

Meadow Lake Co-operative Association Limited



# Forced Labour in Canadian Supply Chains

Meadow Lake Co-operative Association Limited

May 30, 2024



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## Introduction

This report is Meadow Lake Co-operative Association Limited's (Meadow Lake Co-op) 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 January 31, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Meadow Lake Co-op. The reporting entity covered by this statement is Meadow Lake Co-op, business number 10361 2180.

For the purposes of the Act, Meadow Lake Co-op 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. Meadow Lake 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.

Meadow Lake 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, Meadow Lake 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 core values of community, service, team work and responsibility, Meadow Lake 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

Based in Meadow Lake, Saskatchewan, Meadow Lake Co-op is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. Meadow Lake Co-op is in turn owned by over 10,000 members in Saskatchewan. As part of the CRS, Meadow Lake Co-op helps grow, build, feed and fuel individuals in our local communities. We employ over 180 individuals. We are committed to embracing the co-operative model through investment, community mindedness, care for the environment and lifetime membership benefits. Meadow Lake Co-op's mission is to be a leader in exceptional customer experiences in the communities we serve.

### Activities

Meadow Lake Co-op's business is largely business-to-consumer; focused on serving the communities in which we operate in northwest Saskatchewan. Our core retail lines of business include food, liquor, pharmacy, agriculture, hardware, fuel, convenience stores and carwash.



## Supply Chain

### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Meadow Lake Co-op with 8 retail locations in 2 communities in Saskatchewan including food, hardware, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Meadow Lake Co-op sources 94 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 6 percent of products are sourced by Meadow Lake Co-op from local producers, Canadian suppliers, and one American supplier.

### Products Sourced for Resale

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, crop protection products, seed, fertilizer and livestock feed
<b>ENERGY</b>	Fuel, lubricants, propane
<b>FOOD</b>	Fresh produce, fresh meat, dairy, bakery, deli, dry groceries, convenience store items, candy, liquor and pharmacy
<b>HARDWARE SUPPLIES</b>	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, electrical products, animal health and toys
<b>CLOTHING</b>	Jackets, hoodies, rubber boots

### Supply Chain

Meadow Lake Co-op's supply chain is comprised of products that are manufactured by FCL legally owned entities and products sourced for resale.

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

Meadow Lake Co-op maintains Compliance and Ethics policies to which all Team Members must adhere to through an annual Code of Conduct attestation. Meadow Lake Co-op 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. Meadow Lake Co-op's People



and Culture team regularly reviews human resource related policies to ensure Meadow Lake Co-op remains in compliance with applicable workplace and labour legislation.

Meadow Lake Co-op ensures that there is reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. The legal age of employment in Saskatchewan is 16. Youths aged 14 and 15 can work if they have completed the Young Worker Readiness Certificate course. The Saskatchewan Federation of Labour also offers a Ready for Work program to educate students and new workers about their health and safety rights on the job. Meadow Lake Co-op does not employ anyone under the age of 14, and follows all applicable young worker restrictions for employees under the age of 16. During a school week, young people 14, or 15 years of age can work up to 20 hours per week and cannot work after 10pm on a school night. During school breaks, young people can work as much as any other employee.

Meadow Lake Co-op 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. Meadow Lake 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;
- 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**

Meadow Lake Co-op's main supplier, FCL, accounts for 94% 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 hardware centres:

- a. Key suppliers of FCL’s hardware 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, Meadow Lake Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 6% of goods purchased by Meadow Lake Co-op are procured from outside of FCL. Meadow Lake Co-op has seven main categories of goods for resale, which include, food, agriculture, energy, pharmaceuticals, liquor, fuel, and hardware. These product lines are mainly sourced from within Canada and minimal other countries, including China. Key suppliers of Meadow Lake Co-op Hardware Store import 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. Meadow Lake Co-op is exploring opportunities to implement a supplier code of conduct to minimise this impending risk.

The figure below represents the countries of origin for goods for resale. A supplier of animal feed to Meadow Lake Co-op’s Service Centre is from the United States.

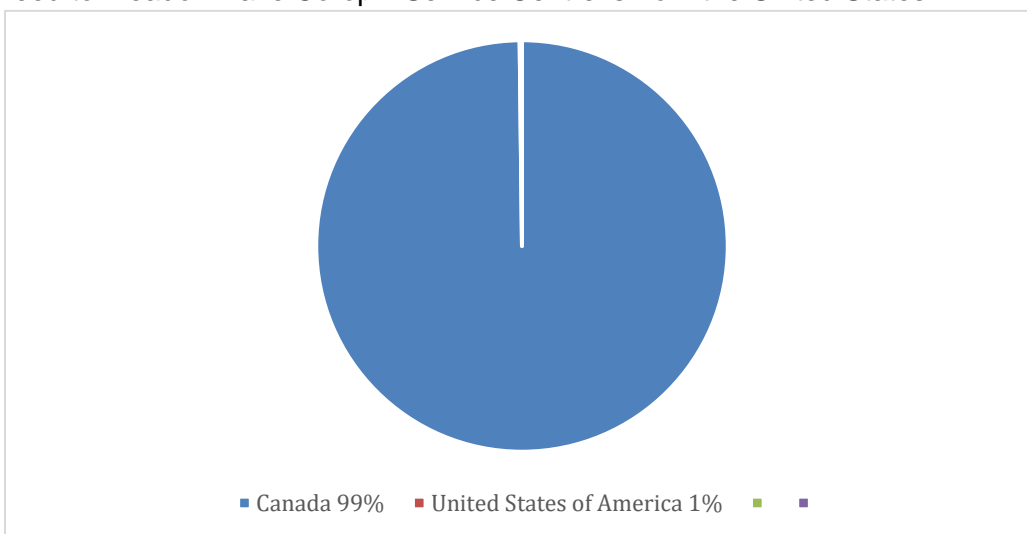


Figure 1. Total spend by country in fiscal year 2023 on consumer products.



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

Meadow Lake Co-op 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, Meadow Lake Co-op 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, Meadow Lake Co-op will work with suppliers to determine and implement remedial action.

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

Meadow Lake Co-op 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 Team Members to ensure compliance with Meadow Lake Co-op'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 Meadow Lake Co-op Board of Directors, the Senior Leadership Team and all current and new team members and contractors. Meadow Lake Co-op 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, Meadow Lake Co-op 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**

Meadow Lake Co-op 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 team member awareness, number of vendors signing the Social Responsibility Agreement, number of team members 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    Caralee Strome  
Title        General Manager  
Date         May 31, 2024

Signature    *Caralee Strome*

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