

Human Rights Impact Assessment

Broccoli and Cauliflower –
Mexico, US, and Canada



Final report
December - 2024

Ergon

**Loblaw
Companies
Limited**

Disclaimer

This report should be taken only as a source of information and analysis. It is not given, and should not be taken, as legal advice and the provider of the information will not be held liable for any direct or consequential loss arising from reliance on the information contained herein.

Contents

1. Introduction	2
1.1 Background	2
1.2 Objectives	3
1.3 Selection of broccoli and cauliflower for this study	3
2. Methodology	4
2.1 Key stages of the HRIA process	4
2.2 Limitations	4
3. Scoping	5
3.1 Supply chain activities in scope	5
3.2 Potentially impacted rights in scope	5
3.3 Potentially affected rightsholders in scope	6
4. Stakeholder engagement	7
4.1 Field visits	7
4.2 Institutional stakeholder engagement	8
4.3 Ensuring meaningful engagement	8
5. Country and sector context	9
5.1 Legislative framework	9
5.2 Cross-national agricultural labour migration	9
5.3 Sectoral overview	10
5.4 Producer profile	11
5.5 Workforce profile	11
5.6 Key supply chain activities	12
5.7 Key challenges facing the sector	13
6. How Loblaw buys broccoli and cauliflower	14
6.1 Loblaw's broccoli and cauliflower supply chain from Mexico, the US, and Canada	14
6.2 Loblaw's buying practices	15
6.3 Loblaw's T-1 Suppliers buying practices	16
6.4 Loblaw's human rights programs and governance	17
6.5 Human rights practices among Loblaw's suppliers	18
7. Impact assessment	19
7.1 Impacts by Activity - Crop maintenance and harvesting	20
7.2 Impacts by Activity - Cooling and processing	23
8. Root causes	25
8.1 Commercial, sectoral and business drivers	25
8.2 Legal and institutional framework	26
8.3 Other contextual social drivers	27
9. Attribution of impacts to Loblaw	29
9.1 Farms: Crop maintenance and harvesting	29
9.2 Cooling and processing facilities	30
10. Recommendations	31
11. Appendix A	32
12. Appendix B	33
13. Sources	34

1 Introduction

1.1 Background

Loblaw Companies Limited (hereinafter “Loblaw” or “the Company”) contracted Ergon Associates (“Ergon”) to conduct a human rights impact assessment (HRIA) on the broccoli and cauliflower supply chain originating from Mexico, the US, and Canada. The study includes broccoli and cauliflower as stand-alone items (Scope 1), as well as processed broccoli and cauliflower used as ingredients in value-added products such as florets, vegetable medleys and packaged salads (Scope 2), whether sold as national brands or under the Company’s control brand label. This report outlines the methodology, research and results of this HRIA.

Loblaw is a leading Canadian food and pharmacy retailer serving millions of Canadians through its extensive network of over 2,500 locations. It has a wide range of offerings including groceries, pharmacy services, health and beauty products, apparel, and general merchandise. Loblaw has a robust control brand program and markets products in the food, health and beauty and general merchandise categories under a number of brand names.

Ergon has extensive experience in carrying out HRIAs on complex international supply chains. In many cases, this has involved extensive engagement with workers, communities, and other stakeholders around the world.

HRIAs are specialist studies designed to support an organization’s due diligence efforts in relation to international standards and frameworks, including the United Nations (UN) Guiding Principles on Business and Human Rights and the Organization for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises. It is important to highlight that an HRIA is a sector-wide study and not an audit or evaluation of specific suppliers or its sub-suppliers. The methodology used is designed to systematically identify actual and potential human rights impacts arising from specific business activities and relationships and rank them according to salience. Based on rightsholder and stakeholder feedback and a review of Loblaw’s functions and capacities to address salient impacts, recommendations outlining appropriate mitigation or remediation actions have been developed.

This HRIA is the first of such studies for Loblaw and is part of the Company’s ongoing sustainability and human rights due diligence efforts. The Company published its [Position on Human Rights](#) in 2020, recognising its responsibility to respect the human rights of all those who intersect with the business throughout its value chain. Loblaw also has an extensive [Supplier Code of Conduct](#) (“Supplier Code”) with expectations related to human rights and labour standards in relation to domestic and international suppliers of goods and services.

1.2 Objectives

1	Support Loblaw's existing human rights due diligence efforts and commitments
2	Identify the most salient human rights impacts (actual, potential, positive and negative) within the production and processing of broccoli and cauliflower from Mexico, the US, and Canada
3	Understand root causes of impacts, and how they are affected by Loblaw's practices and supply chain relationships
4	Gather perspectives of rightsholders and broader sectoral stakeholders on impacts and areas for improvement
5	Develop practical recommendations for Loblaw to prevent, mitigate or remediate the most salient negative impacts and enhance positive impacts in the supply chain

1.3 Selection of broccoli and cauliflower for this study

This HRIA focuses on broccoli and cauliflower originating from Mexico, the US, and Canada as the majority of Loblaw's sourcing of these products is based along this corridor and there are known inherent risks relating to human rights issues in horticulture across all three countries. Loblaw's decision to focus on this supply chain was also informed by a Human Rights Due Diligence study conducted in 2022 which identified the Company's salient risks as forced labour, child labour, discrimination, harassment and abuse, livelihoods, and occupational health and safety. Furthermore, limited HRIA work by other companies or entities has been conducted on this selected supply chain.

2 Methodology

2.1 Key stages of the HRIA process

1. Reviewing supply chain	Supply chain mapping: production activities & business relationships
	Analysis of commercial data
	Interviews with internal stakeholders and key suppliers
2. Understanding context	Desk review of legal framework, rights situation, and root causes
	Stakeholder mapping for institutional engagement and fieldwork
	Shortlist of relevant human rights for impact assessment
3. Engaging stakeholders	Interviews of institutional stakeholders
	Visits to production and processing sites
	Interviews with site management, workers, and communities
4. Assessing impacts	Apply saliency scoring methodology to identify salient impacts
	Determine Loblaw's attribution to impacts
5. Developing recommendations	Develop recommendations to address salient impacts

2.2 Limitations

The methodology followed for this HRIA is designed to provide an effective means for identifying salient human rights impacts in the broccoli and cauliflower supply chain and developing recommendations for Loblaw. However, there were some limitations:

- While Ergon was involved in site selection, and the selection of sites visited represented a cross section of the Loblaw supply chain, it is important to acknowledge the reliance on suppliers to organize sites for the visits.
- The nature of HRIA fieldwork, including time limitations, and the conditions under which it was conducted meant that it was unlikely to identify instances of more clandestine human rights impacts such as forced labour, or gender-based violence and harassment. This is an important limitation to recognize, and one which applies not only to this study but to all studies of this kind with a fieldwork component of this length. Engagement with representative organizations for institutional stakeholder engagement can be useful to gather further information on these sensitive issues.



3 Scoping

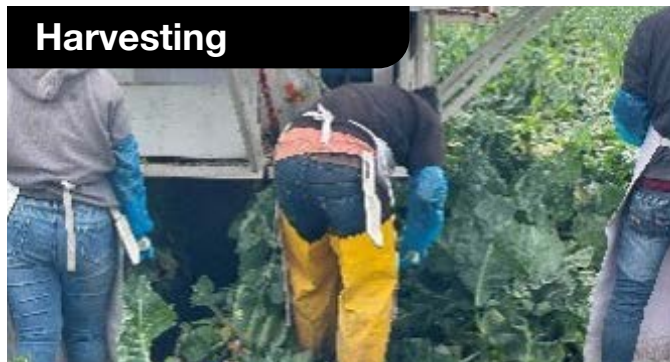
3.1 Supply chain activities in scope

Ergon mapped out the key supply chain activities through desk-based research including relevant reports and sectoral analyses and engagement with Loblaw's top key suppliers for both Scope 1 and 2.

Crop Maintenance



Harvesting



Cooling



Processing



3.2 Potentially impacted rights in scope

A practical shortlist of human rights relevant to each supply chain activity was developed for the impact assessment. Scoping was based on sectoral knowledge and desk research. All rights are contained in the International Conventions on Civil and Political Rights and on Economic, Social and Cultural Rights as well as the International Labour Organization (ILO) Core Conventions.

Labour rights

- Working conditions (contracts, wages, hours)
- Occupational Health and Safety (OHS)
- Freedom of association and collective bargaining
- Forced labour
- Child labour
- Employment discrimination
- Gender-based violence and harassment (GBVH)

Economic and social rights

- Right to citizenship
- Right to an adequate standard of living – housing, food, electricity
- Right to health
- Right to education
- Right to a healthy environment

Cross-category rights

- Right to an effective remedy

3.3 Potentially affected rightsholders in scope

Key rightsholders present in or affected by the business activities in Loblaw’s broccoli and cauliflower supply chain, across the three countries, were also identified.



It is important to note that only a few categories of rightsholders are fully distinct, as a person may be represented under more than one category of rightsholders simultaneously. In addition, impacts can be intersectional, meaning that they affect different rightsholders (as well as different individuals and groups within the categories of rightsholders) in different ways, depending for example on their gender identity, sexual orientation, migrant status, ethnicity, age and/or class.

It is also important to note the heightened presence of vulnerable groups in the supply chain, particularly during harvest activities, such as women (Mexico / US), indigenous peoples (Mexico), migrant workers (all three countries), and workers without legal permits to work and live in the US.

*Undocumented workers

The term “undocumented workers” refers to migrant workers who may not possess legitimate documentation supporting their right to legally work in the country in which they reside and provide their services. The prevalence of these workers in this supply chain, particularly in the US and to a minor extent in Mexico and Canada, is well documented. The term is widely used to refer to workers who do not have valid residency or a valid work visa allowing them to legally work in the country where they live.

Mexico: The presence of undocumented agricultural workers from other Latin American regions is commonplace, as many are in transit to the United States, but find themselves working without proper documentation / permission to work.

US: The extent of the number of workers with legal immigration status in the US is difficult to measure, as not many surveys ask the question, and respondents who do not have legal status may be reluctant to answer truthfully if asked. It is a reasonable estimate that at least 50% of agricultural workers are undocumented ([USDA 2023](#), [CMS 2022](#), [The Guardian 2021](#)). Many such workers have been living and working in the US for decades, contributing to social security through payroll deductions but unable to benefit from their contributions. In the US, foreigners without permission to work can easily access fraudulent documentation (social security cards, driver licenses, or green cards) or use identity documents belonging to others (including deceased individuals) to access employment opportunities ([ITEP 2024](#), [Governing 2021](#), [SHRM 2007](#), [US GAO 1999](#))

Canada: In Canada, the number of undocumented agricultural workers has steadily increased in the last few years, particularly due to guest workers reportedly overstaying their visas ([More than a Migrant Worker 2023](#), [Equity Health 2022](#)).

4 Stakeholder engagement

Engagement with external stakeholders (both potentially affected rightsholders and experts) is crucial in providing a comprehensive understanding of the context and incorporating the perspectives of those affected. External stakeholder outreach is a key element of the HRIA methodology and is designed to:

- Collect the views of potentially impacted rightsholders on the likelihood or potential severity of impacts, root causes, and their views on potential mitigation measures.
- Identify potential stakeholders to support or collaborate on potential mitigation measures.

4.1 Field visits

The fieldwork team comprised of two local consultants based in Mexico who travelled within Mexico and then to the US and Canada. The selection of sites visited was designed to provide a representative sample of Loblaw's broccoli and cauliflower supply chain within all three countries, including various farm sizes and locations in the regions that produce most of the produce, including both direct suppliers to Loblaw (Tier-1) and sub-suppliers (Tier-2). The field visits were not audits of the suppliers and sub-suppliers that participated but are used to gain an understanding of general conditions and impacts in the broader sector.



Locations visited

Guanajuato
Sonora

El Centro, Southern California
Yuma, Arizona
Salinas Valley, Northern California

Ontario
Quebec

Tiers covered

Tier 2

Tier 1 and Tier 2

Tier 1

Interviews

94 workers (17 women)
12 management / supervisory
staff (1 woman)
*(Includes locals and migrant
workers)*

214 workers (60 women)
31 management / supervisory
staff (14 women)
*(Includes workers with temporary
visas)*

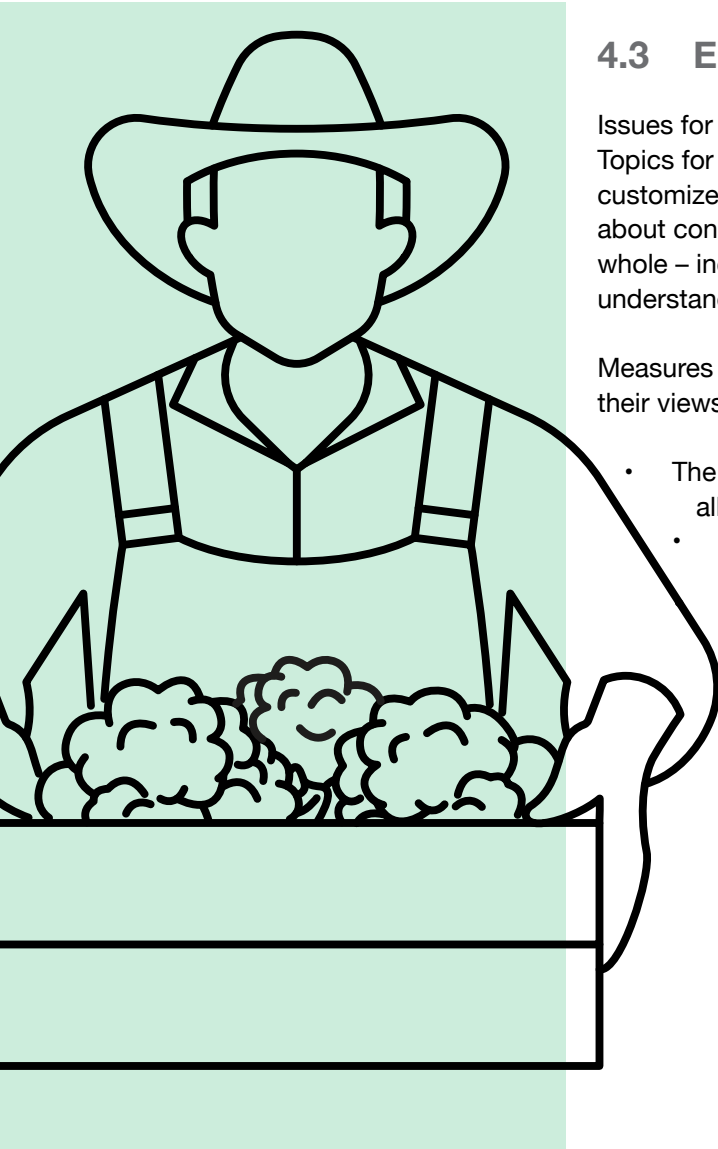
98 workers (23 women)
10 management / supervisory
staff (5 women)
*(Includes workers with temporary
visas as well as immigrants from
Latin America and Southeast Asia)*

Refer to [Appendix A](#) for details.

4.2 Institutional stakeholder engagement

In addition to field visits and direct rightsholder engagement, institutional stakeholder engagement is a key component of Ergon's HRIA methodology. Interviews were conducted with a range of national and international institutional stakeholders to gather their expert views on challenges and opportunities in the broccoli and cauliflower supply chain, as well as the broader fresh produce sector, where applicable. 32 institutional stakeholders including government agencies, international organizations, trade unions, sectoral organisations, industry associations, multi-stakeholder initiatives and non-governmental organizations were engaged and interviewed. Some stakeholders approached for interview did not respond to our request within the allocated period.

Refer to [Appendix B](#) for details.



4.3 Ensuring meaningful engagement

Issues for engagement were tailored to the rightsholders and stakeholders. Topics for consultation and the resulting interview questions were customized for each stakeholder. Workers during field visits were asked about conditions in their current workplace, as well as the sector as a whole – including experiences at other sites in the region – to gain an understanding of broader sectoral impacts.

Measures were taken to ensure stakeholders could comfortably express their views. These included:

- The confidentiality of the engagement process was communicated to all participating stakeholder.
- Participants were told that the HRIA was commissioned by Loblaw and that their views would not be communicated either to supplier management, Loblaw or publicly on a named or identifiable basis.
- During field visits, workers were randomly selected and engaged away from management and supervisors. Contact details of consultants were shared with workers.
- Ergon conducted the engagement independently of Loblaw.

5 Country and sector context

5.1 Legislative framework

While in Mexico labour relations and rights are covered by the Federal Labour Law, the US and Canada provide a more complex legislative picture as they are not only governed at the federal level, but also at the state and provincial level respectively. Although enforcement issues are common across the board, *de jure* laws vary. Importantly for this supply chain, labour protections are broadly considered more stringent in California and Quebec than in Arizona and Ontario, with legal enforcement of labour protections even weaker throughout Mexico.

5.2 Cross-national agricultural labour migration

Across the three countries in scope, the agricultural industry relies heavily and increasingly on migrant labour. While the migrant agricultural workforce is primarily internal within Mexico (originating from the south of the country), the US and Canada receive a largely foreign migrant workforce and have implemented regular labour migration channels for this purpose.

In the US, the H-2A Temporary Agricultural Worker Program contracts workers from abroad (primarily Mexico) for up to eight months to meet agricultural labour needs. In Canada, the Temporary Foreign Worker Program (TFWP) similarly contracts workers from Mexico primarily but also importantly from Guatemala and Jamaica, among others (see below). A key criticism of both the H-2A Program and the TFWP is that they tie workers' permits to a single employer, which creates an important power imbalance ([MPI 2022](#)). Many workers are subsequently reluctant to raise any issues they face – fearing retaliation from their employer in the form of termination and deportation, or the risk of not being able to return for work the following year ([EPI 2020](#)).






Agricultural labour migration in Canada – Federal Programs

There are two relevant streams of the TFWP for this supply chain. The Seasonal Agricultural Worker Program (SAWP), grants workers from Mexico and Caribbean countries with work permits of up to 8 months a year. The SAWP is governed by bilateral agreements between Canada and each sending country – as such, workers are recruited by the authorities of their origin country, which largely protects them from fraudulent recruitment. All SAWP workers sign standard non-modifiable contracts.

On the other hand, the Agricultural Stream of the TFWP grants permits for up to 2 years to workers of any nationality – although workers are often Guatemalan. Recruitment is organized through private third-party agencies, which opens the possibility of potential abusive practices like recruitment fees. Although the federal government has specified some parameters for the employment relationship, contracts between employers and workers are individual. In addition, the Canadian government does not have oversight over recruitment agencies located outside of Canada.

Furthermore, the reported 50% of the agricultural workforce in the US that is undocumented has no access to social security benefits and is highly reluctant to bring forward any grievances or complaints against abuses, due to potential retaliation from employers, which could result in arrest and deportation.

5.3 Sectoral overview

Aspect	 Mexico	 US	 Canada
Production volume	Mexico is the 5 th largest producer of broccoli and cauliflower in the world – with 653,394.51 tons of broccoli and 100,730.26 tons of cauliflower produced in 2023 (IndexBox 2023 , SIAP 2023).	The US is the 3 rd largest producer of broccoli and cauliflower in the world – with 12,097,400 CWT (hundredweight) of broccoli and 8,317,800 CWT of cauliflower produced in 2022 (Tridge 2020 , USDA 2023).	Canada produced 40,013 metric tons of broccoli and 30,608 metric tons of cauliflower in 2021 (Agriculture and Agri-Food Canada 2023).
Production setting / location	Guanajuato is Mexico's largest broccoli and cauliflower-producing state, representing up to 60% of the country's production (Contra Réplica 2022).	Over 90% of US broccoli and cauliflower is produced in California (especially in Monterey County's Sierra de Salinas) and Arizona (especially in Yuma) (AgMRC 2024 , Mother Jones 2020).	Ontario and Quebec produce over 80% of broccoli and cauliflower in Canada (Agriculture and Agri-Food Canada 2023).
Production calendar	Broccoli and cauliflower harvest times run from November to March in Mexico.	Broccoli and cauliflower harvest times run from April to November in North California; and from November to March in Arizona and South California.	Broccoli and cauliflower harvest times in Quebec and Ontario run from June to October.
Main destination market	Mexico is the 2 nd largest exporter of broccoli and cauliflower. Its main destination market is the US – representing 97.3% of the volume exported between 2016-2020 (Contra Réplica 2022). However, not all Mexican grown broccoli and cauliflower marked as “US imports” is domestically consumed – a large part is in turn exported to Canada.	The US is the 3 rd largest exporter of broccoli and cauliflower, and its main destination market is Canada – representing 74.8% of the exported volume for broccoli, 86.8% for cauliflower (Tridge 2020 , ERS USDA 2023).	Canada is not a major exporter of broccoli and cauliflower – rather, it is the 2 nd largest importer, with most volume coming from the US (ProducePay 2022).
Social importance	6 million people depend directly on the agricultural sector in Mexico, and an estimated 2.3 million people have migrated within the country to work in agriculture, especially from poor indigenous communities (Estrada et al. 2022 , IREX 2023). This enables them to earn higher wages and send remittances to poorer areas, therefore improving housing and increasing investment in the education and healthcare of children (Wilson Center 2019).	Agricultural workers represent some of the most socially and economically disadvantaged people in the US – with over 20% of agricultural worker families with income levels below the national poverty guidelines (NCFH 2022).	The agriculture and agri-food system provides 1 in 9 jobs in Canada as of 2022 (Government of Canada 2023). Farm labour migration programs enable migrants to access better livelihoods and economic opportunities, and to flee political conflict or instability (Caxaj et al. 2022).

5.4 Producer profile

The suppliers present in this supply chain tend to be large to very large agricultural companies with vast operations. Some suppliers are somewhat integrated with their own growing sites – as well cooling and/or processing sites (Scope 2). Nevertheless, all key suppliers to Loblaw (Scope 1 and 2) included in this study source from a selection of sub-suppliers or dedicated out-growers – with varying degrees of dependence on these for their volumes. Sub-suppliers and out-growers also tend to be large growing companies – and not smallholder growers.

5.5 Workforce profile

In this broccoli and cauliflower supply chain, there is significant crossover of the workforce between the different activities – for example many harvesting workers also work on crop maintenance activities during the year. This is a largely male-dominated workforce, with women representing up to about a third of agricultural workers in all three countries ([ILO 2020](#), [ERS USDA 2023](#), [Government of Canada 2022](#)). Agricultural workers' average age ranges between 40 and 50 years depending on the country ([Government of Mexico 2023](#), [NCFH 2022](#), [Statistics Canada 2022](#)). All have low levels of schooling which sometimes affect their literacy ([Jornamex 2020](#), [NCFH 2022](#), [Caxaj et al. 2022](#)). All three countries rely heavily on migrant labour. This is mostly internal in the case of Mexico (typically come from the southeastern states of Puebla, Veracruz, Guerrero, Oaxaca and Chiapas), although foreign migrant labour also exists to a lesser extent, mainly from Central American countries ([Jornamex 2023](#)). In the US about 70% of agricultural workers are foreign-born (most from Mexico) and at least 50% are undocumented, only a small (but growing) proportion comes through the H-2A Program ([CMS 2022](#), [The Guardian 2021](#)). In Canada nearly all agricultural workers are migrant workers coming through the TFWP, primarily from Mexico, followed by Guatemala and Jamaica ([Toronto Star 2023](#), [Statistics Canada 2022](#)).



Major broccoli and cauliflower production regions in the supply chain

Labour intermediaries

The prevalence of labour intermediaries in this supply chain is a key finding of this HRIA with direct implications for various of the impact findings below. Although they take different names under both informal and formal structures in each country, this study uses the term 'labour intermediaries' more broadly to refer to any third-party recruitment vehicles that provide workers to farms on a day-to-day or longer-term basis. Some country specific points include:

- **Mexico:** Informal labour agents (based on personal or family connections) as well as licensed agents operate. Formal agencies recruit for guest worker programs in the US and Canada.
- **US:** Informal recruitment by crew leaders at farms is commonplace, as well as more formal farm labour contractors. Some of these also operate across the Mexican border.
- **Canada:** Temporary employment agencies, some affiliated with government entities, are commonplace. Private third-party agencies operate in the sector, including outside of Canada (e.g., Working Link in Mexico, Comuguate in Guatemala).

In some cases, labour intermediaries can also have an integrated foreign recruitment function, working directly with foreign governments in bringing workers through guest worker programs such as the H2-A in the US and the TFWP (non-SAWP) in Canada.

5.6 Key supply chain activities

The scope of the HRIA was limited to the key phases relating to primary production and processing. These include the following activities: crop maintenance, harvest, cooling (including packaging) and processing. Although there may be risks associated with other supply chain activities – such as domestic transport, international shipping, and logistics in destination markets – these are not considered unique to this specific product supply chain.

This section provides an overview of the broccoli and cauliflower supply chain and the key activities and rightsholders affected or involved.

Activity	Overview
Crop maintenance	<ul style="list-style-type: none"> Crop maintenance activities are conducted by permanent seasonal employees on the farms. However, temporary workers are also often hired - especially during peak planting season. While organic and non-organic varieties go through different treatments, most crop maintenance includes the application of agrochemicals to encourage growth and yield. Broccoli and cauliflower are annual crops. Each region has a different cultivation season, depending on the variety, it takes from 50 to 85 days of well-drained yet moist soil for the plants to be ready to harvest. Broccoli is a more resistant crop, while cauliflower is more sensitive to dry soil and fluctuating temperatures during the cultivation period.
Harvest	<ul style="list-style-type: none"> Large horticulture companies supplying Loblaw have “custom harvesting processes” whereby workers bend down to cut the produce with sharp knives – in some cases workers wear collection buckets on their backs to store the produce collected. Workers then take or pass the collected produce to conveyor belts on small trucks, which are parked nearby on the farm site - where a separate group of workers (often women) pack the broccoli / cauliflower into boxes. Across all three countries, farmworkers are mostly seasonal workers and/or migrant workers, including workers engaged by farm labour intermediaries.
Cooling and packaging (incl. storage)	<ul style="list-style-type: none"> In all three countries, the produce is trimmed, bunched, field-packed, and boxed or plastic-wrapped on top of conveyor belts. Boxes are then placed on separate conveyor belt (tractor) where they are boxed, tagged, and labelled. In all three countries, all produce (boxed or plastic wrapped) is stored in cooling facilities right on the field (operated by growers) or transported to cooling facilities operated by third-party nearby fields for storage.
Processing	<ul style="list-style-type: none"> For produce that will end up as value-added items (Scope 2), Loblaw’s direct suppliers arrange transport to their processing facilities (mainly California, US or Ontario, Canada) for further cutting, shredding, packaging, and cooling. At processing facilities – key tasks for workers include receipt of produce delivery, placement of boxes in cooling areas, overseeing the mostly mechanised processes to wash, cut, shred, and pack the produce. Facility employees in the US are often migrant workers who are regularly contracted via third-party agencies, while those in Canada are mostly foreign-born direct and permanent employees.
Transport (incl. export) Not in Scope for this HRIA	<ul style="list-style-type: none"> For broccoli and cauliflower sold as standalone items (Scope 1), Loblaw’s direct suppliers arrange for either Free on Board (FOB) pick up or their own transport to deliver to Loblaw’s eight (8) produce distribution centres across Canada. Some Mexican-grown produce is transported first to US based warehouses, near the border, which belong to Loblaw’s direct suppliers – before being transported north. After processing and packaging, Loblaw’s direct suppliers arrange for value-added products (Scope 2) to be taken to Loblaw’s eight (8) produce distribution centres, via FOB pick up or supplier delivery, for further preparation and delivery to stores in more distant provinces.

5.7 Key challenges facing the sector

- **Climate change and risk of stock loss or damage:**

Broccoli and cauliflower production has been adversely impacted by changing environmental conditions – resulting in lower yields, delayed harvests, crop damage or loss ([Riviera Produce 2023](#), [Fresh Plaza 2022](#)). Cauliflower is especially susceptible to low temperatures ([Produce Blue Book n.d.](#)). Excessive rainfall and/or droughts have led to heavy disruptions in harvests and large losses ([Reuters 2022](#), [The Guardian 2023](#)). This, in turn, creates financial difficulties for growers and the livelihoods of the communities that depend on the sector ([USA Today News 2023](#)).

- **Labour shortages:**

In all three countries, the agricultural sector suffers from local labour shortages, which is especially pronounced during harvesting when the workload is most intense ([Jornamex 2023](#), [RBC 2023](#)). In Mexico, this is exacerbated by the pull of outward migration to the US agricultural sector ([ETI 2019](#)). In the US and Canada, it stems from a reluctance of local workers to engage in physically-demanding and low-paid work ([New American Economy 2021](#), [Toronto Star 2023](#)). To address this shortage, farmers rely on migrant labour – largely foreign migrant labour in the US and Canada, and primarily internal migrant labour in Mexico ([Jornamex 2020](#)). It is important to note that Guanajuato, where most of Mexico's broccoli and cauliflower is produced, is a key 'transit' state for migration.

Often, growers cope with fluctuations in labour needs by turning to labour intermediaries who can supply labour by the day for example – this is common within Mexico but also in the US, where Mexican farmworkers may commute daily across the border to California or Arizona ([FERN 2021](#)). In the US and Canada, the H-2A Program and the TFWP were implemented to help meet farm labour demand.

- **Input costs:**

Broccoli and cauliflower pricing prediction is a challenge. Prices have risen as input costs increase year on year due to inflation (e.g., costs of land grant, water, fuel, transportation, fertilizers and labour – with minimum wage increases in some places). Recent challenges with pests and disease control have also brought new costs ([State of Guanajuato 2023](#)).

- **Commercial demands:**

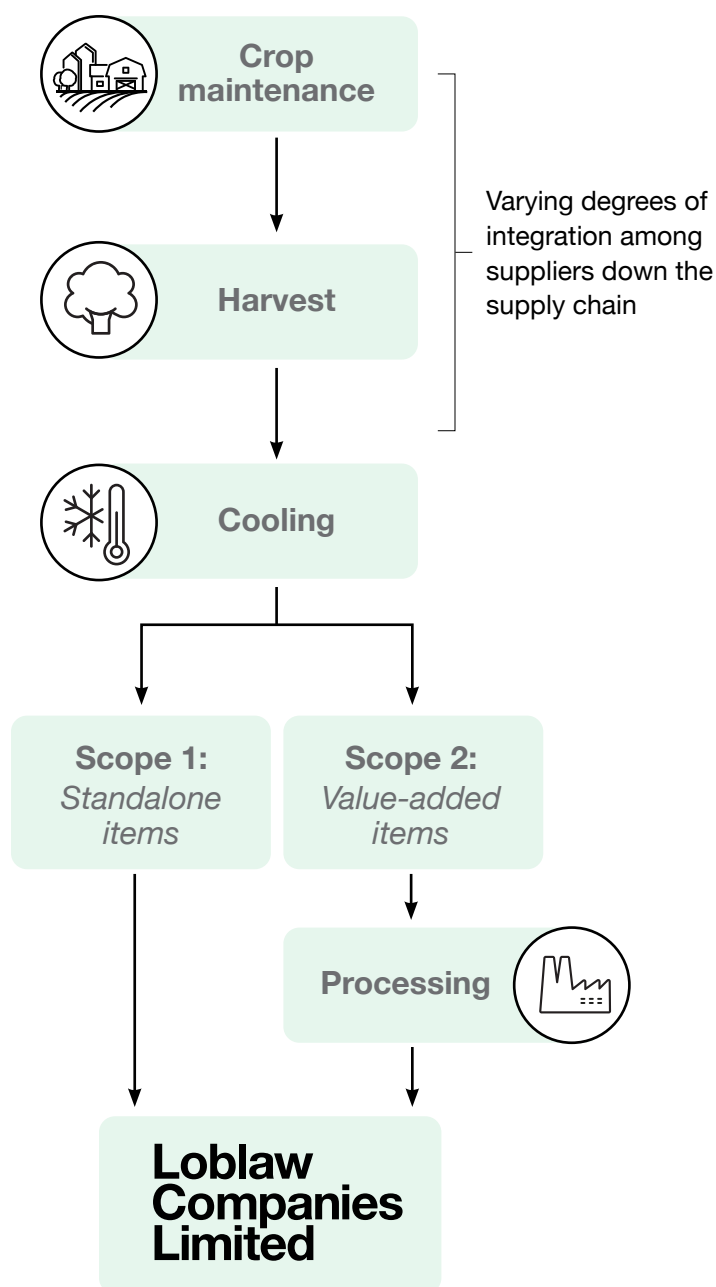
Further, particularly demanding customer specifications can put pressure on growers from the risk of product being rejected for minor imperfections. Nevertheless, demand for broccoli and cauliflower is steady – perhaps increasing slightly. Stakeholders also report that broccoli and cauliflower are inelastic items: even if suppliers change their price, demand remains reasonably consistent. Late 2023, owing to poor yields and high input costs, the price per box went up to USD 70 (compared to a regular price of USD 15).



6 How Loblaw buys broccoli and cauliflower

6.1 Loblaw's broccoli and cauliflower supply chain from Mexico, the US, and Canada

The only difference in the supply chains for broccoli and cauliflower sold as stand-alone items (Scope 1), and for broccoli and cauliflower as ingredients in value-added products (Scope 2) is that Scope 2 includes the added step of processing facilities that prepare and pack the items before delivering them to Loblaw's distribution centres.



Review of business activities:

Loblaw has a governance structure with a framework covering human rights issues for colleagues/employees, partners and individuals who intersect with its supply chain. This framework includes an enterprise risk management process, regulatory compliance and ethics programs, Environmental, Social, and Governance (ESG), human rights initiatives and corporate policies and practices. This HRIA included a detailed review of specific policies, governance documents and procedures related to broccoli and cauliflower's procurement and supply chain management (i.e., Loblaw's ESG reports, Sustainable Sourcing Guide, Supplier Code of Conduct, Vendor Facility Audit and Post-Audit Procedure, Position on Human Rights, and whistle-blower line ([Integrity Action Line](#)), among others).

6.2 Loblaw's buying practices

The information related to Loblaw's purchasing practices below is separated per Scope 1 (broccoli and cauliflower sold as stand-alone items) and Scope 2 (as ingredients in value-added products).

	Scope 1	Scope 2
Products	<ul style="list-style-type: none"> Broccoli and cauliflower sold as standalone items – including some organic produce. 	<ul style="list-style-type: none"> Broccoli and cauliflower as ingredients in value-added products such as florets, vegetable medleys and packaged salads.
Supplier selection	<ul style="list-style-type: none"> Loblaw purchases from mostly well-established suppliers (Tier-1) with long standing relationships (e.g., 20+ years). 	<ul style="list-style-type: none"> Loblaw purchases from a small group of mostly well-established suppliers (Tier-1). Mostly suppliers are very large and specialized with low levels of vertical integration (e.g., some own growing sites).
Sourcing locations	<ul style="list-style-type: none"> Loblaw's Tier-1 suppliers' source from Mexico / US from November to May and from Canadian-based suppliers in the North American summer months. Note that US-based suppliers to Canada source large volumes from Mexico; which can sometimes be accounted for as "US imports" even if the country of origin is not the US. 	<ul style="list-style-type: none"> Loblaw's Tier-1 suppliers source from Mexico / US from November to May and from some Canadian-based suppliers in the North American summer months. Processing activities largely take place in California in the US and Canada.
Pricing	<ul style="list-style-type: none"> Issues with consistency of supply cause significant price fluctuation. Recent challenges around pricing due to crop loss and labour and fertilizer cost increases. 	<ul style="list-style-type: none"> There is more stability and less fluctuation in volume and price forecasting. Greater price stability as suppliers can change raw ingredient composition for value-add products – which is not possible for Scope 1.
Visibility	<ul style="list-style-type: none"> Loblaw has limited visibility within the supply chain – mostly limited to Tier-1. Loblaw's visibility over sub-suppliers is limited to food safety requirements. 	<ul style="list-style-type: none"> Loblaw has limited visibility within the supply chain – mostly limited to Tier-1 and no visibility over sub-suppliers from Scope 2 supplier production.

6.3 Loblaw's T-1 Suppliers buying practices

The information provided below goes beyond Tier-1 (Loblaw's direct suppliers) to include Tier-2 (growers that Loblaw's direct suppliers source from) by explaining the buying practices of Loblaw's T-1 suppliers.

	Scope 1	Scope 2
Supplier selection	<ul style="list-style-type: none"> Largest suppliers (Tier-1) all buy from sub-suppliers (Tier-2), who tend to be an established handful of growers who regularly fulfill orders – but orders are less structured and more ad-hoc. 	<ul style="list-style-type: none"> Suppliers (Tier-1) have well-established relationships with a group of sub-suppliers (Tier-2), and they mostly buy standalone items from separate growers – with a low level of vertical integration.
Sourcing locations	<ul style="list-style-type: none"> Several US Tier-1 suppliers have their own growing operations in Mexico or source produce from Mexico and sell to Canada; other suppliers only sell US-grown produce. Canada-based Tier-1 suppliers also grow their own produce in Canada (summer) but mostly purchase from growers in Mexico and the US during the winter. 	<ul style="list-style-type: none"> During Canadian winter months, Tier-1 suppliers source standalone items for processing from Mexico / US suppliers. During Canadian summer months, Tier-1 suppliers source from Canadian growers as well as Mexico / US suppliers.
Contractual arrangements with suppliers	<ul style="list-style-type: none"> Tier-1 suppliers have varying systems of oversight and onboarding of sub-suppliers (Tier-2). Tier-1 suppliers evaluate sub-suppliers by taking into account factors such as quality, reliability and food safety. 	<ul style="list-style-type: none"> Tier-1 suppliers have established onboarding and monitoring processes of their sub-suppliers (Tier-2). Tier-1 suppliers again evaluate sub-suppliers by taking into account factors such as quality, reliability and food safety, with greater familiarity with social auditing and some emerging practices e.g., Self-Assessment Questionnaires (SAQs) for sub-suppliers.

6.4 Loblaw's human rights programs and governance

Position on human rights

- Governance of Loblaw's human rights program – including the company's Human Rights Position – fall within the scope of the Enterprise Compliance & Ethics team.
- Oversight is provided at the senior executive level by the Environmental, Social and Governance (ESG) executive Steering Committee, management board level by the Management Risk and Compliance Committee (MRCC) and board level by the Risk and Compliance Committee (RCC) of Loblaw's Board of Directors.
- Wider human rights responsibilities fall under other teams, such as legal, human resources, supply chain, sustainability and social impact, procurement, etc.

Requirements for suppliers

- Loblaw's Supplier Code sets expectations of Tier-1 suppliers related to human rights issues (worker rights and protections, freedom of association, right to collective bargain, employment standards, human rights, and health and safety), as well as the expectation to communicate these to related business partners, such as sub-suppliers (Tier-2).
- During tender processes, Loblaw's requirements for Tier-1 suppliers primarily focus on product specification and food quality and safety standards. No specific ethical trade requirements, such as those relating to social auditing or certification, are in place for the supply chain in scope for in this HRIA.

Supplier evaluation

- Loblaw's Supply Chain Compliance Program (SCCP) focuses on processing facilities (labelling & packaging) outside of Canada and the US. The program covers annual visits to international direct suppliers (Tier-1) and sub-suppliers (Tier-2) for products which are Control Brand or Importer of Origin for Loblaw. The SCCP has a team based across 5 countries deemed as high-risk. It relies on audits with social and labour components such as the Elevate Responsible Sourcing Assessment (ERSA) or Sedex Members Ethical Trade Audits (SMETA), which then undergo equalization through Loblaw's matrix to ensure alignment with requirements. Non-compliant suppliers are blocked but may be given the opportunity to address issues identified. The SCCP does not cover the supply chain in scope for this HRIA.
- Loblaw's International Team conducts an initial vendor verification through third-party certifications (e.g., SMETA) with a labour component at the beginning of a commercial relationship. Following this, ad-hoc visits to Tier-1 supplier sites are conducted annually to assess commercial and quality aspects among suppliers – rather than human rights or broader social issues. The team is US-based and regularly visits the US and Canada Tier-1 sites; it does visit sites in Mexico every year, although with limited coverage.
- Loblaw's Control Brand's Vendor Approval Program verifies Control Brand and Importer of Origin product direct suppliers (Tier-1) primarily with a focus on quality and food safety. A Global Food Safety Initiative (GFSI) certification for food safety is required for Importer of Origin products.
- From a regulatory perspective for the supply chain in scope for this HRIA, Loblaw has ongoing monitoring of all Tier-1 suppliers' performance relating to food safety, recalls, complaints, labelling, and other commercial factors – rather than human rights.

Projects and collaborations

- Loblaw does not currently collaborate on any social or human rights related projects or initiatives related to the sector in scope for this HRIA, or North American horticulture more broadly.

6.5 Human rights practices among Loblaw's suppliers

- Loblaw's Tier-1 suppliers periodically conduct food safety audits. While there is traceability in relation to food safety, there are no traceability requirements for social compliance or broader sustainability.
- Larger suppliers tend to have sustainability teams, covering both environmental and social sustainability, but with limited capacity to operationalize and monitor requirements.
- A noted challenge is the lack of uniformity among retailers' environmental and social requirements – with different retailers requesting and accepting different audits and / or certifications of suppliers. Some of the most common requested certifications or risk assessments by retailers are: SMETA, Social Accountability International (SAI) SA-8000 Standard, Integrated Pest Management (IMP) Institute's Sustainability Standard, with increasing interest in onboarding suppliers and their growers to the Ethical Charter Implementation Program (ECIP) – which offers to improve capacity on human rights in fresh produce supply chains.

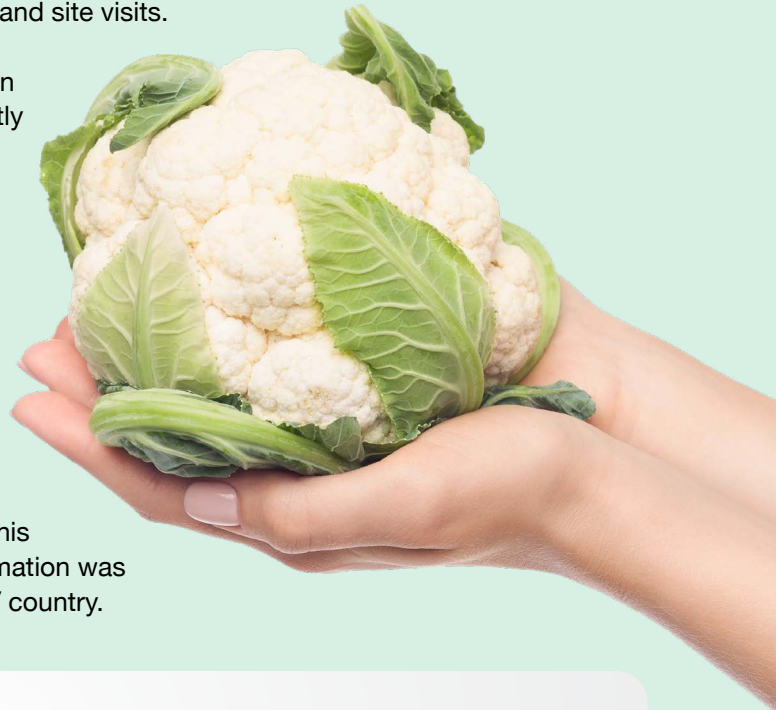
7 Impact assessment

This section sets out the key findings from this HRIA which are based on a mix of desk-based research, expert stakeholder interviews and site visits.

Impacts are rated based on saliency; taking into consideration whether the impact is positive or negative, whether it is directly attributable to the activity in question, its duration, likelihood, and magnitude.

It is important to note that not all findings below were identified during visits to suppliers in Loblaw's supply chain.

The tables below display all the salient human rights impacts assessed for this study. Each box represents an impact finding in relation to the supply chain activity and the impacted right. Positive impacts appear green; negative impacts appear in yellow, orange or pink. The highest scores (pink) reflect the most salient negative impacts identified by this study. Grey boxes on the impact scores denote that no information was identified to suggest a salient impact for that particular right / country.



**Negative
impacts**

**Positive
impacts¹**



¹ While the broccoli and cauliflower sectors provide important employment opportunities to many workers, no salient positive human rights impacts were identified as part of this study.

7.1 Impacts by Activity - Crop maintenance and harvesting



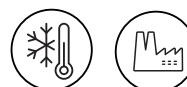
Crop maintenance includes irrigation, treatment with agro-chemicals, and planting. Workers harvest the produce manually with sharp knives and store the collected produce in buckets on their backs which are then taken or passed to conveyor belts on small trucks parked near-by where a separate group of workers (often women) pack the broccoli and cauliflower into boxes.

Rights impacted	Mexico	US	Canada	Impact Description
Working conditions (contract, wages, hours)				<p>High levels of informality are present in Mexico and the US, with a high degree of unregulated labour intermediaries operating in both countries and higher levels of informal recruitment in Mexico. This can lead to inadequate compensation and lack of social protections for workers. In Canada, the power imbalances between employer and workers inherently present in temporary guest worker programs result in risks of wage theft and deductions. Reports of excessive hours were found in all three countries, including cases of forced (unpaid) overtime and insufficient rest breaks.</p> <p>Wages in Mexico and the US largely fluctuate during the year due to the seasonality of work. These patterns of employment make it difficult for workers to earn income on a consistent basis. Anecdotally, workers highlight difficulties in covering costs of basic needs in Mexico, the US, and Canada.</p>
Occupational Health and Safety (OHS)				<p>Lack of appropriate Personal Protective Equipment (PPE) / training was reported across all three countries. Workers are regularly exposed to pesticides and report a high degree of repetitive strain injuries. They may work in unsafe working conditions in agricultural fields due to heat stress, lack of shade, inadequate access to water and rest. Issues arising from unsafe transportation to and from fields is prevalent in Mexico and the US (including with workers being transported from Mexico into the US daily).</p>
Freedom of association and collective bargaining				<p>Unionization is uncommon due to legal barriers of agricultural workers in the US and Canada joining unions and employer reluctance to engage with unions in all three countries. In Mexico, there is a general lack of awareness about unions, accompanied by a lack of trust among workers. Across all three countries, anti-union efforts by agribusiness companies and retaliation against workers is reported.</p>

Rights impacted	Mexico	US	Canada	Impact Description
Forced labour				<p>Indicators of forced labour are reportedly common in the sector, including risks of debt bondage due to recruitment fees, passport confiscations, wage deductions, non-payment of wages and forced overtime – often by labour intermediaries.</p> <p>In particular, the guest worker programs (H-2A in the US and the TFWP in Canada) have been linked to modern slavery cases. In the US, undocumented workers which make up at least 50% of the agricultural workforce, are exceptionally vulnerable to various forms of exploitation, some of which may constitute forced labour.</p>
Child labour				<p>Child labour is prevalent in the agricultural sector in Mexico and, to a lesser extent, in the US. In Mexico, children of day labourers are most at risk as migrant families are often employed as a unit, while in the US unaccompanied minors migrating from Central America are disproportionately affected. Some activities would be considered hazardous child labour – such as exposure to heavy weights and pesticides. There is a high rate of (sometimes fatal) injury among children in agriculture and it is exacerbated by informal labour arrangements and low sanctions in cases of established child labour. Child labour is reportedly rare in Canada.</p>
Employment discrimination				<p>The agricultural sector across the three countries is marked by labour segregation, including lower wages for migrant, indigenous and women workers in Mexico and for migrant workers in the US. Employment discrimination against pregnant women and mothers is also reported.</p> <p>Several stakeholders noted clear gender discrimination within the H-2A guest worker program, with very few women applicants securing placements in the US. The TFWP in Canada has historically had extremely low numbers of women workers. Across the three countries, there are reports of verbal and physical abuse and social exclusion of migrant workers by supervisors and within local communities.</p>
Gender-based violence and harassment (GBVH)				<p>GBVH is a risk in agriculture in all three countries – however, there are reportedly lower numbers of women farmworkers in Canada. Women experience verbal and physical abuse both in fields and transport and receive requests for sexual favours in exchange for work or benefits. There is a barrier for women to report for fear of losing their jobs; this risk increases in the case of undocumented female workers in the US.</p>

Rights impacted	Mexico	US	Canada	Impact Description
Right to citizenship				It is reported that at least 50% of the agricultural workers in the US are undocumented with no path to legalising their status or achieving citizenship (Baker Institute 2024). Many of them have been living in the US without access to social benefits for decades. The number of undocumented workers in Canada is increasing as many guest workers overstay their work visas.
Right to an adequate standard of living - housing, food, electricity				Many of the local workers in Mexico and the US live in inadequate and unsanitary housing conditions. Overcrowding is common, especially in the US where California housing costs make it difficult for workers to live independently. In California specifically, farm workers and families report food insecurity due to low wages. Guest farmworkers in the US and Canada are required to receive employer-provided housing, although many report housing and sustenance options are substandard.
Right to education				In Mexico, it is common for children of agricultural workers to accompany them as they migrate in search of seasonal work, making regular school attendance difficult. In addition, there is a lack of educational facilities in remote locations, where many of the agricultural fields are located.
Right to health				Seasonal and migrant agricultural workers in the US (at least half of which are undocumented) report low levels of access to medical care as well as lack of health insurance. In Canada, farmworkers receive health coverage under the guest worker programs, but report fear of termination of their contracts if they seek medical care. In some cases, employers reportedly delay or refuse to take migrant workers to health clinics.
Right to a healthy environment				In Mexico, there are reports of agrochemicals affecting the water sources of local communities.
Right to an effective remedy				The informal and nomadic nature of agricultural work in Mexico and the US, along with lower levels of education, low literacy and language barriers mean that workers struggle to access grievance mechanisms – even if they exist. In the US and Canada, workers fear contract termination or deportation, which discourages complaints.

7.2 Impacts by Activity - Cooling and processing



Broccoli and cauliflower across all three countries is packed and cooled in facilities on or close to fields. It is then transported onwards (Scope 1) or to processing facilities (Scope 2). For Scope 2, suppliers in the US and Canada source produce that is already cooled and packed – it is then washed, cut, shred, and re-packaged in their processing sites to create value-added items.

Rights impacted	Mexico	US	Canada	Impact Description
Working conditions (contract, wages, hours)				The workforce at food processing facilities in the US and Canada is mostly made up of migrant workers hired through temporary recruitment agencies. The majority of the workers interviewed in California were undocumented migrant workers, who have no access to social benefits in spite of making regular contributions through payroll deductions (ITEP 2024). No issues were identified relating to wages or hours.
Occupational Health and Safety (OHS)				Most risks inside processing facilities are related to inappropriate use of PPE or lack of PPE. Processing facilities require lower temperatures and workers are exposed to extreme cold as well as the use of strong chemical products. Facilities have high levels of noise, and workers report repetitive strain injuries.
Freedom of association and collective bargaining				Unionization is uncommon in the food processing sector across all three countries. Worker organizations which are dominated or unduly influenced by the employer (“yellow unions”) are prevalent in Mexico and deter genuine worker organization. The US and Canada have legal barriers to unionization, with the added challenge that the largely undocumented and sub-contracted workforce in the US is unlikely or unable to unionize. In Canada, guest workers are also unable to unionize.
Forced labour				Indicators of forced labour are reported in the food processing sector in the US, including risk of debt bondage among the mostly undocumented workforce. In Canada, the forced labour risks are higher for agency workers and those with temporary or no legal status. There are reports of passport confiscation and wage theft in both countries.
Child labour				There is a general risk of child labour in the food processing sector in the US, with reports of child workers being employed during night shifts.

Rights impacted	Mexico	US	Canada	Impact Description
Employment discrimination				There are reports of lower wages being paid to migrant workers in cooling facilities in Mexico. In the US and Canada, the workforce at food processing facilities is highly feminized and these women are less likely to have professional opportunities for development and promotion. In the US, undocumented workers report being subject to threats and discriminatory verbal abuse.
Gender-based violence and harassment (GBVH)				The risk of GBVH by male supervisors and managers is higher at food processing facilities in the US and Canada since the workforce is often highly feminized.
Right to an effective remedy				Food processing workers in Mexico, the US, and Canada have no access to workplace grievance mechanisms or are unaware of their existence. In the US, the undocumented workforce is unlikely to voice complaints due to fears of retaliation, contract termination or even deportation.

8 Root causes

To further understand the human rights impacts identified in this HRIA, a root cause analysis was undertaken. Root causes are underlying structural or contextual factors which are considered to drive human rights impacts and affect the enjoyment of human rights by rightsholders. Each human rights impact is frequently driven by multiple root causes.

The root cause analysis is important for the development of appropriate actions to mitigate or remedy impacts and to prevent further impacts. The root causes identified here are relevant to impacts in all three countries.

The root causes are categorized under three main categories: Commercial, sectoral and business drivers; Legal and institutional framework; and Other contextual social drivers.

8.1 Commercial, sectoral and business drivers

Root Cause	Description
Physical nature of work	Farm and processing work is physically demanding in nature. Farm work is particularly strenuous during harvest season when workers are required to work long hours, bent over and carrying heavy loads under time pressure in extreme weather such as high temperatures or storms. Piece-rate work can also increase risk of injury, for example by not taking adequate breaks. Processing roles are highly repetitive, which can result in strains, injuries and other OHS risks. The physical nature of work exacerbates OHS risks.
Seasonal nature of work	There is a high demand for labour during harvest periods – particularly as the produce must be hand-harvested. This results in a prevalence of temporary and seasonal employment, which drives labour outsourcing during harvest. Growers are more inclined to outsource labour for short periods. Irregularities in labour outsourcing, often owing to non-compliances among farm labour intermediaries, fuel informality and a range of working conditions issues. Further, unionization is uncommon due to the seasonal nature of work (which can prohibit or discourage workers from joining unions).
Labour shortages and outsourcing	Labour outsourcing is driven by a range of factors including, most importantly local labour shortages, with a reported disinterest among locals in work considered strenuous and low-paid. Use of farm labour intermediaries is very common – particularly during the harvest season. They decrease visibility over the workforce, as well as increase the risk of exploitation and non-compliance with regulations around wages, working conditions, excessive hours, unsafe travel to site and potential charges of recruitment fees or unfair deductions – which in extreme cases could constitute cases of forced labour. Labour intermediaries are not well monitored by authorities, and regularly contract informally and/or contract undocumented workers.
Informal labour market conditions	The farm workforce in Mexico and the US is highly informal, such that even long-term workers may be engaged in the same way as casual day-labourers, without formal written terms and conditions or payment of social security contributions for example. Informal workers are also made more vulnerable to abuse and exploitation on the part of employers because they have few avenues that they can use to raise complaints about working and/or living conditions or to access effective remedy.

Root Cause	Description
Producer capacity	Producers have inadequate capacity and resources to comply with law or standards, PPE and OHS training and/or commitment to ensure compliance with broader working or living condition requirements. This in turn can affect a range of living and working conditions experienced on farms and is also a factor driving increasing reliance on farm labour intermediaries.
Limited worker awareness	Workers may lack awareness of their labour rights, increasing their vulnerability to exploitation and abuse. Limited worker awareness also impacts OHS risks, as workers may not understand the importance of using PPE to protect themselves, particularly against agrochemicals. Limited awareness of their labour rights also prevents workers' potential participation in unions or other forms of worker organization to collectively defend their rights. Foreign workers in the US or Canada with limited ability in English, and indigenous workers in Mexico with limited ability in Spanish, are particularly vulnerable to abusive practices, as they may not be able to communicate properly with their employers, to understand the terms of their contracts, or to raise complaints. In addition, many farmworkers are illiterate.
Rural locations	The farms that grow broccoli and cauliflower can be located in remote areas – especially in Canada. This can increase the vulnerability of workers given the limited visibility of their conditions, dependency on their employer for transport, and poor connectivity in some areas. Rural locations can limit union access to remote work sites, and present challenges for monitoring by understaffed labour inspectorates in the respective countries. The absence of unions and labour inspectorates in these areas may contribute to a sense of impunity among employers, making abuse more likely.

8.2 Legal and institutional framework

Root Cause	Description
Performance of state institutions	In all three countries, labour inspectorates are insufficiently staffed and funded to detect non-compliances and enforce labour law. The rural location of farms makes access for the purposes of inspection or enforcement difficult. Limited access is also due to the informality of the sector in Mexico and the vast geographic distances to be covered in the US. In Canada, there is a lack of unannounced inspections and an overreliance on complaints by workers to prompt visits. Further, there is generally very little oversight into labour intermediaries' practices, contributing to risks relating to working conditions and, in extreme cases, forced labour. The poor performance of state institutions also impacts workers' right to an effective remedy, as workers may face issues such as lengthy delays when raising grievances with external grievance routes. This may contribute to a sense of impunity among employers, making abuse more likely.

Root Cause	Description
Legal exclusions for agricultural workers	In the US and Canada, some pieces of labour legislation explicitly exclude the agricultural sector, or alternatively, other pieces of legislation apply specifically to the agricultural sector – for example in relation to minimum wage and hour guarantees, overtime pay, underage labour, freedom of association. In addition, the fact that the US' states and Canada's provinces develop and enforce their own labour protections for agricultural and/or temporary foreign workers and oversight policies for recruitment and employment, complicates worker protection due to inconsistent standards across the country.
Limited regulation of labour intermediaries	<p>Fraudulent recruitment is not criminalized in Mexico, and any government efforts to address abusive practices by private intermediaries have to date proven inadequate. There is no evidence of a systematic inspection regime for labour intermediaries. Despite it being prohibited under the country's Constitution, many Mexican farmworkers going to the US get charged illegal fees by intermediaries – especially informal unlicensed ones and in some cases by licensed operators as well.</p> <p>Similarly, although the US' Migrant and Seasonal Agricultural Worker Protection Act requires labour intermediaries to obtain federal certification prior to engaging in any farm labour contracting activities, the reality is that informality remains prevalent, and intermediaries are responsible for most of the abuse on farmworkers. Further, the US does not regulate intermediaries operating from outside its borders (e.g., connecting Mexican workers to jobs in the US).</p> <p>Agricultural workers in Canada are subject to inconsistent protection standards across the country as different provinces can develop their own oversight policies for intermediaries. To fill their labour shortages, agricultural employers use intermediaries or temp agencies, who themselves determine the profile, selection, transfer and distribution of workers and, in the case of non-SAWP workers, design contracts that facilitate non-compliance. Even within the TFWP, home country intermediaries often charge workers fees and Canada does not regulate activities outside its borders.</p>

8.3 Other contextual social drivers

Root Cause	Description
Poverty and lack of opportunity	High levels of poverty and unemployment in Central America and the southeastern states of Mexico pushes workers to migrate for work in export agriculture across all three countries. Poverty, lack of opportunity, and ultimately desperation, facilitates exploitation of these migrant workers, particularly by labour intermediaries.

Root Cause	Description
Power imbalances	<p>Power dynamics between employers / intermediaries and farm labourers in Canada, the US and Mexico leads workers to be hesitant to risk their jobs and livelihoods (and often that of their family's) by complaining or voicing concerns. This is especially true for migrants, both regular and undocumented. For foreign farmworkers coming to the US and Canada through regular migration channels like the H-2A program or SAWP, it is very difficult, if not impossible, to change employers – thus heightening their dependency and vulnerability. On the other hand, undocumented migrant farmworkers (especially numerous in the US) are very fearful of retaliation and deportation, which deters them from raising complaints, rendering them extremely vulnerable to exploitation and abuse.</p>
Societal perceptions of migrants	<p>Most of the farm workforce across all three countries consists of low-skilled migrants (internal in Mexico, foreign in the US and Canada). Many, especially in the US, are undocumented, which further heightens their vulnerability and fear of retaliation. These workers are often recruited through labour intermediaries, who are responsible for much of the abuse that is rampant in the sector.</p> <p>Further, societal perceptions of migrants, can fuel discrimination by employers or by fellow workers. In extreme cases, anti-migrant discrimination leads to conflict, racist abuse and potentially violence at the job site and in rural communities.</p>
Societal gender norms	<p>Societal gender stereotypes and norms fuel discrimination against women who may be considered less physically able to hold certain roles such as cutting, because of this, most women are confined to packing roles in the field. This contributes to multiple human rights issues, including discrimination in work (e.g., lack of opportunity and discriminatory hiring including through official agricultural work migration channels, lower pay due to informal, part-time, temporary or less technical roles), GBVH and lack of access to effective grievance mechanisms for women (especially as their largely male crew leaders and supervisors, often the first or only port of call for reporting abuse, may be the perpetrators themselves).</p>

9 Attribution of impacts to Loblaw

Understanding a company's relationship to impacts is important for determining its leverage, or the capability of a company to influence conditions in the supply chain. This understanding helps prioritize and identify effective actions that can mitigate impacts or prevent potential impacts on rightsholders.

The UN Guiding Principles outline three ways that a human rights impact can be attributed to a company:

- **Causation:** A business causes an adverse human rights impact if its actions or omissions directly result in the harm.
- **Contribution:** A business contributes to an adverse impact when its activities (actions or omissions) combine with those of other entities to cause harm.
- **Linkage:** A business has a direct linkage to an adverse human rights impact when the harm is connected to its operations, products, or services through a business relationship, but the company itself did not cause or contribute to the harm.

In order to develop and prioritize recommended actions for Loblaw, Ergon undertook an internal analysis to identify Loblaw's relationship to each of the salient impacts identified in this HRIA (e.g., causation, contribution, linkage).

As an end buyer with no direct contractual or investment relationships to the lowest, highest-risk tier of the supply chain (i.e., farm-based activities in Mexico, the US, or Canada), Loblaw's activities alone are not sufficient to cause an impact to occur, in most cases. Its connections to impacts are therefore through contribution or linkage – as set out in some examples below. In some cases, there is no attribution.

The below are example descriptions of attribution for a selection of impacts and are not intended to be comprehensive.

9.1 Farms: Crop maintenance and harvesting

Rights issue	Attribution	Description
Working conditions (contracts, wages, hours)	Contribution	Issues relating to working conditions, particularly low wages and excessive hours, are partly driven by increasing price pressures passed down the supply chain from retailers and Tier-1 suppliers to growers. Price pressures can be a driver of labour outsourcing, which is widespread on this supply chain across all three countries and can facilitate non-compliances with labour law. In this way, Loblaw can contribute to this impact through the prices it pays.
Forced labour	Contribution	Indicators of forced labour and trafficking are common in the sector across all three countries, including risks of debt bondage due to labour intermediaries charging recruitment fees, passport confiscation, risk of wage deductions, non-payment of wages and forced overtime. This supply chain heavily relies on vulnerable workers recruited through guest worker programs (Canada and the US) and undocumented workers (US). Currently, for the supply chain in scope for this HRIA, Loblaw does not have regular monitoring or evaluation processes in place of Tier-1 / Tier-2 suppliers' capacities to address potential human rights issues and relies on government regulation within North America. Although Loblaw has a Supplier Code which all suppliers are required to adhere to, Loblaw can contribute to this impact as the adherence to the Supplier Code is not covered by the Supply Chain Compliance Program for the supply chain in scope for this HRIA..

Rights issue	Attribution	Description
Freedom of association and collective bargaining	Linkage	Unionization at crop maintenance and harvesting levels is uncommon, which is driven by factors such as legal barriers in the US and Canada and lack of awareness and trust about unions in Mexico. However, anti-union efforts by agribusiness companies and reported retaliation against workers seeking to unionize exacerbates these issues. While Loblaw does not cause or contribute to this contextual impact – presence of this issue within its supply chain creates a linkage to Loblaw.

9.2 Cooling and processing facilities

Rights issue	Attribution	Description
Occupational Health and Safety (OHS)	Contribution	OHS risks are somewhat inherent to processing tasks. However, most OHS risks reported in this supply chain are related to workers' inappropriate use or lack of PPE, which exacerbates risks related to being exposed to extreme low temperatures, strong chemical products and high levels of noise. Loblaw can be considered to contribute to this impact - as more stringent OHS requirements on its suppliers, including regular social audits, may serve to mitigate this impact.
Right to an effective remedy	Linkage	Cooling and processing facility workers in Mexico, the US, and Canada have no access to workplace grievance mechanisms. While Loblaw could increase requirements on suppliers and sub-suppliers relating to grievance mechanisms, in the US, the undocumented workforce is unlikely to voice complaints due to fears of retaliation, contract termination or even deportation. Therefore, Loblaw can be linked to this impact due to the presence of the issue within its supply chain.

10 Recommendations

The findings in this report are based on a mix of desk-based research, expert stakeholder interviews and site visits. They represent industry wide findings applicable to the broccoli and cauliflower supply chains in Mexico, the US and Canada and were not necessarily identified during site visits to suppliers in Loblaw's supply chain.

Based on these findings, practical recommendations were developed for Loblaw to help prevent, mitigate or remediate the most salient negative impacts within the broccoli and cauliflower supply chains in Mexico, the US and Canada across the industry. The recommendations focus on areas where Loblaw has direct influence and can effect change. Loblaw will use them to develop specific action plans that are applicable and relevant for its organization.

1. Policies, governance and capacity	Strengthen overarching policies, strategy and capacity to operationalize human rights due diligence in supply chains
	Assess capacity to enhance supply chain monitoring across high-risk supply chains
2. Supplier selection, requirements and monitoring	Understand suppliers' capacity to identify and address human rights issues throughout the supply chain
	Identify opportunities to build supplier capacity on human rights
	Assess opportunities to enhance human rights requirements for certain high-risk supply chains
3. Purchasing practices	Identify opportunities to integrate suppliers' performance on human rights into procurement decisions
	Increase internal integration and commitment to responsible purchasing practices
4. Collaboration	Communicate HRIA findings to key suppliers and other stakeholders
	Explore opportunities to collaboratively improve worker voice in the supply chain
	Consider additional involvement in existing initiatives and industry consortia on human rights and responsible sourcing to address contextual challenges associated with high-risk commodities

11 Appendix A

Field visits



Mexico

- Fieldwork conducted in Guanajuato and Sonora in late January – February 2024.
- Two different sub-supplier farms (Tier-2) and their integrated cooling facilities were visited.
- Interviewed stakeholders were mostly local and Mexican migrant workers, including:
 - 84 workers (17 women)
 - 10 cooling workers (0 women)
 - 12 management or supervisory staff (1 woman)



US

- Fieldwork conducted in El Centro, Southern California and Yuma, Arizona in March 2024 and in the Salinas Valley in Northern California in April 2024.
- One direct supplier's growing / harvesting operation (Tier-1), six sub-supplier farms (Tier-2), and one labour contractor were visited.
- Two cooling facilities (Tier-1 / Tier-2) and one large processing / cooling facility for value added (Tier-2) were also part of the fieldwork.
- Interviewed stakeholders included:
 - 172 workers (incl. 37 women); 40 of which H-2A (Temporary Agricultural Worker Program)
 - 28 management or supervisory staff (13 women)
 - 42 cooling workers (23 women)
 - 3 cooling managers (1 woman)



Canada

- Fieldwork conducted in Ontario and Quebec in late July and August 2024.
- Two direct suppliers' growing / harvesting operations in Quebec (Tier-1) were visited.
- One large processing / cooling facility for value added in Ontario (Tier-1) was also part of the fieldwork.
- Interviewed stakeholders included:
 - 60 male farm workers; of which 30 Seasonal Agricultural Worker Program (SAWP) and 30 agricultural stream workers (mostly from Latin America)
 - 6 farm management or supervisory staff (5 women)
 - 3 cooling workers (0 women)
 - 1 cooling manager (0 women)
 - 35 processing workers of which 25 were immigrant workers mostly from Southeast Asia (23 of the 35 processing workers and 22 of the 25 immigrant workers were women)
 - 3 processing managers or supervisory staff (0 women)

12 Appendix B

Institutional stakeholders engaged

Institutional stakeholders	
 Mexico	<ul style="list-style-type: none"> • 1 government agency • 1 international organization • 2 trade unions • 1 sectoral organization • 2 multi-stakeholder initiatives (MSIs) • 5 Non-Governmental Organizations (NGOs)
 US	<ul style="list-style-type: none"> • 1 government agency • 1 international organization • 1 trade union • 1 industry association • 2 MSIs (certification organizations) • 2 NGOs
 Canada	<ul style="list-style-type: none"> • 1 federal government agency • 1 provincial government agency • 1 trade union • 2 federal industry associations • 3 provincial industry associations • 1 MSI • 3 NGOs

13 Sources

- Agricultural Marketing Resource Center (AgMRC), 2024, [Broccoli](#)
- Agriculture and Agri-Food Canada, 2023, [Crop Profile for Brassica Vegetables in Canada, 2021](#)
- Baker Institute, 2024, [Migrant Workers' Vital Role in Agriculture](#)
- Caxaj, Susana, Maxwell Tran, Stephanie Mayell, Michelle Tew, Janet McLaughlin, Shail Rawal, Leah F. Vosko and Donald Cole, 2022, [Migrant Agricultural Workers' Deaths in Ontario from January 2020 to June 2021: a Qualitative Descriptive Study](#)
- Center for Migration Studies (CMS), 2022, [A Profile of Undocumented Agricultural Workers in the United States](#)
- Contra Réplica, 2022, [Destaca México como Líder Exportador de Brócoli y Coliflor](#)
- Economic Policy Institute (EPI), 2020, [Federal Labor Standards Enforcement in Agriculture](#)
- Economic Research Service – United States Department of Agriculture (ERS USDA), 2023, [Data by Commodity – Imports and Exports](#)
- ERS USDA, 2023, [Farm Labor](#)
- Estrada, Francisco, Alma Mendoza-Ponce, Oscar Calderón-Bustamante and Wouter Botzen, 2022, [Impacts and Economic Costs of Climate Change on Mexican Agriculture](#)
- Ethical Trading Initiative (ETI), 2019, [Study of good practices in the horticulture sector for export: Colombia, Mexico, Peru](#)
- Equity Health (International Journal), 2022, [Migrant Agricultural Workers' Deaths in Ontario from January 2020 to June 2021: a Qualitative Descriptive Study](#)
- Food and Environment Reporting Network (FERN), 2021, [Farmworkers Face a Life-and-Death Commute to Arizona's Lettuce Fields](#)
- Fresh Plaza, 2022, [Low Prices Lead to Unharvested Acreage of California Broccoli and Cauliflower](#)
- Governing, 2021, [E-Verify Creates Loophole for Undocumented Workers, Employers](#)
- Government of Canada, 2023, [Overview of Canada's Agriculture and Agri-food Sector](#)
- Government of Canada, 2022, [Sectoral Profile: Agriculture NAICS 11, Ontario 2022-2024](#)
- Government of Mexico, 2023, [Workers in Farming Activities](#)
- IndexBox, 2023, [World Cauliflower and Broccoli Market Analysis – Forecast, Size, Trends and Insights](#)
- International Labour Organisation (ILO), 2020, [Central American Migrant Women in Mexico: Informality in Recruitment and Employment](#)
- International Research & Exchanges Board (IREX), 2023, [Three Recommendations for Supporting Internal Migrant Workers in Mexico](#)
- Institute on Taxation and Economic Policy (ITEP), 2024, [Tax Payments by Undocumented Immigrants](#)
- Jornamex, 2023, [Regional Notebook 4: Working and Living Conditions in Mexico's Export Agriculture – Guanajuato's Bajío 2020-2022](#)
- Jornamex, 2020, [Farm Workers in Mexico's Export Agriculture](#)
- Jornamex, 2020, [Women and Men in Farm Work in Mexico: Trends and Gaps, 2005-2019](#)
- Migration Policy Institute (MPI), 2022, [Temporary Worker Programs in Canada, Mexico, and Costa Rica: Promising Pathways for Managing Central American Migration?](#)
- More than a Migrant Worker, 2023, [SWAP? TFW Program? Undocumented? What do these mean?](#)
- Mother Jones, 2020, [Unsheltered in Place](#)

- National Center for Farmworkers' Health (NCFH), 2022, [Facts About Farmworkers](#)
- New American Economy, 2021, [Immigration and Agriculture](#)
- Produce Blue Book, no date, [Cauliflower Market Summary](#)
- Produce Pay, 2022, [Broccoli Analysis 2022 – Production, Prices and Export](#)
- Reuters, 2022, [‘We Need Rain’: Mexican Farmers Ravaged by Northern Drought](#)
- Riviera Produce, 2023, [Restaurant Industry Insights and Price Forecasts for 2024](#)
- Royal Bank of Canada (RBC), 2023, [Farmers Wanted: The Labour Renewal Canada Needs to Build the Next Green Revolution](#)
- Servicio de Información Agroalimentaria y Pesquera (SIAP), 2023, [Avance de Siembras y Cosechas](#)
- SHRM HR, 2007, [Unmasking Illegal Workers](#)
- State of Guanajuato, 2023, [State Adds \\$1 Million to Fight Diamondback Moth](#)
- Statistics Canada, 2022, [Agriculture and Agri-food Labour Statistics](#)
- The Guardian, 2023, [An Immigrant Farmer Grew Produce for Restaurants, California Floods Ruined her Crops](#)
- The Guardian, 2021, [Meet the Workers who Put Food on America’s Tables – but can’t Afford Groceries](#)
- Toronto Star, 2023, [‘We’re like Prisoners’: Concerns Mount about the Rapid Increase in Foreign Workers on Farms as Canada Races toward almost \\$100-billion in Food Exports](#)
- Tridge, 2020, [2020 Industry Report: Broccoli](#)
- United States Department of Agriculture (USDA), 2023, [Vegetables 2022 Summary](#)
- United States General Accounting Office (GAO), 1999, [Fraudulent Documents Undermining the Effectiveness of the Employment Verification System](#)
- USA Today News, 2023, [California’s Vast Farms are Soaked. There’s Nowhere to Plant Tomatoes, and that’s just One Problem](#)
- Wilson Center, 2019, [Initial Findings & Key Recommendations: Farm Labor & Mexico’s Export Produce Industry](#)