



Applewood Auto Group – Forced Labour In Canadian Supply Chains Report

1. Introduction

This report is made on behalf of Applewood Auto Group Ltd (“Company”) & it’s subsidiaries:

- Applewood Motors Inc. (dba Applewood Kia Surrey)
- Applewood Motors Langley Inc. (dba Applewood Kia Langley)
- Applewood Nissan Inc. (dba Applewood Nissan Surrey)
- Applewood Motors Richmond Inc. (dba Applewood Nissan Richmond)
- Applewood Motors Port Hardy Inc. (dba Applewood Ford)
- 1201934 B.C. Ltd. (dba Applewood Mitsubishi)
- 1231937 B.C. Ltd. (dba Applewood Chevrolet Buick GMC)
- 1268839 B.C. Ltd. (dba Applewood Nissan Langley)
- Original Applewood Motors Ltd. (dba Applewood Performance Center)

This report describes the actions taken by the Company during the financial year ending August 31,2023, but prepared for the December 31,2023 reporting period, to assess, prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Act”). This Report constitutes the first report prepared by the Company under the Act.

2. Structure, Activities and Supply Chains

The Company is a Corporation based in Surrey,BC.

The Company specializes in the retail sale of motor vehicles and parts as well as comprehensive vehicle servicing and repairs. It has operations in Langley, Surrey, Richmond and Port Hardy. All of which are located within the province of British Columbia.

As a dealer of new and used vehicles and their parts, our supply chain is primarily based on the supply chain of automotive manufacturers. Specifically, as an authorized Ford, GM, Mitsubishi, Nissan, Infiniti & Kia dealer, the majority of the Company's procurement spend is with these Original Equipment Manufacturers (OEMs). Each of the OEM's listed have a published Modern Slavery report that is readily available on their corporate websites.

We also purchase goods and services from other third party suppliers. These include, but are not limited to, Lordco Auto Parts, Napa Auto Parts & WorldPac. All of the items are purchased within Canada and are deemed to be low risk when assessing the likelihood of forced labour.

3. Policies and Due Diligence Processes

The Company has diligently ensured that its partnered brands have a published report available for viewing. We are satisfied with the reports they have published, indicating a robust due diligence process. All of these published reports are Bill S-211 compliant.

4. Assessment of Forced Labour and Child Labour Risks

The Company has not independently engaged in its own risk assessment with regards to forced labour or child labour in its supply chain. As the majority of the Company's supply chain is based on the supply chain of the various Original Equipment Manufacturer (OEM) with whom the Company deals with:

- Ford Canada
- General Motors Canada
- Mitsubishi Canada
- Nissan/Infiniti Canada
- Kia Canada

The Company relies on the assessment undertaken by the above listed OEM's with regards to the extent of this risk. Each of the OEM's listed above have a published Modern Slavery report that is readily available on their corporate websites. Long established relationships with the above mentioned OEM's has allowed us to have confidence in their rigorous detailed steps taken to prevent forced labour and child labour.

5. Remediation Measures

The Company has not identified any instances of forced labour or child labour in its supply chain, and as such no remediation measures have been taken at this moment in time.

6. Remediation of Loss of Income

The Company has not identified any instances where the measures it has implemented to eliminate forced labour or child labour from its supply chain has led to the loss of income, and so no remediation measures have been taken to address this issue.

7. Training

The Company currently does provide optional training on human rights issues via our online HR4 platform, which is facilitated by the Human Resources department. Corporate social responsibility policies are reviewed as part of our hiring process.

At this moment in time there is currently no direct training provided on forced and child labour practices.

8. Assessing Effectiveness

The Company has not taken any action to assess its effectiveness in addressing risks of forced labour and child labour in its activities and supply chains as it relies on the publishing of its OEM's.

9. Approval and Attestation

This report has been approved by the ownership of Applewood Auto Group in accordance with section 11(4)(b)(ii).

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.

Full name: Norman Isaak

Title: CFO

Date: May 27, 2024



Signature:

I have the authority to bind Applewood Auto Group Ltd.