



Re: Bill S-211

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

Modern Slavery Statement for the Financial Year ended September 30, 2023

This statement is made pursuant to reporting requirements of Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Southgate Audi to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing October 1, 2022 and ending September 30, 2023.

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Southgate Audi supports transparency from businesses regarding efforts to deter forced labour, child labour, slavery and human trafficking in operations and supply chains. Southgate Audi strives to adhere to the highest standards and ethics and integrity in the conducts of its business operations. The highest standards of integrity and trustworthiness are expected from all our management and all our employees. It is the policy of Southgate Audi that employees should be able to enjoy a work environment free from all forms of unlawful employment practices.

Overview

Southgate Audi was established in 1970 by Mr. Henry Aulbach as Southgate Volkswagen Audi. We moved to our current location in 2008 as just Southgate Audi and have been there ever since. We are a proud local Edmonton business, with local ownership. We are committed to providing our guests with a luxurious experience and helping grow the Audi brand in Edmonton and Alberta and Canada. We feel very fortunate to be able to be part of the Audi Canada family. We have various departments within our operation, New vehicles, Pre-Owned vehicles, Services and Parts/Accessories. We are a stand-alone Audi store with only one location in Edmonton, Alberta. Most of our clientele is Alberta based with a small population of guests from neighbouring provinces.



Our Human Rights Commitment

Southgate Audi strives to operate in a manner that ensures all decisions are committed to respecting and protecting human rights. We recognize our responsibility to respect and protect the human rights of all people who support and do business with our organization, and we expect human rights to be respected throughout our supply chains. We acknowledge that modern slavery, including forced labour and child labour, or human trafficking are violations of human rights in all its forms and are not condoned in our business practices. We will continue to monitor and mitigate these risks in our day-to-day business operations and supply chains.

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Supply Chain

We obtain our vehicles, parts and accessories primarily from Volkswagen Group Canada Inc. and/or Audi Canada Inc. These vehicles are manufactured primarily in Europe, with a couple of vehicles models (Q5/SQ5) that are manufactured in factories in Mexico. The parts for these models also originate from Europe and Mexico depending on the model. For off make vehicles we source the parts for repairs or repurchase from local businesses and other local dealerships, within Edmonton or Alberta. Occasionally we source parts from a couple of US businesses, but that is very infrequent and only based on a guest's special request.

Supply Chain Risk

In conducting our assessment, Southgate Audi takes a risk-based approach when evaluating the associated risks of forced labour or child labour with having vehicles and parts being manufactured in a global supply chain. As an authorized Audi dealer in Canada, we operate under contract with the importer and distributor Volkswagen Group Canada Inc. For all products we source from Volkswagen Group Canada Inc and/or Audi Canada Inc., we refer you to their respective annual joint report submission. We expect all our suppliers to conduct themselves in a manner consistent with Human Rights laws in North America that are in place to try and minimize Human Rights abuses.



Governance and Training

Southgate Audi provides an environment which supports mutual respect, dignity and the ability of Staff and Management to work together collaboratively and productively to carry out the requirements of the Alberta Human Rights Act. Southgate Audi will continue to work alongside Staff and Management and representatives of Volkswagen Group Canada Inc and/or Audi Canada Inc to ensure that employees address any concerns immediately if they become aware of a Human Rights incident. Southgate Audi's Code of Conduct policy and Equal Opportunity policy will be reviewed on an annual basis.

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Remediation

Suppliers are required to monitor the compliance of their operations as part of doing business with Southgate Audi. Further, suppliers are required to monitor related parties, such as their contractors, agents, sub-contractors, or sub-agents, and immediately disclose any known violations to Southgate Audi representatives. Such violations will be dealt with immediately and escalated accordingly.

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.



This Global Modern Slavery and Human Trafficking statement has been reviewed and approved by Southgate Audi Ltd Dealer Principle and President on May 31, 2024.

In accordance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, I attest that I have reviewed the information contained in the report for Southgate Audi Ltd. Based on my knowledge, I attest that the report is true, accurate and complete in all material respects for the purposes of the Canadian Fighting Against Forced Labour and Child Labour Supply Chains Act, for the 2023 reporting year.

Signed:

James Allan

Dealer Principle/President

Southgate Audi

May 31, 2024

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