

Advantage Co-op



Forced Labour in Canadian Supply Chains

Advantage Co-op

DATE: May 23, 2024



Contents

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



Introduction

This report is Advantage 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 December 2, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Advantage Co-op. The reporting entity covered by this statement is Advantage Co-op, business number 104443700.

For the purposes of the Act, Advantage Co-op meets the entity definition by having a business in Canada, doing business in Canada and meeting threshold criteria for revenue, and assets. Advantage 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.

1. Structure, Activities, and Supply Chain

Structure

Based in Redvers, Saskatchewan, Advantage 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. Advantage Co-op is in turn owned by 2845 members. As part of the CRS, Advantage Co-op helps build, feed and fuel individuals in our local and surrounding communities. We employ 74 individuals.

Activities

Advantage 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, 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 Advantage Co-op's four retail locations in Redvers, Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Advantage Co-op sources 92 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 8 percent of products are sourced by Advantage Co-op from various vendors within Canada.

Wholesale and Retail Trade: Products Sourced for Resale

| CATEGORY | DESCRIPTION |
|-----------------------------------|---|
| AGRICULTURE | Agricultural equipment, crop protection products, seed fertilizer, animal health products and feed. |
| ENERGY | Fuel, lubricants, propane |
| FOOD | Convenience store items, liquor, tobacco, candy, Grocery (dry goods and dairy) and Fresh Departments (Bakery/Deli, Meat, Produce) |
| HOME AND BUILDING SUPPLIES | Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products. |
| CLOTHING | Work wear, socks, gloves, and footwear. |

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

Advantage 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's labour laws, Advantage Co-op follows all applicable young worker restrictions for employees under the age of 16.



3. Identification of Risks

Advantage Co-op's main supplier, FCL, accounts for 92% 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, Advantage Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 8% of goods purchased by Advantage Co-op are procured from outside of FCL. Most products sourced from outside of FCL consist of Agriculture related products, and Liquor products.

4. Remediation of Forced and Child Labour

If specific incidents of forced and child labour are identified, Advantage Co-op will work with suppliers to determine and implement remedial action.



5. Remediation of Loss of Income

Advantage Co-op has not identified any child or forced labour in operations, 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

FCL is exploring opportunities to understand and reduce the risk of forced and child labour within their supply chain including providing education and training to Retails. Advantage Co-op will rely on access to this, to assist our employees.

7. Efficacy of Actions

Currently Advantage Co-op has no formal policies and procedures that pertain to child and forced 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.

Full name: Dale Kenler
Title Board President
Date May 28, 2024

Signature 

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