

The Moose Jaw Co-operative
Association Limited



Forced Labour in Canadian Supply Chains

The Moose Jaw Co-operative Association Limited

Updated May 2024





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Introduction

This report is The Moose Jaw Co-operative Association Limited's (Moose Jaw 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 January 31, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to The Moose Jaw Co-operative Association Limited. The reporting entity covered by this statement is The Moose Jaw Co-operative Association Limited, business number 10375 9544.

For the purposes of the Act, Moose Jaw 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. Moose Jaw 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.

Moose Jaw 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, Moose Jaw 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 excellence, trustworthy, community and people first, Moose Jaw 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 Moose Jaw, Saskatchewan, Moose Jaw Co-op is a retail co-operative that is owned by approximately 20,000 members residing in and around the communities of Moose Jaw, Avonlea, Wilcox and Liberty, Saskatchewan. We employ approximately 250 individuals across our various retail locations and communities. As part of the Co-operative Retailing System (CRS), which includes Federated Co-operatives Limited (FCL) and approximately 157 additional independent retail co-operatives; together we help build, feed and fuel communities across Western Canada. Moose Jaw Co-op and the entire CRS are committed to embracing the co-operative model through local investment, community mindedness, care for the environment and lifetime membership benefits. Moose Jaw Co-op's mission is to serve and give back to the community by providing quality goods and service through total business excellence.



Activities

Moose Jaw 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, pharmacy, agriculture, home and building, fuel, and convenience stores. Our retail facilities are located in the communities of Moose Jaw, Avonlea, Wilcox and Liberty, Saskatchewan.

Supply Chain

Wholesale and Retail Trade

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

FCL sources and distributes products across many primary consumer and business lines to Moose Jaw Co-op's 12 retail locations in 4 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Moose Jaw Co-op sources approximately 95 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.

Almost all the remaining 5 percent of products are sourced by Moose Jaw Co-op from local businesses within Canada.

Table 1. Wholesale and Retail Trade: Products Sourced for Resale

| CATEGORY | DESCRIPTION |
|-----------------------------------|---|
| AGRICULTURE | Agricultural equipment, seed, crop protection products, fertilizer, and feed |
| ENERGY | Fuel, lubricants, propane |
| FOOD | Food, convenience store items, liquor, and pharmacy |
| HOME AND BUILDING SUPPLIES | Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products |



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

Moose Jaw Co-op maintains Compliance and Ethics policies to which all employees must adhere to a Code of Conduct attestation upon hire. Moose Jaw Co-op has an established internal process for 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. Moose Jaw Co-op's People and Culture team regularly reviews human resource related policies to ensure Moose Jaw Co-op remains in compliance with applicable workplace and labour legislation.

Moose Jaw 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 our talent acquisition policy, Moose Jaw Co-op does not employ anyone under the age of 16.

Moose Jaw 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. Moose Jaw 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

Moose Jaw Co-op's main supplier, FCL, accounts for approximately 95% 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, Moose Jaw Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 5% of goods purchased by Moose Jaw Co-op are procured from outside of FCL. Goods acquired outside of FCL were made from Canadian sources. No assessment has been completed at this time pertaining to these goods as the amounts procured were insignificant. Moose Jaw Co-op is also exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain that is not attributable to FCL's procurement practices.

4. Remediation of Forced and Child Labour

Moose Jaw 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, Moose Jaw 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, Moose Jaw Co-op will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Moose Jaw 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

Upon hire, training and attestation are currently required for all employees to ensure compliance with Moose Jaw 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 Moose Jaw Co-op Board of Directors, the Senior Leadership Team and all current and new employees. Moose Jaw Co-op has identified the opportunity to incorporate human rights awareness training into the Code of Conduct attestation to create awareness and the associated risks of forced and child labour. In addition, Moose Jaw 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

Moose Jaw 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 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.

R. Riley Wright
Director, Consumer Operations and Enterprise Risk
May 31, 2024

A handwritten signature in black ink, appearing to be "R. Riley Wright", written over a horizontal line.

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