

Harley-Davidson Canada LP 2023 Supply Chain Act Annual Report

This document constitutes the Annual Report (the “**Report**”) pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Supply Chain Act**” or the “**Act**”) and is filed on behalf of the following entities each a member of the Harley-Davidson LP corporate group:

- Harley-Davidson Canada LP, an Ontario limited partnership (“H-D Canada LP”);
- Harley Davidson Canada GP Inc., the general partner of H-D Canada LP;
- Harley-Davidson Canada Inc., the limited partner of H-D Canada LP; and
- Harley-Davidson Canada Retail Inc., an affiliated entity of H-D Canada LP.

(each a “**Reportable Entity**” and collectively, the “**Reportable Entities**”, “we”, “us” or “our”) covering the financial year ended December 31, 2023.

Forced labour and child labour are contrary to our purpose, vision and values. We do not tolerate forced labour and child labour in our organization or in those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect the employees, contract workers and directors of each Reportable Entity to act with integrity and comply at all times with the letter and spirit of the laws, regulations and rules that apply to each Reportable Entity in the jurisdictions where we operate and in particular with respect to the Act. If instances arise where these expectations are not met, we will strive to respond in an appropriate manner.

This statement outlines the policies and procedures we have in place and the steps taken by us in Canada to reduce the risk of forced labour and child labour within our business and in our supply chains.

We are committed to playing our part in helping to address this through identifying risk within our business operations, implementing policies and procedures, and working with others to take steps to eradicate forced labour and child labour in our supply chain.

1. The steps we have taken in 2023 to prevent and reduce the risk of forced labour and child labour

We use a **Standard Supplier Contract** which requires our suppliers to represent and undertake to ensure that all products and services are provided in accordance with all applicable laws. It also requires the supplier to observe Harley-Davidson's work policies. Execution of our form of Supplier Standard Contract by our suppliers of goods and services is an essential condition for obtaining a commercial partnership with H-D Canada LP and it is mandatory for suppliers.

In addition, our suppliers agree to our **Code of Business Conduct** and **Supplier Code of Conduct**, in which they commit to principles of behaviour and business rules which include making sure that suppliers proposing their services to us must satisfactorily address environmental and health and safety (“**EHS**”) requirements in their proposals, requiring at the outset that the supplier comply with all applicable laws.

In particular, our Supplier Code of Conduct requires that suppliers must not use workers who are under the age of 16, or under the applicable minimum age for completion of compulsory education, or under the minimum age for employment in any particular country, whichever is the highest. Additionally, a supplier must comply with all applicable child labour laws, rules and regulations and maintain official records relating to its workers' employment, including verification of workers' dates of birth.

Further, we do not use nor, pursuant to our Supplier Code of Conduct, do we allow any of our Suppliers to use any form of slave, forced, bonded, indentured or involuntary labour, regardless of local business customs. Our Suppliers will not engage in human trafficking or exploitation, or import goods tainted by slavery or human trafficking. Suppliers must cooperate with us to assist with applicable compliance obligations.

Additional information is not available during this reporting period.

2. Our structure, operations and supply chains

The Reportable Entities covered by this Annual Report are a limited partnership or a corporation. The Reportable Entities are either (i) selling goods in Canada or abroad; (ii) distributing goods in Canada or abroad; or (iii) importing into Canada goods produced outside of Canada.

The Reportable Entities import and sell Harley-Davidson motorcycles, motorcycle parts, accessories, and apparel in Canada within the context of a multinational business organization. The Reportable Entities' products are sold to retail customers primarily through a network of independent dealers. Dealers generally stock and sell the Reportable Entities' products, and also provide servicing on customer-owned motorcycles. There are also sales of products through a dedicated online store.

Harley-Davidson operates in approximately 50 global markets with over 3000 employees. In Canada, the Reportable Entities employ approximately 40 employees.

The Reportable Entities represent In Canada the Harley-Davidson brand, one of the best known global brands embodying the values of adventure and freedom for the soul.

Purchasing is carried out at two different levels in our supply chain:

- a. purchase and distribution of manufacturing motorcycles, motorcycle parts, accessories, and apparel; and
- b. procuring services, such as marketing services, customs services, and logistics services.

3. Policies, due diligence and controls

All purchasing activity across our extensive and global supply chain is based on a common framework. Harley-Davidson's **Responsible Purchasing Process** aims to manage and reduce environmental and societal risks associated with our supply chain. It is a direct extension of our Code of Business Conduct and Supplier Code of Conduct, and is built around two pillars; the Purchaser Charter and the Supplier Charter.

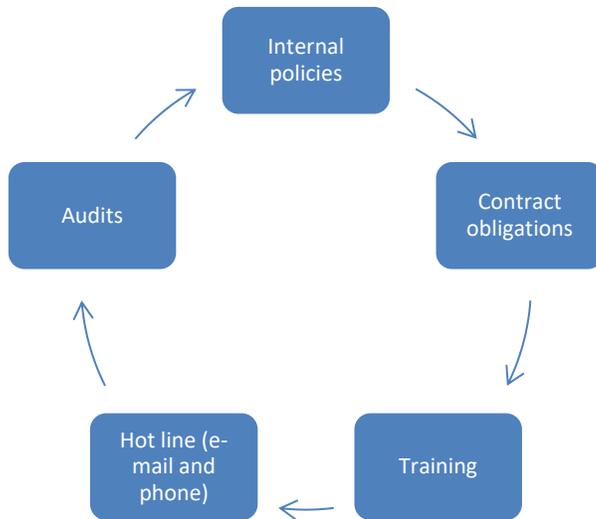
Harley Davidson has established the following due diligence processes:

- embedding responsible business conduct into policies and management systems;
- identifying and assessing adverse impacts in operations, supply chains and business relationships;
- ceasing, preventing or mitigating adverse impacts;
- tracking implementation and results;
- communicating how impacts are addressed;
- requiring supplier cooperation in remediation when appropriate.

Suppliers that fail to comply with remediation measures will not qualify as eligible suppliers.

4. Risk Assessment Methodology and Results of Assessment

Forced labour and child labour risks in our supply chain are identified through our responsible purchasing program which is made up of four main components:



This risk assessment process helps to identify either poor management policies or gaps in our policy program which can be indicators of a risk of forced labour and child labour within our supply chain. On-site audits performed as part of the evaluation may also reveal indicators of forced labour or child labour or identify a risk of exploitation.

Suppliers deemed to have a high risk through our risk assessment process will be invited to undertake an assessment through our dedicated assessment tool which produces ratings and detailed scorecards through an evidence-based assessment to understand a supplier's performance. This assessment is adapted to reflect business categories and takes into account relevant industry certifications in several countries and is aligned with global standards like the United Nations Global Compact. The areas assessed through this digital audit include the presence of and efforts to eliminate or reduce occurrences of forced labour and child labour.

We engage specialized consultants to perform digital due diligence and background check. We utilize our own trained internal audit resources to perform audits adapted to the specific circumstances of the suppliers being audited.

After completion of this assessment, we may categorize our suppliers as low, medium or high-risk, using audit and due diligence information. Depending on the level of risk identified, the validity period of the assessment is determined and where required a corrective action plan is implemented, and if necessary an on-site audit may be carried out by our specialized consultants to work with the supplier to improve their performance.

We recognize that our risk assessment process is subject to ongoing refinement and improvement. Each year we review our risk assessment process and try to eliminate possible gaps in the process.

5. Risks of forced labour and child labour in our operations and supply chains

To the best of our knowledge, we have not identified risks of forced labour or child labour in our operations and supply chains. As noted above, our risk assessment process is reviewed annually with the goal of identifying possible gaps in our assessment.

6. Our remediation processes

Our Code of Business Conduct requires all employees and contract workers to report actual or possible instances of forced labour or child labour. Employees and contract workers are encouraged to speak to their manager, senior management, or human resources or compliance staff, or report through our whistleblower system.

Our Confidential Hotline (1-855-318-5389) allows all of Harley-Davidson's stakeholders (i.e., customers, suppliers, trade unions, regulatory authorities, etc.) to report in confidence any breaches of the law, our Code of Business Conduct, or other internal policies. All reports through this system are processed and investigated as applicable, and appropriate measures are taken when justified.

Remedial Action Taken during 2023

Since we have not identified any forced labour or child labour in our activities and supply chains, we have not taken any remediation measures.

Since remediation measures have not been required, we have not identified any loss of income to vulnerable families resulting from remediation measures.

7. Our training

Understanding and complying with the Code of Business Conduct is a condition of working at any Reportable Entity, and employees and contract workers must complete the Code of Business Conduct training course and acknowledgment annually. We leverage this mandatory annual course to train all employees and applicable contract workers to look for indicators of possible violations of human rights. Each Reportable Entity works to identify, investigate and report potential cases of forced labour and child labour as a predicate offence.

8. Assessing our effectiveness

We intend to continue to assess and refine key performance indicators to measure our success in operationalizing the commitments in our Responsible Purchasing Process and continuously improve our approach to human rights. The effectiveness of a Reportable Entity's industry-specific due diligence process is regularly evaluated to confirm it remains current and aligned with business activities, regulatory developments, industry standards and best practices. By doing so, each Reportable Entity adheres to all applicable laws and regulatory requirements in the jurisdictions in which we operate, including guidance on risk related to forced labour and child labour.

We conduct ongoing screening of all suppliers, which allows us to baseline a supplier's risk profile and subsequently flag and assess any activities that would violate our Supplier Code of Conduct. We discuss any instances where corrective actions are required with the supplier and track these issues from beginning to completion. No instances were raised for review in 2023, and there were no forced labour or child labour incidents related to our suppliers identified through our supplier monitoring procedures.

To assess the effectiveness of our approach to forced labour and child labour risks, we consider input from relevant internal and external stakeholders, including investors, customers, civil society and community representatives.

9. Our consultation and governance process

In preparing this Annual Report, the Reportable Entities have engaged other entities it is affiliated with. They have also consulted with key areas of our organization to prepare this Annual Report, including Procurement, Human Resources, Legal and our external legal counsel. These teams operate across our enterprise, including across the Reportable Entities to which this Annual Report applies. This consultation process has supported our enterprise-wide approach to forced labour and child labour.

10. Approval

This Annual Report was approved by the board of directors of each Reportable Entity on May 23, 2024.

Conclusion

Each Reportable Entity remains committed to preventing forced labour and child labour from taking place in our business and in our supply chains. We will continue to review our policies, procedures and practices periodically to determine any enhancements we can make to help prevent forced labour and child labour and any other forms of human rights abuse.

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11. 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 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.

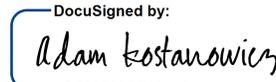
Dated this 23rd day of May, 2024.

**HARLEY-DAVIDSON CANADA LP. by its
general partner HARLEY-DAVIDSON
CANADA GP INC.**

Per: 
AD502580BF83446
Director

I have the authority to bind the limited partnership and the corporation

HARLEY-DAVIDSON CANADA INC.

Per: 
AD502580BF83446...
Director

I have the authority to bind the corporation

**HARLEY-DAVIDSON RETAIL CANADA
INC.**

Per: 
AD502580BF83446...
Director

I have the authority to bind the corporation