

ASGARD INVESTMENT CORPORATION

BILL S-211 REPORTING – 2023 REPORT ON MODERN SLAVERY PREVENTION AND DETECTION MEASURES

1. INTRODUCTION

This is the first report of Asgard Investment Corporation (“Asgard”) under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). The report covers the activities of Asgard, and its three (3) wholly owned subsidiaries.

2. CORPORATE INFORMATION AND STRUCTURE

Legal name of reporting entity: Asgard Investment Corporation (herein referred to as ‘Asgard’)

Headquarters: Ottawa, Ontario, Canada

Entity category: Asgard is a Canadian corporation that conducts business and has assets in Canada. Asgard has at least \$20 million in assets for at least one of its last two fiscal years, and has generated at least \$40 million in revenue for at least one of its last two fiscal years. Asgard does not employ more than 250 employees for at least one of its last two financial years.

Entity structure: Asgard is a corporation incorporated under the Ontario Business Corporations Act. It is wholly owned by John G. Mierins (individual). Asgard controls the operations of Bytek Automobiles Inc, St. Laurent Automotive Group Inc (o/a Jaguar Land Rover Ottawa), and 7759339 Canada Inc. (o/a Hull Nissan).

3. OPERATIONS

Asgard’s subsidiary automotive dealerships provide vehicle sales, financing, service, parts and accessories, detailing, and body repair to retail, commercial, and wholesale consumers. Our Original Equipment Manufacturers (“OEMs”) include Volkswagen Group Canada Inc, Jaguar Land Rover Canada ULC, and Nissan Canada Inc.

4. HUMAN RIGHTS AND VALUES

Asgard is committed to respecting human rights as noted in our Corporate Policy Manual. Specifically, we encourage all employees to abide by the Ontario Human Rights Act, and endeavour to continually do business in a manner consistent with the principles

of equal human rights and dignity for all persons. We adhere to all applicable human rights and employment laws as well as all other applicable legislation in the province that we operate in. The safety of our employees is paramount; we are committed to providing a safe workplace free from discrimination, bullying, harassment, and violence. Guided by our management team, we strive for a working environment where everyone feels safe, valued, and encouraged to speak up if they observe any inappropriate behaviors or warning signs. While we have some policies in place to support our commitment to human rights, developing more detailed policies, with consideration for the identification and prevention of forced labour, is an area where we strive for improvement.

5. OUR SUPPLY CHAIN

The dealerships in the group comply fully with all Canadian labour codes. The group does offer employment to summer students, part-time students, and students engaged in apprenticeship programs. However, there is no forced labour or child labour in any of the group's facilities. Our contract suppliers are expected to fully comply with Canadian labour codes and the risk of a supplier using child labour or forced labour is considered very low.

While we work with many local and Canadian vendors throughout our operations, our primary suppliers are Volkswagen Group Canada Inc, Jaguar Land Rover Canada ULC, and Nissan Canada Inc. These vendors manufacture vehicles and parts worldwide to support their franchise dealerships. We refer to their respective annual joint report submissions. Our main suppliers, outside of our OEM, provide goods and services consisting of office supplies and equipment, shop consumables, third-party OEM and non-OEM parts and accessories, information technology services, and professional services.

6. RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAIN

Our initial review of our supply chain shows most of our risk and exposure is with our OEMs. Our OEMs have also assessed their own supply chains for risks of modern slavery, as outline in their own Bill S-211 compliance reporting posted on their respective Canadian websites.

As certified dealers, we operate under contracts for sales and service with the Canadian subsidiaries of our OEM suppliers. For all the vehicles, parts, equipment, and service covered by those agreements, we refer you to their individual reports.

As our operations and ownership are based in Canada, our geographic risk relating to our local supply chain is low. Knowing this, we recognize that Canada is not immune to modern slavery. However, we acknowledge that, while the risk has been assessed as low historically, we must remain vigilant and aware.

While we have not yet formalized a process to identify risks in our non-OEM supply chain, we believe our risk of modern slavery in the operations of our direct suppliers to be low. Our supply chain is sourced from reputable organizations based primarily in Canada and the United States of America. With a commitment to high ethical standards, we seek to only work with suppliers having similar values, and we plan to foster and grow our vendor relationships with a long-term outlook.

7. ACTIONS

In 2023, outside of maintaining our organizational culture as described above, we did not take any specific action to prevent and reduce the risk that forced labour and child labour is used in our supply chain. While we assess our risk to be low given our identified suppliers, we recognize that modern slavery is a very important issue that needs to be addressed.

In 2024, we are aware of the need for additional education around modern slavery at all levels within our organization. We are currently in the process of determining the next steps for our organization to educate our organizational stakeholders in hopes of contributing to the reduction, and eventual end, of modern slavery and the restriction of human rights in all forms.

8. ASSESSMENT

The passing of the Act has brought to light a part of our business we had not fully examined. In the review we have conducted, the trust we have in the statements provided by our OEM and the principles our organization adheres to, we believe our exposure to modern slavery to be low. Given that we are in the early stages of raising awareness and developing stronger policies around modern slavery, it is difficult to assess our effectiveness, although we recognize there are several areas that we have identified for improvement going forward.

We have not identified any forced labor or child labour for the year ended December 31, 2023 and therefore have not had to take any action to remediate any forced labour or child labour. We have also not had to take any action to remediate loss of income to vulnerable families impacted by any actions taken to eliminate the use of forced labour or child labour.

In 2024, we will endeavour to improve our effectiveness in ensuring that forced labour and child labour is not used in our business or that of our suppliers.

9. CONCLUSION

We are committed to further educating ourselves about modern slavery, as well as enhancing our processes for identifying and mitigating risks in our supply chain with respect to modern slavery. Through increasing awareness and thoughtful dialog, we will continue to empower our staff to take action and make the right decisions to ensure that we are doing our part to help fight against forced labour and child labour in supply chains.



John G. Mierins
Owner, Asgard Investment Corporation