

The Wetaskiwin Co-operative  
Association Limited



# Forced Labour in Canadian Supply Chains

The Wetaskiwin Co-operative Association Limited

May 31, 2024



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## Introduction

This report is The Wetaskiwin Co-operative Association Limited's (WCA) 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', 'WCA', 'we', 'us', and 'our' refer to The Wetaskiwin Co-operative Association Limited. The reporting entity covered by this statement is The Wetaskiwin Co-operative Association Limited, business number 1055658108.

For the purposes of the Act, WCA meets the entity definition by having a business in Canada, doing business in Canada and meeting both threshold criteria for revenue and assets. The Wetaskiwin Co-operative Association Limited 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.

WCA is committed to continuous improvement in the areas of identification and remediation of forced and child labor in operations as well as local and global supply chains. Further, WCA 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 our core values of Integrity, Excellence, Community and Service, WCA is committed to making ethical business decisions and taking proactive measures to address issues such as forced and child labor.

## Structure, Activities, and Supply Chain

### 1. Structure

Based in Wetaskiwin Alberta, WCA is a Co-operative that is owned by 13,000 members throughout Alberta. We are one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and part owner of Federated Co-operatives Limited based in Saskatoon. As part of the CRS, WCA helps build, feed and fuel individuals in our local communities.

As one of the largest employers in our community, WCA is an integral part of the City of Wetaskiwin providing goods and services to the community for over 107 years. Incorporated in 1917, WCA has evolved into a large supplier of crop inputs, petroleum, hardware and building supplies as well as feed products.



WCA operates out of nine locations in Central Alberta. Four locations are involved with animal feed manufacturing (not including pet feed). Additionally, we operate one gas bar, a liquor store, two Home improvement centers and an Agriculture supply center.

WCA is controlled by a Board of Directors (BOD). The BOD hires a General Manager (GM) who then takes responsibility for the operation of the business. The GM hires division managers and each division manager is then responsible to hire their teams to take care of the business. WCA employees approximately 190 team members.

## **2. Activities**

WCA business is a combination of B2B and B2C. B2C is mainly consumer retail business. Our core lines of business in our B2C segment would be Home and Building, Convenience Store and Liquor. B2B consists of a focus on supplying farm business with the necessary products to produce mainly cereal crops, canola and corn. The remainder of the B2B business is a result of providing animal feed products to dairy producers, beef producers, poultry producers and various other livestock producers.

WCA is an animal feed manufacturer. We manufacture feed products in bulk and in bags that is used to raise farm animals. We have the capability of delivering the feed products direct to farm with our own trucking equipment or we offer a pick-up service. The majority of our business focuses on dairy, beef, poultry, goats and lambs and is concentrated within the province of Alberta. All raw ingredients are sourced from Canadian manufacturers and growers.

Our feed manufacturing facilities are located in Edmonton, Camrose, Innisfail and Wetaskiwin. All locations are located within 125 km from the Wetaskiwin hub.

## **3. Supply Chain**

### Wholesale and Retail Trade – products sourced for resale

Federated Co-operatives Limited (FCL) sources and distributes products across many primary consumer and business lines to WCA with 5 retail locations in 2 communities in the province of Alberta including home and building supplies, crop inputs, agricultural equipment, propane, lubricants and petroleum. WCA sources 65 percent of the products for resale from FCL. These products are purchased by FCL from within Canada and distributed throughout the CRS using FCL's fleet, distribution centres, bulk fuel distribution centres, fuel terminals and fertilizer plants.

The remaining 30 percent of products are sourced by WCA from Canadian suppliers that are from Canada, do business in Canada and meet the terms of the Wetaskiwin Co-op Company



Policy on Child and Forced Labour in Canadian Supply Chains that was developed in March 2024. This includes evaluating supplier practices, policies, and compliance with international standards. WCA has a long history of sourcing local products and supporting local businesses.

The Wetaskiwin Co-operative Association Limited supply chain is comprised of products that are manufactured by FCL's legally owned entities and products sourced for resale.

<b>CATEGORY</b>	<b>DESCRIPTION</b>
<b>AGRICULTURE</b>	Agricultural equipment, crop protection products, fertilizer
<b>ENERGY</b>	Petroleum products including fuel, lubricants and propane
<b>HOME AND BUILDING SUPPLIES</b>	Home and building supplies, hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products
<b>CLOTHING</b>	Men's and Ladies fashions and work wear.
<b>FEED</b>	Sourced from local grain producers and Canadian ingredient manufacturers.

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

The introduction of the Fighting Against Forced Labour and Child Labour in Supply Chains Act has brought forward the potential concerns that may arise once we have completed our supply chain due diligence. Many of the suppliers we use are Canadian supply sources. We are in the process of developing a process to ensure we have done everything that we can to ensure we are in compliance and that we know where the products in our supply chain originate.

The start to our due diligence process has been the development of a comprehensive policy that will be used to guide the actions of WCA but also guide the actions of our team members to mitigate the risks of sourcing our products from companies that use forced and Child Labour.



## **Wetaskiwin Co-op Company Policy on Child and Forced Labour in Canadian Supply Chains**

### **Purpose:**

Wetaskiwin Co-op and all of its divisions are committed to ethical practices in all aspects of our business operations. (From this point forward in this document, Wetaskiwin Co-op will refer to Wetaskiwin Co-op and all of its divisions.) We recognize the importance of identifying and mitigating the risks of forced labour and child labour within our supply chains. This policy outlines our commitment to comply with the regulations introduced by Bill S-211 and our approach to eradicating exploitative practices from our supply chains.

### **Policy Statements:**

#### **1. Compliance with Laws:**

Wetaskiwin Co-op will comply with all applicable laws and regulations related to forced labour and child labour, including Bill S-211. We will continuously monitor changes in legislation to ensure ongoing compliance.

#### **2. Supplier Due Diligence:**

Wetaskiwin Co-op will conduct due diligence on our suppliers to assess and mitigate risks related to forced labour and child labour. This includes evaluating supplier practices, policies, and compliance with international standards.

#### **3. Transparency and Reporting:**

We are committed to transparency in our supply chain practices. Wetaskiwin Co-op will regularly report on our efforts to address forced labour and child labour risks, including any remedial actions taken.

#### **4. Training and Awareness:**

All employees involved in supply chain management will receive training on identifying and addressing forced labour and child labour risks. This will help ensure that our team is well-equipped to uphold our commitment to ethical sourcing.

#### **5. Remediation:**

In cases where forced labour or child labour is identified within our supply chain, Wetaskiwin Co-op will take immediate remedial actions. This may include working with suppliers to address issues, terminating relationships with non-compliant suppliers, and supporting victims of exploitation.



## 6. Continuous Improvement:

Wetaskiwin Co-op will continuously review and update our policies and practices to improve our approach to combating forced labour and child labour in our supply chains. We will engage with stakeholders, including government institutions, Non-Governmental Organizations (NGOs), and industry groups, to stay informed of best practices and emerging trends.

### Responsibility and Accountability:

#### - Management:

Senior management is responsible for overseeing the implementation of this policy and ensuring that all employees are aware of their responsibilities.

#### - Employees:

All employees are responsible for adhering to this policy and reporting any concerns or suspicions related to forced labour and child labour within our supply chains.

### Review and Updates:

This policy will be reviewed annually or as needed to ensure its effectiveness and relevance. Feedback from stakeholders and employees will be considered in the review process, and updates will be communicated to all relevant parties.

### Conclusion:

Wetaskiwin Co-op is dedicated to upholding the highest standards of ethical conduct in our supply chain operations. We believe that by working collaboratively with our suppliers, employees, and stakeholders, we can make a meaningful impact in eradicating forced labour and child labour from Canadian supply chains.

### Internal

The Wetaskiwin Co-operative Association Limited maintains Compliance and Ethics policies to which all employees must adhere to through an annual Code of Conduct attestation. WCA 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 through a whistle-blower program through Meyers, Norris and Penny. Team members are protected with the establishment of an ethics alert hotline that they are able to report fraud and unethical activity with complete confidentiality and anonymity. WCA's Human Resources team regularly reviews human resource related policies to ensure WCA remains in compliance with applicable workplace and labour legislation.



The Wetaskiwin Co-operative Association Limited 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, WCA does not employ anyone under the age of 16 and follows all applicable young worker restrictions for employees under the age of 18. Young workers are only allowed to work providing there is no school. If a young worker is asked to work within the time that school is in-session they must have a permission slip from their parent or caregiver. WCA only employs 3 – 4 students at any given time throughout all of our locations.

The Wetaskiwin Co-operative Association Limited 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. WCA'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.

## **5. Identification of Risks**

The Wetaskiwin Co-operative Association Limited has an animal feed division which accounts for approximately 30% of the total goods sold by the WCA. This division manufactures animal feed for farm customers that raise dairy cattle, beef cattle, horses, poultry, goats and lambs. The products that are used to manufacture this feed comes from various sources. The ingredients that make up over 90% of the products that are needed to manufacture feed are commodity grains, more specifically wheat, barley and oats. These products are grown in Alberta by local producers that reside in the central Alberta area. This part of our business is considered low risk for forced and child labor.

Other ingredients that are used in some of the products that are manufactured are various sources of vitamins and minerals. These products are sourced from suppliers that are based in Canada and the products are produced in Canada. Again, we have determined that this part of our business is considered low risk for forced and child labor.

The risks associated with our feed ingredient supply are reduced substantially because we source the ingredients required to manufacture feed from local producers in Alberta Canada.





The Wetaskiwin Co-operative Association Limited's main supplier, FCL, accounts for approximately 65% of total procured goods in the area of crop inputs, home and building supplies and petroleum. 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 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.
2. Goods procured for Agricultural crop inputs:
  - a. FCL sources 100 percent of potash and sulphate products from Canadian producers which would be considered a low risk for forced and child labor. Further, 85 percent of urea is sourced from Canadian producers, 94 percent from North American producers and the remaining six percent from unknown international import sources. FCL does not currently have a centralized supply chain auditing or monitoring program in place. However, portions of the business have formalized processes, such as IPCO, who currently performs supplier performance ratings as part of the ISO certification.

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

The remaining 5% of goods purchased by WCA are procured from outside of FCL. WCA has 4 main categories of goods for resale, which include agriculture, energy, home and building supplies and feed. These product lines are sourced from 2 different countries, including Canada and the United States of America. The figure below represents the countries of origin for categories which risk assessment was conducted for. 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*. WCA is exploring opportunities to implement a supplier code of conduct to minimise this impending risk.

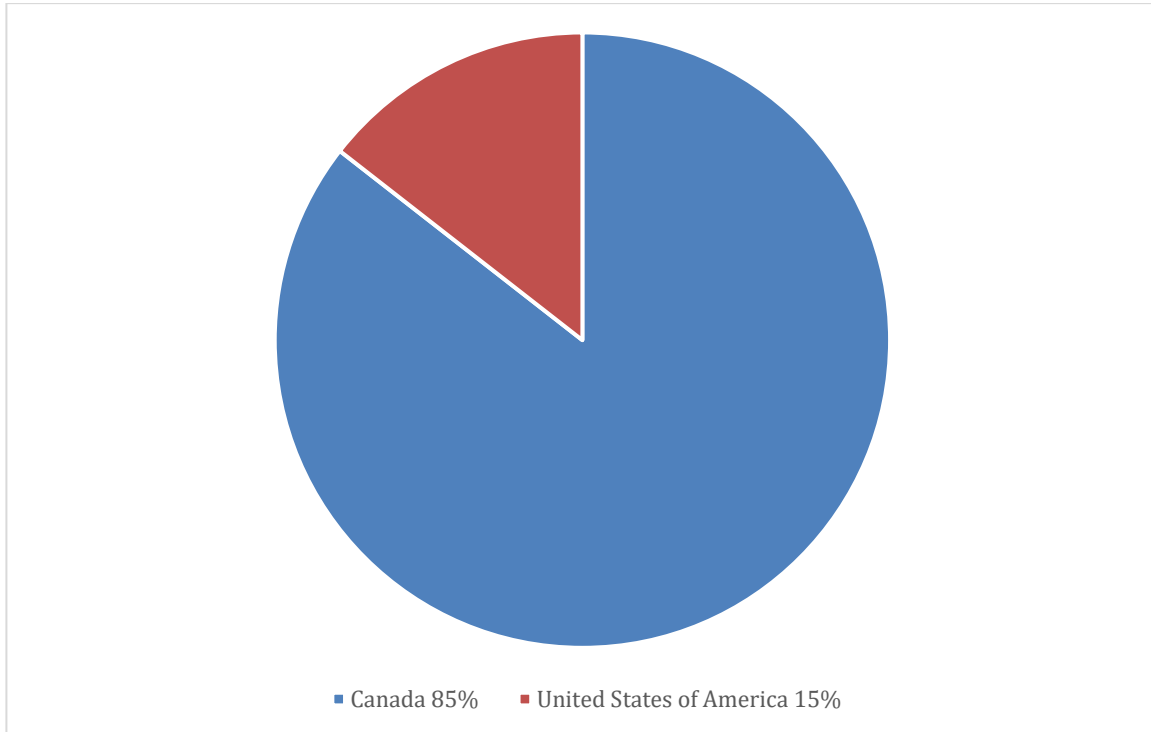


Figure 1. Total spend by country in fiscal year 2023 on all non-feed products sourced from outside of the CRS.

## 6. Remediation of Forced and Child Labour

WCA has taken action to remediate potential risks of forced and child labour through deployment of the policies and procedures outlined in Section 4 of the report. In the future, WCA 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, WCA will work with suppliers to determine and implement remedial action.

## 7. Remediation of Loss of Income

WCA 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.

## 8. Employee Training

Annual training and attestation are currently required for all employees to ensure compliance with WCA'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 The Wetaskiwin Co-operative Association Limited's Board of Directors, the Senior Leadership Team and all current and new employees and contractors. WCA 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 labor. In addition, WCA is exploring opportunities to provide role specific training to educate team members and help them identify and respond to risks of child and forced labor in supply chains. These opportunities will be evaluated through fiscal year 2024.

## 9. Efficacy of Actions

WCA has conducted a review of current policies and procedures as they pertain to child and forced labor 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 labor.

## 10. 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 Allan Halter

Title General Manager

Date May 31, 2024

Signature *Allan Halter*

I have the authority to bind The Wetaskiwin Co-operative Association Limited. The Statement has been reviewed and approved by the Board on behalf of itself.