

May 21, 2024

This report is prepared to ensure transparency and compliance with *Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*

## 1. Company Overview

Arpac Storage Systems Corporation is a privately owned Canadian Corporation with physical offices in the following locations:

Head Office:	7663 Progress Way	Delta	BC	V4G 1A2
Calgary Branch Office:	#8 – 6000 72 Ave SE	Calgary	AB	T2C 5C3
Edmonton Branch Office:	#1 – 12632 184 Street NW	Edmonton	AB	T5V 1T4
Lethbridge Branch Office:	#1 – 109 Broxburn Blvd	Lethbridge	AB	T1J 4P4

Arpac's business number is 100270784, with financial year running October 1 through September 30. Our business activities spanning two distinct divisions:

a) Lift Trucks

Sales, rentals, and maintenance/repair of various types of material handling equipment; primarily forklifts. This equipment (including associated batteries and chargers), and the parts used in ongoing maintenance and repair, is purchased from within Canada, and imported from the United States.

b) Storage Products

Design/Engineering, manufacture, and installation of warehouse racking and shelving systems; primarily pallet racking. Raw materials (primarily steel and paint) are sourced within Canada, with ancillary products/accessories sourced both within Canada and imported by Arpac from the United States.

## 2. Our Commitment to Ethical Labour Practices

At Arpac, we are firmly committed to upholding the highest standards of ethical labour practices. We recognize the severe impact that forced labour and child labour have on individuals and communities and are dedicated to eliminating such practices within our supply chain. Our stance is clear and unequivocal:

a) Against Forced Labour

We categorically oppose any form of forced labour, which includes any work or service that is exacted from a person under the threat of penalty and for which the person has not offered themselves voluntarily. Forced labour undermines human dignity and the fundamental rights of individuals. We ensure that all our business activities and supply chains are free from any such practices.

b) Against Child Labour

We are adamantly against the exploitation of children in the workforce. Child labour deprives children of their childhood, potential, and dignity, and is harmful to their physical and mental development. We are committed to ensuring that no child under the minimum working age, as stipulated by international and national laws, is employed in any part of our operations or supply chain.

**3. Policies and Procedures**

To ensure compliance with these principles, we have implemented robust policies and procedures, which include:

a) Supply Chain Risk Assessment

Conducting regular assessments to identify and mitigate risks related to forced and child labour within our supply chain.

b) Vendor Compliance Requirements

Ensuring our suppliers and partners adhere to our ethical standards, including the prohibition of forced and child labour.

c) Training and Awareness

Providing ongoing training to all Arpac employees to recognize and address issues related to forced and child labour. This training ensures that everyone involved in our operations understands our commitment to ethical labour practices.

d) Internal Controls

To ensure compliance within our own organization, Arpac has taken the following measures:

- a. only employing individuals within Canada, while adhering to all relevant local, provincial, and federal requirements and legislation; including employment standards, human rights, and health & safety
- b. not employing children, as verified via government issued ID upon hire
- c. only employing individuals legally permitted to work in Canada, as verified by valid Social Insurance Number, and work permit/immigration documentation (when applicable)
- d. compensation for hours worked exceeds minimum wage legislation in the jurisdictions in which we operate, and is paid directly to employees via direct deposit to accounts in their own name, as indicated on documentation from their chosen Canadian financial institution

#### **4. Current Vendor/Supply Chain Control Measures**

As all Arpac employees and business operations are within Canada and more easily audited/managed with the Internal Controls outlined in 3(d), our supply chains have higher risk of forced labour or child labour and are of primary focus; though it should be noted the overall risk is low. With that, within the current financial year, Arpac has broadly audited/surveyed its largest suppliers; covering 80% of our total vendors (by dollar value), as of our previous financial year ending September 30, 2023.

The survey is attached (Appendix A) and means to require vendors to confirm their commitment to investigate their own supply chains and internal processes to prevent/remediate any forced labour or child labour.

To date, we're pleased to report no instances/violations have been found.

Over the course of this next year, we commit to expanding this process to 85% of our vendors (by dollar value), continuing year over year until reaching 100%.

#### **5. Remediation and Support**

While no violations have been identified, we are committed to taking immediate and effective action:

a) Remediation Measures

Implementing corrective actions to address any instances of forced or child labour. This includes working with affected individuals to ensure their safety and well-being and providing them with support and resources to prevent future exploitation.

b) Support for Vulnerable Families

Offering support to the families affected by measures taken to eliminate forced and child labour, including facilitating access to government assistance, including financial education, and training programs.

Should violations be discovered within our supply chain, our relationship with that supplier will be immediately suspended until appropriate, proven action is taken to ensure legal compliance and to Arpac's approval/standard. This process will be completed with a priority placed on supporting those affected vulnerable individuals, as outlined above.

#### **6. Continuous Improvement**

We are committed to continuous improvement and regularly review and update our policies and practices to reflect the latest standards and best practices in ethical labour. Our goal is to not only comply with the legal requirements but to lead by example in promoting human rights and fair labour practices across our industry and the geographic areas in which we do business.

**7. Conclusion**

At Arpac, we take our responsibility seriously and are dedicated to ensuring that our supply chain is free from forced and child labour. We believe that ethical business practices are fundamental to our success and the well-being of the communities we serve. We will continue to work diligently to uphold these principles and contribute to the global effort to eradicate forced and child labour.

I have the authority to bind Arpac Storage Systems Corporation



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Aaron Brind  
President  
May 21, 2024

# APPENDIX A

**Vendor Compliance Questionnaire: Forced and Child Labour**

Dear Vendor,

As part of our commitment to ethical business practices and compliance with Canada's Bill S-211 (*Fighting Against Forced Labour and Child Labour in Supply Chains Act*), we require your assistance in completing the following questionnaire. Your responses will help us ensure that our supply chain is free from forced and child labour.

Please provide detailed answers to the questions below.

Company Information

- 1) Company Name: \_\_\_\_\_
- 2) Address: \_\_\_\_\_
- 3) Primary Contact Person:
  - Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_
  - Position: \_\_\_\_\_ Email: \_\_\_\_\_

Policies and Procedures

- 4) Does your company have a policy against the use of forced and child labour?  
Yes  No   
If yes, please provide a copy or summary of the policy.
  
- 5) Do you have procedures in place to identify and address the risk of forced and child labour in your supply chain?  
Yes  No

If yes, please describe these procedures.

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\_\_\_\_\_

\_\_\_\_\_

Supply Chain Transparency

- 6) Please provide an overview of your supply chain structure, including key suppliers and subcontractors.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

- 7) Have you conducted a risk assessment to identify areas where forced and child labour may occur within your supply chain? Yes  No

If yes, please provide details of the assessment and its findings.

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Due Diligence and Monitoring

- 8) Do you conduct regular audits of your supply chain to ensure compliance with forced and child labour regulations? Yes  No

If yes, please provide the frequency and scope of these audits.

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- 9) What measures do you take if forced or child labour is identified in your supply chain?

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Training and Awareness

- 10) Do you provide training to your employees and suppliers on the risks and identification of forced and child labour? Yes  No

If yes, please describe the training program.

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Remediation and Support

- 11) Have you implemented any remediation measures to address forced or child labour in your supply chain? Yes  No

If yes, please provide details of these measures.

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12) How do you support the most vulnerable families affected by measures taken to eliminate forced and child labour in your supply chain?

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Certification and Attestation

13) Do you have any certifications related to ethical labour practices (e.g., Fair Trade, SA8000)?  
Yes  No

If yes, please provide details and copies of certifications.

14) Please provide any additional information or documentation (if any) that demonstrates your commitment to preventing forced and child labour in your supply chain.

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15) I certify that the information provided in this questionnaire is accurate and complete to the best of my knowledge.

Name \_\_\_\_\_ Position \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

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Thank you for your cooperation and commitment to ethical business practices. Should you have any questions or require further information, please contact me.

Sincerely,



David Clausen  
Director of Human Resources  
Arpac Storage Systems Corporation  
dclausen@arpac.ca / (604) 940-4006