



Bill S-211

Annual Compliance Report

An Act to enact the Fighting Against
Forced Labour and Child Labour in
Supply Chains Act

Reporting Year:

August 1st, 2022 to July 31st, 2023

Report Date: May 31st, 2024

ABOUT ATCO Wood Products Ltd.

ATCO Wood Products Ltd. (“AWP”) is a family-owned business located in the West Kootenays of British Columbia. AWP specializes in producing high-quality softwood veneer and other wood products for sale in the United States and Canada. AWP also sustainably manages forestland in the West Kootenay Region of British Columbia, Canada.

AWP is an entity under the definition of the Act as it is a privately owned BC Corporation headquartered and operating in Canada, with assets in excess of \$20 million and revenue in excess of \$40 million. AWP has a reporting obligation under the Act as it produces goods in Canada.

| Required Entity Information | |
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| Reporting entity’s legal name: | ATCO Wood Products Ltd. |
| Financial reporting year: | August 1 st , 2022 to July 31 st , 2023 |
| Identification of a revised report | Original Report for this reporting period |
| Business number(s), if applicable | 853607760 (CRA Business Number) BC0750901 (BC Incorporation Number) |
| Identification of a joint report, if applicable | Not a joint report |
| Identification of reporting obligations in other jurisdictions | No reporting obligations in other jurisdictions |
| Entity categorization according to the Act | BC Corporation |
| Sector/industry | Agriculture, Forestry, Fishing, & Hunting Manufacturing |
| Location | Fruitvale, BC, Canada |

ORGANIZATIONAL STRUCTURE

AWP is located in Fruitvale, BC where all business operations function including: manufacturing, forestry & woodlands management, marketing and sales, logistics, finance & accounting, human resources, communications, office administration, procurement, and information technology are located. All departments are subject to AWP’s company policies.

SUPPLY CHAIN OVERVIEW

AWP’s supply chain begins with timber procured from forests in British Columbia, Canada and in the United States of America by AWP’s Forestry and Woodlands Department. Timber is manufactured into a variety of wood products at AWP’s manufacturing facility in Fruitvale, BC, Canada. Machinery, equipment, and supplies are procured primarily from sources in Canada and the United States, but occasional in foreign jurisdictions. In the reporting period covered by this report, AWP acquired good, supplies, and services directly from 437 suppliers.

RISK OF FORCED LABOUR AND/OR CHILD LABOUR

AWP's business operates entirely in Canada with the vast majority of the AWP supply chain operating in Canada and the USA. In Canada and the USA, employment law is considered sufficiently rigorous to ensure the risks of forced labour and/or child labour are fully mitigated. In the reporting period, AWP had 436 out of 437 suppliers located within North America.

The manufacture of equipment and supplies by suppliers outside of North America present a possible risk of forced labour and/or child labour. Suppliers located outside of North America are where efforts are focused to eliminate these risks. In the reporting period, AWP had 1 out of 437 suppliers located outside of North America.

POLICIES, PROCESSES, AND STEPS TAKEN IN RELATION TO FORCED LABOUR AND/OR CHILD LABOUR

AWP's values of Safety, Honesty, Adaptability, Respect, Teamwork, Environmental Stewardship and Customer Satisfaction provide the foundation of how AWP expects to conduct business. AWP endeavors to apply each of its values to maintain the highest standards of conduct and behaviour in its operations both in Canada and abroad when managing its supply chain.

Below is a summary of policies, due diligence processes, and steps AWP has taken or is planning to take in relation to ensuring that forced labour and/or child labour are not being used in AWP business and supply chains:

- Company Policies: ATCO Wood Products has company policies and procedures to regulate and ensure compliance with employment standards legislation in the jurisdiction in which they employ staff. Included in AWP Company Policies is a Code of Conduct Policy, and Regulatory Compliance Policy, and a Whistleblower Policy.
- Supplier Visits: Visits at appropriate intervals to long-term manufacturing suppliers located outside North America are made by members of the ATCO Wood Products Senior Management teams. This includes tours of the supplier's production facilities.
- Supplier declarations: In the future, all manufacturing suppliers located outside North America will be required to comply with AWP policies and must declare, in writing, that neither they, nor any subcontractors, are engaged in any practice whatsoever that includes forced labour and/or child labour.

REMEDATION MEASURES TAKEN IN RELATION TO FORCED LABOUR AND/OR CHILD LABOUR

AWP has found no evidence of the use of forced labour and/or child labour during the reporting period, and therefore no remediation measures have taken place.

REMEDATION MEASURES TAKEN IN RELATION TO LOSS OF INCOME TO VULNERABLE FAMILIES AS A RESULT OF MEASURES ENACTED TO ELIMINATE THE USE OF FORCED LABOUR AND/OR CHILD LABOUR

AWP has found no evidence of the use of forced labour and/or child labour during the reporting period, and therefore no remediation measures in relation to loss of income to vulnerable families have taken place.

TRAINING PROVIDED TO EMPLOYEES REGARDING FORCED LABOUR AND/OR CHILD LABOUR

During the reporting year, there was no training provided to employees on forced labour and/or child labor. Training of employees involved in sourcing and supply chain management will be provided in the future.

MONITORING EFFECTIVENESS OF PROCESS TO REDUCE THE RISK OF FORCED OR CHILD LABOR

During this first reporting year, there was no monitoring of the effectiveness of the process to reduce the risk of forced labour and/or child labor. Monitoring of the effectiveness of the process will be conducted in the future.

REPORT APPROVAL and 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.

NAME: Scott Weatherford

POSITION: Chief Executive Officer

DATE OF APPROVAL: May 31st, 2024

SIGNATURE:



I have the authority to bind ATCO Wood Products Ltd.