

Palliser Plains Co-operative Association Ltd.



# Forced Labour in Canadian Supply Chains

Palliser Plains Co-operative Association Limited

May 2025



## Introduction

This report is Palliser Plains Co-operative Association Ltd. (Palliser Plains 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 November 30, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Palliser Plains Co-operative Association Limited. The reporting entity covered by this statement is Palliser Plains Co-operative Association Limited, business number R105419105.

For the purposes of the Act, Palliser Plains Co-operative Association Ltd. meets the entity definition by having a business in Canada, doing business in Canada and meeting the asset threshold criteria for revenue, assets and employees. Palliser Plains Co-op is subject to reporting obligations under the Act by producing goods in Canada and importing goods produced outside Canada. Palliser Plains 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, 2025. Palliser Plains Co-op will have this report available to its members as well as the financial statements for the current reporting year.

Palliser Plains 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, Palliser Plains 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 Accountability, Honesty, Knowledge and Unity, Palliser Plains 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

Based in Tugaskie, Saskatchewan, Palliser Plains 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. Palliser Plains Co-op is in turn owned by 2,506 members in Saskatchewan. As part of the CRS, Palliser Plains Co-op helps build, feed and fuel individuals and in our local communities. We employ 50 individuals.

### Activities

Palliser Plains Co-op 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 Palliser Plains Co-op with 4 retail locations in 4 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. The Palliser Plains Co-operative Association sources 99.73 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 0.27 percent of products are sourced from North America by Palliser Plains Co-op.

#### Wholesale and Retail Trade: Products Sourced for Resale

CATEGORY	DESCRIPTION
AGRICULTURE	Agricultural equipment, crop protection products, fertilizer and feed
ENERGY	Fuel, lubricants, propane
FOOD	Convenience store items, candy
HOME AND BUILDING	Hardware, lumber, building materials, tools, paint,



SUPPLIES

seasonal, plumbing, and electrical products

LIQUOR

Liquor

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

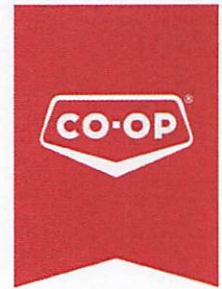
Palliser Plains Co-op is looking to implement new policies and procedures to assess and evaluate risk of suppliers.

Palliser Plains Co-op's Human Resources team regularly reviews human resource related policies to ensure Palliser Plains Co-op remains in compliance with applicable workplace and labour legislation. Palliser Plains 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 labour laws, Palliser Plains 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. We ensure that all young workers are certified with their Youth Worker Readiness Certificate prior to hire. We abide by all the restrictions in place for 14 and 15-year-old employees. Palliser Plains Co-op ensures all foreign workers have been provided, and read the International Mobility Program Get to Know Your Rights in Canada document.

### 1. Identification of Risks

Palliser Plains Co-op's main supplier, FCL, accounts for 99.73% 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, Palliser Plains Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 0.27% of goods purchased by Palliser Plains Co-op are procured from outside of FCL. Palliser Plains Co-op has 5 main categories of goods for resale, 2 of which have products that are procured outside FCL; which include, liquor, and home and building supplies. These product lines are sourced from North America and are considered a low risk for country of procurement at Tier 1. Liquor is sourced primarily through SLGA and they are required to meet the legislative requirements for bill S211 as well. The remaining procurement of liquor is locally and nationally sourced. Home and Building suppliers sourced outside of FCL are all sourced from North American companies. However, there are high risk categories within our product lines procurement at other levels. Using two separate indices, Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Palliser Plains Co-op is exploring opportunities to implement a supplier questionnaire and code of conduct to minimise this impending risk.

Palliser Plains Co-op's supply chain mapping activities on were limited to our most material vendors. The remaining 0.27% of goods purchased by Palliser Plains Co-op are procured from outside of FCL. Palliser Plains Co-op has 5 main categories of goods for resale, which include, food, agriculture, energy, liquor, 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, Palliser Plains Co-op has conducted an initial risk assessment of food, agriculture, energy, liquor, and home and building supplies and identified inherent risks of forced and/or child labour in some products from these categories. To mitigate the inherent risks with we are looking into developing a vendor questionnaire and socially responsible agreement for vendors.



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

Palliser Plains Co-op's largest supplier FCL has taken action to remediate potential risks of forced and child labour through development of the policies and procedures outlined in Section 2 of the report. In the future, Palliser Plains 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, Palliser Plains Co-op will work with suppliers to determine and implement remedial action.

## **3. Remediation of Loss of Income**

Palliser Plains 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.

## **4. Employee Training**

Palliser Plains Co-op has identified the opportunity to incorporate human rights awareness training to create awareness and the associated risks of forced and child labour. In addition, Palliser Plains 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 2025.

Palliser Plains Co-op managers must complete Module 1 General Training on Forced and Child Labour whether or not they are involved in activities related to the acquisition of goods and services on behalf of Palliser Plains Co-operative Association Limited.

## **5. Efficacy of Actions**

Palliser Plains 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. In the future, success may 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.



### 3. 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 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.

Shane Bryan  
President of the Board of Directors  
May 16, 2025

Johnathan Cooper, I have the authority to bind Palliser Plains Co-op.

Johnathan Cooper  
Vice President of the Board of Directors  
May 16, 2025

Shane Bryan, I have the authority to bind Palliser Plains Co-op.

Lorne Erickson  
Secretary of the Board of Directors  
May 16, 2025

Lorne Erickson, I have the authority to bind Palliser Plains Co-op.