

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023 Report

Introduction

This report is published in connection with the reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") on behalf of Herblens Motors Inc. (the "**Corporation**"). This report covers the 2023 fiscal year, with the fiscal year ending December 31, 2023. The Corporation is subject to the reporting requirements of the Act because the Corporation has a place of business in Canada and has assets and revenue in Canada that exceed the threshold tests set out in the Act. The Corporation is in the business of selling goods in Canada and importing goods into Canada that have been produced outside of Canada, as described further below.

The Corporation is committed to acting with integrity and ethically in all of our business transactions. We are committed to identifying and reducing the risk of forced labour or child labour occurring within our supply chain network. The Corporation expects its suppliers and business partners to uphold these same principles within their operations and to comply with all applicable laws, including human rights and employment standards laws.

Structure, activities and supply chain

The Corporation is a Lexus dealership, engaged in the importation and sale of motor vehicles in Canada. The Corporation sources all of the parts and products it sells from Lexus, a division of Toyota Canada Inc., and Toyota Canada Inc. ("**Toyota**"), which are based in Canada, the United States of America and Japan. As such, the Corporation largely relies on Toyota to take appropriate action to identify, eliminate, and remediate any instances of forced labour or child labour in their business and supply chain.

The Corporation has approximately 130 employees and its registered office, headquarters and primary place of business is located in Edmonton, Alberta.

Policies and due diligence processes

As of the date of this report, the Corporation does not have any policies or due diligence processes in place that relate to forced labour or child labour. While the Corporation doesn't have any policies of their own, Toyota has advised in their own Report on Efforts to Prevent & Reduce the Risk of Forced & Child Labour in Supply Chains dated April 19, 2024 (the "**Toyota Report**"), that they have policies in place to reduce the risk of forced labour and child labour in their supply chain.

Assessing the risk of forced labour or child labour in our supply chains

As of the date of this report, the Corporation has not yet started to identify the risk of forced labour or child labour in the business or in the supply chain. While the Corporation hasn't started to identify the risk of forced labour or child labour, Toyota has advised in the Toyota Report that they will develop a forced labour and child labour compliance plan (the "**Compliance Plan**") which they will use to identify risks in their supply chain.

Steps taken to prevent and reduce the risk of forced labour and child labour

As of the date of this report, the Corporation has not yet taken any steps to reduce the risk of forced labour or child labour in the business or in the supply chain. While the Corporation hasn't taken any steps to reduce the risk of forced labour or child labour, Toyota has advised in the Toyota Report that as part of their Compliance Plan, they have appropriate steps which they will implement in order to reduce the risk of forced labour or child labour.

Remediation Measures

As there was no risk of forced labour and child labour identified in the business or in the supply chain, the Corporation has not taken any measures to remediate the loss for those affected. No individuals or families affected by forced labour or child labour have been identified in the supply chain for remediation measures to be implemented. While the Corporation hasn't developed any remediation plans, Toyota has advised in the Toyota Report that as they continue to develop their Compliance Plan, they will implement any remediation measures they may necessitate.

Training to Employees

As of the date of this report, the Corporation does not provide specific training or information to employees regarding forced labour or child labour. While the Corporation doesn't have specific training in regard to forced labour or child labour, Toyota advised in the Toyota Report that they have scheduled training in regard to forced labour or child labour for associates in their procurement, accessories, and service marketing departments.

Assessing the effectiveness

As of the date of this report, the Corporation hasn't yet started to assess its effectiveness in ensuring that forced labour or child labour aren't being used in the business or in the supply chain. While the Corporation hasn't yet started to assess their effectiveness, Toyota advised in the Toyota Report that over the next fiscal year, they will closely monitor the development and implementation of their Compliance Plan.

Our consultation and governance process

In preparing this report, we consulted with key areas of our organization including procurement, human resources and our external legal counsel. These teams operate across our enterprise to which this report applies. This consultation process has supported our enterprise-wide approach to forced labour and child labour.

Conclusion

The Corporation remains committed to preventing forced labour and child labour from taking place in our business and in our supply chain. 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.

Approval and Attestation

This report was approved pursuant to section 11(4)(a) of the Act, by the board of directors of Herblens Motors Inc. on May 31, 2024.

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 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.



Name: Kyle Richard
Title: Dealer Principal
Date: May 31, 2024

I have the authority to bind Herblens Motors Inc.