



Riverbend

Forced Labour in Canadian Supply Chains

Riverbend Co-operative Ltd.

May 31, 2024



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Introduction

This report is Riverbend Co-operative'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 October 31, 2023. In this Statement, the terms 'the Co-op', 'we', 'us', and 'our' refer to Riverbend Co-op. The reporting entity covered by this statement is Riverbend Co-operative Ltd., business number 10454 1669.

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

Riverbend Co-operative Ltd. 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, Riverbend Co-operative Ltd. 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 Integrity, Community, Responsibility and Service, Riverbend Co-operative Ltd. 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 Outlook, Saskatchewan, Riverbend Co-operative Ltd. is one of 158 independent retail co-operatives from across Western Canada that make up the Co-operative Retailing System (CRS) and own Federated Cooperatives Limited (FCL). Riverbend Co-operative Ltd. is in turn owned by 7,300 members in Saskatchewan. As part of the CRS, Riverbend Co-operative Ltd. helps build, feed and fuel individuals and our local communities. We employ 190 people.

Activities

Riverbend Co-operative Ltd.'s business is a split of business-to-consumer and business-to-business focused on serving the communities in which we operate. Our core retail lines of business include food, liquor, pharmacy, agriculture, home and building, fuel, convenience stores, and a Dairy Queen Grill and Chill.

Supply Chain

Wholesale and Retail Trade

Federated Cooperatives Limited (FCL) sources and distributes products across many primary consumer and business lines to Riverbend Co-operative Ltd. with 17 retail locations in 10 communities in Saskatchewan including food, home and building supplies, crop inputs, agricultural equipment, livestock feed, propane, lubricants, and petrol. Riverbend Co-operative Ltd. sources 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.

The remaining 5 percent of products are sourced by Riverbend Co-operative Ltd. from within Canada.

Supply Chain

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

Wholesale and Retail Trade: Products Sourced for Resale

Table 1 - Riverbend Co-operative Ltd. Goods for Resale

CATEGORY	DESCRIPTION
AGRICULTURE	Agricultural equipment, crop protection products, fertilizer, seed, feed and small avian livestock
ENERGY	Fuel, lubricants, propane
FOOD	Grocery store and convenience store items, liquor, quick serve restaurant and pharmacy
LIQUOR	Beer, Wine and Spirits
PHARMACY	Prescription medications, pain relief, cold medications, smoking cessation, supplements and first aid supplies.
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

Internal

Riverbend Co-operative Ltd. maintains a Code of Conduct and Ethics policy and utilizes the ethics hotline administered by MNP LLP. Posters are visible in employee break areas detailing the 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. Riverbend Co-operative Ltd.'s Talent and Culture team regularly reviews human resource related policies to ensure Riverbend Co-operative Ltd. remains in compliance with applicable workplace and labour legislation.

Riverbend Co-operative Ltd. ensures that there is a reduced risk of forced or child labour in operations through strict adherence to provincial and federal labour laws. As per Saskatchewan's labour laws, all youth employees under the age of 16 must provide a parent/guardian consent form and obtain their Young Workers Readiness Certificate Course Certificate of Completion to be employed with Riverbend Co-operative Ltd.. If an employee is under the age of 16, they are not permitted to work more than 15 hours a week when school is in session, after 10 pm on a night before a school day and before the start of any school day. Youth workers are able to work the same hours as other employees during school breaks and vacations in accordance with SEA (Saskatchewan Employment Act). Riverbend Co-operative Ltd. does not employ anyone under the age of 14, and follows all applicable young worker restrictions for employees under the age of 18.

Riverbend Co-operative Ltd. 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. Riverbend Co-operative Ltd.'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

Riverbend Co-operative Ltd.'s main supplier, FCL, accounts for 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, Riverbend Co-operative Ltd. will be relying on this on-going assessment to continue assessing goods procured from FCL.

The remaining 5% of goods purchased by Riverbend Co-operative Ltd. are procured from outside of FCL. Riverbend Co-operative Ltd. has 10 main categories of goods for resale, which include, food, agriculture, energy, pharmaceuticals, liquor, fuel, and home and building supplies. These product lines are sourced from 2 different countries, Canada and the United States. The figure below represents the countries of origin.

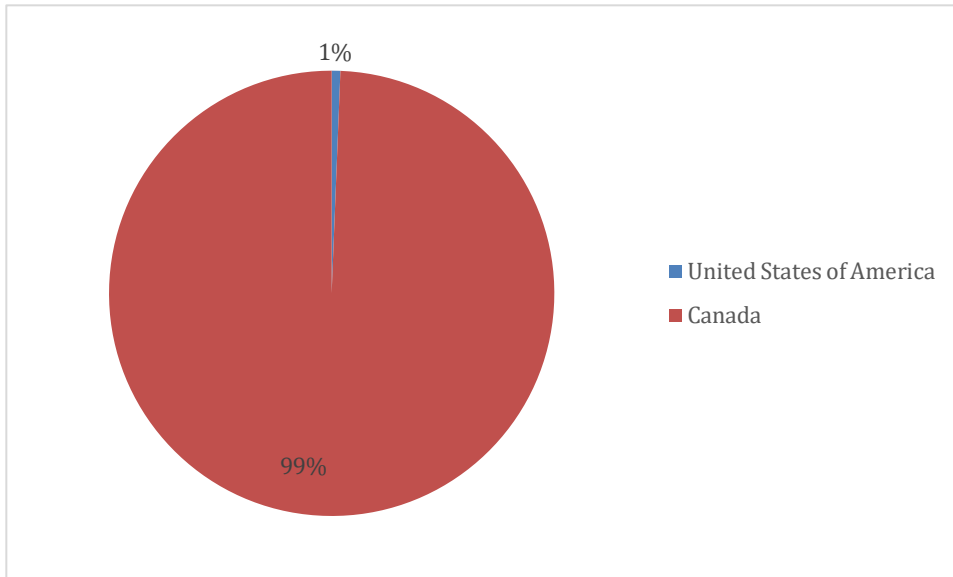


Figure 1. Total spend by country in fiscal year 2023.

Riverbend Co-operative Ltd.'s supply chain mapping activities were limited to our most material vendors. Materiality was determined by selecting our top 90% of suppliers by total spend in 2023.

4. Remediation of Forced and Child Labour

Riverbend Co-operative Ltd. 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, Riverbend Co-operative Ltd. 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, Riverbend Co-operative Ltd. will work with suppliers to determine and implement remedial action.

5. Remediation of Loss of Income

Riverbend Co-operative Ltd. 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

Annual training and attestation are currently required for all employees to ensure compliance with Riverbend Co-operative Ltd.'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 Riverbend Co-operative Ltd. Board of Directors, the Senior Leadership Team and all current and new employees and contractors. Riverbend Co-operative Ltd. 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, Riverbend Co-operative Ltd. 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

Riverbend Co-operative Ltd. 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 Greg Sarvis
Title General Manager
Date May 28, 2024

Signature 

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