



Auto Export Corporation | 302-25 Corporate Park Drive | St. Catharines | Ontario, Canada, L2S 3W2

May 30th, 2024

Modern Slavery Report

This Modern Slavery Report (the “**Report**”) addresses the 2023 fiscal year from February 1, 2023 to January 31, 2024 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”). This Report is made on behalf of Auto Export Corporation and all subsidiaries/entities. (“**AEC**” or the “**Corporation**”).

INTRODUCTION

At AEC, corporate integrity, responsible product sourcing, and the safety and well-being of workers across our global supply chain are of paramount importance to our operations, management, and business. As part of our commitment to holding ourselves to the highest standards of respecting and protecting the human rights of all individuals involved and affected by our business operations, we have a responsibility to ensure exploitative practices, including forced labour and child labour (“**Modern Slavery**”) are addressed and minimized within our supply chains. We strive to prevent and reduce the risk that Modern Slavery is used in our business or supply chains.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure

AEC is a CCPC existing under the *Business Corporations Act* (Ontario) and has its shareholders as its governing body. AEC is a privately owned corporation registered in Ontario with its head office located in St. Catharines, Ontario with over 40 employees in Canada and around 130 internationally. AEC is a member of the Canadian Vehicle Exporters Association and Used Car Dealers Association of Ontario.

Activities

AEC is a global mobility solutions provider committed to finding better ways and revolutionizing the way people buy and sell vehicles, anywhere in the world. Within Canada, AEC purchases new and used vehicles and exports these vehicles to the United States. On occasion AEC imports vehicles into Canada from the United States for customers. AEC also exports vehicles from the United States to AEC European Subsidiaries.

Supply Chain

The new and used vehicles we purchase are manufactured in Canada and the United States and we purchase these through Canadian car dealerships or from individual private-sellers. The vehicles for European distribution business are purchased directly from the manufacturer in the USA and shipped with the manufacturer's preferred/partnered maritime transport service. On rare occasions AEC imports vehicles into Canada from the USA. In the 2023FY these vehicles were manufactured in Europe and purchased from American car dealerships or individual private sellers. As we work towards mitigating the risks of Modern Slavery we will gather more information regarding each stage of the supply chain.

MODERN SLAVERY POLICIES AND DUE DILIGENCE PROCESSES

Our implementation of good governance, including the AEC Code of Conduct, has given us the foundation to ensure our efforts towards mitigating the risks of Modern Slavery in our business and supply chains are effective. We do not tolerate forced or child labour in our organization or business partners.

Business Partners

The principle of corporate integrity applies to all aspects of our business and encompasses all business partners that supply the vehicles we sell or incorporate into our products and services.



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This establishes the minimum standards that must be met by any business partner of AEC. We Conduct our business relationships in an ethical fashion and expect that our business partners to also, abide by laws and regulations; including with respect to manufacturing, distribution, sales, product safety and certification, intellectual property, labour, immigration, worker health and safety, and the environment. Our current business partners take human rights and ethics within all areas of their business seriously and this is displayed through policies and thorough procedures.

Due Diligence

We expect business partners we work with to adhere to business principles and values similar to AEC's and to comply with all applicable laws and regulations. To mitigate potential risks of Modern Slavery in our supply chains, we intend to follow a due diligence approach that includes the following steps:

- monitoring and reviewing supply chains and business relationships.
- requiring all business partners to uphold the standards, principles, and requirements relevant to them within the AEC Code of Conduct ;
- encouraging transparent communication between management and employees, enabling all parties to raise and voice concerns regarding potential risks of Modern Slavery or child labour within our operations and supply chains;
- identifying and assessing adverse impacts in operations;
- ceasing, preventing, or mitigating adverse impacts by training our employees and raising awareness and understanding of Modern Slavery.

MODERN SLAVERY RISKS, MITIGATION, AND REMEDIATION MEASURES

Risk Identification and Mitigation

AEC will conduct due diligence to identify and assess the risks of Modern Slavery in our supply chains. By working to gather information from business partners to better identify such risks. Until we receive further data, AEC has not identified Modern Slavery in our vehicle sales business involving the importation of goods from the United States of America.

Remediation Measures

As we have not started the process of analyzing our supply chain in detail, we have not yet identified any part of our activities that carry a risk of Modern Slavery. Therefore, have not identified any cases for which remediation measures could be taken, including loss of income remediation. We acknowledge the need for vigilance and ongoing monitoring to ensure that we continue to mitigate the risk of Modern Slavery in our operations and supply chains. AEC will implement any necessary remediation measures should the need arise in the future.

TRAINING

We believe that awareness and education are crucial in preventing Modern Slavery. AEC plans to provide training for all applicable employees. The scope of the training will focus on due diligence practices to address Modern Slavery while promoting awareness of our obligations under the Act and identifying key risk factors.

ASSESSING EFFECTIVENESS

Our ongoing commitment to preventing risks of Modern Slavery in our operations and supply chains involves annual reviews of our current policies, code of conduct, due diligence procedures, and training. If potential risks are identified, we will take necessary steps to improve our processes and we will track these issues. We are committed to continually improving our efforts to combat Modern Slavery and Child Labour. In the coming year, we plan to:



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- further integrate Modern Slavery considerations into our risk assessment and due diligence processes;
- expand training programs to reach a wider audience within our organization; and

We are committed to combatting Modern Slavery in all forms. We recognize the importance of transparency and accountability in this effort and will continue to work diligently to ensure that Modern Slavery practices have no place in our business or supply chains.



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Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I Andrew Pilsworth 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: Andrew Pilsworth

Title: Chief Executive Officer (CEO)

I have the authority to bind Auto Export Corporation and all entities.

DocuSigned by:

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5/31/2024

Signature

Date

In accordance with the requirements of the Act, and in particular section 11 thereof, I John Muratori 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: John Muratori

Title: Chief Operating Officer (COO)

I have the authority to bind Auto Export Corporation and all entities.

DocuSigned by:

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5/31/2024

Signature

Date