



Mercedes-Benz
Winnipeg



FOCUS HYUNDAI

Mercedes-Benz
Kitchener-Waterloo



PINNACLE
COLLISION CENTRE

FOCUS
Autobody
& Glass



WEST PARK
CHEVROLET BUICK GMC

Bill S-211 - Fighting Against Forced Labour and Child Labour in Supply Chains Act passed on May 3, 2023

This statement relates to the fiscal year ending December 31, 2023 and is in response to bill S-211 or *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, to protect vulnerable populations from human rights abuses and exploitation. It is made by Pinnacle Auto Group and its affiliate entities (“PAG”) including Pinnacle Auto Sales LP operating as Mercedes-Benz Winnipeg and Pinnacle Collision Centre, Pinnacle Auto Sales East LP operating as Focus Hyundai, Pinnacle Auto Body East LP operating as Focus Autobody & Glass, Pinnacle Auto Sales Altona LP operating as West Park Chevrolet Buick GMC and Pinnacle Auto Sales Kitchener-Waterloo LP operating as Mercedes-Benz Kitchener-Waterloo. This report will outline the steps the group has taken, and continues to take, to prevent and reduce the risk that forced labour or child labour is used at any step within our business and supply chain activities.

PAG operates franchised vehicle dealerships in the Manitoba and southern Ontario markets. These dealerships offer new and used vehicle sales, parts sales and service sales.

PAG has a zero-tolerance approach to any form of forced or child labour. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective processes and controls in place to safeguard against any form of forced or child labour taking place within our business or supply chains.

These processes include, but are not limited to:

- strengthening our due diligence measures to identify and address any risks of forced labour and child labour within our supply chain. This involves conducting assessments of our suppliers and implementing additional monitoring mechanisms;
- engaging with our suppliers to communicate the requirements of Bill S-211 and collaborating on efforts to improve supply chain transparency and mitigate the risks of forced and child labour;
- most of our parts inventory, some equipment and our new car inventory is purchased from the Canadian subsidiaries of the Original Equipment Manufacturers we operate franchises under;
- as certified dealers, we operate under contracts for sales and service with the Canadian subsidiaries of the following Original Equipment Manufacturers (Mercedes-Benz,

Hyundai and General Motors). For all vehicles, parts, equipment, and service covered by those agreements, we refer you to their submission;

- ensuring our employees are educated on our internal policies in relation to Bill S-211 and PAG's general policies related to acting ethically, legally and in good faith in all business endeavors; and
- implementing monitoring and evaluation mechanisms to track our progress addressing forced labour and child labour in our supply chains and the continuous improvement of our practices.

Through our analyses we have found no risks of forced labour and child labour within our supply chain for the year ending December 31, 2023, and have not had to take any measures to remediate forced labour or child labour or the loss of income to vulnerable families as such. This applies to all the entities reported on in this report.

In conclusion, Bill S-211 represents a significant development in the fight against forced labour and child labour in supply chains both in Canada and abroad, with implications for Pinnacle Auto Group, its affiliates and the broader business community. By proactively addressing the requirements of the bill and demonstrating a commitment to ethical sourcing practices, we strive to contribute to the global effort to combat these egregious human rights violations.

This Statement has been approved by Pinnacle Auto Group's affiliated Companies' Directors.

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 entities listed above. Based on my knowledge, and have 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.

I have the authority to bind PAG and its affiliated entities.

A handwritten signature in black ink, appearing to be 'B. Lowes', written over a faint, light-colored signature line.

Brian Lowes, President and Director
May 28, 2024