



Barnes Garage Company

2023

Joint Modern Slavery Report

www.barnesgarageco.com

ABOUT THIS REPORT:

In accordance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), this Joint Modern Slavery Report report is intended to cover the activities of all of the Barnes Garage Co. companies with respect to the monitoring and prevention of forced and child labour in supply chains for their respective past fiscal years. 636221 B.C. Ltd. has prepared this report in conjunction with all of its operating subsidiaries, though said subsidiaries are not presently reporting entities under the Act.

The companies are sufficiently similar in terms of operations and risk factors that the contents should be taken to apply to all of the named businesses unless otherwise specified. In this report, any reference to “Barnes”, “Barnes Garage Company”, “we”, “us”, or similar is a collective reference to all named companies.

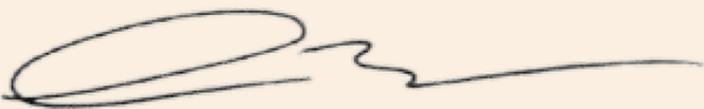


Message to readers and attestation:

Since our inception, Barnes Garage Co. has aimed to have a positive impact on our community. By turning our attention to our broader supply chain, we are simply expanding the community in which we can have a positive impact. While we believe that the risks of forced and child labour in our supply chain are presently low, an increasingly integrated global economy means we must continuously reassess this risk.

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.

Sincerely,



Greg Barnes, President

May 31, 2024

I have the authority to bind all entities in this report.

Our structure and business activities:

Who we are:

The Barnes Garage Company is one of Canada's leading motorcycle and powersports dealer groups, delivering over 4,000 motorcycles to customers from 6 locations every year. We are proud to employ over 200 team members to help make our customers' motorcycle dreams a reality. We are honoured to work with some of the largest and most iconic OEM partners in the industry.

This report is intended to cover the business activities of the below corporations, which are fully owned and controlled by the Barnes family:

- **636221 B.C.** Ltd. (BC, Canada)
- **1095923 B.C.** Ltd. DBA Barnes Harley-Davidson Langley (BC, Canada)
- **0345124 B.C.** Ltd. Barnes Harley-Davidson Victoria (BC, Canada)
- **1067208 B.C.** Ltd. Barnes Harley-Davidson Kamloops (BC, Canada)
- **Autumn Cycle** Ltd. DBA Barnes Harley-Davidson South Edmonton (Alberta, Canada)
- **Action Motorcycles Inc.** DBA Barnes Powersports Victoria (BC, Canada)
- **Blackfoot Motorcycle** Ltd. DBA Barnes Powersports Blackfoot (Alberta, Canada)

While the Barnes family does hold an interest in Barnes Wheaton Chevrolet Buick GMC Ltd., that company's activities are covered in a separate joint report and submission from the broader Wheaton group of companies.

Our structure and business activities:

What we do:

The Barnes Garage company owns and operates franchised motorcycle and powersports dealerships in British Columbia and Alberta. We sell and service both new and used vehicles, as well as selling related parts, riding gear, and merchandise. We serve a diverse customer base of riding enthusiasts, and offer a wide range of brands and products to fit their needs.



Our supply chain:

The supply chains of franchised motorcycle and powersports dealers are relatively straightforward: the majority of our products are supplied by the Canadian or American subsidiaries of multinational powersports manufacturers (OEMs).

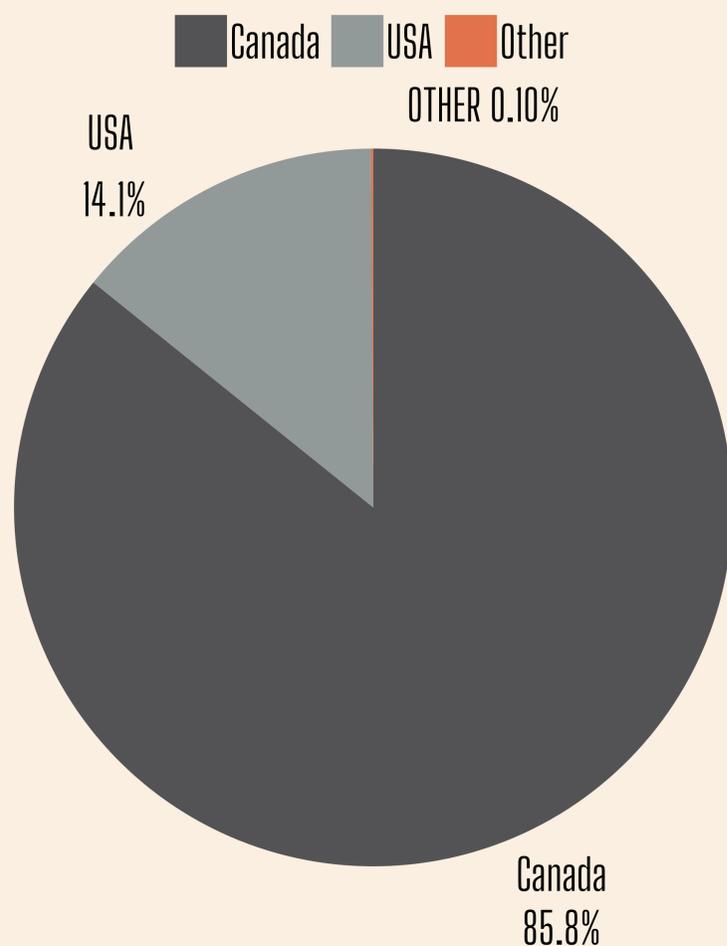
While comprising a lower proportion of overall sales, we also have several significant suppliers for riding gear and other merchandise. In many cases, these suppliers are mandated by our OEM partners. These products are similarly sourced almost exclusively from Canadian and American distributors.



Identifying parts of our supply chain with risks of modern slavery:

There is virtually no risk of forced or child labour in our immediate business (i.e., dealership operations) in Canada. All of our dealership locations are in full compliance with all labour regulations in their respective provinces. Dealership management is trained and monitored to ensure full compliance by our centralized human resources and administrative teams.

We have determined that our supply chain carries low risk for forced or child labour. Below is a breakdown of our immediate (i.e., distributors) supply chain by geography. While no sector or region is assumed to be free from forced or child labour, the relative risk differs substantially between countries and industry.



According to the Walk Free Global Slavery Index (www.walkfree.org), Canada and the United States are among countries that have taken the most action to address modern slavery, and among the lowest risk thereof.

Policies, diligence, and steps taken to reduce the risk of forced and child labour:

As a business that operates primarily as a retailer (as opposed to an importer or producer of goods), our primary line of defense against forced and child labour in our supply chain has been to deal primarily with large, reputable suppliers and OEM partners who themselves have policies in place on this subject. Virtually all of our suppliers are based in Canada or the United States, which are amongst the lowest risk jurisdictions for this issue.

This is our first year assessing the risks of forced and child labour in our supply chains. As such, our efforts have primarily been focused around broad risk assessment. This largely entailed identifying high-risk countries (as outlined previously). In some cases, we have reached out directly to suppliers to gain an understanding of their policies and practices around forced and child labour.

Going forward, our plan is to review the reports of each of our suppliers (once available) to ensure that each is taking appropriate steps to detect and remediate forced and child labour in their own supply chains. Further, where we see suppliers in high-risk jurisdictions, we will engage in enhanced diligence before onboarding.

Measures taken to remediate:

We have not identified any forced or child labour in our supply chains, and have not had to take specific measures to combat it. To that end, we have not had to take measures to remediate the loss of income to the most vulnerable due to the elimination of forced or child labour.

Training:

We do not presently provide specific training on this subject to employees. Employees are trained on adhering to local labour standards in Canada, at a minimum, and our employee code of conduct covers a wide range of acceptable behaviour. As a franchisee, our supply chains are largely dictated by our OEM partners, and we rely on them to ensure they are meeting their own obligations in this regard.

Going forward, our plan is to ensure our purchasers are trained on the existence of forced and child labour reporting requirements, and reviewing same when onboarding any new supplier.



Methods of assessing effectiveness:

Since this is our first year of assessing our supply chains for risk of modern slavery, it is too early to determine how effective our methodology has been.

Going forward, our plan is to monitor the reports of our major suppliers, and monitor any developments around them that may indicate a change in risk profile (e.g., change in manufacturing location).