

VIH Aviation Group Ltd.

1962 Canso Road, North Saanich,
British Columbia, Canada V8L 5V5

May 28, 2024

CONFIDENTIAL

TO: Minister of Public Safety and Emergency Preparedness

RE: Compliance with Canada's

Fighting Against Forced Labour and Child Labour in Supply Chains Act
VIH Aviation Group Ltd., May 31, 2024 Report

This report is prepared by VIH Aviation Group Ltd. ("**Company**") a British Columbia private corporation (Incorporation number BC0441584 and business number 134733856BC0001), with a head office and place of business in Victoria, British Columbia. Company is the aviation business of owning, leasing, maintaining and operating aircraft.

Section 11 of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") requires a corporation: (i) that meets the definition of "Entity" as set forth in section 2 of Act and (ii) meets the requirements of section 9 of the Act, to file a report with the Minister.

The Act came into force January 1, 2024. There are no regulations clarifying the interpretation and application of the Act to the breadth of business types and operations in Canada including Transport Canada licensed private non scheduled commercial air carriers and approved maintenance organizations. Further Public Safety Canada's web site page - [Prepare a report – Entities \(publicsafety.gc.ca\)](https://publicsafety.gc.ca) has posted guidance to the Act, that appears to extra legislatively vary the meaning and application of the of the express language of the Act. This uncertainty regarding the interpretation and application of this new Act has made it difficult to clearly determine its application to Company and specifically: does the Act apply to Transport Canada regulated commercial air carriers and the aircraft that are owned, leased, operated, and/or maintained by the air carrier. In addition, the word "goods" in the Act is not fully defined, such that it is not possible to clearly determine if aircraft and their components/parts, fall within the definition of the word "goods" in the Act. Based on other statutes it would be reasonable to assume that vessels, vehicles and aircraft are specific classes of property separate from goods.

It is the Company's position, after obtaining legal and accounting advice, that under the current wording of the Act, the Company, as a distinct Canadian private corporation may not be required to file a section 11 report. However, if the word "goods" includes aircraft and their components/parts and Company must: (i) aggregate its affiliates section 2 economic measurements, and (ii) aggregate its affiliates section 9 prescribed activities, Company would be subject to the section 11 reporting requirements.

Accordingly, Company is filing this report and answering the online questionnaire but reserves the right to file amendments to this initial report and questionnaire as maybe prudent or required over the next year as clarity emerges regarding the interpretation and application of the Act.

DS
KN

Company Overview:

1. Company is a Canadian owned private British Columbia corporation based in British Columbia that is in the aviation business of owning, leasing, maintaining and operating aircraft (primarily helicopters) in Canada pursuant to Canadian aviation laws and regulations.
2. The Company complies with all applicable Canadian laws, Canadian international sanctions and applicable Canadian treaties.
3. Company does meet the definition requirements of “entity” as set forth in section 2 of the Act. Company also has ownership interests in other private distinct British Columbia and federal corporations who are in the aviation business of owning, leasing, maintaining, repairing and/or operating aircraft (primarily helicopters) pursuant to their individual distinct Transport Canada operating authorities and approved maintenance organizations authorities (the “**Affiliates**”). Affiliates are distinct corporations with distinct and individual regulatory approvals.
4. Company does **not** produce goods in Canada or elsewhere.
5. Company and Affiliates do, from time to time, import aircraft and aircraft components/parts produced outside of Canada by third parties.
6. Company and Affiliates, from time to time, sell aircraft and aircraft components/parts.
7. Company and Affiliates sources and purchases components/parts from qualified third party vendors, for use in their respective aviation business (“**Company Suppliers**”) in accordance with Canadian aviation laws, Canadian controlled goods laws and Canadian custom laws.
8. Company Suppliers are primarily aircraft OEMs (original equipment manufacturers) and their licensed/approved suppliers, holding applicable OEM approvals and government aviation regulatory authorities in Canada, the USA and the EU approvals.
9. Company and Affiliates employs persons pursuant to the *Canada Labour Code* employment laws and regulations, the *Canadian Human Rights Act*, provincial *Workers Compensation & Insurance statutes*, and in accordance with federal immigration, citizenship, permanent resident and worker permit laws, regulations, and requirements. Persons who are employed as pilots, maintenance technicians, and dispatchers are also required to hold applicable Transport Canada licenses and certificates.
10. Company and Affiliates do not engage in child labour as defined in section 2 of the Act (“**Child Labour**”).
11. Company and Affiliates do not engage in forced labour as defined in section 2 of the Act (“**Forced Labour**”).
12. Company is not aware of instances of Forced Labor or Child Labour in its supply chains.

In an effort to comply with what we understand to be the requirements for a first report under the new Act for a reporting entity, we advise as follows:

- a) At this time, Company is confident that internally, Company and Affiliates are in compliance with all applicable laws that pertains to Company and Affiliates regarding Forced Labour or Child Labour.
- b) Company will be taking steps to enquire whether, Company Suppliers that supply goods to Company and Affiliates, that have been produced in Canada or imported goods, are in compliance with the Act. Letters to Company Suppliers will be sent out: (i) requesting confirmation whether or not they have filed a Report under the Act (and if so to supply us with a copy of their report and completed questionnaire) and (ii) identifying our expectations of Company Suppliers regarding compliance with the Act.

- c) Company will complete the online Report questionnaire.
- d) The Canadian aviation supply chain is complex, diverse and heavily regulated. Our focus is on quality, safety, and aviation regulatory compliance. Company and Affiliates require Company Suppliers to meet these priorities, standards, processes, documentation and regulatory approvals and documentation.
- e) Canadian Company Suppliers maybe in the process of conducting their own due diligence with respect to the application of the Act to them and their compliance with the Act. We look forward to receiving more information from Company Suppliers in the months ahead, noting that some suppliers may not meet the threshold requirements in the Act, such that they are not under an obligation, under the Act, to report as reporting entities, or to publish a report.
- f) Company will be developing processes to identify and address known instances of Forced Labor or Child Labor in its supply chain as maybe appropriate, based on the responses of Company Suppliers to Company enquiries. This process may include:
 - 1. Supplier Assessment:
 - (i) conduct enquiries of suppliers to ascertain their filing status under the Act,
 - (ii) conduct enquiries of suppliers to ascertain their compliance with applicable federal and provincial labour laws and standards, and
 - (iii) monitor our supply chain for credible evidence of Forced Labor or Child Labor in our supply chain;
 - 2. Inform Company managers, human resource personnel and purchasing personnel regarding applicable labor laws and regulations;
 - 3. Introduce language, when appropriate, to supply documentation, regarding Child Labour and Forced Labour; and
 - 4. Take appropriate action when we receive credible evidence of instances of Forced Labor or Child Labor within the scope of our supply chain.

VIH Aviation Group Ltd.

Per:

DocuSigned by:

60F1F31BDC954FC...

Reporting Officer:

Kenneth Gordon Norie

Sole Director & President

Email: knorie@vih.com

Phone: (250) 655-6877 | Fax: (250) 655-6839