

May 31, 2024

Reporting Obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”)

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into effect on January 1, 2024. This legislation requires covered entities to prepare and publish a report addressing certain enumerated actions they are taking to prevent and reduce the risk of forced labour and child labour (the “**Report**”) in their supply chains.

Bramgate Automotive Inc. (“**Bramgate**”) is an entity that is required to submit this Report based on identified provisions in the Act. The sections below are obligatory as noted in the Act.

1. *The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.*

Within the past year, Bramgate has become aware of the Act and its requirements, both for reporting and for taking necessary steps to eliminate forced labour and child labour from its supply chains. As an authorized Volkswagen and Audi dealer in Canada, we operate under contract with the importers and distributors **Volkswagen Group Canada Inc.** and **Audi Canada Inc.** (collectively “**VW**”) as our primary supplier. Bramgate has engaged with that primary supplier to determine what steps VW has taken to eliminate forced labour and child labour from its supply chains. We refer you to their respective annual joint report submission in that regard.

2. *The entity’s structure, activities and supply chains.*

(a) Bramgate is incorporated in Ontario and has been operating as a privately held company since 1967. The principal shareholders are William A. Johnston (“**Bill**”) and Bradley J. Johnston (“**Brad**”) and a holding company, Bramgate Leasing Inc.

Bramgate has roughly 200 employees working in its 3 operating units. All locations are either in Brampton or Mississauga, in the province of Ontario:

- Audi Mississauga, with 2 locations
- Bramgate VW, with 2 locations and
- Audi Brampton, with 1 location

(b) Bramgate's main business activity is the retail sale of Audi and VW branded vehicles, both new and used. It also provides service for the mechanical repair of vehicles as well as operating a collision centre that provides structural repair and painting of vehicles.

(c) Bramgate purchases all of its new vehicles from VW, through one of VW's two subsidiaries, VW Canada or Audi Canada. Used vehicles are typically purchased via trade in by a local customer or via an online auction held by another subsidiary of VW, VW Credit Canada Inc. Bramgate does not import directly any vehicles for sale at its locations.

3. *The entity's policies and due diligence processes in relation to forced labour and child labour.*

At this time, Bramgate does not have any written policies in regards to forced labour or child labour. However, Bramgate is committed to providing a workplace free of forced labour and child labour. Further, Bramgate has engaged with its primary supplier, VW, to determine what steps VW has taken in that regard.

4. *The parts of the entity's business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.*

Bramgate is not aware of any risks of forced labour or child labour with respect to its direct suppliers. However, Bramgate is aware that there may be a potential risk in respect of vehicles that were manufactured outside of Canada and imported by VW. To this end, Bramgate has engaged with VW to determine what steps VW has taken to assess and manage that risk.

5. *Any measures taken to remediate any forced labour or child labour.*

Bramgate is not aware of any forced labour or child labour in its supply chain. As such, no remedial measures have been taken at this time.

6. *Any measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.*

Bramgate is not aware of any forced labour or child labour in its supply chain. As such, no remedial measures in respect of the loss of income to the most vulnerable families have been taken at this time.

7. *The training provided to employees on forced labour and child labour*

Bramgate does not provide formal training on forced labour or child labour at this time.

8. *How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.*

Bramgate is not aware of any forced labour or child labour in its supply chain. Since Bramgate does not have detailed knowledge of the business practices of all suppliers for the products it sells, it is unable to assess its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains. Bramgate has engaged with its primary supplier, VW, to determine what steps VW has taken in that regard.

9. *Report Sign Off*

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 Bramgate Automotive In. 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.



Bradley J. Johnston
President
May 31, 2024

I have the authority to bind Bramgate Automotive Inc.