

CAA Club Group Canada Supply Chains Act – Initial Report

Introduction

This statement constitutes the initial joint report of CAA Club Group, CAA Services (South Central Ontario) Inc. and MML Club Services Ltd. (collectively, “**CCG**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the fiscal year of January 1, 2023 to December 31, 2023.

CCG stands firmly against the use of forced labour and child labour in the goods we purchase or import from outside of Canada. To this end, CCG is committed to working with suppliers and distributors who operate with a strong sense of corporate social responsibility and who live up to our ethical standards.

Overview of CCG

CAA Club Group of companies is comprised of a not-for-profit automobile Club, operating as CAA South Central Ontario and CAA Manitoba, providing roadside assistance, travel, insurance, advocacy and savings for over 2.6 million Members. It also includes CAA Insurance Company, a property and casualty insurer, Echelon Insurance, a national specialty insurer, and CCG Advisory Services, offering life and living solutions insurance. CCG is part of the Canadian Automobile Association, a federation of eight independent automobile clubs across Canada serving over 6 million Members.

CCG 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, CCG imported merchandise for resale in its retail stores and online shops, found at shop.caamanitoba.com and shopwithcaa.com, from suppliers based in the United States, China, Taiwan, Korea, Thailand and the United Kingdom. These imported goods included luggage, travel bags and travel accessories. While CCG’s import activities during the 2023 year were predominately goods for resale, we also imported maps and tour books from the United States for distribution to our Members. CCG’s total expenditure on imported goods during the 2023 fiscal year did not constitute a significant portion of CCG’s total expenditures.

CCG Policies and Procedures

CCG 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 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 or child labour are used in CCG’s supply chain, CCG has addressed relationships with suppliers in the Code of Conduct and Ethics for its Associates. With respect to relationships with suppliers, CCG’s Code of Conduct and Ethics requires that

relationships with suppliers always be at arm's length and must be consistent with accepted business practices, CAA Club Group policies and applicable laws. In dealing with suppliers, individuals must conduct themselves with fairness, courtesy, and good faith.

CCG's Code of Conduct and Ethics obligates all CCG Associates, officers and directors to conduct themselves ethically, respect the rights of others and comply with all applicable laws in every aspect of their business activities. Under the Code, CCG Associates are encouraged to report concerns regarding potential violations of the Code of Conduct, including anonymously to a whistleblowing service that is independent of management.

During the 2024 fiscal year, we intend to revisit our policies and procedures to ensure that they support our ethical standards and reinforce our commitment to combatting all forms of forced labour in our supply chain.

Assessing and Managing Supplier Risk

CCG aims to select suppliers who engage in ethical business practices and share CCG's values. We are discerning in who we chose to do business with. Through our correspondence with our suppliers and reasonable due diligence efforts, CCG has obtained comfort that, to the best of our knowledge, none of our key international suppliers use forced labour or child labour in the production the goods that CCG imports into Canada. In our drive for continuous improvement, during the 2024 fiscal year we intend to adopt more robust due diligence procedures for merchandise suppliers and manufacturers and place more stringent obligations on our suppliers who import goods into Canada to further reduce the risk that forced labour and child labour are used in the supply chain.

Remediation Measures

At this time, we have not identified the use of forced labour or child labour in our activities or merchandise supply chains. Therefore, no remediation measures have been identified or undertaken.

Training and Awareness

All new Associates are introduced to the CCG Code of Conduct and Ethics discussed above. CCG Associates are required to complete an attestation of the company's conflict of interest policy, including the CCG Code of Conduct and Ethics, on an annual basis. During the 2024 fiscal year, CCG intends to enhance our policies, procedures and training material to better educate our Associates to identify and report the risk that forced labour and child labour are used in our supply chains.

Commitments for the 2024 Fiscal Year

In 2024, CCG will improve our policies and practices to further identify and reduce the use that forced labour or child labour is used in manufacturing the products we offer to our Members and the public. In particular, we will review the attestation responses received from all current suppliers and update our merchandise purchase agreements to require the supplier's compliance with the Act during all stages of the product manufacturing. Finally, as discussed above, we will enhance training materials to raise awareness of forced labour and child labour among our Associates involved merchandise selection and purchasing.

Approval of Report

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.



Marriane Bridge
Chair of Board of Directors
May 17, 2024