

Introduction

This report is prepared on behalf of Kipp Scott Motors Ltd from January 1, 2023 to December 31, 2023. This report has been prepared in compliance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Structure, Activities, Supply Chains

Kipp Scott Motors Ltd is a General Motors franchised car dealership in Red Deer, Alberta. We sell new General Motors branded vehicles, a range of branded preowned vehicles, vehicle servicing and parts and accessories sales. As a certified dealer, we operate under contracts for sales and service with the Canadian subsidiaries of the following Original Equipment Manufacturers, General Motors. For all vehicles, parts, equipment and service covered by those agreements, we refer you to their submission.

Policies and Due Diligence

In the realm of franchise operations, maintaining regulatory compliance is pivotal to upholding ethical standards and ensuring legal conformity. Central to this endeavor is adherence to legislative mandates such as Canadian Bill S.211, which mandates transparent sourcing practices within the retail sector. As a franchise dependent on our franchisor for product procurement, our commitment to compliance with Bill S.211 is integral to our operational ethos.

Given our status as a franchise, our compliance with Canadian Bill S.211 is contingent upon the practices of our franchisor, from whom we procure the majority of our retail products. Recognizing this interdependence, we have undertaken diligent efforts to ensure that our franchisor aligns with the provisions outlined in Bill S.211. Through formal inquiries and due diligence processes, we have obtained assurances from our franchisors regarding their adherence to the legislative requirements.

The supply chains of automotive franchisors are large, complex, and multi-staged. As a retailer, we are at the end of the chain and entirely dependent on those franchisors to ensure compliance with Bill S.211. Further our franchise agreements are very limited in how and when we obtain information on those supply chains. Examples of these limitations include being required to receive products from the manufacturers, and our inability to audit or obtain specific documentation from them. While we are limited in our ability to audit these supply chains, our suppliers all have robust and comprehensive Environmental and Social Governance programs which fully cover the scope of Bill S.211. Each of our primary suppliers have also confirmed awareness of the new legislation, which is specific to Canada.

We recognize the significance of sourcing products from suppliers who uphold ethical standards, treat their workers fairly, and prioritize environmental sustainability. We also have the utmost confidence in our suppliers of their Environmental & Social Governance programs, to which compliance with this bill would form a significant part.

Moreover, our compliance efforts extend beyond mere regulatory conformity to encompass a proactive stance towards ongoing regulatory developments and industry best practices. Through continuous monitoring and engagement with relevant stakeholders, we remain vigilant to emerging trends and evolving standards in ethical sourcing, ensuring that our operations remain aligned with the evolving regulatory landscape.

In conclusion, our franchise's adherence to Canadian Bill S.211 underscores our commitment to ethical sourcing practices, regulatory compliance, and corporate integrity. By verifying our franchisor's compliance status and integrating ethical sourcing principles into our operational framework, we not only meet the requirements of Bill S.211 but also foster trust and confidence among our stakeholders. As we continue to navigate the complexities of the franchise landscape, our pledge to uphold the provisions of Bill S.211 remains steadfast, reflecting our enduring commitment to ethical business conduct and consumer protection.

Below you will find the web link to our primary supplier's policies and statements, which form the foundation on which our own compliance is based. This supplier provides the majority share of our total supply chain of hard goods. We will continue to monitor our primary suppliers for their social responsibility by upholding and reporting to Bill S-211, *'Fighting Against Forced Labour in Supply Chains Act'*.

[General Motors Anti-Slavery and Human Trafficking Statement \(Opens in new window\)](#)

Education and Awareness

At Kipp Scott Motors Ltd, we are committed to fostering a culture of awareness and responsibility regarding human rights principles. In the spring of 2024, with the assistance from our Human Resources platform, DealerPilot, a fifty-minute online training course has been assigned to our staff, *'Public Safety Canada on Forced and Child Labour'*.

Attestation

In accordance with the requirements of the Act, and in particular section 11, thereof, I attest 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 purpose of the Act, for the reporting year listed above.



Garrett Scott

Director

May 23, 2024

I have the authority to bind
Kipp Scott Motors Ltd.



Gordon R Scott

Director

May 23, 2024

I have the authority to bind
Kipp Scott Motors Ltd.