

Subject: Annual Report Forced Labour and Child Labour Policy	Policy: HR 18
Effective Date: May 31, 2024	Revision Date: December 20, 2024

Annual Report Forced Labour and Child Labour Policy

Intent

Canusa Automotive Warehousing Inc. (“Canusa” or the “Company”) is dedicated to ethical business practices and ensuring that the Company’s operations are free from forced labour and child labour.

Scope

This policy applies to all individuals who work at Canusa Automotive Warehousing Inc., including full-time and part-time employees, temporary employees, contract service providers, contractors, all supervisory personnel, managers, officers and directors. It also applies to any customers, visitors or other people accessing Canusa’s property.

Company Structure, Activities and Supply Chains

Canusa is a full-line automotive warehouse distribution business. The Company operates a retail chain across Ontario, Canada, through Auto Parts Centres (APC) stores. The Company’s headquarters and the main warehouse, which serves as a distribution centre for APC stores and customers, are located in London, Ontario.

Canusa is primarily engaged in the wholesale distribution and retail of aftermarket automotive parts. APC stores service direct customers as well as garages, fleet companies and local installer-based customers.

The Company sources its products from a variety of suppliers both domestically and internationally. The supply chain is primarily composed of manufacturers and distributors in Canada and the United States of America (USA). Canusa’s Purchasing Department is located at the headquarters in London, Ontario.

Policies and Due Diligence Processes

Canusa is in the process of reviewing the existing policies and procedures for sourcing suppliers. All current suppliers are being asked to provide proof of compliance with the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Bill S-211), or local applicable alternatives (e.g. *California Supply Chains Act*). The repercussions for

suppliers who do not comply with this request are being considered by the Company's management team.

Internally, Canusa has several policies which aid in the prevention of forced labour and child labour. These policies include but are not limited to:

- *Ethics and Conflicts of Interest (HR 1)*
- *Electronics and Electronic Monitoring Policy (HR 12)*
- *Video Surveillance Policy (HR 22)*
- *Workplace Health and Safety Program (HS 1B)*
- *Workplace Violence and Harassment Policy (HS 2A)*

In addition to the policies, the Company has implemented practices within the recruitment and hiring processes which reduce the potential for forced labour and child labour.

Risk Assessment and Management

Global supply chains inherently have a risk of human rights violations, including forced labour and child labour. Due to the reasonable limits of Canusa's resources, the Company is not able to conduct site visits to all suppliers. The Company will continue to audit suppliers for written compliance of Bill S-211 or other applicable legislation.

Remediation Measures

At this time, Canusa has not identified any instances of the use of forced labour or child labour in its supply chain. No loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our supply chains has been identified. In the event that the Company finds evidence of the use of forced labour or child labour, or such a loss of income, Canusa will work closely with suppliers to address and rectify the issues.

Training and Awareness

Canusa is committed to raising awareness and providing training to empower all employees to identify and address the use of forced labour and child labour. The Company is in the process of reviewing training options and will be implementing training in 2025.

Assessing Effectiveness

The Company will continue to monitor supplier compliance with applicable regulations. All new suppliers will be asked to provide proof of compliance. The training programs provided to employees for identifying and preventing forced labour and child labour will be monitored for effectiveness. Canusa will regularly update policies, programs and procedures to ensure compliance with all regulations.

Discipline

Employees who fail to adhere to the terms of this policy may be subject to disciplinary action, determined by Canusa at its sole discretion, having regard to the nature of the violation, up to and including termination of employment.


Conclusion

Canusa is committed to providing a workplace where all individuals are treated with mutual respect, professionalism and dignity.

Approval and Attestation

This report is approved and attested, as required under subsection 11(4) and subsection 11(5) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

I attest that I have the authority to bind Canusa Automotive Warehousing Inc.



Jo Kim
Human Resources Manager
Canusa Automotive Warehousing Inc.

2024-12-20
Date (YYYY-MM-DD)