



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 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 October 1, 2022 to September 30, 2023.

Andrew Strudwicke

Full Name

Signature

President

2024/05/28

Title

Date

I have the authority to bind Metro Compactor Service Inc.

Metro Compactor Service Inc.

Forced and Child Labour Supply Chain Bill S-211 Report

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Introduction

This report is Metro Compactor Service Inc.'s ("Metro") response to 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 (the Act), sections 11(1) and 11(3).

Metro satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting both the revenue and asset thresholds.

The financial reporting year of Metro covered by this report is October 1, 2022, to September 30, 2023.

Structure, Activities & Supply Chain

Structure

Metro operates as a corporation (Ontario Corporation Number: 1000324886 and CRA Business Number for fiscal year 2023: 106207228 RC0004) at 145 Heart Lake Road South, Brampton, Ontario L6W 3K3. Metro has a total of three (3) offices across Canada.

Metro was founded in 1978, specializing in the repair of residential high-rise compactors and containers, and service and sales of waste and recycling equipment across all industries.

Activities

Metro operates within the waste management industry providing services and in-house manufactured equipment to various industries including but not limited to retail, food and hospitality, industrial, multi-residential, and healthcare. Originally a servicer of residential high-rise compactors and containers, Metro has now become Canada's leading expert in waste and recycling equipment. Metro is Canada's master distributor of Marathon Equipment, the largest manufacturer of compactors, balers, and related equipment in North America.

There are a total of 173 employees who work for Metro. Figure 1 illustrates the distribution of

Metro's employees across various locations. Metro Compactor, Wilkinson, and ISMART are three core product lines that make up Metro Compactor Service operations:

1. Metro Compactor: Metro Compactor provides compactor services, including preventative maintenance programs tailored for both commercial and residential clients.
2. Wilkinson Chutes: Wilkinson offers chute supply and service solutions.
3. ISMART: the ISMART technology provides Metro's clients with remote diagnostic and

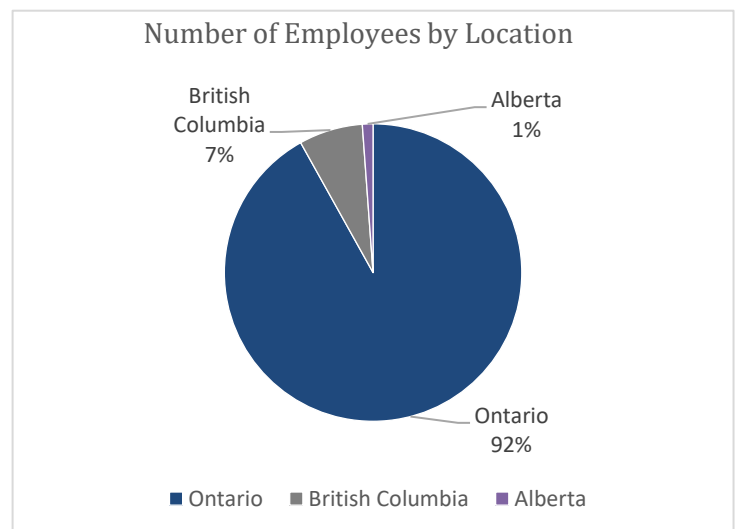


Figure 1

troubleshooting, insights into the capacity utilization and fullness diagnostics of equipment, and data to allow for rightsizing of containers.

Supply Chain

Figure 2 presents the makeup of Metro’s supply chain by country. Metro has 16 direct suppliers from three countries, two of which are outside of Canada. Note, this analysis was performed over material suppliers which, for the purposes of this report, are direct suppliers who account for at least one percent (1%) or more of Metro’s total procurement spend over the current reporting year. Metro has 11 main categories of products, which include: iron – (steel sheets, steel tools and parts, etc.), electronics (fuses, connectors, wire, motors, plugs, etc.), gloves for worker safety, replacement parts, paints, chutes and doors, containers, hydraulics, hardware, casters and wheels, and bin mover.

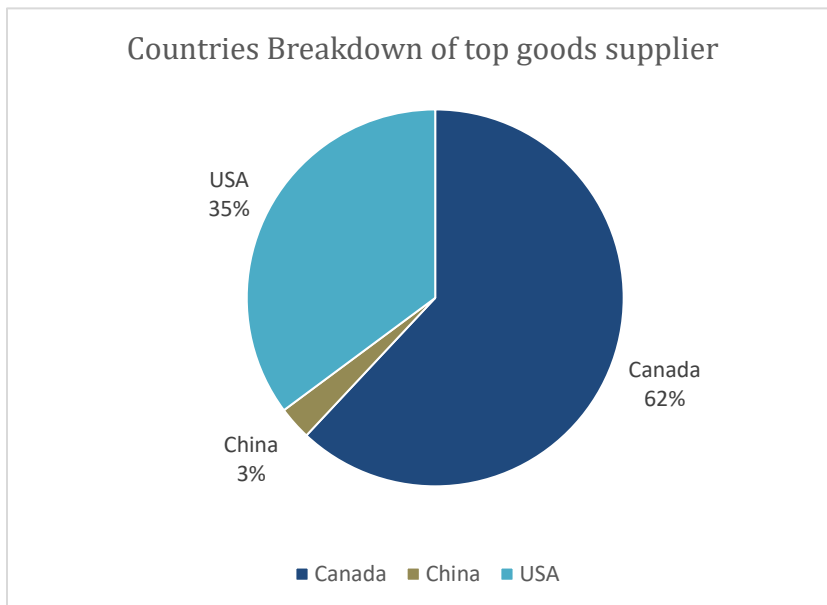


Figure 2

Policies & Due Diligence

Metro has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and supply chain:

Internal Policies

Metro has an Employee Handbook which contains all employee-related policies.

Our environment encourages peer-to-peer feedback. Team members are encouraged to talk directly with each other and managers to resolve problems. This is a fundamental principle in our company.

A Code of Professional Conduct is part of the Employee Handbook. The code is designed to guide employees through navigating workplace challenges and to instill individual responsibility in developing and applying good judgement. The Code of Professional Conduct is an important tool in guiding employee behaviours in a way that builds a positive reputation for Metro, which includes the positive external perceptions from applying ethical business practices.

Metro operates with an open-door policy. The organizational culture permits employees to share concerns with their colleagues at any point in time. Should employee concerns require attention, a policy of escalation ensures that key messages are shared with leadership, and pending investigation, mitigating, or remediating actions can be taken.

The Employee Handbook explicitly states that employees are encouraged to bring concerns and suggestions to their supervisor and manager. In addition, the Employee Handbook also clearly outlines the reporting procedures for incidents related to injuries, discrimination, harassment, and workplace violence.

The policies outline that once a written complaint relating to reporting any Discrimination or Harassment-related topics has been received, Metro will complete a thorough investigation. Therefore, similar to the function of a whistleblower, should an issue arise related to forced labour or child labour, this reporting process is a mechanism in place to identify and alert an issue related to this Act.

Metro's Employee Handbook is designed to encourage positive workplace behaviours and to provide individual members of staff with the information required to report or remediate offenses or violation to the organization's policies.

Metro has identified an opportunity to take steps toward developing organizational policies that would help mitigate risk of forced and child labour in the supply chain.

Due Diligence

Metro engages vendors with whom we have long-standing relationships and have not encountered any known instances of risks associated with forced or child labour. A core tenet of Metro's operations is building and maintaining strong relationships. The major vendors Metro chooses to do business with are companies that are respected within their industry.

As part of the procurement process, Metro collects three quotes from different suppliers, especially when sourcing materials like steel. This helps ensure continuity in the supply chain, and it eliminates overreliance on any single supplier. All vendors are bound by the terms they sign, which are stated in the purchase order. Terms vary per agreement.

From an operational perspective, many of the external labourers Metro contracts for are professional roles. These contracts are often for workers who have professional designations. In addition, as part of our human resource processes, Metro verifies new employees' identities and social insurance numbers. This provides Metro with an opportunity to detect that all newly hired employees are legally eligible to work in Canada and are of legal age.

Supply Chain Risk Assessment

A risk assessment over Metro's industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. This risk assessment used two separate indices

to conclude on the inherent risk of child and/or forced labour related to goods and countries - Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Industry of Operation

Metro operates within the waste management industry providing services and in-house manufactured waste and recycling equipment. More broadly, Metro is considered part of the manufacturing industry by Walk Free's index since we "transform products into new products". According to the index, this industry has inherent risk exposure. However, operational risks are minimized since Metro is Workplace Hazardous Materials Information System (WHMIS) and Health & Safety Certified with all staff fully trained and experienced.

Goods Procured

Metro has 11 main categories of products. A risk assessment over the goods procured from material suppliers noted above has been conducted and identified an initial inherent risk of forced and/or child labour within the following categories:

1. Iron – Steel sheets, steel tools and parts, etc.
2. Electronics – fuses, connectors, wire, motors, plugs, etc.
3. Gloves for worker safety

All other remaining goods were not identified within two indices, and therefore, have a low inherent risk of child labour or forced labour, including:

1. Paints
2. Chute components and Door components
3. Containers
4. Hydraulics
5. Hardware
6. Casters and Wheels
7. Bin Mover

Metro also procures Replacement Parts, but at this point in time, we cannot confidently assign a risk level since there is a high variance in the materials that are part of Replacement Parts. By nature, Replacement Parts are not a significant portion of our supply chain. They are mainly procured on an as need basis.

Countries Goods Procured From

Of the material suppliers, three percent (3%) comes from China. According to the two indices noted above, China has been identified as a source country that has a higher inherent risk of using both child and/or forced labour.

The remaining proportion of suppliers, 97%, are from Canada and the United States of America. However, although Metro procures finished goods from reputable vendors that are based out of North America, it is unknown to Metro where these vendors purchase their goods/materials from, which could expose the supply chain to inherent risk related to originating source countries.

Remediation of Forced & Child Labour and Vulnerable Family Income Loss

Metro is in the process of understanding and evaluating supply chain risks related to child labour and forced labour. To date, Metro has not identified instances of the use of child labour or forced labour within their operations or those of suppliers. Metro is continuing to review procurement practices to enhance the rigor of due diligence processes including raising awareness with our suppliers.

Awareness Training

Metro does not have training in place on the topic of child labour or forced labour. However, of the policies identified above relevant to this Act, Metro does incorporate training for new employees of the Employee Handbook.

When onboarding new employees, part of this process includes reviewing the Employee Handbook to ensure the individual understands Metro's standards and expectations. Sections within this relevant to child labour and forced labour include employee professional conduct, harassment and discrimination policy, and workplace violence policy. In addition, each month, all new hires are invited to attend a Company Orientation to share knowledge about the business, philosophies, culture, products and services, and people processes, and to understand Health and Safety requirements.

Metro recognizes the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future.

Assessing Effectiveness

To track Metro's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Metro Activities:

1. Total harassment incidents: Metro has zero tolerance for workplace harassment. All claims made regarding harassment will be reported to the direct manager or Human Resources, including a thorough investigation and action plan to resolve the issue in a timely manner.
2. Conduct and behaviour incidents: Metro has zero tolerance for inappropriate conduct and

behaviours. All claims made regarding this will be reported to appropriate authorities, including an action plan to resolve the issue in a timely manner.

3. Employee training: Metro will continue to track employee training completion metrics to ensure the completeness of mandatory courses.
4. Governance: Metro will continue to monitor and assess compliance with the Employee Handbook and review identified policies on an as-needed basis.

Supplier Activities

1. Supplier Agreements: Metro has identified the opportunity to implement a clause within supplier agreements regarding zero tolerance for child labour and forced labour. This clause will identify the outcome or, disciplinary action should an instance of child or forced labour be reported or discovered by Metro.
2. Supplier questionnaire: A phased-in approach will be adopted to have new and existing suppliers complete a Supplier Questionnaire which will include specific questions regarding child and forced labour. This phased approach will begin with the largest suppliers first and will continue across the full supply chain within a reasonable time period. For each questionnaire submitted, Metro will collect responses in a centralized system, to understand how the risk of child labour or forced labour affects suppliers.
3. Supplier monitoring: Key suppliers of Metro will be monitored on an annual basis, either through performance reviews or onsite visits. Record keeping for frequency of reviews and date of last review is kept in a centralized system to ensure these reviews are being performed.
4. Governance: Each parameter of supplier activities will be reviewed on an as-needed basis.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Metro has taken the following steps to prevent and reduce the risk of child labour or forced labour:

1. Mapping supply chains: As part of this report, Metro has mapped the supply chain to complete a risk assessment to align with the Act.
2. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Metro has identified risks within their activities and supply chain that have inherent risks of child labour and/or forced labour.
3. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Metro assesses the risks associated with the goods procured against global forced and child labour benchmarks and indices.
4. Developing and implementing an action plan for addressing forced labour and/or child labour:

Metro has identified the need to develop an action plan to address emerging risks in our supply chain.

5. Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour: Remediation efforts relating to due diligence mechanisms in place have been identified, to reduce the risk of child labour and/or forced labour within the supply chain.
6. Developing and implementing training and awareness materials on forced labour and/or child labour: Metro has identified the opportunity to develop employee training relevant to child labour and/or forced labour.
7. Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily: Human resources checks new employee information to ensure they are legally permitted to work at Metro. Future checks will evaluate additional aspects of recruitment process.