

Beausejour Consumers
Co-operative Ltd.



Forced Labour in Canadian Supply Chains

BEAUSEJOUR CONSUMERS CO-OPERATIVE LTD.

May 2024



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Introduction

This report is Beausejour Consumers Co-operative Ltd.'s (Beausejour 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 February 3, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Beausejour Co-op. The reporting entity covered by this statement is Beausejour Co-op business number 100443654.

For the purposes of the Act, Beausejour 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, assets and employees. Beausejour 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.

Beausejour 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, Beausejour 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 respect, integrity and service, Beausejour 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 Beausejour, Manitoba, Beausejour 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 Federated Co-operative Ltd. (FCL). Beausejour Co-op is in turn owned by 17,061 members in Manitoba. As part of the CRS, Beausejour Co-op helps build, feed and fuel individuals in our local communities. We employ 220 individuals in Beausejour and surrounding area.

Activities

Beausejour 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, pharmacy, agriculture inputs, fuel, and convenience stores. The other communities that we operate in are all within a 75 kilometer radius of Beausejour, being Oakbank, Lac du Bonnet, Pinawa, and Whitemouth.

Supply Chain

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Beausejour Co-op with 9 retail locations in 5 communities in Manitoba including food, crop inputs, agricultural equipment, propane, lubricants, and petroleum. Beausejour Co-op sources 97.3 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 2.7 percent of products are sourced by Beausejour Co-op from local and Canadian suppliers.

Supply Chain

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

Retail Trade: Products Sourced for Resale

Category	Description
Energy	Gasoline and diesel fuel, propane, lubricants, fuel hardware including pumps/tanks and hoses.
Food	Grocery, bakery, meat, deli, and produce products. Confectionery items for our gas bar locations. Prescription drugs and over the counter pharmacy products.
Agriculture	Fertilizer, crop protection products, and agriculture equipment

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

Internal

Beausejour Co-op maintains a Code of Conduct and Right to Refuse Unethical or Illegal Work policies to which all employees must adhere to through a one-time attestation. Beausejour Co-op regularly reviews human resource related policies to ensure they remain in compliance with applicable workplace and labour legislation.

Beausejour 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 Manitoba's labour laws, Beausejour Co-op does not employ anyone under the age of 16, unless the employee has acquired a certificate for "Safe Work Manitoba" that allows them to work. Workers that fit into this category require parental authorization before a position is offered. Youth employed by Beausejour Co-op perform tasks of low risk and do not meet the definitions outlined in the legislation.

3. Identification of Risks

Beausejour Co-op's main supplier, FCL, accounts for 97.3% 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.

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

The remaining 2.7% of goods purchased by Beausejour Co-op are procured from outside of FCL. Beausejour Co-op has 5 main categories of goods for resale, which include, food, agriculture, energy, pharmaceuticals and fuel. 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, Beausejour Co-op has conducted an initial risk assessment of these 5 main categories and identified inherent risks of forced and/or child labour as low. The top suppliers that make up this remaining 2.7% are summarized in the table below:

Vendor Name	Production Location	Total Spend (2023)	Risk Level
FCL	Canada	77,375,000	
Pepsi	Canada	349,000	Low
Coca Cola	Canada	294,000	Low
Spent Bros Pizza	Canada	126,300	Low
McKesson Canada Corporations	Canada / USA	90,300	Low
Natural Bakery Ltd	Canada	60,500	Low
City Bread Co. Ltd	Canada	37,800	Low
World Wide Distribution	USA	36,200	Low
Perfect Pierogies Ltd	Canada	34,100	Low
T&R Distribution	Canada	30,700	Low
Superior Harvest Foods	Canada	21,100	Low
Natures Farm	Canada	13,000	Low

4. Remediation of Forced and Child Labour

Beausejour Co-op has not taken any remediate action at this point in time due to the extremely low risk(s) of forced and child labour in the countries that were identified in the “identification of risks” section of this report.

5. Remediation of Loss of Income

Beausejour 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

A one-time training and attestation are currently required when hired for all employees to ensure compliance with Beausejour 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 Beausejour Co-op Board of Directors, the Leadership Team and all current and new employees.

Beausejour Co-op is exploring opportunities to provide role specific training to educate applicable team members and help them identify and respond to risks of child and forced labour in supply chains. These opportunities will be further evaluated through fiscal year 2024.

7. Efficacy of Actions

Beausejour 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 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.

Malissa Rowan
Board President
May 30, 2024

Malissa Rowan

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