



Report on Efforts to Mitigate the Use of Forced Labour and Child Labour in Supply Chains

For the financial year ended December 31, 2023

Introduction

This report serves as the first disclosure by the Performance Auto Group and its members pursuant to the requirements of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"), which came into effect on January 1, 2024. This landmark legislation mandates that qualifying companies disclose the measures taken to ensure their supply chains and operations are free from forced labor, child labor, and human trafficking.

As a leader in the Canadian automotive retail industry, the Performance Auto Group and certain of its members meet the threshold set out in the Act for mandatory reporting. It is our legal and ethical obligation to uphold and promote transparency and integrity, principles that are fundamental to our operations and corporate identity.

This report, which encompasses the Performance Auto Group entities listed in Schedule "A" to this Report, demonstrates our commitment to eliminating unethical labour practices within our operations. By presenting this joint report, we underscore our ongoing commitment to ethical business conduct and highlight the steps we are actively taking to foster a fair and humane working environment across all levels of our operations. The terms "Performance Auto Group," "we," "us," and "our" refer to the Performance Auto Group on a consolidated basis and to the entities listed in Schedule "A", as the context requires.

Performance Auto Group Structure

The Performance Auto Group operates primarily within the automotive retail industry in Ontario, Canada. We are one of Canada's largest and most awarded automotive groups, representing 24 brands across 38 dealerships and five collision repair centres. Our dealerships are located in cities including Brampton, Brantford, Bolton, Grimsby, Huntsville, Mississauga, Oakville, Orangeville, St. Catharines-Niagara, and Toronto.

This report is submitted by Performance Auto Group on behalf of the entities in the group for which reporting is mandated. It details our concerted efforts to address the risks of forced and child labor within our supply chain.

Performance Auto Group Supply Chain

Performance Auto Group's dealerships and collision repair centres rely on a complex supply chain that extends from the original equipment manufacturers ("OEMs") listed in Schedule "B" to aftermarket parts suppliers, all of which are scrutinized for compliance with applicable legal and ethical standards.

Performance Auto Group

Part of our business involves selling used cars manufactured by OEMs that we acquire from non-OEM sources. This aspect of our supply chain includes indirect vehicle suppliers such as auction houses and trade-ins from customers.

To comply with the requirements of the Act, Performance Auto Group has conducted a detailed review of available disclosures by all entities within our supply chain that are subject to the Act, primarily focusing on OEMs. The disclosures provided by our suppliers show significant compliance and targeted efforts to reduce modern slavery and child labour in their respective global supply chains. Given the global platforms on which the OEMs operate, they are subject to environmental and labor standards such as the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) core labor standards.

Additionally, OEMs have developed several guidelines and policies to ensure compliance with human rights and environmental standards, which are openly available to the general public.

Performance Auto Group Policies and Due Diligence Processes

Performance Auto Group is committed to supporting Canadian and global efforts to eliminate forced and child labour from supply chains. To ensure our business practices reflect our ethical commitments and values, Performance Auto Group has established robust policies and procedures that govern how we operate, support our employees and serve our communities.

In addition to these policies, Performance Auto Group rigorously evaluates all potential suppliers through comprehensive due diligence processes. This includes ongoing analysis of agreements, policies, operational practices, performance reviews, and reports to ensure consistent alignment with human rights standards and our values.

Performance Auto Group Forced Labour and Child Labour Risk Assessment

Performance Auto Group employs supply chain mapping to gain a clear understanding of and identify potential risk areas for labor abuses. This involves assessing our Tier 1 suppliers, including direct suppliers of vehicles, parts, and accessories, and extending to Tier 2 and beyond, encompassing indirect suppliers such as raw material providers and subcontractors. We rely extensively on disclosures made by our suppliers, including disclosures made pursuant to the Act. We pay particular attention to high-risk products and regions known for higher incidences of labor rights violations. Within our own operations, we evaluate employment practices and the risks associated with third-party service providers like cleaning and logistics.

We evaluate and prioritize these risks based on their severity and likelihood, giving precedence to those posing the highest threat to human rights and business integrity. Vulnerability factors such as inadequate supplier oversight, weak labor regulations, and complex supply chains are also considered in our risk assessment.

To mitigate these risks, we start by strengthening our policies and governance. This includes developing and enforcing a robust human rights policy aligned with Canadian and international standards, ensuring it



is communicated throughout the organization and to all suppliers. Wherever possible, we work with our suppliers to implement and enforce strict clauses against forced and child labor.

Our due diligence processes involve conducting regular assessments to ensure compliance with human rights standards. Continuous monitoring systems are established to detect and address potential risks, complemented by a reporting mechanism for employees and suppliers to raise concerns about human rights violations.

Performance Auto Group Remediation Measures

Performance Auto Group maintains a stringent stance against forced labor and child labor within its operations and throughout its supply chain. To date, we have identified no instances of such practices within our organization or network of suppliers. However, should any cases come to light, Performance Auto Group is prepared to take immediate and effective action to mitigate any negative impact on human rights. Our response strategy includes several key actions:

- **Reporting Violations:** Any identified instances of forced or child labor will be promptly reported to the appropriate regulatory authorities to ensure that these matters are appropriately addressed.
- **Supplier Collaboration and Engagement:** We will engage directly with suppliers to address any identified violations, providing guidances and resources to support them in improving and driving change within their practice that is in compliance with applicable forced and child labour standards.
- **Support for Affected Individuals:** Performance Auto Group will support efforts to mitigate the impact of identified violations on individuals and families, aiding in their recovery and ensuring they receive the necessary support during this transition.
- **Policy and Procedure Updates:** Our policies and procedures will be reviewed and updated to include specific relief measures designed to prevent the recurrence of any issues and protect human rights within our supply chain.

Training

At Performance Auto Group, all new employees are required to participate in a comprehensive orientation that includes mandatory workplace-related training. This program equips staff with the necessary values, tools and knowledge to report any suspected violations safely and confidentially. We ensure that all employees are well-informed about the reporting channels available to them, fostering a culture of transparency and vigilance.

Performance Auto Group evaluates the effectiveness of its training programs through a variety of methods. Employees complete assessments before and after training sessions to measure the increase in their understanding of workplace-related training. Additionally, the training is gauged by monitoring the frequency and quality of reports filed by employees regarding suspected violations. This multifaceted approach ensures that Performance Auto Group's training programs are effectively equipping employees with the necessary skills and knowledge to prevent and report instances of modern slavery.

Additionally, we actively encourage ongoing participation in training sessions organized by our manufacturers to reinforce our commitment to ethical practices. To further strengthen this commitment, Performance Auto Group continuously updates and enhances its employee training programs, including to ensure awareness and detection of potential cases of modern slavery. This will allow us to implement a whole-of-business strategy to address supply chain issues.



Assessing Effectiveness

Performance Auto Group remains committed to preventing slavery and forced labor. We will continuously review and refine our operational practices, policies, processes, and actions designed to mitigate the risks of forced and child labor in our operations and supply chain.

Furthermore, Performance Auto Group will produce comprehensive annual reports that detail the outcomes of these reviews in compliance with the Act. These reports will offer insights into the activities within our supply chain, backed by thorough evaluations, to ensure transparency and accountability in our ongoing efforts to uphold human rights standards.



Approval and Attestation

This policy was approved by the Board of Directors of Performance Auto Group on May 30, 2024.

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: Glen Alizadeh

Title: Director

Date: May 30, 2024

Signature:
A DocuSigned signature block for Glen Alizadeh. It features a blue bracket-like shape on the left containing the text "DocuSigned by:" above "GLEN ALIZADEH" in a stylized, bold, black font. Below the signature, the alphanumeric string "B7828EE33CF9423....." is visible.

I have the authority to bind the Performance Auto Group and the entities named in Schedule "A" below.



Schedule A
Performance Auto Group Entities

No.	Legal Name	Company Name
1	1480411 Ontario Inc.	AutoPlanet Brampton and AutoPlanet Durham
2	985178 Ontario Inc.	Classic Honda
3	Checkpoint Chrysler Ltd.	Performance Chrysler
4	PAG 22 Inc.	Precision Honda
5	Performance Cars (St. Catharines) Limited	Performance Mercedes Benz
6	Performance Group 266 Lake Inc.	Performance BMW and MINI St. Catharines
7	Planet Ford Inc.	Planet Ford



Schedule B
List of OEMs in Performance Auto Group's Supply Chain

No.	Names of Manufacturers
1	Acura Canada
2	Audi Canada
3	BMW Canada
4	Chrysler Canada
5	Dodge Canada
6	FIAT Canada
7	Ford Canada
8	Genesis Motors Canada
9	Honda Canada
10	Hyundai Canada
11	Infiniti Canada
12	Jeep Canada
13	Kia Canada
14	Lexus Canada
15	Mazda Canada
16	Mercedes-Benz Canada
17	MINI Canada
18	Mitsubishi Motors Canada
19	Nissan Canada
20	RAM Canada
21	Smart Canada
22	Subaru Canada
23	Toyota Canada
24	Volkswagen Canada