

Bill S-211 Compliance Report

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the "Act")

Introduction

The Government of Canada has recently passed Bill S-211. The Act requires certain private sector entities to report on the measures taken to prevent and reduce the risk that forced or child labour is used by either directly on or in their supply chains.

This is a joint report for Grandwest Enterprises Inc. (hereafter "Grandwest") and Distam Inc. (hereafter "Distam") which are operating entities under common control for their fiscal year ended January 31, 2024. Hereafter the companies will be referred to as "Grandwest" and "Distam" respectively or collectively as "The Company" or the "Grandwest Group".

Steps to prevent and reduce risks of forced labour and child labour

The Company is a family-owned business that has grown dramatically from modest beginnings in the Founder's apartment. While the mission statement of The Company is to provide the best customer service satisfaction in the industry, the owners and managers realized from day one that this requires partnering with staff and vendors that adhere to the highest standards of integrity, responsibility and ethical behaviour. The Company has always and continues to have a policy of putting people first whether that be staff or suppliers. Consequently, The Company considers the respect of human rights to be a fundamental component of the values governing our activities. In addition to the above, the following steps have been taken to assist in reducing the risks of forced labour and child labour: The Company has committed to:

- Conducting a preliminary internal review of our supply chain vendors for exposure to the risks of forced labour and/or child labour; and
- Reviewing all of our HR policies with the goal of adding a focus on forced labour and/or child labour.

Structure, Activities and Supply Chain

Structure & Activities

The Grandwest Group is a family business focused on operating at the highest levels of integrity and ethical behaviour in order to provide the best experience for all stakeholders involved. Owners and management have always operated with the philosophy that every relationship must be a “win-win” relationship. To relate this to our supply chain, it means that to provide value to our customers we must partner with vendors that have the same level of integrity and ethical behaviour that we aspire to.

Grandwest Enterprises Inc. and Distam Inc. are both Canadian based private companies with common ownership interests. Grandwest was incorporated in the Province of Saskatchewan and Distam was incorporated in the Province of Quebec.

The Grandwest Group is Canada’s leading provider of premium automotive accessory products and services shipping from our distribution centres in Saskatoon and Montreal. The majority of our customers are wholesale customers, but our Head Office in Saskatoon, Saskatchewan does contain a retail location operating as Tiger Automotive.

Supply Chains

The Company does not manufacture any of its products. The Company’s supply chains are almost exclusively concentrated in Canada and the United States. In 2023, 99% of the Company’s expenditures were from companies operating in Canada or the United States. Less than 1% of the Company’s suppliers are operating outside of Canada or the United States.

We do acknowledge that while many of our vendors manufacture their products in North America, certain vendors do procure either raw materials/components or completed products from outside of Canada and the United States.

Company policies and due diligence processes in relation to forced labour and child labour

The Company has various policies and processes in place to ensure appropriate human rights practices are adhered to within our organization.

The Company has an employee handbook and policies to ensure that employees are treated equitably and fairly. As of our fiscal year end The Company did not have formal specific policies and due diligence procedures relation to forced labour and child labour.

As intended by the Government of Canada in introducing the Act, The Company will investigate which additional Human Rights and Supplier Code of Conduct processes will be most effective going forward and commit to implement them forthwith.

Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

As stated previously The Company has always dealt with quality suppliers and refused to work with suppliers that do not appear to meet our standards of business practices. The Company has always vetted new vendors and monitored relationships with existing vendors with a view to maintaining healthy productive relationships. In the past The Company has not specifically focused on the risk of forced or child labour in its supply chain but has committed to developing a process to do so in the future. We recognize that in our supply chain there are limits on visibility beyond our first tier of suppliers.

In 2023, 99% of the Company's expenditure for products were to suppliers operating in either Canada or the United States. As per The Global Slavery index, these countries are at a low risk of operating with forced labour or child labour. In addition, the suppliers operating within these regions are required to comply with all applicable laws, rules, and regulations of the jurisdictions in which they operate, including but not limited to, those related to business practices, labour, and employment. We have noted that California passed The California Transparency in Supply Chains Act which became effective on January 1, 2012, which has similar reporting requirements as The Act. There are a number of our suppliers particularly in the United States which operate in California and are of a size that they are impacted by this Act.

In addition, the majority of high-risk goods produced by forced or child labour include agricultural goods, cattle, fish, cotton, gold, textiles, etc. which are not a significant risk in the Company's supply chain.

As the Company has not yet completed a formal risk assessment, we are unable to assess the level of risk but based upon the above, informally we believe there is a low risk of forced labour or child labour in the Company's supply chain. Once The Company has completed a formal risk assessment in the future, we are committed to implementing steps to manage that risk.

Remediation Measures

To date there have been no identified or reported instances of the use of forced labour or child labour in our activities and supply chains and therefore we have not undertaken any measures to remediate. To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training provided to employees on forced labour and child labour

The Company is committed to fair and equitable employment practices throughout its operations. To date The Company has not developed specific training for its staff on regarding the issues of forced or child labour however, The Company is committed to adopting such training for its staff.

Effectiveness assessments

As stated previously, The Company is committed to developing key policies and procedures in assessing risk of forced or child labour in its supply chain. In addition, The Company is committed to developing policies and procedures to identify and prevent forced and child labour in its supply chain. As all of these policies and procedures are put in place The Company will also develop procedures to assess the effectiveness of said policies and procedures. As a full complement of policies and procedures has yet to be put in place and vetted, The Company has as of now not assessed our effectiveness at ensuring forced and child labour are not used in our activities or supply chains.

Approval and Attestation

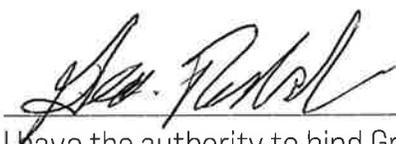
In accordance with the requirements of the Act. and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act. for the reporting year listed above.

Full Name: George Reddekopp

Title: President

Date: May 30, 2024

Signature:



I have the authority to bind Grandwest Enterprises Inc. and Distam Inc.