



Leeds Transit
Serving the bus industry since 1970

LEEDS TRANSIT INC.

Forced Labour and Child Labour in Supply Chains Company
Assessment

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Introduction

This report is Leeds Transit Inc.'s (henceforth referred to as "Leeds") response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending September 30, 2023. The reporting entity covered by this report is Leeds Transit Inc.

For the purposes of the Act, Leeds meets the entity definition by having a business in Canada, doing business in Canada and meeting two of three threshold criteria (i.e., revenue and assets).

Structure, Activities & Supply Chain

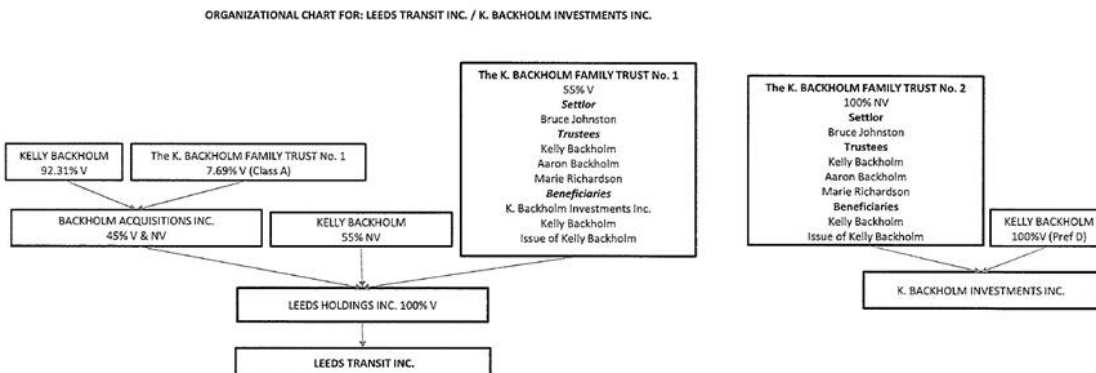
Structure

Founded in 1970 by Roy Backholm, Leeds was first called "North Eastern Blue Bird". Renamed "Leeds Transit Sales Ltd." in 1978, over the next 20 years the dealership grew to become one of North America's largest school bus dealers. We have also been affiliated with International Truck and Engine Co. (Navistar Corp.) since 1972.

We are a full-service dealer with a strong focus on after sale service. Our multi-million-dollar parts inventory includes all body and chassis lines.

Leeds head office is in Elgin, Ontario; a Parts & Service facility serving the greater Toronto area and south-west Ontario is located in Woodstock, Ontario; and our Quebec operations facility is located in Saint Roch de le Achigan, Quebec, just northeast of Montreal.

Below is the corporate organizational chart:

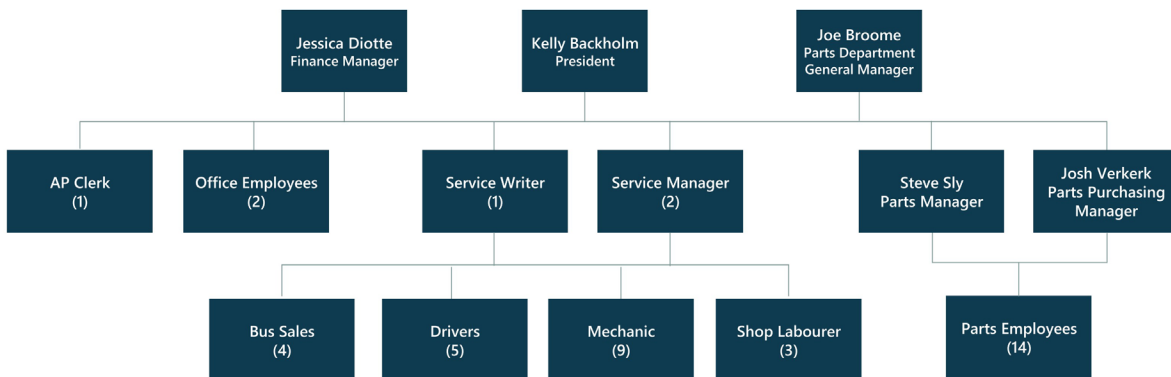


By signing below, I Kelly Backholm certify that the Ownership Structure and Control outlined on the Organization Chart is true, complete and accurate in all respects. No individual other than those included on the Ownership Structure and Control chart owns or controls more than 10% on a combined basis across all layers of the Ownership Structure and Control chart provided.

Our company employee structure is as follows:

Organizational Structure

Leeds currently employs 44 non-unionized employees, including 11 employees in Woodstock, 8 employees in Quebec and 25 employees in Elgin. Leeds prides itself on its exceptionally skilled and specialized workforce and approximately >50% of the staff has been with the Company for over 10 years.



Activities

Leeds sells new and used school and commercial buses. We also have 3 parts warehouses, one at each of our locations, where we supply customer with parts. We have service facilities at all our locations as well where we perform repairs to customer vehicles as well as warranty work and pre-delivery inspections for new buses to be delivered to customers. Lastly, we also lease new buses to customers.

School buses represent approximately 80% of our gross sales yearly, and parts, service and leasing drive the other approximate 20%. Leasing represents a very small portion of this.

Supply Chain

Our main supplier is IC Bus – we sell approximately 90-95% of IC Bus buses yearly and the other 5-10% are our smaller buses which come from Collins and TransTech. Most of the IC Bus buses are school buses. We are in the market of selling commercial buses as well, but do not sell many right now.

For parts, we have many suppliers. Over 50% of our parts come from IC Bus. We handle over 50,000 parts from IC Bus, all these parts consisting of bus and truck parts. We do not see any risk

within this industry of forced or child labour. All these parts come from the US or within Canada from an IC Bus warehouse.

We stock our warehouses with parts that are regularly required by our customers and service departments for repairs and warranty work.

We do purchase our luggage boxes, which we install on customer buses and new buses for sale and sell to customers, from a company out of Ottawa. This company has these luggage boxes built in China

We do have purchases from suppliers in Canada as well.

Policies & Due Diligence Processes

Current policies

Currently, we do not have any policies in place regarding Bill S-211 specifically, but we do plan in the future to address this concern with policy guidance from the government. However, Leeds does have a number of other policies that can help to mitigate risk related to forced and child labour.

Leeds has had all staff perform the WSIB safety training to ensure employees understand safety in the workplace. Further, the garage staff handle toxic liquids, so they need to understand the labelling and safety procedures.

Leeds has also implemented a harassment policy, all staff have been informed about this policy, and it is on display in the office on the service bulletin board.

Leeds has the employment standards poster on display as well on the same bulletin board to ensure employees do know their rights. We strive to treat employees fair and with respect.

Due diligence

Currently, we have no policies in place to ensure vendors are abiding by Bill S-211, but we are working on developing a policy to ensure we adhere to this Bill.

In no way does Leeds condone forced or child labour and we will not work with companies that do.

We have in the past visited our Tulsa, OK plant that builds our school buses, and did not note any evidence of forced or child labour.

Supply Chain Risk Assessment

A risk assessment over Leeds' industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. This risk assessment used two separate indices

to conclude on the inherent risk of child labour and/or forced labour related to goods and countries - Walk Free’s Global Slavery Index and the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor.

Countries and Industry of Operation

Leeds imports buses and bus parts from Canada and the United States. These countries have a **low inherent risk** of forced labour or child labour. Leeds distributes its products within Canada and the United States only.

Leeds believes that we are at low risk of vendors using forced or child labour in the production of their goods. We deal only in bus & truck parts supplied from our main suppliers, which is summarized in the table below:

Good Procured	Good Inherent Risk	Source Country (1 st Tier)	Source Country Inherent Risk	Procurement Spend (as a % of total procurement spend)
Bus parts	Low	Canada	Low	80.8%
Bus parts	Low	USA	Low	1.4%

*The above table represents all suppliers responsible for more than 1% of total procurement spend.

We are willing to ask suppliers to fill out an assessment of the possibility of forced or child labour risks within their companies.

Mitigating Activities

We will continue to update and evolve our internal employee policies, and supplier procedures and monitoring program to mitigate the risk of child labour and forced labour within our supply chains.

Remediation of Forced & Child Labour

We are not aware of any violations by vendors on forced or child labour, therefore, there has been no remediation at this time.

In the future, if we find a vendor has violated this Bill and engages in forced or child labour, we will cease to do business with them as we have a zero tolerance for this type of labour being used in the production of goods we supply to our customers.

Remediation of Vulnerable Family Income Loss

As we have not uncovered any forced or child labour by our vendors or manufacturers, therefore, there has been no remediation currently. In the future, if we find a vendor has violated this bill and engages in forced or child labour, we will assess any required remediation for family income loss at this time.

Awareness Training

Leeds has not provided any training in forced or child labour awareness, although we do not see this as being an issue in our supply of products and services, as they all come from Canada and the US which are inherently low-risk countries (according to Walk Free and the US Department of Labor).

We have made our parts purchasing manager aware of this ongoing issue in some industries, and we will keep an eye out for training made available by the government or third parties on this topic.

Assessing Effectiveness and Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Leeds recognizes the need for continuous improvement and the following will be implemented going forward to ensure we assess effectiveness and have policies and processes to prevent and reduce risks related to child and forced labour:

- Create internal policies, such as a Supplier Code of Conduct, Human Rights Policy, and grievance mechanisms.
- Continue to investigate where our suppliers receive their goods, monitor the types of goods we procure, and the risk of forced labour and child labour associated these goods.
- Develop employee training relevant to this Act for applicable employees to increase awareness of forced and child labour.
- Conduct risk assessments on its countries of operations, suppliers, and types of goods procured to evaluate the inherent risks of forced and child labour.
- Integrate anti-slavery/forced labour and/or child labour standards/conduct into internal policies (employee handbook and training), as well as supplier due diligence procedures (supplier agreements and questionnaires).
- Monitor our key suppliers for evidence of forced labour and child labour through questionnaires and attestations for annual sign-off.

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.

JESSICA DIOTTE, CGA, CPA

Jessica Diotte

Full Name

Signature

FINANCE MANAGER

MAY 31, 2024

Title

Date

I have the authority to bind Leeds Transit Inc. and this report covers fiscal year 2023.