Southern Plains Co-operative Limited

Forced Labour in Canadian Supply Chains

Southern Plains Co-operative Limited

April 2024

EXCELLENCE · TEAMWORK · PEOPLE

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Introduction

This report is Southern Plains Co-operative 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 Southern Plains Co-operative. The reporting entity covered by this statement is Southern Plains Co-operative's business number 101689305.

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

Guided by core values of excellence, teamwork and people, the 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 Estevan, Saskatchewan, Southern Plains Co-operative is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own FCL. The Co-op is in turn owned by19,829 members in Saskatchewan. As part of the CRS, the Co-op helps build, feed and fuel individuals in our local communities. We currently employ 222 individuals.

Activities

Southern Plains Co-operative business is largely business-to-consumer focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, agriculture, home and building, fuel, and convenience stores.

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to the Co-op with 13 retail locations in 5 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. The Co-op sources 95.5 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 4.5 percent of products are sourced by Southern Plains Co-operative from local suppliers within Canada.

Supply Chain
Southern Plains Co-operative'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
AGRICULTURE	Agricultural equipment, crop protection products, fertilizer and feed
ENERGY	Fuel, lubricants, propane
FOOD	Food store products- including Co-op private label. convenience store items, liquor, candy
HOME AND BUILDING SUPPLIES	Hardware, lumber, building materials, tools, paint, seasonal items, plumbing, and electrical products

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

Internal

Southern Plains Co-op maintains Compliance and Ethics policies to which all employees must adhere to. The 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. Southern Plains Co-operative's Human Resource team regularly reviews human resource related policies to ensure the Co-op remains in compliance with applicable workplace and labour legislation.

Southern Plains Co-operative 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, the Co-op does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 18.

The 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. The 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.

3. Identification of Risks

The Co-op's main supplier, FCL, accounts for 95.5% 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, Southern Plains Co-operative will be relying on this on-going assessment to continue assessing goods procured from FCL.

1. The remaining 4.5% of goods purchased by Southern Plains Co-op are procured from outside of FCL. Southern Plains Co-op has 4 main categories of goods for resale, which include, food, agriculture, liquor, fuel. These product lines are sourced from within Canada. The Co-op is exploring opportunities to implement a supplier code of conduct to minimise this impending risk.

4. Remediation of Forced and Child Labour

The 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, Southern Plains Co-operative 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, we will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

The 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 employees to ensure compliance with the 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 Southern Plains Co-op Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Southern Plains Co-operative 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, the 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

Southern Plains Co-operative 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: **Brian Enns**
Title: **General Manager**
Date: September 3, 2024

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