

2023



# Joint Modern Slavery Report 2023

AUTOMOTIVE DIVISION

As of May 30, 2024

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## 1. ABOUT THIS REPORT

This Joint Report has been prepared in accordance with the requirements set out in Part 2 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023 c.9 (the “Act”). Don Wheaton Ltd. has prepared this Report in conjunction with its subsidiaries Barnes Wheaton Chevrolet Buick GMC Ltd., Don Wheaton Chevrolet Buick GMC Cadillac Ltd. and Wood Wheaton Chevrolet Cadillac Buick GMC Ltd. as these are reporting entities under the Act. This Report covers the period of January 1, 2023, to December 31, 2023. In this Report, any reference to “we”, “our” or “us” is a collective reference to Don Wheaton Ltd., Barnes Wheaton Chevrolet Buick GMC Ltd., Don Wheaton Chevrolet Buick GMC Cadillac Ltd. and Wood Wheaton Chevrolet Cadillac Buick GMC Ltd.

Don Wheaton Ltd., incorporated in 1961, is a family-owned and operated business which upholds the highest of values. Our organization is built on honesty, integrity, fairness, and humanity. We are committed to ethical business practices across all our entities and divisions.

Our commitment to uphold our founding values and the highest moral approach to our business relations is evident through the culture we have developed across our organization. Stakeholders and team leaders play a major role in building an environment to mitigate the risks of forced labor. We recognize the responsibility we have to the communities in which we operate to continuously improve our processes to effectively identify and irradicate the risks associated with modern slavery.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Joint Report and based on my knowledge and having exercised reasonable due diligence, and with approval of the board of directors, that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act for our financial year ended December 31, 2023. I have the authority to bind Don Wheaton Ltd. and its subsidiaries on whose behalf this Report has been prepared, and I have also confirmed that the directors of each of Barnes Wheaton Chevrolet Buick GMC Ltd., Don Wheaton Chevrolet Buick GMC Cadillac Ltd. and Wood Wheaton Chevrolet Cadillac Buick GMC Ltd. have reviewed and approved this Report, and that as a director of each of the foregoing entities, I am authorized to sign this Report.

May 30, 2024



Donald A. Wheaton  
President

## 2. OUR STRUCTURE

Don Wheaton Ltd. is a privately family-owned Canadian management company located at Suite 100, 11523 – 100 Avenue in Edmonton Alberta. Our primary focus is in the automotive industry. Don Wheaton Ltd. holds an ownership interest in twelve automotive dealerships in Alberta and British Columbia, and we employ over 1,000 people. Barnes Wheaton Chevrolet Buick GMC Ltd. and Wood Wheaton Chevrolet Cadillac Buick GMC Ltd. operate automotive dealerships in British Columbia and Don Wheaton Chevrolet Buick GMC Cadillac Ltd. operates an automotive dealership in Alberta. All entities work closely together to ensure similar business processes are developed and high moral standards are maintained.

## 3. OUR OPERATIONS

Our primary operations are ownership and operation of automotive dealerships. We operate new and used vehicle retail dealerships franchised from major automotive brands. Our businesses provide vehicle sales, financing, service, parts and accessories, aftermarket sales, detailing and body repair to retail, commercial and wholesale consumers. Further descriptions of our operations are outlined below. Our Original Equipment Manufacturers is General Motors of Canada Limited (“General Motors” or “our OEM”).

Services Provided	Description or Details
New Vehicle Sales	Sales of new vehicles representing 4 OEM brands – retail and commercial
Used Vehicle Sales	Sales of used vehicles – retail, commercial and wholesale
Financing and Insurance	Sales of third-party and inhouse financing and third-party insurance
Service	Perform vehicle maintenance and repairs, OEM warranty repairs, reconditioning of used vehicle inventory
Parts and Accessories	Sales of OEM and non-OEM parts and accessories for new and used vehicles, provisioning of our service departments, collision repair centers and other dealerships, internal and third-party
Aftermarket Sales	Aftermarket sales represent non-OEM products for sale such as paint and interior protection products, tire and rim protection, lift kits, extended warranties, roof racks, tow bars, floor mats and other accessories available at point of sale
Detailing and Collision Repair	Perform vehicle repairs and cleaning for new, used, retail and commercial vehicles

#### 4. OUR SUPPLY CHAIN

While we work with many vendors throughout our operations, our primary supplier is our OEM, General Motors. General Motors manufactures vehicles and parts worldwide to support all its franchise dealerships. Our main suppliers outside of our OEM, provide goods and services consisting of office supplies and equipment, shop consumables, third-party OEM and non-OEM parts and accessories, information technology services, and professional services.

#### 5. HUMAN RIGHTS AND VALUES

We are committed to respecting human rights as expressed in our Employee Handbooks and Code of Conduct. We adhere to all applicable human rights and employment laws as well as all other applicable legislation in all provinces that we operate in. The safety of our employees is paramount; we are committed to providing a safe workplace free from discrimination, bullying, harassment, and violence. With the help of our leaders, we strive for a working environment where everyone feels safe, valued, and encouraged to speak up with new ideas and intervene if they observe any inappropriate behaviors. While we have some policies in place to support our commitment to human rights, developing more robust and detailed policies, with a focus on processes relating to forced labor, is an area of improvement we have identified.

#### 6. RISKS OF MODERN SLAVERY AND OUR SUPPLY CHAIN

Our initial review of our supply chain shows most of our risk and exposure is with our OEM. We understand that General Motors maintains an extraordinarily complex multi-tiered supply chain. General Motors engages with AIAG (Automotive Industry Action Group) and other manufacturers to address issues such as slavery and human trafficking. General Motors endorses AIAG's Corporate Responsibility Guidance Statements which provides guidance on business ethics, global working conditions environmental responsibility including guidelines generally prohibiting slavery and human trafficking. Direct supply chain training is part of General Motors efforts to eradicate slavery and human trafficking from the supply chain. As a certified dealer, we operate under contracts for sales and service with the Canadian subsidiaries of our OEM. For all the vehicles, parts, equipment, and service covered by those agreements, we refer you to their submission.

As all our operation and ownership are based in Canada, according to the 2023 Global Slavery Index, our geographic risk relating to our local supply chain is low. As of the 2023 Global Slavery Index, it is estimated that 69,000 people in Canada are living in modern slavery, which equates to a prevalence of 1.8 people in modern slavery for every 1,000 people in the country. Knowing this, we recognize that Canada is not immune to modern slavery.

While we have not yet formalized a process to identify risks in our non-OEM supply chain, we believe our risk of modern slavery in the operations of our direct suppliers to be low. Our supply chain is sourced from reputable organizations based primarily in Canada and the United States of America. Our organization's founding principles empower our staff to make ethical and honest decisions which would extend to our supply chain vendor choices. With a commitment to high ethical standards, we seek to only work with suppliers having similar values.

## 7. ACTIONS

In 2023, outside of maintaining our organizational culture as described above, we did not take any specific action to prevent and reduce the risk that forced labour and child labour is used in our supply chain. While we assess our risk to be low given our identified suppliers, we recognize that modern slavery is a very important issue that needs to be addressed.

In 2024, we have already begun training for key personnel, increasing awareness around modern slavery and the need to take action. We recruited a third party consultant to educate select executives and senior management about the Act and modern slavery.

In the future, we will develop a Supplier Code of Conduct, continue to educate our divisions about modern slavery, and increase the due diligence around our supply chain selection practices.

## 8. ASSESSMENT

The passing of the Act has brought to light a part of our business we had not fully examined. In the review we have conducted, the trust we have in the statements provided by our OEM and the principles our organization adheres to, we believe our exposure to modern slavery to be low. Given that we are in the early stages of raising awareness and developing stronger policies around modern slavery, it is difficult to assess our effectiveness, although we recognize there are several areas we have identified for improvement going forward.

We have not identified any forced labor or child labour for the year ended December 31, 2023 and therefore have not had to take any action to remediate any forced labour or child labour. We have also not had to take any action to remediate loss of income to vulnerable families impacted by any actions taken to eliminate the use of forced labour or child labour.

In 2024, we will endeavor to improve our effectiveness in ensuring that forced labour and child labour is not used in our business or that of our suppliers.

## 9. CONCLUSION

We are committed to further educating ourselves about modern slavery, as well as enhancing our processes for identifying and mitigating risks in our supply chain with respect to modern slavery. Through increasing awareness and thoughtful dialog, we will continue to empower our staff to take action and make the right decisions to ensure that we are doing our part to help fight against forced labour and child labour in supply chains.