

Forced and Child Labour in Supply Chains Company Assessment

Introduction

This report is 383214 Alberta Ltd's response to Bill S-211, an Act to enact the Fighting Against Force Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3)

Structure, Activities & Supply Chain

Structure

383214 Alberta Ltd is headquartered in Alberta, operating with business number 13211 4802. For the purpose of this report the 2023 fiscal year will be used. 383214 Alberta Ltd is a company that operates within the automotive industry as a wholesaler of pre-owned vehicles.

This company, 383214 Alberta Ltd, is eligible to report for Bill S-211 as it is a Canadian owned and operated company, holding at least \$20M in assets for at least one of its two most recent financial years as well as generating at least \$40M in revenue within the same period(s).

Activities

The primary business activity of this corporation, within the wholesale trade, is to purchase, export and/or re-sell pre-owned vehicles; from domestic units to commercial/specialty vehicles.

Supply Chain

As a corporate entity and operating within the wholesale trade, 383214 Alberta Ltd. purchases pre-owned vehicles from automotive dealerships, auctions as well as private sellers for resale and/or export for sale at auction. Anything from domestic to commercial/specialty vehicles are purchased and prepared for (re)sale, whether that be within Canada or export to the USA.

Purchases made with private sellers largely come from word of mouth and referrals. Dealings with automotive dealerships is based upon long time working relationship and the company owner having been in the industry for an extended period of time.

At the time of consideration of purchase a vehicle is generally assessed, checking the value of the unit based upon visual condition, mileage, added accessories and/or modifications, current market value, review of a CarFax, (if available) and when possible, the Vehicle Identification Number (VIN) is checked for recall notices. Based upon these criteria a price negotiated. If a price is agreed upon, between all parties, the purchase is completed.

Policies & Due Diligence Processes

383214 Alberta Ltd. is a single employee company therefore there are no specific policies in place in relation to forced labour and/or child labour. Even though there are no specific policies in place should any indication of forced or child labour be identified research and an investigation would be done to

determine the accuracy of the information. If the information was found to be true business would immediately cease with that company or individual involved.

Vendors are chosen based on long term relationships with the owner having been in the industry for the past 46 years. Experience and longevity in the industry has built a reputation within the community and all associations made within the industry. Should any of those relationship fracture, which they have in the past, for any reason the working relationship would cease. Cause to discontinue the working relationship could be but not limited to dishonestly, poor quality vehicles and of course any indication of forced or child labour.

Supply Chain Risk Assessment

As a company operating within the wholesale trade, according to the US Department of Labor, there is an inherent risk of forced and/or child labour within the industry be it glass, rubber, leather, electronics and carpeting. Manufacturing in of itself also has inherent risk. While this may be true, all of the goods purchased, for the purpose of resale by this company, are done within Canada from dealerships, auction and private sellers, which would indicate a lower inherent risk based upon industry standards.

Vehicles are purchased from commercial dealerships as well as auctions and private sellers within Canada, most specifically Alberta, British Columbia and Saskatchewan. Based upon the VIN's on the vehicles which are purchased the majority are manufactured in North America with the odd one made in Europe and Asia, though these are very select. Because the vehicles are purchased domestically it is assumed that forced and/or child labour would have a much lower inherent risk in the manufacturing of said vehicles as manufacturers are presumably regulated by industry standards.

Within the resale of purchased vehicles there are some steps that need to be taken to ensure safety as well as compliance standards for export.

- All vehicles are checked for recalls. If any recall notice is active, the vehicle is taken to a local dealership for repair. If a vehicle is subject to recall, after it has been exported, the vehicle is taken to a dealership in the USA for repairs. A vehicle cannot be exported if there are any current recalls that have not been rectified.
- Should a windshield of any vehicle have any deficiencies those windshields are replaced. Most windshields are replaced by a specific local company but should a vehicle not be in the local vicinity for replacement the work is performed across border and facilitated by an auction house in the USA. According to the US Department of Labor glass does hold an inherent risk of force and/or child labour.
- If any repairs are identified before export those are also complete locally within Central Alberta. If none are identified but found during inspection at the auction house the repairs are then generally done in their in-house mechanical shop.
- All vehicles exported to the USA require the replacement of the speedometer. This is done by one specific company that has locations in Canada and USA.
- Once any vehicle has been exported to the USA the vehicle must meet US standards and are to be held for a minimum 30 days before receiving bond release to be able to be sold within the USA. All vehicles are held in a lot by our broker until such a time as bond release has been received. Certain types of vehicles, ie SUV's, or vehicles with a VIN starting with "3" are subject to a duty charge and that must be paid prior to release as well.

Though there is an inherent risk within the glass industry there is no current knowledge or fear of risk within any vendor we have dealings with.

Remediation of Forced & Child Labour

383214 Alberta Ltd., o/a McWilliam Auto Appraisal Services has only one employee, being the owner so no Human Resources verification necessary.

To the best of the owner's knowledge all transactions, made with both customers and vendors, are ethical and fair. The owner's philosophy has always been that the transaction be equitable for both sides of the deal. Though business is done with many of the same businesses regularly, should anything arise to make cause for concern, such as forced and/or child labour, unnecessary price increases, inferior quality of work, or similar, business dealings would cease immediately.

Remediation of Vulnerable Family Income Loss

To date, there have been no instances identified by the Company of forced labour or child labour within their activities or supply chains. Therefore, 383214 Alberta Ltd. has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Awareness Training

There is no training offered or available as the owner is the only employee within the company.

Assessing Effectiveness

As a single employee company there are no current procedures in place to mitigate the risk of forced and/or child labour.

Conclusion

Given that Bill S-2511 is a new act, 38/3214 Alberta Ltd plans to refine its internal processes by implementing policies, procedures, supply chain management processes and awareness training to meeting requirements of this Act. The progress for these initiatives will be reported in the next reporting period.

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.

Rod McWilliam _____
Full Name Signature

Owner _____
Title Date