



About this report

This report is made pursuant to subsection 11(2) of the Fighting Against Forced Labor and Child Labor in Supply Chains Act, S.C., 2023, c.9 (the Act) and has been prepared by Chambers Transportation Group Ltd (CTG) which is applicable to all entities it controls.

As required by the Act, this report summarizes the steps that we have taken in the financial year ended March 31, 2024 to prevent and reduce the risk that forced labor or child labor is used at any step of the production of equipment or supplies imported into Canada by CTG. CTG is a service provider and does not produce goods for sale or manufacture as part of our business. CTG imported equipment directly from manufacturers in the United States in the past fiscal year and as a result, qualifies for reporting under the act for the financial year in question.

Steps taken to prevent and reduce risks of forced labor and child labor

CTG has policies and processes in place to identify, prevent and reduce the risks of forced labor and child labor in our supply chain. These policies and processes apply across our group of companies.

As a transportation service provider, we do not manufacture or create goods ourselves, so our exposure in fighting against forced labor lies in our procurement process.

CTG has taken steps to prevent and further reduce the risk of forced or child labor in our supply chains, including:

- Discussing the Act and its requirements with our Board of Directors, procurement team and Senior Management, raising awareness of our responsibilities on this issue.
- Maintaining close relationships with key suppliers, including touring manufacturing facilities both in Canada and in the United States to see our equipment being manufactured.
- Avoiding offshore suppliers.
- Reviewing public disclosures of key publicly listed suppliers to determine their stance on the issue as well as their positions on other human rights issues.
- Providing awareness and information to our procurement department regarding modern slavery risks.
- Identifying the areas of our supply chains that may carry a higher risk of forced labor and child labor.
- Communicating the Act with key equipment suppliers with manufacturing facilities outside of Canada, who otherwise may not be aware of the Act, generating discussion around suppliers' policies regarding the prevention of forced or child labour.



Structure, activities and supply chains

CTG is a privately held transportation company incorporated in British Columbia and headquartered in Vernon, British Columbia.

As a transportation business, we do not produce or sell specific products, however, the equipment we rely on to provide our services is occasionally imported from countries outside of Canada, such as the United States, where there exists strong human rights legislation.

The CTG supply chain consist of hundreds of active suppliers within Canada that provide materials, goods and services to CTG. Very few are located and directly sourced from outside of Canada. Those that are typically include trailer manufacturers from which we occasionally source equipment. For those suppliers outside of Canada, we focus on those that meet our standards surrounding quality, reputation, price, relationship, and a shared commitment in the standard of business conduct that we would expect from a key supplier and partner in our business.

Policies and due diligence processes in relation to forced labor and child labor

Our Health and Safety policies at CTG support human rights and socially responsible business practices. Respect for human rights is rooted in our core values and all aspects of our business. The fight against forced and child labor is an extension of those policies of treating people fairly and with respect. This extends to our suppliers and how they not only treat the people of CTG, but how they treat their people and run their business.

The due diligence process at CTG starts with vetting the supplier which includes determining the following:

- Reputation for quality
- Capability to deliver the specified product that meets our needs
- Reputation as an employer
- Financial standing
- Reputation in the public eye
- Adherence or understanding of the Act by filling out a Company questionnaire.

Further internal discussion is generated in the process at our monthly management meetings, equipment specification discussions and final review and approval by the Board of Directors.

Parts of the business and supply chains that carry a risk of forced labor and child labor and steps to manage that risk

CTG has performed a review of all areas of our business to determine any areas of our supply chain that could carry a risk of forced labor and child labor. Based on this review, we have determined



that we do not import goods directly from countries that carry a higher risk for human rights violations. Our sole source of directly imported goods for use in our business over the past fiscal year has been the United States, which maintains a high level of employment standards relative to many other parts of the world. As such, we have not identified any areas of our business of specific concern with a risk of forced or child labor. This review is conducted on a regular basis in accordance with our procurement procedures.

Measures taken to remediate any forced labor or child labor

CTG has not identified any instances of forced or child labor in its activities and supply chains within the financial year ended March 31, 2024, and therefore, no remediation measures have been taken.

Measures taken to remediate the loss of income to the most vulnerable families

CTG has not identified any instances of forced or child labor in its activities and supply chains within the financial year ended March 31, 2024, and has, therefore, there is no loss of income to remediate.

Training provided to employees on forced labor and child labor

As our Company is managed centrally, the decisions on procurement and capital allocation are held with management at head office in Vernon, BC. The Act has been presented to Management to generate an understanding of what the Act is and what our responsibilities are as a Company, in general. The act itself, and the Company assessment will be discussed on an annual basis, with training and further materials provided on an ad hoc or as requested basis. Those that require the most knowledge on the subject have been identified and will continue to be aware of our responsibility to identify these risks if they do arise.



Assessing effectiveness in ensuring that forced labor and child labor are not being used in our business and supply chains

Our ability to operate and ensure long-term success is linked to how well we identify and manage potential risks to our Company. Assessing the effectiveness of managing that risk is a shared responsibility of our management. We are responsible for identifying and understanding the Company's risks and ensuring that appropriate processes are in place to monitor, manage and mitigate those risks.

Given the nature of our business being a transportation service provider rather than a producer of goods, forced labor or child labor in our supply chains has not been identified as a material risk. However, if an issue arises that causes this risk to be elevated, we will take action to mitigate and prevent that risk.

Management reports to the company Directors at each quarterly meeting to review our top risks, identify trends and help manage risk. Within our management structure, accountability for human rights generally, and prevention and mitigation and forced labor or child labor in our supply chain, is shared amongst management.

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. 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.

Ryan Chambers
President
May 31, 2024

I have the authority to bind Chambers Transportation Group Ltd.