procurement of goods and services. This assessment focuses on the categories of goods known for higher inherent risks and the geographical sources of these goods.

Category of Goods Procured

- **Beverages (Coffee) and Other (Chocolate, Small Electronics):** These categories are recognized for their higher risk of involving forced or child labour. Our main supplier, Federated Co-operatives Limited (FCL), accounts for a significant portion of our total procured goods. Given the high-risk nature of these products, our focus is on ensuring that FCL adheres to sustainable sourcing practices, prioritizing fair-trade-certified products whenever possible.

Country of Origin

The risk associated with the country where goods are procured is a critical factor in our assessment. For goods under the identified high-risk categories, special attention is paid to the countries of origin, which include regions known for labour rights issues.

Supplier Relationship with FCL

Fort St. John Co-op's main supplier, FCL, significantly influences our supply chain's integrity. FCL's



commitment to ethical sourcing is reflected in their ongoing assessment of child labour and/or forced labour risks within their supply chain. This assessment leverages insights from Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, focusing on:

1. **Goods Procured within Food Categories:** Specifically, beverages such as coffee and items like chocolate. The inherent risk of child and forced labour in these categories has been identified. Fort St. John Co-op ensures these risks are mitigated through FCL's commitment to sourcing fair-trade-certified products.
2. **Goods Procured for Electronics:** With key suppliers importing from regions such as China, recognized for high inherent risks of forced and child labour, FCL has implemented measures to mitigate these risks. A Social Responsibility Agreement signed by key suppliers underlines commitments to responsible sourcing, fair wages, reasonable working hours, and safe, clean, and healthy working environments.

Ongoing Efforts and Future Directions

FCL's exploration of opportunities to further understand and reduce the risks of forced and child labour in their supply chain is an ongoing effort. Fort St. John Co-op relies on this continual assessment to guide our procurement strategies and ethical sourcing commitments. We are dedicated to working closely with FCL and other partners to ensure transparency, accountability, and the upholding of human rights within all aspects of our supply chain.

Non FCL Sources Supplier Risks

Approximately 1% of the products purchased by Fort St. John Co-op are sourced from beyond our primary partnership with Federated Co-operatives Limited (FCL). Our procurement spans four key categories for resale: food, energy, hardware, and petroleum equipment. Despite our vendor relationships being Canada-based, these product lines frequently have origins in various countries, including China. In light of the risks associated with forced and child labour within our supply chain, we leverage insights from *Walk Free's Global Slavery Index* and the *US Department of Labor's List of Goods Produced by Child Labor or Forced Labor*. As part of our commitment to ethical sourcing, Fort St. John Co-op is proactively developing and implementing policies and procedures, including a supplier code of conduct, to effectively mitigate these risks.

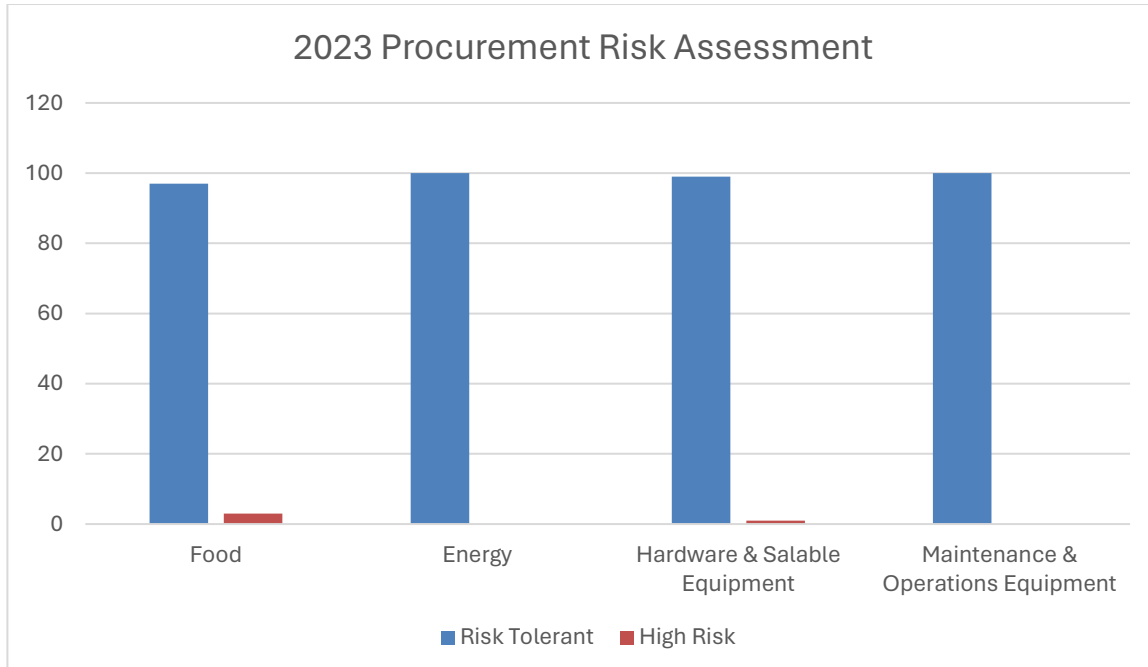
In addition to our international sourcing, a selection of our goods, notably certain food products and small electronics, are acquired from local vendors. Notably, some of these vendors operate small, family-run businesses where family members, children included, may partake in day-to-day operations. While such involvement is recognized as a facet of local business culture, it is paramount for Fort St. John Co-op to ensure these practices meet ethical standards and legal mandates concerning labour.



To achieve this, we are deeply invested in collaborating with our local suppliers to monitor and refine their practices, ensuring they align with our stringent ethical requirements. Our initiatives include:

- Hosting awareness sessions to underscore the significance of adhering to child labour laws and maintaining ethical practices.
- Promoting the transparent disclosure of business practices, especially concerning the participation of family members, to foster an environment of accountability.
- Identifying and adopting best practices that safeguard the welfare and rights of all workers, with a particular emphasis on the protection of minors from exploitation.

Our overarching aim is to cultivate a supply chain that is not only compliant with ethical standards but also bolsters the economic well-being of our local communities. Through partnership and dialogue with our local vendors, Fort St. John Co-op strives to ensure that family involvement, particularly that of minors, adheres to legal and ethical guidelines. This approach exemplifies our dedication to social responsibility and support for community sustainability, ensuring our supply chain reflects the values at the heart of our organization.



4. Remediation of Forced and Child Labour

Following a thorough risk assessment of our supply chain, Fort St. John Co-op has proactively taken steps to address and mitigate the potential risks of forced and child labour, as detailed in Section 2



of this report. Our commitment to ethical sourcing and responsible business practices is reflected in the deployment of robust policies and procedures aimed at safeguarding against human rights violations.

Current Initiatives

To date, Fort St. John Co-op has:

- Established and enforced a comprehensive Supplier Code of Conduct, requiring all suppliers to commit to the elimination of forced and child labour within their operations.
- Implemented detailed due diligence and monitoring procedures, including supplier questionnaires and audits, to assess compliance with our ethical standards.
- Engaged with local suppliers to educate and promote transparency regarding labour practices, particularly concerning family-run operations and the participation of minors.

Future Strategies

Recognizing the need for continuous improvement, Fort St. John Co-op plans to:

- Enhance our auditing and monitoring processes to include more frequent and thorough evaluations of our suppliers, focusing on those in high-risk categories and regions.
- Utilize advanced technology and third-party expertise to identify, assess, and address risks more effectively across our supply chain.
- Develop and implement additional training programs for our procurement team, ensuring they are equipped to recognize and respond to signs of forced and child labour.

Remedial Actions

Should incidents of forced or child labour be identified within our supply chain, Fort St. John Co-op is committed to taking immediate and effective action. This includes:

- Working closely with the implicated suppliers to understand the root causes of the violations.
- Determining appropriate remedial actions, which may range from corrective action plans to re-evaluation or termination of the supplier relationship, depending on the severity and nature of the incident.
- Supporting efforts to provide relief and remediation to affected individuals, in partnership with local and international organizations where applicable.

By implementing these strategies, Fort St. John Co-op aims not only to remediate existing risks but also to establish a proactive stance against forced and child labour in the future. Our goal is to ensure a supply chain that is free from exploitation, reflecting our core values and commitment to human rights and ethical business practices.



5. Remediation of Loss of Income

As part of our comprehensive risk assessment, Fort St. John Co-op has diligently reviewed its operations and supply chains to identify any instances of child or forced labour. To date, we are relieved to report that no such instances have been found within our direct operations or those of our suppliers. Consequently, there has not been a need to implement measures aimed at remediating the loss of income for vulnerable families that could potentially result from the elimination of such practices.

Commitment to Supporting Vulnerable Communities

While Fort St. John Co-op has not faced the specific challenge of remediating loss of income due to forced or child labour practices, we remain committed to supporting the well-being and economic stability of vulnerable families within our community and broader supply chain. Recognizing the importance of proactive support, we are exploring and implementing several initiatives designed to uplift and provide aid to those in need, including:

- **Community Support Programs:** Engaging in and supporting local initiatives that aim to improve the livelihoods of vulnerable families, focusing on education, healthcare, and economic development.
- **Supplier Engagement:** Working closely with our suppliers to ensure they provide fair wages and support the economic well-being of their employees, including family-run operations.
- **Sustainable Procurement Practices:** Prioritizing the procurement of goods from suppliers who demonstrate a strong commitment to ethical labor practices and the support of their local communities.

Looking Forward

Understanding the dynamic nature of global supply chains, Fort St. John Co-op remains vigilant in monitoring our operations and those of our suppliers for any risk of forced or child labour. We commit to acting swiftly should any such instances arise in the future, including addressing any related consequences such as the loss of income for affected families. Our aim is to not only prevent unethical labor practices within our supply chain but also to ensure that our business operations contribute positively to the welfare of all stakeholders, particularly the most vulnerable.

6. Employee Training

At Fort St. John Co-op, we understand the importance of educating our team on ethical practices and the risks associated with forced and child labour. Our commitment to upholding human rights and ethical standards is reflected in our ongoing training and awareness initiatives, tailored to



empower our employees and contractors to conduct business responsibly.

Ongoing Initiatives

- **Awareness Campaigns:** We have initiated targeted awareness campaigns designed to inform new and existing team members about our ethical standards and the significance of preventing forced and child labour. These campaigns are an integral part of our effort to foster a culture of integrity and responsibility across all levels of the organization.

Future Actions

- **Human Rights Awareness Training:** Recognizing the critical need to deepen understanding of human rights issues, we are committed to integrating human rights awareness into our training programs. This initiative will focus on creating awareness around the risks of forced and child labour, ensuring all team members are equipped with the knowledge to identify and mitigate these risks.
- **Role-Specific Training:** To further strengthen our ethical practices, we plan to introduce role-specific training programs. These will provide tailored guidance to team members, particularly those in procurement and supply chain roles, on recognizing and addressing the potential risks of forced and child labour within our operations and supply chain.

Commitment to Continuous Improvement

Fort St. John Co-op is dedicated to continuously enhancing our training and awareness programs. By investing in our team's education and fostering a culture of ethical vigilance, we aim to ensure that all business conducted on behalf of our organization aligns with our core values and ethical standards. Our planned initiatives represent a significant step forward in our ongoing commitment to human rights and responsible business practices.

7. Efficacy of Actions

Fort St. John Co-op is dedicated to ensuring the effectiveness of our initiatives to combat forced and child labour within our operations and supply chain. Through a comprehensive review of our current policies and procedures, we have embarked on a journey to enhance our monitoring and evaluation processes.



Monitoring and Evaluation Process

- **Employee Awareness:** We are committed to cultivating a high level of awareness among our employees regarding the importance of preventing forced and child labour. The success of our awareness campaigns is measured by assessing the breadth and depth of employee understanding and engagement with these critical issues.
- **Performance Indicators:** Fort St. John Co-op has identified specific performance indicators that will serve as benchmarks for evaluating the success of our actions. These indicators include the engagement level of our employees in ethical practices training, the effectiveness of our awareness campaigns, and the integration of ethical considerations into our procurement processes.
- **Annual Policy Review:** An annual review of our policies and procedures related to forced and child labour will be conducted to ensure they remain relevant and effective. This review process will allow us to make necessary adjustments and enhancements based on the latest best practices and emerging risks.

Commitment to Continuous Improvement

Recognizing that the fight against forced and child labour requires ongoing effort and vigilance, Fort St. John Co-op is committed to continuously improving our strategies and actions. We understand the importance of adaptability and are prepared to evolve our approaches based on the effectiveness of our current measures and the dynamic nature of global supply chains.

By establishing a robust monitoring and evaluation framework, Fort St. John Co-op aims to ensure that our efforts to prevent forced and child labour are impactful and sustainable. We are dedicated to upholding the highest standards of ethical conduct and making a positive difference in the lives of individuals and communities affected by these issues.



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 black ink, appearing to be "C. Chilcott", written over a horizontal line.

Connie Chilcott
President

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