

Annual Report on Forced Labour and Child Labour

Company Name: Action Car and Truck Accessories Inc

Reporting Period: 2023

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Executive Summary

Action Car and Truck Accessories is dedicated to ethical business practices, ensuring that our operations and supply chain are free from forced labour and child labour. Over the past financial year, we have made substantial advancements in our policies and processes, enhanced our risk assessment capabilities, and addressed any identified issues. This report fulfills the legal requirements outlined in the Act, detailing our efforts and reaffirming our ongoing commitment to ethical business practices.

Company Structure, Activities and Supply Chains

Action Car and Truck Accessories is the leading retailer and distributor of automotive aftermarket accessories in Canada, offering a wide range of products for trucks, SUVs, and vans. The company was founded in 1980 and has since grown to have multiple locations across the country.

In terms of our structure, Action Car and Truck Accessories operates as a retail chain with a centralized wholesale distribution system. The company has a head office that oversees its operations, including purchasing, marketing, and logistics, while its retail stores serve as points of sale and installation centers for customers.

As for its activities, Action Car and Truck Accessories is primarily engaged in the retail, fleet and wholesale distribution of automotive accessories. The company offers a diverse range of products, including truck bed covers, running boards, floor mats, and lighting accessories, among others. It also provides installation services for these products, ensuring that customers can customize their vehicles to meet their needs and preferences.

In terms of its supply chains, Action Car and Truck Accessories sources its products from a variety of suppliers, including manufacturers and distributors both domestically and internationally. Our supply chain spans several countries, including key suppliers in Canada, United States, Taiwan, China and Germany. The company works closely with its suppliers to ensure that products meet its quality standards and are delivered in a timely manner to meet customer demand.

Overall, Action Car and Truck Accessories is a well-established company with a strong presence in the automotive aftermarket accessories industry in Canada, offering a wide range of products and services to meet the needs of its customers.

Policies and Due Diligence Processes

We have implemented comprehensive policies aimed at preventing forced labour and child labour. These internal policies include:

Policy 2.1 – Code of Business Conduct: Addresses "Compliance with Laws, Rules and Regulations," "Discrimination and Harassment," "Health and Safety," and "Reporting any Illegal or Unethical Behaviour."

Policy 2.17 – Workplace Anti-Violence Policy: Commits to "providing a safe and healthy work environment free from violence, threats of violence, harassment, intimidation, and disruptive behaviour for all our employees."

Policy 2.18 – Workplace Anti-Harassment Policy: Emphasizes our commitment to "building and preserving a safe, productive, and healthy working environment for our employees based on mutual respect."

Additionally, Action Car and Truck Accessories conducts thorough due diligence on suppliers, including site visits and assessments to ensure compliance with labour laws and the absence of forced labour or child labour practices. We continuously monitor supply chain activities and mandate the reporting of any violations.

Risk Assessment and Management

Our risk assessment process involves:

- Risk Mapping: Identifying high-risk areas within our supply chains.
- Supplier Reviews: Conducting regular in-person reviews to ensure compliance.
- Risk Mitigation: Implementing corrective actions where necessary.

Action Car and Truck Accessories has identified manufacturing and subcontracted labour as potential risk areas for forced labour and child labour. To assess and manage these risks, the company conducts in-person supplier reviews, provides targeted training, and has established clear policies with mechanisms for promptly reporting and addressing violations.

Remediation Measures

To date Action has not had to conduct any Remediation Measures. In the event of identifying forced labour or child labour, we will work closely with suppliers to address and rectify issues. We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training and Awareness Programs:

Action Car and Truck Accessories has invested in training and awareness programs its employees. These programs educate stakeholders about the risks associated with forced labour and child labour and provide guidance on how to identify and report any instances of these practices. Internally Action utilizes its Action Training Academy to monitor completion rates of the mandated training programs among its staff, ensuring accountability and diligence in preventing forced labour and child labour.

In 2024, Action Car and Truck Accessories introduced an interactive Training Course mandated for all employees. This course covers topics such as forced labour, child labour, and the Supplier Certification program. The Supplier Certification program demands that vendors, suppliers, and subcontractors certify their commitment to ethical labour practices.

Assessing Effectiveness

We assess our effectiveness in ensuring that forced labour and child labour are not used in our business and supply chains through a comprehensive evaluation process, which includes:

- Performance Metrics: Tracking compliance rates and on-site review results.
- Feedback Mechanisms: Collecting and analyzing feedback from employees, and suppliers to identify potential issues and areas for improvement.

- Training and Education: Evaluating the effectiveness of training programs provided to employees on identifying and preventing forced labour and child labour.
- Continuous Improvement: Regularly updating our policies and processes based on assessment results.

Conclusion

Action Car and Truck Accessories remains steadfast in its commitment to ethical conduct and the prevention of forced labour and child labour in its operations and supply chain. By implementing robust due diligence processes, enforcing a strict code of conduct, providing training and awareness programs, and introducing new initiatives like the interactive Training Course, Action Car and Truck Accessories demonstrates its dedication to upholding high standards of social responsibility.

This report showcases Action Car and Truck Accessories' proactive approach to addressing these critical issues and its ongoing efforts to create a fair and ethical business environment.

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.

Dated in the City of Moncton, New Brunswick, this 30th day of May, 2024.



Beverley Thomas, Chief Financial Officer

I have the authority to bind Action Car and Truck Accessories Inc.