

An aerial photograph of a multi-lane highway bridge crossing a wide, fast-moving river. The bridge is a steel truss structure. A white semi-truck is driving across the bridge. The surrounding landscape is a dense, lush green forest. The image is framed by a white border.

Canada Supply Chains Act Statement

2023 Report

BCAA

Introduction

This report constitutes British Columbia Automobile Association, B.C.A.A. Holdings Ltd. and BCAA Insurance Corporation's (collectively, "BCAA") joint report pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for BCAA's 2023 fiscal year of October 1, 2022 to September 30, 2023.

BCAA stands firmly against the use of forced labour and child labour, and we do not tolerate the use of exploitative labour practices in the operation of our business. We are committed to upholding the highest standards of ethics and integrity in conducting our business. This commitment is reflected in our policies and procedures, which require all BCAA employees to act ethically, in good faith and in accordance with all applicable laws. BCAA is dedicated to working with suppliers who operate with a strong sense of corporate social responsibility and who are aligned with our ethical standards. BCAA is committed to continually assessing our business relationships and improving our policies, procedures, and training materials to ensure that we mitigate any risk that forced labour or child labour is used in connection with BCAA's business.

Overview of BCAA

BCAA serves 1 in 3 British Columbian households with industry-leading products including home, car, travel and small business insurance, Evo Car Share ("Evo"), Evolve E-Bike Share ("Evolve"), roadside assistance, full auto repair at BCAA's Auto Service Centres across the province, and exclusive partner savings. BCAA is on a mission to empower British Columbians to move forward and make life in British Columbia better for everyone.

BCAA is made up of British Columbia Automobile Association, a not-for-profit organization, and its wholly owned subsidiary, B.C.A.A. Holdings Ltd., and B.C.A.A. Holdings Ltd.'s wholly owned subsidiary, BCAA Insurance Corporation.

BCAA does not produce any goods within or outside of Canada and does not engage in a high volume of import activities. In our 2023 fiscal year, BCAA imported goods directly from suppliers based in France, the United States, and China. These imported goods included items necessary for the use and operation of Evo cars and Evolve e-bikes and e-scooters, such as communication systems for Evo cars, bike racks, e-bikes, helmets, helmet baskets, e-scooters, and batteries. BCAA's import activities during our 2023 fiscal year were predominantly for the operation of Evo and Evolve, but during the 2023 fiscal year we also imported maps from the United States for distribution to our Members at our Service Locations. BCAA's total expenditure on imported goods during our 2023 fiscal year did not constitute a significant portion of BCAA's total expenditures for the fiscal year.

BCAA's Policies and Procedures

BCAA imported a relatively nominal amount of goods into Canada during our 2023 fiscal year, but we recognize that the locations of our international suppliers and nature of the goods imported pursuant to our operation of Evo, Evolve and our Service Locations could create a risk that forced labour and/or child labour may be present in our supply chain. To mitigate the risk that forced labour and child labour are used in BCAA's supply chain, BCAA has implemented several policies and procedures, including some that are specific to BCAA's assessment, selection, and management of suppliers:

- BCAA's Code of Conduct obligates all BCAA employees to: (i) act ethically and in accordance with the highest levels of personal and professional integrity, (ii) comply with all applicable laws, including the Act, and (iii) report violations of the BCAA Code of Conduct. Under our Code of Conduct, BCAA also encourages employees to report concerns regarding potential violations of BCAA's Code of Conduct, including anonymously to an independent consultant retained by BCAA. BCAA will not take or allow any reprisal against an employee who, in good faith, reports a suspected violation of BCAA's Code of Conduct.
- BCAA's Supplier Code of Conduct sets forth BCAA's expectations of all suppliers of goods and services to BCAA related to human and civil rights and ethical business practices. BCAA's Supplier Code of Conduct requires all subject suppliers to comply with the core labour conventions of the International Labour Organization and prohibits subject suppliers and their sub-contractors from using forced labour and child labour.
- BCAA's Procurement Policy sets out best practices for the acquisition of goods and services at BCAA, including the planning, implementation and monitoring of relationships with suppliers.
- BCAA's Competitive Processes Guidelines set out guidelines for soliciting information about suppliers as well as soliciting and reviewing quotes and proposals from suppliers in connection with the potential acquisition of goods.

- BCAA's Vendor Performance Management Program Procedure sets out the framework for the review and management of BCAA's suppliers and requires that BCAA employees ensure that suppliers are regularly assessed across multiple metrics. Suppliers that score low during the assessment process will be asked to make necessary improvements and if such improvements are not met with the prescribed period, alternative measures will be considered, including replacing the supplier.
- BCAA's Contract Management Policy provides a framework for the management of contracts with suppliers and outlines the responsibility of BCAA employees who purchase goods on behalf of BCAA to diligently manage the supplier relationship and ensure the terms of the contract are complied with.

During our 2024 fiscal year we intend to undertake a review of our policies and procedures to ensure that we have a comprehensive suite of policies and procedures that support our human rights standards and outline our commitment to combatting all forms of exploitative labour in our business and supply chain.

Further, BCAA strives to do business with suppliers who engage in ethical business practices and foster BCAA's values, and we take great care in selecting our suppliers. Through our ongoing communications with our suppliers and reasonable due diligence efforts, BCAA has garnered comfort that, to the best of our knowledge, none of our key international suppliers use forced labour or child labour in the production of the goods BCAA imports into Canada. In our quest for continuous improvement, during the 2024 fiscal year we intend to adopt more robust due diligence procedures and place more stringent obligations on our suppliers to further reduce the risk that forced labour and child labour are used in our supply chain.

Training and Awareness of BCAA's Policies and Procedures

All BCAA employees are required to complete annual compliance training. While BCAA's mandatory compliance training does not expressly cover forced labour or child labour, as part of the training employees are obligated to attest that they will comply with BCAA's corporate policies, including the policies described above. During the 2024 fiscal year, BCAA intends to improve our mandatory training materials to better equip our employees with the skills and resources necessary to recognize and report the risk that forced labour and child labour are used in our business and supply chain.

Reporting and Remediation

BCAA employees are encouraged to use BCAA's confidential and anonymous Code of Conduct and Ethics Hotline or web and email-based confidential reporting tools to share concerns about unethical practices or business conduct. During BCAA's 2023 fiscal year, we did not receive any complaints through our ethics reporting system related to forced labour or child labour. Accordingly, it has not been necessary for us to undertake any remediation measures with respect to forced labour and child labour, nor has it been necessary for us to undertake any measures to remediate the loss of income to families and individuals that could result from any measure taken by us to eliminate the use of forced labour or child labour in our business and supply chain.

Assessing the Effectiveness of BCAA's Actions

BCAA's policies, procedures, and training work together to mitigate the risk that BCAA's suppliers engage in exploitative labour practices. To assess the effectiveness of BCAA's current policies, procedures, and training materials, we rely on the obligation of our employees to report violations of our Code of Conduct, tracking the number of cases reported and solved through our ethics reporting system, and ongoing communications with our international suppliers.

Commitments for the 2024 Fiscal Year

BCAA is committed to continually improving our practices to reduce the risk that forced labour and child labour are used in our business or at any step in our supply chain. As detailed in this report, during the 2024 fiscal year we intend to update our policies, procedures, and training materials to further prevent the risk that exploitative labour practices are used within our business and supply chain.

Approval

In accordance with the requirements of the Act, and in particular section 11(4)(b)(ii) thereof, I attest 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 "S. Susko", is written over a horizontal line.

I have the authority to bind British Columbia Automobile Association.

Shannon Susko
Chair of the BCAA Board of Directors

March 15, 2024