



2023 Forced Labour and Child Labour Report

This joint report has been prepared by Coastal Ford Sales Limited and Victoria Ford Alliance Ltd. (the "Carson Automotive Group") in accordance with the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending December 31, 2023.

Organizational structure, activities, and supply chain

The Carson Automotive Group operates full-service franchised automobile dealerships on Vancouver Island and in the Lower Mainland of British Columbia. Our dealerships are Suburban Motors, Suburban Lincoln, Jaguar Victoria, Land Rover Victoria, Victoria Mitsubishi, Pacific Mazda, Glenoak Ford, Coastal Ford Burnaby, Coastal Ford Vancouver, and Coastal Ford Squamish.

Our dealerships sell new and used vehicles, parts, accessories, and vehicle care products, and provide vehicle repair and after sales services. All dealership employees work in British Columbia. Our supply chain consists of new and used vehicles and vehicle parts purchased directly from authorized dealers, manufacturers, and distributors in Canada.

Steps to prevent and reduce the risks of forced labour and child labour

The steps taken by the Carson Automotive Group to prevent and reduce the risks of forced labour or child labour in our operations and supply chain focused on maintaining policies, training and processes in compliance with applicable safety, human rights, and minimum age requirements in British Columbia and continuing to purchase vehicles, parts, accessories and related products from authorized dealers, manufacturers and distributors in Canada.

Policies and due diligence processes

The Carson Automotive Group has established policies and processes that reduce the risks of forced labour and child labour in our operations:

- Our Health and Safety Policy reduces the health or safety risks to our employees and the public. We adhere to industry and WorkSafe BC standards. We train our supervisors and employees on safe work practices and do not permit employees to use or operate equipment or machinery unless they are specifically trained and authorized to do so. We encourage employees to report any unsafe conditions or practices, harmful hazard, or any contravention of applicable laws.
- Our Anti-Discrimination, Bullying, Harassment and Complaint Procedure applies to our employees, management, suppliers, customers, and all persons with whom we conduct business. We have a zero-tolerance policy towards harassment. We encourage employees to report violations of our policy and prohibit any form of reprisals against employees who have complained or provided information regarding a complaint.
- Our HR compliance policies require appropriate background checks of new hires, including confirmation of minimum age requirements to prevent the risk of child labour in our operations.
- Our Workplace Conduct Policy commits us to act in a way that we consistently earn the trust, confidence, and respect of our customers, suppliers, and our employees.

Our procurement activities are governed by our franchise agreements, which require us to purchase vehicles, parts, and related accessories directly from the original equipment manufacturers. Our franchise agreements are with large, multinational automotive companies who have well-established governance and responsible business practices.

Forced labour and child labour risk

The Carson Automotive Group's operations are subject to laws protecting workers from forced labour and child labour. We have adopted policies and processes to manage the risks of safety violations and underaged workers in our dealerships. We procure only from authorized dealers, manufacturers, and distributors in Canada, who are also subject to laws protecting workers. As such, the risks of forced labour and child labour in our operations and direct supply chain is low.

The Carson Automotive Group does not have visibility over risks in the extended automotive supply chain. The risks of forced labour and child labour in the raw materials and manufacturing supply chains in the automotive industry depend on factors such as operating in geographic locations that are conflict affected, have weak governance or weak rule of law. The Carson Automotive Group relies on the original equipment manufacturers to implement policies and due diligence processes to prevent and reduce the risks of forced labour and child labour in their extended supply chains.

Remediation measures and remediation of loss of income

We encourage our employees to report any unsafe work or violations of our policies and prohibit any form of reprisals against employees who have complained or provided information regarding a complaint. To date, we are not aware of any incidents or complaints relating to forced labour or child labour in our direct operations or supply chains, and, accordingly, we have not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

We provide training to our workers to identify unsafe working conditions, prevent harassment and workplace violence, assess workplace hazards, and carry out their work safely and in accordance with applicable standards. Our policies are published on our workforce portal so that all employees are able to access our HR policies and manuals. This year, we did not provide employee training on the risks of forced labour or child labour in our supply chains.

Assessing effectiveness

We assess our safe work policies and human rights practices, and investigate any complaints received in this regard. This year, we did not assess the effectiveness of our approach to monitoring risks of forced labour and child labour in our supply chains.

Approval and attestation

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 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.

Dated in the City of Victoria, British Columbia, this 30th day of May, 2024.

DONALD CARSON

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Donald Carson
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I have the authority to bind Carson Automotive Group.