



2023 Forced Labour and Child Labour Statement

Porsche Cars Canada, Ltd.

1. Reporting Entity:

This is the first statement issued by Porsche Cars Canada, Ltd. (“PCL”) in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“SCA”).

This statement relates to the financial year ending December 31, 2023, which is the "Reporting Period" in accordance with the SCA. This statement sets out the measures PCL implemented during the Reporting Period to prevent and reduce the risk of forced labour or child labour being used in our activities and supply chains.

2. Structure, activities and supply chains of the reporting entity:

Porsche Cars Canada, Ltd. (PCL)

PCL is the authorized importer and distributor of new Porsche branded cars and automotive parts for Canada. PCL does not undertake any manufacturing but rather purchases finished Porsche cars and automotive parts from Porsche AG. PCL distributes new Porsche cars and automotive parts to a network of authorized Porsche Centres located in Canada. PCL also undertakes several marketing activities and events to promote Porsche products and services and the Porsche brand. PCL does undertake sales and marketing activities direct to the public for driver training and driver experience products.

PCL's corporate headquarters are in Toronto, Ontario, Canada.

Dr. Ing. h.c.F. Porsche Aktiengesellschaft (Porsche AG)

Porsche AG is the manufacturer of Porsche branded cars and Porsche original automotive parts. In the conduct of its business, Porsche AG sources materials from a global supply chain comprised of direct and indirect suppliers. Porsche AG sells and distributes Porsche branded cars and automotive parts to a global marketplace, including Canada.

The Porsche AG corporate headquarters is located in Stuttgart, Germany. Measures implemented by Porsche AG to address forced labour and child labour in its business activities and supply chain can be viewed [here](#).

3. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk:

PCL considers the likelihood of child labour and forced labour associated risks occurring in PCL's operations to be low. This is because its operations, policies, and procedures (as set out below) consist of its direct employees and contractors providing administrative, sales, marketing and support for the sale and servicing of vehicles and parts to its authorized Porsche Centres located in Canada. Nonetheless, PCL has in place a Compliance Management System, which includes measures and controls related to minimizing the risk of child labour and forced labour in PCL operations (see Section 4). PCL engages a variety of suppliers to support its operations. PCL is aware that certain supplier services may include categories associated with child labour and forced labour risks, such as cleaning services, merchandise, events including hospitality and catering, and construction and temporary labour hire. PCL will continue to try and work with our suppliers to mitigate child labour and forced labour risks.

PCL sources finished vehicles and parts from Porsche AG. PCL has not independently assessed the risk of forced labour or child labour in its supply chains, but rather is informed by Porsche AG's assessment of these risks.

Porsche AG's Procurement department carried out an analysis of the supply chain using a risk-based approach. For companies that produce vehicles or develop vehicle software, an abstract risk analysis of the direct suppliers was first carried out using industry risks mainly based on studies and country risks. Based on the identified industry and country-specific risks, direct suppliers were assigned a low, medium or high-risk exposure. The specific risk of direct suppliers with a high-risk exposure was determined using questionnaires (so-called self-assessment questionnaires, SAQ) plausibility check. These are suppliers with ongoing business relationships or in the process of establishing a business relationship. As part of the specific risk analysis, specific risks were identified for suppliers with increased individual risk exposure from the SAQ using on-site inspections and a standardized inspection protocol.

4. Policies, due diligence processes, training, and remediation measures in relation to forced labour and child labour:

PCL has implemented various policies, due diligence processes, helpdesks (Compliance, Whistleblower and Business Human Rights), and training to prevent and mitigate the risk of child labour and forced labour being used in its operations as set out below. All of which stem from Porsche AG's policies, procedures and Group Directives. PCL was not made aware of any instances of forced labour or child labour in its operations or supply chain and therefore did not undertake remediation measures during the reporting period.

Porsche Values

At PCL, employee behaviour and business activities are steered and moderated by reference to ethical values, such as those published in the Porsche Code of Conduct, Company Directives, and other internal company documents steering prudent governance. To ensure an understanding of these values, all PCL staff are required to complete Code of Conduct training. New employees are required to undertake this training within a month of commencing with PCL. Each employee must re-do this training annually. The Code of Conduct for PCL employees can be found [here](#).

Human Rights

PCL strives to respect the human rights of all persons. We believe in this objective and publish this goal in our Code of Conduct for employees as follows: "We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world. We reject all use of child labour and forced or compulsory labour as well as all forms of child labour and forced labour and human trafficking. This applies not only to cooperation within our Company but also as a matter of course to the conduct of and toward business partners." (Section 1. Our responsibility as a member of society - Human Rights).

PCL provided its staff with business human rights training in 2023, to educate its staff about strategies to identify potential human rights risks, including child labour and forced labour, and about the importance of reporting any potential risks.

PCL also introduced a new page on its website dedicated to Business & Human Rights with information and links to assist with submitting any human rights complaints to the Porsche AG Human Rights Office and Ombudsmen, in addition to the Compliance Helpdesk and Whistleblowing Helpdesk.

Recruitment Controls

PCL has established a range of controls with respect to recruitment and employment of labour in conformity with applicable laws and to ensure respect for employee rights. Candidates must establish their right to work, satisfy minimum age requirements and their suitability for available roles as part of the recruitment and hiring processes.

Compliance Management System

PCL operates a Compliance Management System which refers collectively to all principles, measures and processes not related to specific individuals, which help ensure and implement

compliance within PCL and thus prevent or at least significantly hinder violations of the law and/or infringements of company directives with regard to the various compliance topics. The Compliance Management System comprises of the seven elements of culture, targets, risks, program, organization, communication as well as monitoring and improvement, which are realized by measures for prevention, reaction, and adjustment.

Child labour and forced labour is included as part of the ongoing compliance management system. The rules and procedures related to child labour and forced labour topic are reviewed both on an annual and ad hoc basis by the Procurement and Legal functions under the Compliance Management System.

In addition, PCL also operates an internal reporting system via the company's Compliance Helpdesk. The Compliance Helpdesk is a resource for employees to report on compliance matters and obtain advice on compliance topics. PCL requires all employees to report violations or suspicion of child labour and forced labour to the Compliance Helpdesk.

Whistleblowing

In addition to the Compliance Management System and Compliance Helpdesk, PCL operates an internal and an external whistleblowing system (that involves independent ombudsmen located in Germany as part of Porsche AG's whistleblower system). The whistleblowing system allows for submission of tips which are processed independently and confidentially. A key pillar of the Whistleblower System is the principle of procedural fairness. It also guarantees the greatest possible protection for whistleblowers, persons implicated and employees contributing to the investigation of reported misconduct. The whistleblowing system is accessible by employees and non-employees, with further details available [here](#).

PCL provides regular training to staff regarding its whistleblower system and the PCL Whistleblower Policy, including how to identify reportable conduct (such as child labour, forced labour, unsafe, illegal, or unethical activity) and how to report reportable conduct to both Porsche AG and the PCL Whistleblowing helpdesk and Compliance helpdesk.

PCL requires all employees to report violations or suspicion of child labour and forced labour to the whistleblowing system.

Procurement

PCL's Procurement function exercises due diligence when on-boarding non-production material suppliers for its operations by use of a Business Partner Check using the BPC Tool (as set out below) and where relevant, incorporation of its standard services agreement terms

and conditions which include clauses intended to deter child labour and forced labour related practices by the supplier and its sub-contractors.

PCL has implemented Porsche AG's global Business Partner Checking Tool (BPC Tool) which provides an initial risk assessment and a continuous supplier monitoring system so that PCL can remain abreast of any improper conduct by any of its business partners. In 2023, PCL provided regular training to employees regarding the BPC Tool, including reminders to update existing business partners and all new business partners to the BPC Tool.

A Code of Conduct for Business Partners (BP Code) was published in 2023 which applies to all business partners of PCL, including suppliers and consultants. The purpose of the BP Code is to define PCL's expectations with respect to the manner in which its business partners conduct their business activities, including compliance with internationally accepted human rights and the prevention of modern forms of slavery and human trafficking in the supply chain, including child labour and forced labour. The BP Code is available [here](#).

The BP Code is incorporated into PCL's standard supplier terms and conditions. Therefore, all suppliers, even those that simply engage with PCL via purchase orders, are notified of and required to comply with the BP Code and the obligations pertaining to child labour and forced labour.

Training

Mandatory training for all employees is conducted annually to raise employee awareness of the potential for child labour and forced labour, including the importance of human rights, Business Partner Checks and adherence to the Code of Conduct for Business Partners.

5. Assessing the effectiveness of such actions:

New PCL employees during 2023 were asked to complete the Code of Conduct training by logging into a software platform and completing a quiz at the end of the training to maintain consistency within the organization. The platform continues to track and record staff that have completed the Code of Conduct training, and any other online training.

PCL conducts annual audits on the use of the BPC Tool to ensure that third party PCL suppliers are correctly categorized, and the level of risk associated with such supplier has been correctly identified and approved. These audits allow PCL to assess the effectiveness of the BPC Tool and evaluate how employees are using it. Where the records in the BPC Tool are incorrect the relevant employees are advised and instructed on how to correct the record.

The BPC Tool monitors media reports about alleged inappropriate practices by Business Partners. PCL considers any reports and may decide to terminate relations with suppliers that have engaged in inappropriate behaviour.

In addition, the PCL support functions of Legal & Compliance, Human Resources, Procurement and Finance manage and support PCL so that PCL adheres to the same Porsche AG Group Directives, training and management structure. Group Directives are determined by Porsche AG and sent to PCL to localize as applicable and include topics such as compliance, whistleblowing, Business & Human Rights, Code of Conduct and confidentiality.

6. PCL Attestation:

This report has been approved by the PCL Board of 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 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.

PORSCHE CARS CANADA, LTD.



Name: John Cappella

Title: President & Chief Executive Officer

I have authority to bind the Corporation.