

This report is prepared in compliance with the *Fighting Against Forced and Child Labour in Supply Chains Act* on behalf of certain Canadian entities forming the Dilawri Group of Companies¹ for 2023.

1. About Dilawri

Structure

Privately owned and operated by the Dilawri family since 1985, the Dilawri Group of Companies (“**Dilawri**”) continues to build on a history of excellence as Canada’s largest automotive group. The company’s network represents 38 of the world’s most beloved automotive brands at 81 franchised dealerships in Canada and the US. In 2022 and 2023, the company was proud to announce that several of its dealerships had been recognized as J.D. Power Dealers of Excellence, on the basis of their ability to deliver efficient, transparent and customer-friendly sales experiences. Dilawri was also a 2023 winner of the Canada’s Best Managed Companies program, which recognizes excellence in private Canadian-owned companies.

Dilawri is proud to offer exceptional products and services, delivered by our more than 3,500 employees. We are committed to leadership in business as well as in the communities we serve. Since 2002, the Dilawri Foundation has contributed millions of dollars to a wide range of charitable causes.

Activities

Dilawri’s operations are centered around providing unparalleled automotive products and services. Our activities encompass:

- The sale of new and pre-owned vehicles, ensuring a wide range of choices for our customers.
- Distribution and sale of automotive parts and lubricants, catering to various vehicle maintenance needs.
- Comprehensive vehicle servicing at our Service Centres, where expert technicians ensure vehicles are maintained to the highest standards.
- Offering and facilitating vehicle finance, insurance, and warranty products, providing a seamless purchase and ownership experience.

Supply Chains

Dilawri’s supply chain is integral to our commitment to delivering exceptional quality and value to our customers. It includes:

- Global manufacturers for the procurement of vehicles and parts;
- Importation of vehicles and parts;

¹ See Schedule ‘A’ for a list of companies forming The Dilawri Group of Companies for the purpose of this Report.

- Local transportation logistics for delivery of vehicles and parts to our dealerships and Service Centres; and
- Local service providers for operational needs, including maintenance and facility management.

Dilawri's procurement processes are strategically managed to uphold our standards of excellence and integrity and reflect our commitment to ethical practices and sustainability.

2. Risks of Forced or Child Labour in our Business and Supply Chains

Navigating Supply Chain Risks with Diligence and Integrity

At Dilawri, our operations span across Canada, a country recognized for its commitment to human rights and stringent regulatory frameworks. This geographical footprint, according to insights from the Walk Free Foundation's Global Slavery Index 2023, situates us in areas considered to be among the lowest risk for practices of forced and child labor due to robust legal protections and oversight.

Proactive Risk Management in a Global Context

Despite the low-risk environment of our primary operations, we are not complacent. We understand that the automotive industry, characterized by its global reach and complex supply chains, presents inherent challenges. Our portfolio, featuring 38 of the world's leading automotive brands, involves intricate supply arrangements with original equipment manufacturers (OEMs) - esteemed multinational entities known for their rigorous governance and business ethics.

However, the automotive sector is not immune to the risks associated with modern slavery, especially in parts of the supply chain that extend into regions with varying levels of regulatory enforcement and human rights protections. We invite interested parties to look at the OEM's own reports for further information on their efforts to address risks in their supply chains.

At Dilawri, our commitment to excellence extends beyond our products and services to embody the highest standards of ethical conduct and social responsibility. Recognizing the critical importance of safeguarding human rights within our operations and supply chains, we are actively developing a comprehensive framework to identify, assess, and manage risks related to forced and child labor.

3. Measures to Remediate Forced or Child Labour

While Dilawri has not identified instances of forced or child labor within our supply chain or identified risks necessitating remediation measures for the loss of income to vulnerable families to date, we remain vigilant. Our approach is not static; it evolves with our ongoing commitment to ethical practices and corporate governance. We are in the process of developing and implementing strategies to assess and mitigate potential risks more effectively. These strategies include:

- Supplier Engagement and Education: Collaborating with our suppliers to reinforce the importance of transparency and ethical labor practices.

- Continuous Monitoring and Assessment: Establishing mechanisms for regular review and assessment of our supply chain, ensuring alignment with our ethical standards.
- Stakeholder Collaboration: Seeking opportunities to work with industry groups, NGOs, and other stakeholders to share knowledge and best practices in combating modern slavery.

Dilawri's journey towards ensuring a supply chain free of forced and child labor is guided by our core values of integrity, excellence, and responsibility. We are dedicated to making informed, ethical decisions that reflect our commitment to being a leader in the automotive industry and the communities we serve.

4. Policies & Processes

Dilawri is committed to comprehensive employee training programs, though specific training on forced and child labor is in the planning stages.

5. Approval

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 at Schedule 'A'. 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 2023 reporting year.

May 28, 2024



DILAWRI GROUP OF COMPANIES

Ajay Dilawri, President

I have the authority to bind the Dilawri Group of Companies

SCHEDULE 'A'
Companies Forming Part of the Dilawri Group of Companies

Audi Downtown Vancouver
Audi Queensway
Audi St-Bruno
Audi Thornhill
Aurora BMW
Calgary BMW
Capilano Audi
GM West Island
Lamborghini Vancouver
MCL Motorcars
Mercedes-Benz Boundary
Mercedes-Benz Langley
Mercedes-Benz North Vancouver
Mercedes-Benz Richmond
Mercedes-Benz Vancouver
Mercedes-Benz West Island
Pacific Honda
Porsche Centre Vancouver
Thorncrest Ford
Vaughan Chrysler