

La Crete Co-op Ltd



# Forced Labour in Canadian Supply Chains

La Crete Co-op Ltd.

April 28, 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 La Crete Co-op Ltd'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 October 28, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer La Crete Co-op Ltd. The reporting entity covered by this statement is La Crete Co-op Ltd, business number 10292 7787.

For the purposes of the Act, La Crete Co-op Ltd meets the entity definition by having a business in Canada, doing business in Canada and meeting two of the three threshold criteria for revenue and assets. La Crete Co-op 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.

Guided by core values of Integrity, Excellence, and Responsibility, La Crete Co-op 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 La Crete Alberta, La Crete Co-op 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. La Crete Co-op Ltd is in turn, owned by 2547 members in Alberta. As part of the CRS, La Crete Co-op Ltd helps build, feed and fuel individuals and in our local communities. We employ 97 individuals.

### **Activities**

La Crete Co-op Ltd business is largely business-to-consumer focused on serving the communities in which we operate. We are based in two northern Alberta communities, La Crete and High Level, with our home base being in La Crete. Our core retail lines of business include food, home supplies, agriculture equipment, livestock feed, and petroleum products.

### **Supply Chain**

#### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to La Crete Co-op Ltd with two retail locations in two communities in Alberta, including food, home supplies, agricultural equipment, livestock feed, propane, lubricants, and petroleum. La Crete Co-op Ltd sources 96 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, and fuel terminals.

The remaining 4 percent of products are sourced by La Crete Co-op Ltd are mainly Canadian suppliers including many local suppliers, with 2 vendors from the United States

La Crete Co-op'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

CATEGORY	DESCRIPTION
FOOD	Over the counter supplements, locally produced and Canadian specialty items in grocery
PHOTO LAB	Products to develop and print photos; no wet chemistry
CLOTHING	Pants

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

### Internal

La Crete Co-op Ltd maintains Compliance and Ethics policies to which all employees must adhere to through Code of Conduct training. La Crete Co-op 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. La Crete Co-op Ltd's senior leadership regularly reviews human resource related policies to ensure La Crete Co-op Ltd. remains in compliance with applicable workplace and labour legislation.

La Crete Co-op 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 Alberta's labour laws, La Crete Co-op Ltd does not employ anyone under the age of 15, and follows all applicable young persons restrictions for employees under the age of 18.

La Crete Co-op 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. La Crete 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;
- Develop a grievance mechanism that suppliers' employees can access anonymously in a format that is inclusive and accessible.

#### Suppliers

Our close relationship with FCL as a preferred supplier and our understanding of their sustainability, social responsibility, and environmental practices is an important part of our relationship with FCL. As FCL supplies La Crete Co-op Ltd with 96% of our procurement, we are confident in these purchases through their programs and qualifications.

### 3. Identification of Risks

La Crete Co-op Ltd's main supplier, FCL, accounts for 96% 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.

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

The remaining 4% of goods purchased by La Crete Co-op Ltd are procured from outside of FCL. La Crete Co-op Ltd. has four main categories of goods for resale, which include, food, agriculture, petroleum products, and photo development. These product lines are sourced from two different countries, including Canada and the United States of America.

La Crete Co-op's supply chain mapping activities identifies FCL as our greatest material vendor. Materiality was determined that FCL is the supplier of 96% of our total spend in 2023.

The remaining 4% of goods purchased by La Crete Co-op Ltd are procured from outside of FCL.



La Crete Co-op Ltd has four main categories of goods for resale, which include, food, agriculture, energy, and fuel. 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, La Crete Co-op Ltd has conducted an initial risk assessment of Food and Fuel categories, and has not identified inherent risks of forced and/or child labour that is not managed proactively through FCL. To mitigate the inherent risks with these food types, La Crete Co-op Ltd will implement the following policies, procedures:

- North American Purchase Policy
- Procedures for Purchase Outside of North America

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

La Crete Co-op 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, La Crete Co-op 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, La Crete Co-op Ltd will work with suppliers to determine and implement remedial action.

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

La Crete Co-op 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**

Training and attestation are currently required for all employees to ensure compliance with La Crete Co-op 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 La Crete Co-op Ltd Board of Directors, the Senior Leadership Team and all current and new employees and contractors. La Crete Co-op 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, La Crete Co-op Ltd 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**



La Crete Co-op 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.

Full name    JOHN KLASSEN  
Title        BOARD PRESIDENT  
Date         MAY 29, 2024  
Signature    

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