

Swan Valley Co-op



# Forced Labour in Canadian Supply Chains

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April 15, 2026



## Table of Contents

Introduction .....	1
1. Structure, Activities and Supply Chain.....	1
Structure.....	1
Activities .....	2
Supply Chain .....	2
2. Policies and Due Diligence Processes in Relation to Forced and Child Labour.....	3
3. Identification of Risks .....	4
4. Remediation of Forced and Child Labour .....	6
5. Remediation of Loss of Income .....	6
6. Employee Training .....	6
7. Efficacy of Actions.....	6
8. Approval and Attestation of the Report.....	7



## Introduction

This report is Swan Valley 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 financial year ending January 31, 2026. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Swan Valley Co-op. The reporting entity covered by this statement is Swan Valley Co-op, business number 105101596.

For the purposes of the Act, Swan Valley Co-op meets the entity definition by having a business in Canada, doing business in Canada and meeting two of the three threshold criteria for revenue and assets. Swan Valley Co-op is subject to reporting obligations under the Act by producing goods in Canada. Swan Valley 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, 2026.

Swan Valley 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, Swan Valley 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 integrity, excellence, respect, and community, Swan Valley 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 Swan River, MB, Swan Valley Co-op is one of over 150 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Co-operative Limited (FCL). Swan Valley Co-op is in turn owned by 7500 members in Western Canada. As part of the CRS, Swan Valley Co-op builds, feeds, and fuels individuals and our local communities. We employ over 200 individuals within all lines of business.



## Activities

Swan Valley Co-op's business is a business-to-consumer and business-to-business focused on serving the communities in which we operate. Our core retail lines of business include food, agriculture, home and building, fuel and convenience stores. Swan Valley's mission is to make a difference in our members' lives, through our commitment to excellence in customer experience.

### Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Swan Valley Co-op, with 7 retail locations in 2 communities in Manitoba, including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Swan Valley 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 Swan Valley Co-op from Canada and the United States.

## Supply Chain

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

Table 1. Manufacturing/production

CATEGORY	DESCRIPTION	LOCATION
AGRICULTURE	Fertilizer blending	Swan River, MB

Table 2. Wholesale and Retail Trade: Products Sourced for Resale

CATEGORY	DESCRIPTION
AGRICULTURE	Agricultural equipment, crop protection products, fertilizer, seed and feed
ENERGY	Fuel, fluids, batteries and filters
FOOD	Convenience store items and candy
HOME AND BUILDING SUPPLIES	Building materials



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

### Internal

Swan Valley Co-op maintains a Business Code of Conduct & Ethics policy to which all employees must adhere. Swan Valley 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 or procedure. Procedures are put in place to protect the anonymity of whistle-blowers from retaliation. Swan Valley Co-op's Human Resource team regularly reviews human resource related policies to ensure Swan Valley Co-op remains in compliance with applicable workplace and labour legislation.

Swan Valley Co-op ensures that there is reduced risk of forced and child labour in operations through strict adherence to provincial and federal labour laws. As per Manitoba's labour laws, Swan Valley Co-op does not employ anyone under the age of 13 and follows all applicable young worker restrictions for employees under the age of 15. Young people who are 13 - 15 years of age need to complete a Young Worker Readiness Certificate Course before they can begin working. The Young Worker Readiness Certificate Course teaches young people about Employment Standards and Workplace Safety and Health requirements and requires a parent/guardian signature showing consent. During a school week, young people 13 - 15 years of age can work up to 20 hours per week. During school breaks, young people can work as much as any other employee. Young people are not allowed to work alone and must be directly supervised by an adult who is in the workplace, therefore, the tasks they perform are supervised and low risk as a result. Young people are prohibited from operating certain types of equipment (example: bread slicer).

In 2025, Swan Valley Co-op created a Supply Chain Act Compliance policy to ensure that all procurement decisions at Swan Valley Co-op strictly adhere to the requirements of Canada's Bill S-211, with a specific focus on preventing forced and child labour within our supply chains. Our commitment is to ethical sourcing practices that eliminate these risks and uphold the highest standards of integrity in supplier selection and management. This policy states Swan Valley Co-op leadership employees must complete Empowering Ethical Choices in Sourcing training if they are involved in activities related to the acquisition of goods and services on behalf of Swan Valley Co-op. All procurement activities will be conducted with integrity, transparency, and accountability.

In 2025, Swan Valley Co-op updated its Personnel Policies & Employee Manual to affirm that the Canadian Labour Code and respective Provincial Labour Standards are abided by.



Further, the updated policy states that all employees must be hired voluntarily and under no circumstances will Swan Valley Co-op engage in or support the use of forced labour, whether through coercion, threats or any form of intimidation. Under no circumstances will the youth employment standards of Manitoba be violated, including age restrictions, working hours and conditions of employment. While these employment practices have always been upheld by Swan Valley Co-op including this language in policy affirms Swan Valley Co-op's commitment to ethical employment standards.

## Suppliers

Any vendors with whom we purchased more than \$25,000 and any new vendors beginning fall of 2025 are required to complete the Supplier Certification. This certificate confirms:

- A. Their commitment to maintaining diligent oversight within their operations and supply chain to identify and prevent instances of child labour or forced labour,
- B. Their acknowledgment of the absence of such labour practices in their operations or supply chain concerning goods supplied to Swan Valley Co-op,
- C. Their agreement to promptly inform Swan Valley Co-op of any instance of child labor or forced labour, and
- D. Their commitment to taking appropriate remedial action if child labour or forced labour practices are discovered within their organization or supply chain.

The completion rate of the Supplier Certification is tracked and used to assess the efficacy of actions regarding forced and child labour undertaken through the fiscal year. Since implementation in 2024, 36% of suppliers with whom we purchase greater than \$25,000/year, have completed the certification. Seven new suppliers have also completed the certification document.

## 3. Identification of Risks

Swan Valley Co-op's main supplier, FCL, accounts for 94% per cent of total procured goods. In assessing the risk of forced and child labour at the direct supplier level for this relationship, FCL has concluded on the following assessment of the use of forced and child 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 food categories:
  - An inherent risk of forced and child labour has been identified within the food categories of 1) protein foods (specifically seafood); 2) beverages (specifically coffee); and 3) other (specifically chocolate). FCL has a sustainable seafood policy, Social Responsibility agreements with private label food suppliers, a Supplier Certification with national brand food suppliers and, sources several direct from producers and fair-



trade-certified products to mitigate these risks.

2. Goods procured for home building centres:

- Key suppliers of FCL's home and building supplies manufacture goods in China. Using the same indices to assess supply chain risk, China has been identified as a [high inherent risk country](#) for forced and/or child labour. FCL has elected to avoid sourcing home and building supplies from certain regions of China, such as the [Uyghur Region](#) due to the elevated risk of forced and child labour. FCL has required key suppliers to sign a Social Responsibility Agreement. In 2025 in the FCL home and building supplies team traveled overseas for factory visits, where they conducted informal auditing and monitoring at five facilities. No incidents of forced or child labour were observed.

3. Goods procured for fertilizer:

- Within the agricultural business line, FCL sources 100 per cent of potash and sulphate products from Canadian producers, which are considered no risk of forced and child labour. Further, 85 per cent of urea is sourced from Canadian producers, 9 per cent from North American producers outside of Canada, and the remaining 6 per cent from international import sources outside of North America. Urea, like fertilizer in general, is not considered an at-risk good for forced and/or child labour. Only 6 per cent of urea purchased by FCL is sourced from unknown international producers, reinforcing its classification as a low-risk good for Swan Valley Co-op. FCL sources 35 per cent of phosphates from US domestic producers, while the remaining 65 per cent is primarily sourced from OCP a known and reputable Moroccan producer.

FCL does not currently have a centralized supply chain auditing or monitoring program in place but is exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain therefore, Swan Valley Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 6% of goods purchased by Swan Valley Co-op are procured from outside of FCL. Swan Valley Co-op has 3 main categories of goods for resale, which include, food, agriculture, 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, Swan Valley Co-op has conducted an initial risk assessment of the 3 main categories and identified no inherent risks of forced and child labour. Materiality was determined by selecting suppliers with a total spend over \$25,000 in 2025.



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

Swan Valley 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, Swan Valley 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, Swan Valley Co-op will work with suppliers to determine and implement remedial action.

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

Swan Valley Co-op has not identified any instances of forced and child labour in operations or supply chains; therefore, no measures have been taken to remediate the loss of income to vulnerable families.

#### **6. Employee Training**

Employees are required to ensure compliance with Swan Valley Co-op's Business 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 Swan Valley Co-op Board of Directors, the Senior Leadership Team and all current and new employees.

Training on forced and child labour is required for all Swan Valley Co-op leaders. This training educates employees on what forced and child labour is, its prevalence in the global economy, and the sectors the CRS operates in. Further, the training highlights the responsibility of the CRS in addressing forced and child labour and equips employees with information on what to do if they suspect forced or child labour is occurring in the supply chain. These opportunities will be evaluated through fiscal year 2026.


#### **7. Efficacy of Actions**

Swan Valley Co-op conducted its annual review of current policies and procedures as they pertain to forced and child labour to ensure alignment with its ambitions to reduce these practices. In 2025, Swan Valley Co-op began tracking the efficacy of actions through relevant performance indicators, including completion rates for mandatory forced and child labour training and number of suppliers signing the Supplier Certification. Relevant performance indicators will be tracked annually to measure year over year progress.



## 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 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.

  
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Jessica Lacasse  
Board Chairperson  
April 15, 2026

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

