

Legacy Co-operative Association Limited



Forced Labour in Canadian Supply Chains

Legacy Co-operative Association Limited

DATE

May 23, 2024



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Introduction

This report is Legacy Co-operative Association Limited'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 February 3, 2024. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Legacy Co-op. The reporting entity covered by this statement is Legacy Co-operative Association Limited, business number 102069245.

For the purposes of the Act, Legacy 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. Legacy 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.

Legacy 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, Legacy 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, Respect and Integrity, Legacy 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 Yorkton, Saskatchewan, Legacy 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-operatives Limited (FCL). Legacy Co-op is in turn owned by 17,805 members primarily in Saskatchewan. As part of the CRS, Legacy Co-op helps build, feed and fuel individuals and businesses in our local communities. We employ 259 individuals.



Activities

Legacy 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 store products and we grow some produce in a hydroponics unit.

Supply Chain

Wholesale and Retail Trade

FCL sources and distributes products across many primary consumer and business lines to Legacy Co-op with 17 retail locations in 10 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petroleum. Legacy Co-op sources 93 percent of its 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 7 percent of products are sourced by Legacy Co-op from 160 other businesses from across Canada.

Wholesale and Retail Trade: Products Sourced for Resale

CATEGORY	DESCRIPTION
AGRICULTURE	Agricultural equipment, crop protection products, fertilizer, seed, animal handling equipment and feed
ENERGY	Fuel, lubricants, propane
FOOD	Dry groceries, meat, produce, baked goods, deli items, convenience store items, and liquor
HOME AND BUILDING SUPPLIES	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, electrical products



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

Internal

Legacy Co-op will be adopting an internal process for anonymous 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. Legacy Co-op's Human Resources team regularly reviews human resource related policies to ensure Legacy Co-op remains in compliance with applicable workplace and labour legislation.

Legacy Co-operative Association Limited 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, Legacy Co-operative Association Limited does not employ anyone under the age of 14 and follows all applicable young worker restrictions for employees under the age of 16. Fourteen- and 15-year-olds can work under certain conditions. They need permission from a parent or guardian and they must complete the Young Worker Readiness Certificate Course and print a Certificate of Completion. The course can be taken online through the Government of Saskatchewan's website.

Fourteen- and 15-year-olds can't work more than 16 hours in a week in which school is in session, after 10 p.m. on a day before a school day, and before the start of any school day. They can work the same hours as other employees during school breaks and vacations.

Employers' Responsibilities

Legacy Co-op retains the YWRCC Certificate of Completion (which contains the parent/guardian signature) on file for each employee under the age of 16. Legacy Co-op also complies with the occupational health and safety legislation and all other employment standards legislation that apply to all workers, regardless of age.

Legacy 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. Legacy 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

Legacy Co-op's main supplier, FCL, accounts for 93% 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, Legacy Co-operative Association Limited will be relying on this on-going assessment to continue assessing goods procured from FCL.

Legacy Co-op's supply chain mapping activities were limited to our most material vendors. Materiality was determined by selecting our top 93% of suppliers by total spend in 2023.

The remaining 7% of goods purchased by Legacy Co-operative Association Limited are procured from outside of FCL. Legacy Co-op has 5 main categories of goods for resale, which include, food, agriculture, liquor, fuel, and home and building supplies.



4. Remediation of Forced and Child Labour

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

5. Remediation of Loss of Income

Legacy 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

Moving forward annual training and attestation will be required for all employees to ensure compliance with Legacy 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 Legacy Co-op Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Legacy Co-op has identified the opportunity to incorporate human rights awareness training into the annual Code of Conduct attestation to create awareness and the associated risks of forced and child labour. In addition, Legacy 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

Legacy 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 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.

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 Harley McClughan

Title General Manager

Date May 27, 2024

Signature *Harley McClughan*

I have the authority to bind Legacy Co-operative Association Limited. The Statement has been reviewed and approved by the Board on behalf of itself. Board motion to approve report made May 27, 2024.