

May 2024

Supply Chains Act – Crosby Auto Group (Crosby Holding Corporation & Associated Entities)

1. Introduction

This report is made on behalf of Crosby Auto Group associated companies, including: Crosby Holding Corporation, LALA Holding Corporation, Crosby Audi Inc, Crosby Volkswagen Inc, Crosby Auto Listowel Inc, Volkswagen Waterloo Inc, and M.K.G Holding Corporation. It describes the actions taken by the Companies during the financial year ending December 31, 2023 to assess, prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Act”). This Report constitutes the first report prepared by the Company under the Act.

2. Structure, Activities and Supply Chains

The Companies are corporations based in Kitchener, Waterloo, and Listowel, all located in Ontario.

The Companies Crosby Audi Inc, Crosby Volkswagen Inc, Crosby Auto Listowel Inc, and Volkswagen Waterloo Inc are all new vehicle franchises and specialize in the retail sale of motor vehicles and parts as well as comprehensive vehicle servicing and repairs. M.K.G. Holding Corporation owns the real estate that these locations operate at and leases it to the associated Companies.

As a dealer of new and used vehicles and their parts, our supply chain is almost completely based on the supply chain of our automotive manufacturers. Specifically, as an authorized Volkswagen, Audi, and Honda dealer, the majority of the Company’s procurement spend is with Volkswagen Canada, Audi Canada, and Honda Canada. There descriptions of their supply chains and products can be found on their websites:

www.honda.ca

www.vw.ca

www.audi.ca

We also purchase goods and services from other Canadian third party suppliers. These are very limited in quantity and would include parts from NAPA Canada and office supplies from Staples Canada. We do not directly import any goods or supplies from outside of Canada.

3. Policies and Due Diligence Processes

We have undertaken discussions with the suppliers of our new vehicles and parts, which as listed above are Volkswagen Canada, Audi Canada, and Honda Canada, to ensure that their supply chain is free of forced or child labour. These suppliers account for approximately 99% of

the value of all goods we purchase and sell. We will also provide training on this topic to our employees.

4. Assessment of Forced Labour and Child Labour Risks

The Companies have not independently engaged in its own risk assessment with regards to forced labour or child labour in its supply chain. As the majority of the Company's supply chain is based on the supply chain of Volkswagen Canada, Audi Canada, and Honda Canada, it relies on the assessment undertaken by those companies with regards to the extent of this risk. We would refer you to their respective annual submissions.

5. Remediation Measures

The Company has not identified any instances of forced labour or child labour in its supply chain, and so no remediation measures have been taken.

6. Remediation of Loss of Income

The Company has not identified any instances where the measures it has implemented to eliminate forced labour or child labour from its supply chain has led to the loss of income, and so no remediation measures have been taken to address this issue.

7. Training

The Company will provide optional training on forced and child labour through training modules on our internal HR website. This training will be available company wide.

8. Assessing Effectiveness

The Company has not taken any action to assess its effectiveness in addressing risks of forced labour and child labour in its activities and supply chains.

9. Approval and Attestation

This report has been approved by the Board of Directors of Crosby Holding Corporation in accordance with section 11 (4)(b)(ii) of the Act.

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: Michael Crosby

Title: President & Director

Date: May 31, 2024

Signature:

A handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that extends to the right.

I have the authority to bind Crosby Holding Corporation and all associated Companies.