

## **Forced Labour and Child Labour Report 2023**

### **Introduction**

O'Regan Properties Limited dba the O'Regan's Automotive Group ("O'Regan's") is committed to conducting business ethically and with integrity. We have a zero-tolerance approach to forced labour and child labour and are fully committed to detecting and preventing such acts within our operations and supply chain. We expect the same high standards from our suppliers and business partners.

In this first report, for the financial year January 1, 2023 to December 31, 2023, under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act), we affirm our commitment to comply with all applicable laws and regulations by reporting the actions we have taken, and plan to take, to ensure that forced labour and child labour are not taking place in our business or supply chain.

### **Organization Structure, Activities and Supply-Chain**

O'Regan's operates 14 franchised new car dealerships, two Napa Auto Parts repair centres, three Green-Light retail used car dealerships, three Wholesale Direct used car dealerships, three Perma-Shine detailing franchises, a collision centre, a leasing operation and a car rental operation. We currently have 880 full and part time employees and are based exclusively in Nova Scotia, Canada.

O'Regan's consists of the following legal entities: O'Regan Properties Limited, O'Regan Chevrolet Buick GMC Cadillac Limited, O'Regan Halifax Limited, O'Regan Motors Limited, O'Regan I-N Limited, O'Regan N-D Limited, O'Regan M-B Limited, O'Regan B-H Limited, O'Regan V-H Limited, O'Regan D-H Limited, O'Regan K-H Limited, O'Regan South Shore Inc, O'Regan H-B Inc, O'Regan S-B Inc and O'Regan Rentals Limited.

O'Regan's is involved in the following business activities:

- Sales of new and used vehicles
- Sales of parts, accessories and vehicle care products
- Provision of vehicle repair services
- Provision of vehicle detailing services
- Provision, or facilitation of, finance, insurance, and warranty products for the purchase or lease of new and used passenger vehicles, commercial vehicles, recreational vehicles or commercial equipment
- Provision of vehicle rental services

Our supply chain includes, but is not limited to, the acquisition of new and used vehicles, acquisition of parts and supplies for the sale, repair and detailing of vehicles, contracting services and supplies supporting the operation of our facilities (cleaning, snow removal, etc) and other professional services required to operate our businesses (advertising, accounting, legal, etc).

Our most significant expenditures relate to the acquisition of new vehicles. We currently purchase and retail vehicles from the following Original Equipment Manufacturers ("OEMs"), BMW, Buick, Cadillac, Chevrolet, GMC, Hyundai, Infiniti, Kia, Lexus, Mercedes-Benz, MINI, Nissan, Sprinter, Subaru, Toyota, Volkswagen.

### **Policies and Due Diligence Processes**

Our corporate policies outline acceptable business practices for our organization. All O'Regan's employees are responsible for upholding the highest standards of ethical behavior and strict adherence to the spirit and letter of all applicable laws. These policies are communicated in our Employee Handbook which is provided to all employees. Employees are held accountable for compliance with these standards and corrective actions are taken if non-compliance is identified.

O'Regan's routinely evaluates risks that may materially impact our operations. Subsequent to December 31, 2023, O'Regan's incorporated an assessment of the risks related to forced labour and child labour into our risk assessment process. This assessment considered the nature of the products and services we acquire, the geographic location, reputation and performance of the businesses we partner with. We will continue to review our risk assessment processes to ensure that the risks of forced labour and child labour are fully incorporated into our risk assessment processes and related action plans.

### **Risks of Forced Labour and Child Labour in Operations and Supply Chain**

O'Regan's operates exclusively in Nova Scotia, Canada. As such, O'Regan's has assessed the risk of forced labour and child labour relating to our direct operations as low given the statutory protections and regulations within the jurisdiction in which we operate.

The supply chain relating to the manufacturing of vehicles is complex and diverse. The greatest risk within our supply chain relates to the manufacturing of the vehicles and parts that we retail on behalf of our OEM partners, who are large multinational organizations with robust governance and business practices. As our relationship is with the OEMs and not their supply chains, we rely on the policies, statements and actions of our OEM partners to support our assessment regarding the risks of forced labour and child labour in our supply chain.

Areas we have identified that require further investigation are the purchasing of non-OEM parts, supplies, and outsourcing arrangements. We will continue to monitor areas of perceived higher risks and are committed to assessing and managing any identified risks.

### **Steps taken to Prevent and Reduce the Risk of Forced Labour or Child Labour**

The following program was in place during the reporting period to help identify and mitigate risks relating to forced labour and child labour within our operations and supply chain:

- Corporate wide whistleblower program. This program is a confidential reporting service managed by an independent third party that provides all employees with access to report any observed or suspected questionable business practices directly to this third party.

Since the end of the reporting period, we have done the following in relation to the risks of forced labour or child labour:

- Conducted an internal assessment of the risk that forced labour and child labour may exist in our activities and supply chain.
- Engaged with our OEM partners on the issue of addressing forced labour and child labour. We have reviewed the reports issued by our OEM partners under the Act to assess the risk that forced labour or child labour exists within their operations or supply chains.

### **Remediation Activities**

Based on procedures performed to date we have not identified any indications that forced labour or child labour exist within our operations and supply chain, therefore no remediation activities have been undertaken.

### **Training Provided to Employees on Forced Labour or Child Labour**

We currently do not provide specific training for employees relating to forced labour and child labour. However, we acknowledge the importance of such training and plan to implement training on this topic for employees involved in our procurement processes and other relevant areas of our business.

## Assessment of Effectiveness

We have not established a formal method to assess the effectiveness of our procedures and policies relating to ensuring that forced labour and child labour are not being used within our supply chain.

## Next Steps

We are committed to deepening our knowledge and understanding of the risks of forced labour and child labour in our operations and supply chain. During the next reporting period we plan to commence work on the following to improve our policies and procedures relating to this critical area:

- Develop and implement training for employees involved in the procurement process and senior management to build on their understanding of the requirements of the Act and the risks within our supply chain and our businesses.
- Develop a supplier Code of Conduct for our key business partners outlining our expectation that they will adhere to the highest ethical standards and operate in compliance with all applicable laws.
- Review our corporate policies to ensure that our zero-tolerance policy in regard to forced labour and child labour is appropriately embedded into these policies.

## Approval

This report is made in accordance with the requirements of *Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act* and has received approval from the Board of Directors of the O'Regan's Automotive Group.

In accordance with 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 this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year ending December 31, 2023.



Signature:

Name: Patrick O'Regan

Title: President and Chief Operating Officer

Date: May 31, 2024