



Bill S-211 Report

FY 2023



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Introduction

This report has been prepared by Canadian Appliance Source (Business Number: 741890099) in compliance with Section 11 of Bill S-211 for the financial year ending December 31st, 2023. Canadian Appliance Source meets the definition of an entity under the Act, having a place of business in Canada, engaging in business activities within Canada, and meeting the specified thresholds for revenue, assets, employee count, as well as for importing and distributing goods.

Canadian Appliance Source is dedicated to upholding standards of ethics and integrity in all aspects of its business activities. This report outlines the specific actions taken by Canadian Appliance Source over the past financial year of January 1st, 2023 to December 31st, 2023 to address these risks.

Section A: Structure, Activities, and Supply Chains

Canadian Appliance Source is a leading retailer of modern home appliances. With a network spanning over 40 locations across Canada, Canadian Appliance Source has established a presence from coast to coast, marking its status as a national retailer. Our operations and extensive supply chain are centered on the sale of high-quality home appliances that are sourced from large reputable manufacturers.

Our supply chain consists of select top-tier appliance manufacturers from around the world. This sourcing model enables us to maintain control over the quality and availability of the appliances we provide.

At Canadian Appliance Source, we are committed to a business-to-consumer model, with the majority of our products going directly to individual homeowners. This approach allows us to understand and meet the consumer demand of Canadian households and enhance customer satisfaction through personalized service and tailored product offerings.

Section B: Policies and Due Diligence Processes

Canadian Appliance Source has chosen to partner with top-tier suppliers, a decision that inherently minimizes exposure to unethical labour practices. Our supplier selection process emphasizes the quality and reliability of products and also the ethical standards of the manufacturers. Over the last full fiscal year, Canadian Appliance Source did not have in-place a formal due diligence policy specifically aimed at managing and mitigating the risks of forced or child labour within its supply chain.

As part of our ongoing efforts to enhance our policies and due diligence processes, Canadian Appliance Source is in the process of drafting a Supplier Code of Conduct. This document will be shared with all our suppliers by the end of the current year. Starting from our next financial year, we will ask all suppliers to sign this document as part of our commitment to our supply chain standards. This initiative serves as an additional measure to mitigate the risks associated with forced and child labour in our supply chain.

Section C - Forced Labour and Child Labour Risks

During the last fiscal year, we did not conduct a risk assessment. However, we recently initiated a comprehensive process to identify potential risks of forced or child labour within our supply chain. This initiative draws on insights from the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and the U.S. Department of Labor's List of Goods Produced by Child Labour or Forced Labour. Through our analysis, we have pinpointed potential risk factors associated with specific goods and countries.

It is important to clarify that the identification of these risks does not imply the actual presence of forced or child labour within our supply chain. Rather, our goal is to proactively recognize and address potential scenarios where such risks might emerge, thereby allowing us to implement effective preventative measures. We acknowledge that no industry is completely immune to the risks of forced and child labour, particularly in sectors and regions where regulatory frameworks and enforcement mechanisms may be weaker.

The risk assessment strategy we employed involved a geographic analysis based on the Walk Free Global Slavery Index to pinpoint regions at a higher risk of forced and child labour practices. We complemented this geographic focus with an evaluation of at-risk product categories, enabling a more targeted and informed approach to risk management.

Risk Assessment Findings

During the analysis of primary risk areas, Canadian Appliance Source identified five countries (representing 10% of our total supply chain) in which some of our suppliers operate, as having increased inherent risks of forced or child labour. Although the Walk Free Global Slavery Index indicates only a moderately higher prevalence of modern slavery in these regions, we take these findings seriously and are dedicated to evolving our risk management of forced and child labour.

Canadian Appliance Source also utilized data from the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor to identify potential risks within our import portfolio. Our analysis revealed that none of the high-risk goods listed were present in our imports. Although these findings suggest that our exposure to forced and child labour risks is low, we remain committed to vigilant monitoring of these risks in our supply chain.

Section D - Remediation Measures

In our assessments, we have not identified any instances of forced or child labour within our supply chains; therefore, we have not had to implement any remediation measures. In alignment with the United Nations Guiding Principles on Business and Human Rights, we recognize the critical importance of having robust remediation strategies prepared. We are actively considering the development of strategies to address any such issues that might arise in the future.

Section E - Remediation of Loss of Income

Canadian Appliance Source has not identified any instances of child or forced labour in our supply chains, and therefore we have not needed to enact any measures to remediate the associated loss of income for those affected. We do understand the critical importance of being prepared to take immediate action should we identify any issues in the future. As such, we are working to refine our response to remediation, as outlined in Section D.

Section F - Training

Canadian Appliance Source has not yet provided specialized training on forced or child labour in our supply chain to our staff. However, acknowledging the crucial importance of such training, we are exploring the development of a program. This training would be designed for staff members involved in procurement and purchasing, as these roles are essential in upholding the integrity of our supply chains. This program would primarily focus on the supplier code of conduct that we are in the process of developing.

Section G - Assessing Effectiveness

Although Canadian Appliance Source has not yet implemented specific policies and procedures to evaluate our effectiveness in preventing the use of forced labour and child labour within our supply chains, we are committed to improving our monitoring policies. This may involve collaborating with an external organization in the future for an independent review or audit of our practices.

Furthermore, we are considering implementing measures to track relevant performance indicators. These may include the number of site visits conducted, the number of suppliers who have endorsed a code of conduct, or the responsiveness of suppliers to required corrective actions.

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.

X 

David Phillips
Director, Canadian Appliance Source G.P Ltd.

May 31st, 2024

Date of Signing

I have the authority to bind Canadian Appliance Source.

