

Forced Labour in Canadian Supply Chains

Action Trailers Sales Inc. and its wholly owned subsidiaries Action Trailer Leasing Limited and Action Utility Quebec Inc., (subsequently referred to as “Action”) are steadfast in upholding robust ethical business standards throughout their operations. We categorically denounce any illegal or unethical employment practices, such as modern slavery, human trafficking, forced labour and child labour. Furthermore, Action insists upon comparable standards of conduct from its suppliers.

Action operates within a wholesaler framework, selling, leasing and servicing dry freight and refrigerated semi-trailers throughout Ontario and Quebec. As a result, Action deals with a carefully chosen cohort of suppliers to ensure access to top-tier trailers, refrigeration units and related parts within the market. Action offers comprehensive parts and servicing solutions to maintain the operational integrity of these trailers, thereby ensuring their continued functionality on the road.

Presently, Action has recently initiated measures aimed at preventing and mitigating the risk of forced labour and child labour within both our supplier network and internal operations. We are currently in the process of formulating a comprehensive questionnaire intended for our supply chain partners. This questionnaire will serve to validate that neither forced labour nor child labour has been utilized at any stage of their production processes and supply chains. Additionally, Action is exploring avenues for providing training to both management and staff, empowering them to readily identify indicators of forced labour or child labour.

Action has commenced to query and monitor suppliers for any forced labour or child labour activity in the supply chain. It is our unequivocal policy that should such practices be uncovered within any segment of our supply chain, immediate reporting to local authorities is mandatory.

Action's supply chain base is North American and therefore we have identified that the inherent risk of encountering forced labour or child labour practices, are quite low. With that being said, Action acknowledges that no industry can be assumed to be entirely free of forced labour and child labour risks. Thusly we are aware we must monitor the avenues where forced labour could arise, in particular through the goods that may be imported by our suppliers.

One of our major suppliers, headquartered in California, operates under the auspices of the Transparency in Supply Chains Act, which mandates stringent measures to combat forced labour and child labour. A perusal of their website attests to their proactive approach in monitoring and addressing such issues within their supply networks. This monitoring effort between Action and its major suppliers underscores our collective commitment to upholding ethical standards and safeguarding human rights throughout our operations.

Action has so far determined no instances of forced labour or child labour within our operations or supply chain. Consequently, there has been no necessity to provide remediation for the loss of income suffered by vulnerable families as a result of measures aimed at eradicating these egregious practices.

Action remains steadfast in its commitment to vigilant monitoring and proactive intervention against any indications of forced labour or child labour within our supply chain. Furthermore, Action is instituting ongoing education and awareness initiatives for our employees to enable them to effectively identify and address such issues should they arise. As these processes and

initiatives are currently in the process of being put in place, Action has not yet implemented a methodology to assess the effectiveness of such policies at this time. As Action continues to grow and fully incorporate all of its initiatives, assessment policies will be created and used to evaluate their effectiveness. By fostering a culture of diligence and responsibility, Action endeavors to uphold the highest ethical standards and protect human rights across all facets of our operations.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (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.

I have the authority to bind Action Trailer Sales Inc.

X



Robert Ray
President, CEO

Date: 05/28/2024