

CAA Saskatchewan



**Bill S-211: Fighting Against Forced Labour and Child
Labour in Supply Chains Act**

Compliance Report

May 31, 2024

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Purpose of this Report

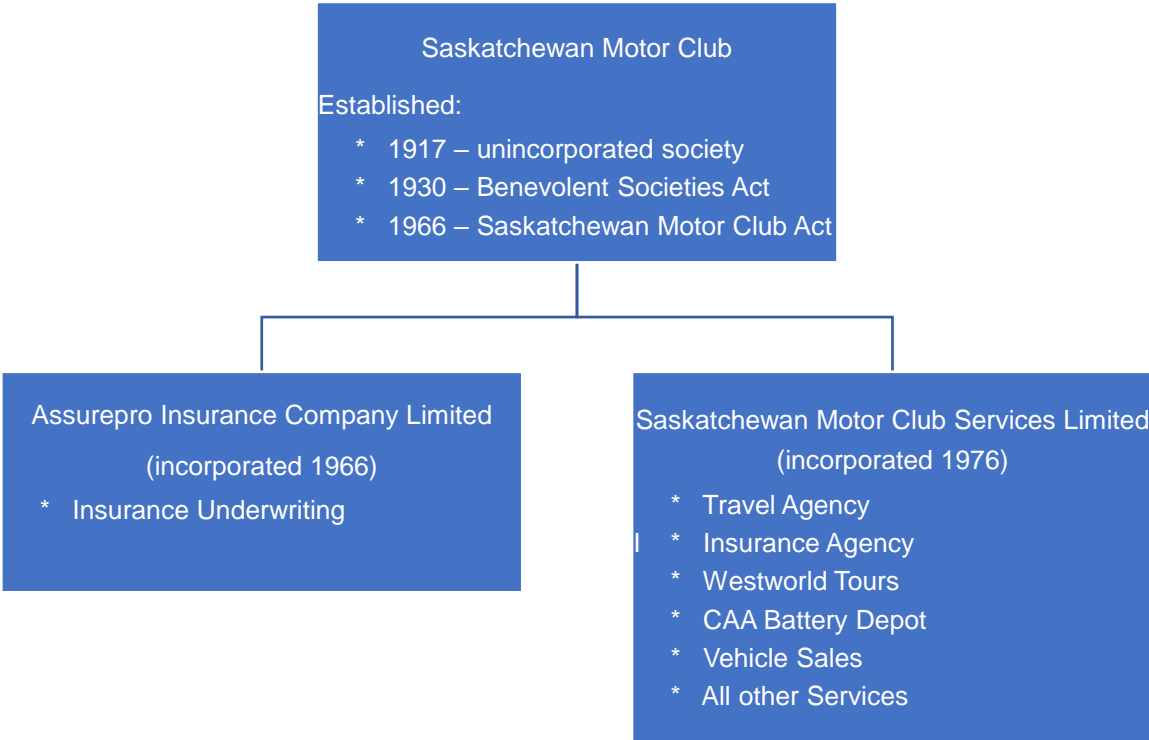
Bill S-211 came into effect January 1, 2024. This report describes the operations and supply chains of CAA Saskatchewan and outlines the measures taken to ensure compliance.

Structure

The Saskatchewan Motor Club and its subsidiaries do business under the banner of CAA Saskatchewan. It is a member-driven organization governed by an elected board of directors, which oversees the business and activities administered by approximately 210 employees. CAA Saskatchewan currently has 184,000 members in the province.

CAA Saskatchewan belongs to the federation of the Canadian Automobile Association which is one of the largest consumer-based organizations in Canada. Over seven million Members receive exceptional value and service through eight automobile clubs with over one hundred offices located across the country. CAA is an affiliate of the American Automobile Association. CAA is also a member of the international Federation Internationale de l'Automobile

The operating entities of CAA Saskatchewan are structured as follows:



Saskatchewan Motor Club is a non-profit organization, created by an act of the provincial legislature, for the purpose of serving and promoting the interests of motorists. Assurepro and

SMC Services Limited are taxable subsidiaries that perform all activities that are beyond the scope of non-profit.

CAA has been recognized nationally as one of Canada's Most Trusted Brands for the past five years and has earned top spot as the most trusted brand in Canada in the insurance category of the Gustavson Brand Trust Index. CAA Saskatchewan has also been recognized by business groups for providing excellence in customer service and has been named both the Regina and Saskatchewan Business of the Year.

Activities

The organization has a reputable history of advocating on behalf of its 184,000 Members and the travelling public, offering services through its non-profit motor club and benefits through its automotive, travel and insurance agencies, plus the CAA Battery Depot and WestWorld Tours. CAA advocates for motorists and travellers, supporting traffic safety, environmental and consumer programs, and addressing related public policy issues.

CAA has been recognized nationally as one of Canada's Most Trusted Brands for the past five consecutive years and earned the top spot as the most trusted brand in the insurance category of the Gustavson Brand Trust Index. CAA has also been acknowledged for excellent customer service, as noted by awards bestowed to us in this category by several reputable organizations. This honourable recognition is appreciated, and we promise to continue to offer exceptional products and professional customer service to members and clients.

For the year ended July 31, 2023, the consolidated CAA Saskatchewan entity had approximately \$32 million in assets and grossed just under \$60 million in sales. Approximately \$22 million of the revenue were membership fees, \$21 million in automobile sales (now discontinued), \$9 million in travel/insurance commissions, \$3.6 million in tour sales. The remainder was commercial goods and services.

Saskatchewan Motor Club:

- Promote the common interests of the motorists of Saskatchewan.
- Promote, encourage and assist in the construction, maintenance and improvement of roads.
- Promote fair legislation.
- Publish a magazine promoting the interests of the club and motorists in general.
- Publish maps and travel information.

Assurepro Insurance Company Limited:

- Underwrite personal accident and automobile extension insurance. The company is in the process of winding down and will be eliminated by 2026.

Saskatchewan Motor Club Services Limited:

- Travel agency
- Escorted tour operation
- Insurance agency
- Battery retail sales
- Vehicle sales

Supply Chains

CAA Saskatchewan is primarily a service provider, utilizing local labour to service the needs of members and clients. Services are manufactured by CAA locally within the province and are subject to provincial and federal labour legislation and oversight. Supply chains that may originate outside of this structure include retail merchandise, batteries, and some internally consumed goods. CAA does not import any goods directly. Goods and services that are not created by CAA are purchased from wholesalers, which are themselves governed by S-211 and legislated labour standards. The following chart outlines the supply chains existing at CAA Saskatchewan:

Products and Services for Sale				
Product or Service	End Product	Interim Steps	Initial Source	Risk
Roadside Assistance	Towing, boosting, tire change, etc.	none	Internal Fleet, Saskatchewan-based towing contractors	Nil – all services are provided by local labour, governed by provincial labour standards. Drivers are licenced and vehicles are both licenced and inspected by municipal authorities.
Travel Agency	Matching client travel needs with suitable providers	none	Services originate with CAA Saskatchewan	Nil – all services are provided by local labour, governed by provincial labour standards
Travel Materials	Maps, tour books, etc.	Wholesalers, in rare cases	American Automobile Association, McNalley, Lonely Planet	Low – almost all products are designed, written, and manufactured directly by AAA. Other suppliers are subject to S-211.
Escorted Tours	Escorted tour travel packages	Cosmos, Exotica, Trafalgar, Contiki, Collette	Airlines, hotels, buses, guides	Low – most components are sources from airlines and hotels subject to S-211. Local hotels, transportation, and guides are thoroughly vetted for quality, reputation, and labour adherence.
Insurance Agency	Matching client insurance needs with suitable underwriters	none	Services originate with CAA Saskatchewan	Nil – all services are provided by local labour, governed by provincial labour standards
Batteries and Accessories	Automotive and consumer batteries and accessories	Sask Battery, Prairie Battery, Magnacharge, Polar Batteries, NAPA, Quick Cable, Canadian Energy, SOTA Batteries, TCED Batteries	JCL, Exide, East Penn, others	Low – most batteries are sourced through local wholesalers and/or originate with suppliers subject to S-211.

Travel retail merchandise	Luggage, travel accessories	Samsonite, Austin House, Tilley, Pac Safe, Lug, Baggallini, Holiday Group, Kooringal, Falconbrook, Foslane,	Samsonite, Tilley, others	Low – most merchandise is sourced through local wholesalers and/or originate with suppliers subject to S-211.
Vehicle Sales	Cars	Dealer Auction	Auto manufacturers	Nil – All sources are subject to S-211.

Products and Services Consumed Internally

Product or Service	End Product	Interim Steps	Initial Source	Risk
Office Supplies	Stationary, furniture, etc.	Grand and Toy, Staples	Multiple worldwide manufacturers	Low – Wholesalers are governed by S-211, but manufacturers are widely disbursed
Professional services	Audit, legal, actuarial, consulting	none	MNP, MLT Aikens, Aon, Mercer	Nil – All providers are local and regional professionals, governed by labour standards.
Banking and financial	Banking, investment, transaction processing	None	Scotiabank, Scotia McCloud, Chase	Nil – All providers are governed by S-211.
Utilities	Electricity, natural gas, water	None	Sask Power, Sask Energy, Saskatoon Light and Power, municipal utilities	Low – All providers are governed by S-211 and labour standards, but may import materials
Telecommunications	Sasktel, Bell	none		Low – All providers are governed by S-211 and labour standards, but may import materials
Technology	Computer hardware and software	Jump.ca, Microage	Microsoft, HP, Cisco, Meraki, Apple, Samsung, Constellation, Epicor	Low – all providers are governed by S-211 and labour standards but may import materials and components.

Policies and Due Diligence Processes

CAA Saskatchewan has implemented the following policies and processes to ensure compliance with Bill S-211:

- The CAA Saskatchewan Code of Business Conduct policy is a comprehensive guide for employees, officers, and stakeholders. This policy outlines numerous requirements regarding obedience to the law, doing what is right, and consideration for the rights of others. Many of the requirements of S-211 coincide with the items specified in the policy.
- The Code of Business conduct has now been updated to specifically address the requirements of S-211 regarding identification, assessment, management, training and remediation. This policy applies to all employees and officers. As well, Directors, officers, and key employees must sign an annual compliance declaration.
- A section has also been added to this policy addressing supplier conduct, specifically with regard to child, forced, and illegal labour practices.
- Effective with the implementation of the act in 2024, this policy will be reviewed and updated annually.
- As the appropriate governing body, this policy will be reviewed and formally approved every year prior to the May 31 date requirement. It has been placed on the annual work plan.
- Awareness of the requirements of the bill have been added to employee and Director orientation outlines. It has also been added to the standing employee information kit.
- Suppliers are selected using a thorough vetting process. CAA Saskatchewan is committed to dealing with companies that use ethical supply chains. Preferred suppliers are identified by detailed review across national and international motor club associations. Suppliers are required to meet several ethical standards, including:
 - Transparency in business relationships
 - Confidentiality and appropriate treatment of client information
 - Protecting privacy
 - Avoidance of abusive business practices
 - Avoidance of forced or child labour
 - Adherence to the law
 - Paying reasonable wages
- New contracts with suppliers are reviewed for compliance and terms of supply stipulate expectations.

Risk Exposure

Risk of non-compliance is extremely low at CAA Saskatchewan:

- CAA Saskatchewan does not import any goods into Canada where CAA is responsible for accounting for those goods under the *Customs Act (Canada)*.
- CAA Saskatchewan does not control any entities that import goods.
- Any goods originating outside Canada are purchased from wholesalers and importers who are considered to be the importer for the purposes of the *Customs Act*.
- Most products sold to members and clients are services that are created directly by or under the control of CAA Saskatchewan. This includes such items as roadside assistance, which is the single largest product. Workers are either direct employees of

CAA or direct independent contractors, who are reviewed at least annually. The supply chain is short, local, highly visible.

- The second largest product of CAA Saskatchewan is agency services, such as travel or insurance consulting. In these cases, CAA does not provide any product to the customer, but rather connects customers with suitable providers. No supply chain exists in these cases.
- Many products and services are sourced from companies who are themselves subject to S-211, as well as provincial and federal labour standards.
- A small percentage of sales originate indirectly from imported goods. These can include luggage, travel accessories and batteries. These items are purchased from North American (usually Canadian) wholesalers. The wholesalers are vetted for several characteristics to ensure compatibility with CAA values, which includes compliance with forced labour restrictions.

Remediation Measures

At this time, CAA is not aware of any loss of income to vulnerable families. Upon recognition, CAA will bring the matter to the appropriate governing body, which is the CAA Board of Directors, to obtain guidance as to how to proceed. As a trusted, compassionate organization dedicated to serving the needs of the community, CAA will be ready to rectify any issues.

Training

Training and materials have been updated as follows:

- The Code of Business Conduct has been updated and expanded.
- Awareness of the requirements of the bill have been added to employee and Director orientation outlines.
- Employee information kits have been updated.
- Contract review procedures have been updated.

Effectiveness Assessment

Overall, CAA is at a very low risk of participating in human rights abuses and exploitation. As a result of the enactment of this bill, steps have been taken to reduce and address this risk even further. All reasonable measures have been taken, and steps are in place to ensure that adjustments are made as situations emerge and the business expands and evolves.

CAA SASKATCHEWAN MOTOR CLUB
SASKATCHEWAN MOTOR CLUB SERVICES COMPANY LIMITED

MINUTES OF THE CAA SASKATCHEWAN MOTOR CLUB BOARD OF
DIRECTORS SPECIAL RESOLUTION, May 29, 2024

PRESENT: Richard Ahenakew, Chair
Christian Braid, Vice-Chair
Brian Barber
Pat Friesen
Chris Lane
Krystal Tendler
Sheleen Summach
Bruce Anderson
Tim McMillan
Fred Titanich, President & CEO

Bill S-211 Attestation

The following special resolution of the Board is being put forward:

“That Saskatchewan Motor Club (dba “CAA Saskatchewan”) hereby attests that the Board of Directors, as the appropriate governing body, has the legal authority to bind the entity and it has received the S-211 Compliance Report and approves its submission, effective May 31, 2024.”

On motion by Friesen/Lane

CARRIED



for CHAIR



SECRETARY