

2023

Bill S-211: Modern Slavery Statement for the Fiscal Year Ended 2023

PREPARED BY: LACY VOWEL, CPA – CHIEF FINANCIAL OFFICER

CLARKE PACIFIC SECURITIES, INC. | 33610 East Broadway Avenue Mission, BC V2V 4M4

Bill S-211: Modern Slavery Statement for the Fiscal Year Ended 2023

This statement is regarding Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement details the initiatives taken by Clarke Pacific Securities, as a consolidated entity with its subsidiaries, to identify and address certain risks around forced and child labour. This statement reflects the fiscal year commencing September 1, 2022, and ending August 31, 2023, and will serve as reflection of our intent to respect human rights by ensuring our supply chain is free from forced labour and child labour.

Group Structure

Clarke Pacific Securities Inc. was incorporated under the laws of the Province of British Columbia on March 14, 2000. It operates its business in Mission, British Columbia and serves as the head office for its subsidiaries. Companies owned and controlled by Clarke Pacific Securities include the following:

- Shakertown Corporation – Nevada/Washington Inter-State Licensed entity, Incorporated in Washington State, is wholly owned by Clarke Pacific Securities. It operates in the state of Washington as a Craftsman Engineered Cedar Shingle Panel Manufacturer.
- 1111379 BC Ltd – A Canadian Incorporated entity wholly owned by Clarke Pacific Securities and is holding company for shares of other subsidiaries.
- Star Lumber Canda Ltd. – A Canadian Incorporated entity wholly owned by Clarke Pacific Securities and operates as a Shake and Shingle manufacturer in Mission, British Columbia.
- CGRE Holdings Ltd. – A Canadian Incorporated entity wholly owned by Clarke Pacific Securities and operates as a real estate rental company with properties in Mission, British Columbia.
- Blue Mountain Log Sales Ltd. – A Canadian Incorporated entity wholly owned by Clarke Pacific Securities and operates as a real estate rental company with properties in Abbotsford, British Columbia.
- North Pacific Door Corporation – Washington State Licensed and Incorporated entity wholly owned by 1111379 BC Ltd. It operates in Kent, Washington as a door installation and millwork company.
- Washington Hardwoods and Architectural Products, Inc. – Washington State Licensed and Incorporated entity wholly owned by 1111379 BC Ltd. It operates in Winlock, Washington as a commercial and specialized door supplier.

Supply Chain

Given the types of operations that each entity performs, only those that have true suppliers will be included in the details below; holding and rental companies have been excluded. While some of the entities' supply chains are correlated, most work independently in their own areas as discussed below:

- Shakertown Corporation – Materials are often purchased through the sister company of Star Lumber.
- Star Lumber Canada – Materials purchased largely from a few key log suppliers who are local.
- North Pacific Door Corporation – Doors and other direct supplies are sourced from a variety of suppliers within the Washington area. While some of these suppliers do operate globally, we have viewed some of their code of conducts where they discuss their commitment to Human Rights and their continued efforts to ensure the company stays in alignment with those policies.
- Washington Hardwoods and Architectural Products, Inc. – Doors and other direct supplies are sourced from a variety of suppliers within the Washington area. While some of these suppliers do operate globally, we have viewed some of their code of conducts where they discuss their commitment to Human Rights and their continued efforts to ensure the company stays in alignment with those policies.

Risks and Actions

The main risks that could be present within the above-noted supply chains is that some of the larger suppliers who are global may outsource to countries that do not hold the same labour standards as those implemented in North America. As discussed, it is our goal to ensure that our suppliers have the same commitment to Human Rights as our organization and strive to verify that wherever possible. We do this through reviewing current and potential vendor websites for indication that they hold the same values. We also take any public statements regarding our suppliers very seriously that either corroborate or question those commitments. Employees who are charged with procurement are encouraged to take these actions prior to adding new vendors or continuing with those who have been called into question.

Should a supplier be identified as participating in these unacceptable practices, the following steps would be taken:

- Research the claim to verify validity.
- If verified, obtain information on how they intend to correct the action (for example review public statements addressing the claim, contact management for information, etc.)
- Take findings before management of entity as well as ownership within our organization and decide on appropriate actions. This could include:

- Acceptance of the entity's action plan to correct inappropriate activities with future audits to confirm.
- Review options to replace supplier with those who can provide the same products, at the same price points, while ensuring they share the same values in regard to the Human Rights Act.

Training

Our commitment to these practices is being made known to those within our organization through our Employee Handbook. It is to be provided to employees upon hire and any updates are distributed to existing staff. Employees are required to sign off that they have received and read through the Handbook.

Effectiveness Assessment


To validate the commitment of our suppliers to the Human Rights Act, we intend to annually complete audits of key suppliers at minimum as well as during the onboarding of new vendors. This will include procedures noted previously around website searches and online news platform review.

Review and Approval

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending August 31, 2023. It has been issued on behalf of Clarke Pacific Securities and approved by its owners and only members of the Board.

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 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.

Signed,



Scott Clarke, President

May 31, 2024



Louis Clarke, Vice President

May 31, 2024