

DAG DOWNTOWN AUTOGROUP

You are what drives us.



Supply Chains Act Report

March 31, 2024

Downtown AutoGroup - Supply Chains Act Report

1. Introduction

At Downtown AutoGroup, our core values of Trust and Community drive everything we do. Not only do we embrace our responsibilities as members of our immediate Toronto community, we also recognize that we have an obligation to do our part as members of the larger global community.

This is Downtown AutoGroup's first report pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). The Act signifies Canada's commitment to doing its part in the fight against forced and child labour and Downtown AutoGroup is pleased to be part of that commitment.

This is a joint report prepared by Downtown AutoGroup together with its dealership subsidiaries, for their respective financial years ending during the 2023 calendar year. Those entities include:

DAG Management Inc. and its subsidiaries:

1000326590 Ontario Limited ("Downtown Toyota"),

2655855 Ontario Inc. ("Downtown Chrysler"),

2281610 Ontario Inc. ("Downtown Ford Lincoln"),

1074821 Ontario Inc. ("Downtown Hyundai Genesis"),

2281616 Ontario Inc. ("Nissan Infiniti Downtown"),

2192761 Ontario Inc. ("Lexus Downtown"), and

2402472 Ontario Inc. ("Avenue Nissan")

(collectively, the "Dealerships" and, together with DAG Management Inc., the "Downtown AutoGroup")

2. Structure, Activities and Supply Chains

2A. Structure and Activities

Downtown AutoGroup is a collection of franchise car dealerships proudly representing 12 leading automaker brands. Specializing in the retail sale of motor vehicles and parts, as well as providing vehicle servicing and repairs, DAG is dedicated to delivering exceptional automotive experiences.

Headquartered in Toronto, Ontario, DAG Management Inc. holds 100% ownership in each of the Dealerships.

2B. Supply Chains

As authorized dealers, we are the retail partners of Toyota Canada, Nissan Canada, Lexus Canada, Ford Canada, Hyundai Auto Canada, Genesis Motors Canada, and FCA Canada. Our dealerships are trusted retailers of vehicles and parts manufactured or imported by these industry leading original equipment manufacturers (OEMs).

Other than motor vehicles, we also retail motor vehicle tires and parts. The vast majority of those tires and parts are sourced through our OEM partners. Additionally, we collaborate with reputable suppliers like Roadworthy International and Motorcade Industries Inc. for certain parts and tire needs, ensuring we always have the right products to meet our customers' diverse requirements.

3. Policies and Due Diligence Processes

At Downtown AutoGroup, everything we do is guided by our core values and our code of conduct, called The DAG Way. "Trust" is one of those core values. Trust means we always behave with integrity, we treat everyone fairly, we do not discriminate, and we are ethical.

The DAG Way explains that every part of our business must be conducted ethically and that our employees are expected to exercise sound judgment in everything we do.

All Downtown AutoGroup employees are required to acknowledge that they have read and understood The DAG Way, and that they will not act in a way that is contrary to The DAG Way.

All Downtown AutoGroup employees, including senior managers, expressly acknowledge their responsibility to ensure that their team members and any engaged contractors adhere to The DAG Way, including its requirement to always be ethical and demonstrate integrity.

The DAG Way also encourages all Downtown AutoGroup employees to contact our legal department if they encounter a situation that may lead to a violation of our values.

As franchise car dealers, we depend on our original equipment manufacturer (OEM) partners to carry out their own supply chain due diligence concerning forced and child labour. In preparing this report, we have reviewed those reports our OEM partners have published pursuant to the Act to ensure their standards align with ours. This collaboration is crucial in maintaining ethical standards and effectively addressing potential issues in our supply chains.

4. Assessment of Forced Labour and Child Labour Risks

Downtown AutoGroup has not independently conducted its own risk assessment regarding forced labour or child labour in its supply chain. As franchise car dealers, our supply chain is inherently tied to that of our original equipment manufacturers (OEMs), and we rely on their assessments to understand the extent of these risks.

Many of our OEM partners have submitted reports similar to this one, detailing their due diligence processes and findings related to forced and child labour. We will continue to track and monitor the progress of reports from all our OEM partners to ensure alignment with their standards and to stay informed about any potential risks within our shared supply chains.

5. Remediation Measures

Downtown AutoGroup 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

Downtown AutoGroup 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 to vulnerable families, and so no remediation measures have been taken to address this issue.

7. Training

Downtown AutoGroup has provided its senior management team with information on forced and child labour in supply chains. This information covers the general implications of these issues, their specific impact on our operations, and actionable steps management can take to identify, prevent and reduce the risk of forced or child labour in our supply chain.

This initiative ensures that our leadership is well-informed and equipped to uphold the ethical standards within our business practices.

8. Assessing Effectiveness

Downtown AutoGroup 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 President of Downtown AutoGroup 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.



Shahin Alizadeh
President & CEO
May 31, 2024

I have the authority to bind DAG Management Inc. and its subsidiaries.