

# Dawson Co-op



# Forced Labour in Canadian Supply Chains

**Dawson Co-operative Union**

2023 Fiscal Year Report



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## **Introduction**

This report is the Dawson Co-operative Union (the "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 February 3, 2024. 'We', 'us', and 'our' refer to the Dawson Co-op. The reporting entities covered by this statement include:

- Dawson Co-operative Union, incorporation number 193
- 1033606 B.C. Ltd., business number 806647194
- 1033602 B.C. Ltd., business number 806654398.

For the purposes of the Act, 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. Dawson 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 Dawson Creek, BC, Dawson Co-op is a corporation that 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). Dawson Co-op is in turn owned by approximately 15,000 members in BC, who are represented by an elected board of directors. As part of the CRS, Dawson Co-op does retail trade in the industries of agriculture, home and building supplies, grocery, and energy. We employ approximately 180 employees, located in Canada, and have physical locations in 5 separate communities, including Dawson Creek, Chetwynd, Tumbler Ridge, Rolla, and Silver Valley.

A seven-member board of directors is elected by our membership at our annual general meeting. The board oversees the Chief Executive Officer, who oversees the leadership team and management of our various commodities. We are the sole owners of two additional corporations, both of which operate food service franchises within the Dawson Creek community.

### **Activities**

Dawson Co-op's business is primarily retail trade, focusing on serving our communities in our key industries, including energy, grocery, agriculture, and home and building supplies. We also operate two separate food service franchises, Booster Juice and The Chopped Leaf.



### Retail Trade

The Dawson Co-op sources approximately 86% of its products for resale from FCL, including grocery products, home and building products, agricultural products, livestock feed, crop inputs, propane, lubricants, and petroleum. The remaining 14% of products are sourced by Dawson Co-op from primarily Canadian vendors.

CATEGORY	DESCRIPTION OF PRODUCTS
AGRICULTURE	Fertilizer, crop protection products, livestock feed, agricultural equipment, agricultural tools and hardware.
ENERGY	Petroleum, diesel, lubricants, propane
FOOD	Meat, fish, produce, dairy, convenience store items, packaged goods, frozen goods, baked goods, canned goods, health products, personal care products, pet food, cleaning products, and other sundries.
HOME AND BUILDING SUPPLIES FOOD SERVICE FRANCHISES	Hardware, lumber, building materials, tools, paint, seasonal, plumbing, and electrical products Booster Juice and The Chopped Leaf food service franchises.

### Food Service

The Dawson Co-op operates a Booster Juice and The Chopped Leaf, which are both food service franchises.

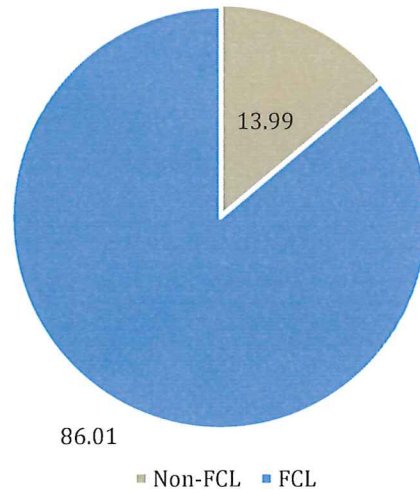
### **Supply Chain**

The Dawson Co-op sources approximately 86% of its goods from FCL as a member of the CRS. Most of our supply chain is comprised of products that are manufactured by FCL's legally owned entities and products sourced for resale. We have begun assessing the remaining 14% of our supply chain to identify high-risk products or countries of origin to report on in future years. Our focus in 2024 will be assessing any high-risk countries of origin within the 14% of goods sourced from outside of FCL. See below for a more in-depth break down by commodity.





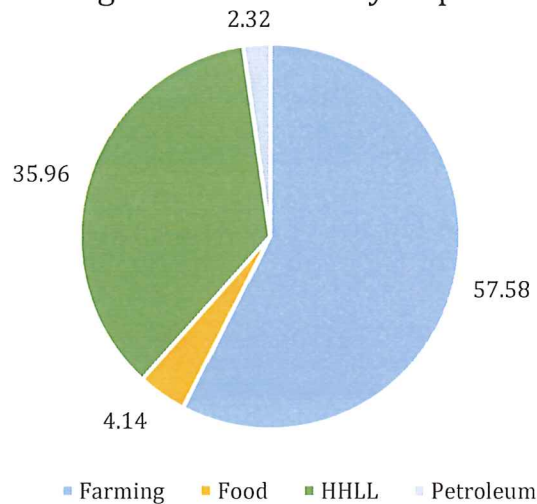
Percentage of Purchases by Vendors



**Supplier Assessment to Date**

To date, we have begun our assessment of the 14% of our supply chain that uses vendors outside of FCL and have accordingly identified our top 62 largest vendors by the amount of product purchased from them during the 2023 fiscal year. Categories of these purchased products include farming (fertilizer and crop inputs), HHLL (building materials, livestock, and lumber), Petroleum, and Food.

Percentage of Purchases by Department





The above data does not include products sourced for resale at the two food service franchises that we operate. As per the franchise agreement with Booster Juice Canada, 100% of goods purchased for resale at the Dawson Co-op's Booster Juice are sourced from Gordon Food Service. As per the franchise agreement with Innovative Food Brands (IFB), 100% of goods purchased for resale at the Dawson Co-op's The Chopped Leaf are sourced from Sysco Canada.

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

Dawson Co-op complies with all relevant provincial, federal, and municipal legislation including:

- *BC Human Rights Code*
- *BC Employment Standards Act*
- *BC Occupational Health & Safety Regulations*

### Internal:

The Dawson Co-op has implemented the following internal policies:

Policy	Relevance
<i>Employee Whistleblower Policy (2021)</i>	Establishes a process for employees to report actual or potential wrongdoing to a third-party, including any actual or potential violation of law, regulation, policy, or any other unethical conduct.
<i>Environmental Policy (2008)</i>	Outlines the Dawson Co-op's commitment to communicate about our environmental, social, and economic performance with our employees.
<i>Young &amp; New Workers Policy (2020)</i>	Outlines that Dawson Co-op will not hire any employee under 15 years of age.
<i>Request for Expenditure (2021)</i>	Outlines a review and approval process for the purchase of capital assets.

### 2022 – 2027 Strategic Plan:

This document outlines our current 5-year plan and includes "innovating a culture of social responsibility" as an aspirational statement and demonstrates our commitment to social responsibility which includes forced and child labour within the supply chain.



Vision	Mission	Aspirational Statements
Building Sustainable Communities Together	Enriching lives through collaborative, responsible & innovative leadership	<ol style="list-style-type: none"><li>1. Create a culture of employee engagement</li><li>2. Maintain consistent strong financial performance</li><li>3. Promote market growth through brand loyalty</li><li>4. Create a positive image and perception in the community</li><li>5. Innovate a culture of social responsibility</li><li>6. Provide exemplary organizational governance and modeling of democratic principles and co-operative values</li></ol>

### Sustainability Report

In 2022, the Dawson Co-op published a sustainability report and made it available to the public through our website and in paper format at our physical locations. This report summarized information related to the environmental, social, and governance (ESG) principles and initiatives of the Dawson Co-op, including sustainability initiatives, community donations, and governance structure.

### Supplier Guidelines:

The Dawson Co-op does not have an established vetting policy or code of conduct for suppliers outside of FCL. Generally, the following order of preference is used to choose suppliers:

- 1) FCL
- 2) Local suppliers operating within our trading region (Dawson Creek, Chetwynd, Tumbler Ridge, Rolla)
- 3) Canadian suppliers
- 4) Other suppliers

### Franchise Agreements

The Dawson Co-op must comply with franchise agreements for the operation of Booster Juice and The Chopped Leaf. These agreements stipulate approved vendors where products can be sourced for resale at our franchise locations.

### Prevention & Remediation Mechanisms

Dawson Co-op aims to prevent forced and child labor within its supply chain. To achieve this, we are assessing policies, exploring effective grievance and remediation mechanisms, and prioritizing reporting and victim protection. Once we gain a better understanding of our supply chain and associated risks, we will implement appropriate measures.





### 3. Identification of Risks

#### Primary Supplier - FCL

Dawson Co-op's primary supplier, FCL, accounts for approximately 86% 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, Dawson Co-op will be relying on this on-going assessment to continue assessing goods procured from FCL. FCL will also be submitting a report under this act and their report should be referred to for specific details.

#### Secondary Suppliers

Approximately 14% of goods purchased by the Dawson Co-op are procured from outside of FCL. In 2024, our focus will be on identifying high risk products or import countries within this 14%. We will do this 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*.





### **Booster Juice Franchise**

The Booster Juice franchise is franchised under Booster Juice Canada, who determines the supplier we are obliged to utilize. 100% of food products purchased for resale at Booster Juice are sourced from the North American food distributor Gordon Food Service (GFS) based out of Wyoming, Michigan, USA. In 2023, GFS published “Stewardship: Delivering a Better Tomorrow 2023” report, which outlines their commitment to responsible sourcing and can be found on their website.

### **The Chopped Leaf Franchise**

The Chopped Leaf Franchise is franchised under Innovative Food Brands (IFB) who determines the supplier we must use. 100% of food products purchased for resale at The Chopped Leaf are purchased from the food supplier Sysco Edmonton. Sysco published a sustainability report in 2023, which overviews their commitment to responsible sourcing and can be found on their website. Sysco has confirmed that they will be publishing a report in compliance with the Act, and their report should be referred to for more detailed information.

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

In the future, Dawson 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, Dawson Co-op will work with suppliers to determine and implement remedial action.

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

Dawson 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 remediation measures taken.

## **6. Employee Training**

Dawson Co-op aims to explore role-specific training opportunities 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 during the 2024 fiscal year.

## **7. Efficacy of Actions**

Dawson Co-op is currently reviewing our policies and procedures as they pertain to child and forced labour and will evaluate further measures to assess the efficacy of our actions taken. Additionally, we are exploring new policies and procedures that will be developed in relation 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 Darren Shankel

Title Board President

Date May 24 2024

Signature

A handwritten signature in blue ink, appearing to read "Darren Shankel", written over a horizontal line.

*I have the authority to bind Dawson Co-operative Union. The Statement has been reviewed and approved by the Board on behalf of itself.*