

Kindersley & District  
Co-operatives Ltd.



# Forced Labour in Canadian Supply Chains

Kindersley & District Co-operatives Ltd.

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## Introduction

This report is Kindersley & District Co-operatives Ltd. 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 Kindersley & District Co-operatives Ltd. The reporting entity covered by this statement is Kindersley & District Co-operatives Ltd., business number 102837697.

For the purposes of the Act, Kindersley & District Co-operatives Ltd. 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. Kindersley & District Co-operatives 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.

Kindersley 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, Kindersley & District Co-operatives Ltd. 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 Excellence, Service and Responsibility, Kindersley & District Co-operatives Ltd. 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 Kindersley, Saskatchewan, Kindersley & District Co-operative is a co-operative owned by more than 7500 members in the Kindersley & District Co-operatives Limited in Saskatchewan. As part of the CRS, Kindersley & District Co-operatives Ltd. helps build, feed and fuel individuals and in our local communities. We employ 125 individuals in our communities. Kindersley & District Co-operatives Ltd. Is committed to embracing the co-operative model through local investment, community mindedness, care for the environment and lifetime membership benefits. Kindersley & Districts Co-operative Ltd. Mission is to provide our customers with top-quality products and outstanding service.

### Activities

Kindersley & District Co-operatives Ltd. 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, convenience stores and clothing and giftware.

#### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Kindersley & District Co-operatives Ltd. with 7 retail locations in 7 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Kindersley & District Co-operatives Ltd. sources 99.4838 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 0.005162 percent of products are sourced by Kindersley & District Co-operatives Ltd. from within Saskatchewan, Western Canada and within Canada.

#### Supply Chain

Kindersley & District Co-operatives 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, liquor and pharmacy, candy, and Co-op private label food products.
<b>HOME AND BUILDING SUPPLIES</b>	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products
<b>CLOTHING</b>	Add clothing products you source for resale

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

#### Internal

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

Kindersley & District Co-operatives 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 Saskatchewan's labour laws, Kindersley & District Co-operatives Ltd. does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 18. Kindersley & District Co-operative follows the Canadian Standard in accordance with the Canadian Labour Code.

Kindersley & District Co-operatives 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. Kindersley & District Co-operatives Ltd. '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**

Kindersley & District Co-operatives Ltd.'s main supplier, FCL, accounts for 96 percent 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, Kindersley & District Co-operatives Ltd. will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 0.005162 percent of goods purchased by Kindersley & District Co-operative Ltd. are procured from outside of FCL. Kindersley & District Co-operatives Ltd. has 4 main categories of goods for resale, which include, food, clothing, giftware and some steel products. These product lines are sourced from within Canada, including Saskatchewan and Canada. The figure below represents the countries of origin for FCL Key suppliers of Kindersley & District Co-operatives Ltd.'s import goods from high-risk countries. 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, high risk countries have been identified as a [high inherent risk country](#) for forced and/or child labour. Kindersley & District Co-operatives Ltd. is exploring opportunities to implement a supplier code of conduct, Whistle-blower Policy and update our Code of Ethics Policy to minimise this impending risk.

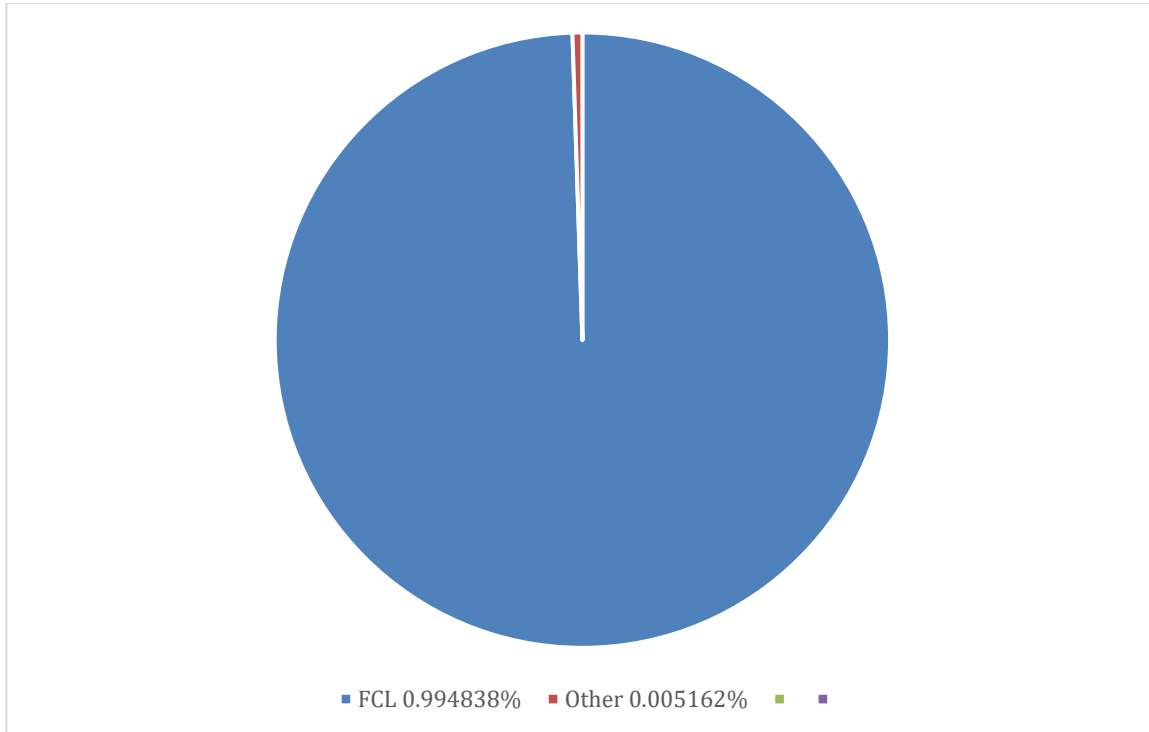


Figure 1. Total spend by vendor in fiscal year 2023 on goods for resale within the consumer goods lines of food, convenience stores, pharmacy, and home and building supplies.

Kindersley & District Co-op's supply chain mapping activities on were limited to our most material vendors. Materiality was determined by selecting 99.4838 percent of suppliers by total spend in 2023.

The remaining 0.005162 percent of goods purchased by Kindersley & District Co-operatives Ltd. are procured from outside of FCL. Kindersley & District Co-operatives Ltd. has 4 main categories of goods for resale, which include, food, home and building supplies, clothing, giftware and sundry. 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, Kindersley & District Co-operatives Ltd. has conducted an initial risk assessment of food, clothing, giftware and steel products as products sourced from suppliers outside of FCL, these companies are of Canadian origin and considered low risk. To mitigate the inherent risks with these products, Kindersley & District Co-operatives Ltd. has implemented an auditing or monitoring program with these vendors.

- Update of the Code of Ethics and Whistleblower policies is in progress.



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

Kindersley & District Co-operatives 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, Kindersley & District Co-operatives 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, Kindersley & District Co-operatives Ltd. will work with suppliers to determine and implement remedial action.

## **4. Remediation of Loss of Income**

Kindersley & District Co-operatives 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.

## **5. Employee Training**

Annual training and attestation are currently required for all employees to ensure compliance with Kindersley & District Co-operatives Ltd. 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 Kindersley & District Co-operatives Ltd. Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Kindersley & District Co-operatives Ltd. has identified the opportunity to incorporate human rights awareness training into the annual Code of Conduct attestation to create awareness of and the associated risks of forced and child labour. In addition, Kindersley & District Co-operatives 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.

## **6. Efficacy of Actions**

Kindersley & District Co-operatives 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.





## 7. 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

Title

Date

Signature

I have the authority to bind Kindersley & District Co-operatives Ltd. The Statement has been reviewed and approved by the Board on behalf of itself.