



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

SCOTLYNN

Forced Labour and Child Labour in Supply Chains Company Assessment



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Table of Contents

Introduction	2
Structure, Activities & Supply Chain	2
Policies & Due Diligence Processes.....	4
Supply Chain Risk Assessment	7
Remediation of Forced & Child Labour as well as Remediation of Vulnerable Family Income Loss.....	8
Awareness Training.....	9
Assessing Effectiveness	10
Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour	11



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Introduction

This report is jointly prepared by 1000011022 Ontario Inc., on behalf of the Scotlynn Group of Companies ("Scotlynn") for the financial reporting year of 2023. This is a joint report which includes all the entities identified in Appendix A. Scotlynn operates only in Canada and the United States and does not have any other similar reporting obligations outside of Canada. This is our first report submission and we meet all 3 of the Bill S-211 reporting requirements related to revenue, assets and number of employees.

As a prominent player in the transportation, logistics, and produce industries, Scotlynn, is committed to upholding ethical practices and ensuring that forced labour and child labour are not utilized within our supply chains. In accordance with the Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act, Scotlynn has implemented a range of measures to prevent and mitigate these risks throughout our operations.

Structure, Activities & Supply Chain

Structure

Scotlynn is a privately held group of companies that operate in Canada and the United States, with a head office based in Vittoria, Ontario Canada. There are different management teams in Canada and the United States operating utilizing the same goals and values under the direction of a single controlling owner. Scotlynn has employees that operate in both countries. The breakdown of our employees per business function is the following:

Transportation and Logistics

Canada – Vittoria, Ontario (158 employees) and Brantford, Ontario (51 employees), United States – Fort Myers, Florida (268 employees) Tampa, Florida (58 employees), and Indianapolis, Indiana (34 employees).

Produce

Canada – Vittoria, Ontario (375 employees, including Temporary Foreign Workers).



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Activities

Scotlynn's operational activities include the following:

1. *Transportation operations*: consist of owner-operators and employee drivers driving within Ontario, as well as cross border, which includes almost all provinces and states.
2. *Logistics operations*: consist of contracting transportation partner carriers to deliver freight for our customers, within the same geographic region as the transportation operations.
3. *Produce operations*: consists of a full-range farming operations. Cash crops are planted and harvested annually on land located mainly within Norfolk County with smaller operations in Brant and Elgin Counties. Current crops grown are ginseng, asparagus, sweet corn, watermelon, pumpkins, soybeans, and hard corn.

Supply Chain

Scotlynn operates within a complex network of suppliers, carriers, and stakeholders involved in the transportation and logistics industry. Our activities span across various sectors, including domestic and international transportation, warehousing, and distribution. Scotlynn also operates within the agricultural industry, specializing in the cultivation of produce. Our activities encompass various stages of production, including planting, harvesting, packaging, and distribution.

All our suppliers physically reside within Canada or the United States, except for one which is based in Germany. All three of these countries are considered to have low inherit risk related to child and forced labour. However, to further mitigate the risk we only work with the largest, most reputable businesses in each supply chain.

The only supplier we work with outside of Canada/United States is specific to our asparagus operation (produce business) as the packing machine was purchased from a highly reputable manufacturing company in Germany. This machine was not available in Canada or the United States at the time of purchase in 2014. Most repairs and replacement parts are sourced through this same company.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Policies & Due Diligence Processes

Current Policies

During the previous year, Scotlynn has taken proactive steps to prevent and reduce the risk of forced labour and child labour within our supply chains. This includes comprehensive training programs for employees, updating carrier agreements to include anti-forced labour and child labour clauses, and establishing clear reporting procedures for suspected instances of such practices.

Carrier agreements:

In alignment with Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act, Scotlynn has updated its carrier agreements to reinforce its commitment to ethical practices. The new subsection added to the carrier agreements explicitly prohibits the use of forced labour and child labour within business activities. All carriers upon onboarding to work with Scotlynn are required to sign the agreement.

Whistle blower policy:

Scotlynn has established clear reporting procedures for employees to follow if they suspect instances of forced labour or child labour. Employees are instructed to notify their supervisor immediately if they observe or suspect any such practices among stakeholders or within the supply chain. Supervisors are responsible for documenting the report and initiating an investigation in coordination with the appropriate departments. All reports are treated confidentially, and Scotlynn ensures that there will be no retaliation against employees who report in good faith. This procedure not only helps in promptly addressing any issues but also reinforces Scotlynn's zero-tolerance policy towards forced labour and child labour.

Ethical Labour policy:

Our Ethical Labour policy is posted in our Human Resource Management System along with our other employment policies and resources for employee access. Our Ethical labour policy is supplemented by employment contracts, which are signed by employees and include a condition that employees must be legally authorized to be employed in Canada in accordance with applicable law and remain legally authorized to work in Canada during their employment with Scotlynn.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Certifications and partnerships:

Scotlynn maintains certifications and partnerships that contribute to our proactive efforts to reduce forced labour and child labour within our supply chains. In conjunction with our Customs Trade Partnership Against Terrorism certification (CTPAT), Scotlynn does not allow for subcontracting services beyond a second party other than to other CTPAT members only. Scotlynn is a member of the Partners in Protection (PIP) program to enhance border and trade chain security.

Posters on employee rights:

Scotlynn maintains best practice by ensuring that all employees are informed of their rights under provincial and federal employment laws. The Employment Standards Act (ESA) and Canada Labour Code (CLC) posters and summaries are displayed in common areas such as kitchens and break rooms.

Through these initiatives, Scotlynn aims to uphold the highest ethical standards and ensure the integrity of its supply chains, making a significant contribution to the global fight against forced and child labour.

Due Diligence

Goods Suppliers

Our first step is to review suppliers' websites or other publicly available information to determine if they have policies or procedures in place to ensure that all laws, including ethical operations related to forced and child labour, are being followed. If this doesn't exist, Scotlynn has followed up with suppliers to seek out additional assurances that all laws within the jurisdiction are being followed and, in some cases, depending on the results of our supplier risk assessment, written confirmation is required.

Scotlynn pays particular attention to goods assessed to have the highest inherent risk, based on our supplier risk assessment below, to determine the amount of due diligence completed to prevent and mitigate the risk of forced and child labour within our supply chain.

Office Employees

During onboarding, we meet every new employee in person. All our employee guidelines are discussed above in the Current Policies section. The inherent risk of this service is low.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Truck Drivers – Employees and Owner Operators

During onboarding, we verify licensing requirements and maintain on file a copy of a valid license. This ensures that child labour is not being employed as the minimum age for a drivers license is 16 and it would take a minimum of a year after that to become fully licensed. There are also rigorous laws and regulations related to the trucking industry that ensure no labour is forced. We presently have 23 employee drivers and 345 owner-operators. The inherent risk of this service is low.

Carrier Transportation Partners

The largest cost for Scotlynn is our carrier transportation partner services. These partner carriers ship freight on our behalf for our customers. This is a service that is entirely completed within the borders of Canada and the United States. Similar to truck drivers above, there are rigorous laws and regulations related to the transportation industry that are required to be followed to maintain proper licensing that reduces and mitigates the risk of child or forced labour within this industry. The inherent risk of this service is low.



Supply Chain Risk Assessment

We recognize that certain parts of our business and supply chains may carry a higher inherent risk of forced labour or child labour. As such, Scotlynn has implemented risk assessment procedures to identify and manage these risks effectively. Scotlynn has a strategic management team that’s tasked with identifying and resolving identified risks with suppliers.

Geographic Supplier Locations

All the suppliers used are operated out of countries that are considered to have inherit lower risks associated to child and forced labour. Our supply chain can be broken into suppliers from the United States which accounts for 70% of our suppliers and spend, and Canada that attributes 30% of our suppliers and spend. While less than 1% of our spend comes from a supplier in Germany.

Goods Purchased Locations

Scotlynn also performed a risk assessment on the type of goods purchased. Of the list of goods purchased a number of them had in increased inherent risk of child or forced labour. This risk stems from the fact that purchases are made from distributors and the origin associated with these products is unknown. However, we manage this risk by ensuring we do business with companies with establish policies and attestations related to the prevention of child or forced labour. The table below illustrates the risks associated with goods purchased:

Goods	Inherent Risk per Good	Country	Inherent Risk per Country	Overall Risk
Computer and Office Equipment	High	Canada/United States	Low	High
Transportation Equipment and Parts	High	Canada/United States	Low	High
Fuel	Moderate	Canada/United States	Low	Moderate
Office supplies	Moderate	Canada/United States	Low	Moderate
Containers & Packaging	Moderate	Canada/United States	Low	Moderate
Fertilizers & Chemicals	High	Canada/United States	Low	High
Construction & Building Materials	High	Canada/United States	Low	High



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Remediation of Forced & Child Labour as well as Remediation of Vulnerable Family Income Loss

Scotlynn has not identified any supplier employing forced labour or child labour in our supply chain or within Scotlynn. For this reason, no remediation has been required. However, we are an ethically conscious organization, and if these ever arise, remediation of the situation will be appropriately investigated and addressed.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Awareness Training

Employee Training

All employees at Scotlynn receive comprehensive training on forced labour and child labour during their orientation. These training modules cover relevant laws and regulations, signs of forced labour and child labour, and reporting procedures. In efforts of ongoing improvement, we review our procurement policy annually to ensure it includes risk assessments addressing risks of forced labour and child labour. By empowering our employees with the necessary knowledge and skills, we enhance our ability to identify and prevent these practices effectively. The training also provides practical guidance on how to conduct risk assessments, monitor supply chains, and implement preventive measures. Employees also learn about the severe impact these practices have on victims, including the violation of human rights and the long-term physical and psychological harm.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Assessing Effectiveness

Scotlynn regularly assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains. This involves monitoring key performance indicators which includes Supplier Compliance Rates, Incidence Rates, Corrective Action Plans and Training and Participation Effectiveness. Continual reviews of internal procedures/controls and strict adherence to our Code of Conduct greatly assist in compliance with Scotlynn's ethical standards. Scotlynn also solicits feedback from stakeholders via surveys and questionnaires, meetings and anonymous reporting. By integrating these rigorous processes and feedback mechanisms, Scotlynn maintains robust oversight of its supply chains and upholds its commitment to ethical business practices. We are continuously evaluating our efforts, striving to maintain the highest standards of ethical conduct throughout our operations.



1150 Vittoria Road
Vittoria, Ontario N0E1W0
Phone: 800.263.9117
Fax: 519.426.9381
www.scotlynn.com

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Attestation

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.

A handwritten signature in black ink, appearing to read "Scott Biddle", enclosed in a circular scribble.

Scott Biddle
President & CEO
May 27, 2024

I have the authority to bind Scotlynn.



1150 Vittoria Road
 Vittoria, Ontario N0E1W0
 Phone: 800.263.9117
 Fax: 519.426.9381
 www.scotlynn.com

Appendix A - List of Entities

Canadian Entities

<u>Business Name</u>	<u>Location</u>	<u>Nature of Business</u>
1000011022 Ontario Inc	Vittoria, Ontario, Canada	Holding Company
Scotlynn Sweetpac Growers Inc	Vittoria, Ontario, Canada	Farming
Scotlynn Commodities Inc	Vittoria, Ontario, Canada	Transportation and Logistics
2413766 Alberta Ltd	Vittoria, Ontario, Canada	Transportation and Logistics
9462-2750 Quebec Inc	Vittoria, Ontario, Canada	Transportation and Logistics
Longhorn Distributors Inc	Vittoria, Ontario, Canada	Holding Company
Scotlynn Group Capital Inc	Vittoria, Ontario, Canada	Receivable Factoring
EMCLO Charters Canada Inc	Vittoria, Ontario, Canada	Marine Charter
2131940 Ontario Inc	Vittoria, Ontario, Canada	Holding Company
1160453 Ontario Limited	Vittoria, Ontario, Canada	Holding Company
Scotlynn Investments Inc	Vittoria, Ontario, Canada	Holding Company
EMCLO Air Inc	Vittoria, Ontario, Canada	Aviation
EMCLO Land Holdings Inc	Vittoria, Ontario, Canada	Holding Company
1000395199 Ontario Inc	Vittoria, Ontario, Canada	Holding Company
1000384055 Ontario Inc	Vittoria, Ontario, Canada	Holding Company
1152994 B.C. ULC	Vittoria, Ontario, Canada	Holding Company

USA Entities

<u>Business Name</u>	<u>Location</u>	<u>Nature of Business</u>
Scotlynn Group Capital, LLC	Fort Myers, Florida, Canada	Receivable Factoring
EMCLO Charters Inc	Fort Myers, Florida, Canada	Marine Charter
2131940 Florida Inc	Fort Myers, Florida, Canada	Holding Company
Scotlynn Southbay Corporation	Fort Myers, Florida, Canada	Holding Company
Scotlynn Transport, LLC	Fort Myers, Florida, Canada	Transportation
EMCLO LLC	Fort Myers, Florida, Canada	Holding Company
EMCLO Holdings Inc	Fort Myers, Florida, Canada	Holding Company
SBRC Holdings, LLC	Fort Myers, Florida, Canada	Holding Company
Scotlynn Sweetpac Growers, LLC	Fort Myers, Florida, Canada	Produce Wholesaler
Scotlynn USA Division Inc	Fort Myers, Florida, Canada	Logistics
EMCLO Management Inc	Fort Myers, Florida, Canada	Holding Company