

Prairie North Co-op



Forced Labour in Canadian Supply Chains

Prairie North Co-op

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Introduction

This report is Prairie North 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 fiscal year ending December 30, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Prairie North Co-op. The reporting entity covered by this statement is Prairie North Co-op, business number 103627469.

For the purposes of the Act, Prairie North 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. Prairie North 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.

Prairie North 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, Prairie North 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 Service, Integrity and Unity, Prairie North 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

- Prairie North Co-operative Limited
- Made up of members, board of directors, management, and staff.
- Open and voluntary membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, concern for community.
- 315 employees

Based in Melfort, Saskatchewan, Prairie North 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. Prairie North Co-op is in turn owned by 13548 members in Saskatchewan. As part of the CRS, Prairie North Co-op helps build, feed and fuel individuals and in our local communities. We employ 315 number of individuals.



Activities

- Processing, sale, or distribution of goods, in Canada , including
- Grocery items – \$38,966,666
- Agro – \$62,171,093
- Gas Bar – \$20,613,274
- HABS – \$16,797,260
- Petroleum Division - \$27,557,098
- Locations in Melfort, Brooksby, St Brieux, Naicam, Spaulding, Archerwill and Kelvington Saskatchewan (Western Canada)

Prairie North Co-op's 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.

Supply Chain

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Prairie North Co-op with 22 retail locations in 7 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum . Prairie North Co-op sources 90 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 10 percent of products are sourced by Prairie North Co-op from various local vendors

Supply Chain

Prairie North Co-op's supply chain is comprised of products that are manufactured by FCL legally owned entities and locally sourced products.

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

Internal

Prairie North Co-op maintains Compliance and Ethics policies to which all employees must



adhere to through an annual Code of Conduct attestation. Prairie North 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. Prairie North Co-op's People and Culture team regularly reviews human resource related policies to ensure Prairie North Co-op remains in compliance with applicable workplace and labour legislation.

Prairie North Co-op 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, Prairie North 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.

Prairie North Co-op is exploring the implementation of effective grievance and remediation mechanisms in an effort to address concerns or potential cases of forced and child labour in the supply chain. Prairie North 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

Prairie North Co-op's main supplier, FCL, accounts for 90% 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, Prairie North Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 10% of goods purchased by Prairie North Co-op are procured from outside of FCL. Prairie North Co-op has a few main categories of goods for resale, which include, food, agriculture, liquor, fuel, and home and building supplies. These product lines are sourced from different countries, including the U.S.A. This information is still being gathered and will be included in future reports. . 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 country's will be identified> as [high inherent risk country](#) for forced and/or child labour. Prairie North Co-op is exploring opportunities to implement a supplier code of conduct to minimise this impending risk.

Prairie North Co-op's supply chain mapping activities were limited to our most common material vendors. Materiality was determined by selecting our top 90% of suppliers by total spend in 2023.

The remaining 10% of goods purchased by Prairie North Co-op are procured from outside of FCL. Prairie North Co-op has a few main categories of goods for resale, which include, food, agriculture, energy, liquor, fuel, and home and building supplies. 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, Prairie North Co-op will conduct an initial risk assessment of these businesses and identify inherent risks of forced and/or child labour in . To mitigate the inherent risks with these categories, Prairie North Co-op will be implemented the following policies, procedures, and management oversight controls:

4. Remediation of Forced and Child Labour

Prairie North 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, Prairie North 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, Prairie North Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Prairie North 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 Prairie North 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 Prairie North Co-op Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Prairie North 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, Prairie North 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

Prairie North 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 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 *Terry Dean Tremblay*
Title *General Manager*
Date *May 23, 2024*

Signature *Terry Tremblay*

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