

**May 2024**

This report is made on behalf of Silverhill Motors Ltd o/a Silverhill Acura ("Company") and describes the actions taken by the Company during the financial year ending December 31, 2023 to assess, prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("Act"). This Report constitutes the first report prepared by the Company under the Act.

## **I. Structure, Activities and Supply Chains**

Silverhill Acura is a corporation based in Calgary, Alberta established in 1987. The company specializes in the retail sale of motor vehicles and parts, as well as provides servicing and repairs. Customers are welcomed into our New Vehicle building, which also houses parts sales and servicing and repairs; while across the street the pre-owned vehicle sales occurs.

As a dealer of new and used vehicles and their parts, our supply chain is primarily based on the supply chain of automotive manufacturers. Specifically, as an authorized Acura, the majority of the Company's procurement spend is with Honda.

The dealership also purchases goods and services from other third party suppliers such as Worldpac for parts, Auto Value for parts, Clover for payment processing, eWay or Staples for supplies to name a few.

## **II. Policies and Due Diligence Processes**

All information relevant to Honda Canada's policies and due diligence processes is available at <https://www.honda.ca/en/ethics>.

As stated on the website,

"The Honda Philosophy forms the values shared by all Honda Group companies and all of their associates. It is the basis for Honda's corporate activities and the, associates' behavior and corporate decision-making. To achieve both the creation of growth opportunities for the Company and a sustainable society, Honda has set "Striving to be a company society wants to exist" as its direction for the 21st century. Honda expressly includes "Respect for the Individual" and "Respect of Human Rights" as part of that core philosophy. This philosophy is further reflected in a number of policies and procedures in respect of forced labour and child labour. Some of these policies and procedures are included in Honda Canada's first annual report to the Canadian Government on Fighting Against Forced Labour and Child Labour in Supply Chains covering calendar year 2023."

## **III. Assessment of Forced Labour and Child Labour Risks**

The Company has not independently engaged in its own risk assessment with regards to forced labour or child labour in its supply chain. As the majority of the Company's supply chain is based on the supply chain of Honda, it relies on the assessment undertaken by Honda's with regards to the extent of this risk.

It states, "In its commitment to ethical business practices and human rights, Honda acknowledges the complex nature of its supply chain. Despite efforts to maintain a responsible supply chain, the intricate web of global suppliers, subcontractors, and partners introduces risks of forced labour and child labour that are difficult to fully eradicate. These risks are exacerbated by imperfect visibility into the upstream supply chain. Honda is actively working to enhance its oversight and implement measures to address these challenges, reaffirming our dedication to combating modern slavery in all its forms within our supply chain.

Honda NA, alongside other Honda entities, is actively working to establish a system that would enable all Honda entities across the continent to collaborate with a third-party service. The service would offer the Honda entities enhanced intelligence on their supply chains, improving visibility into potential risks, including of forced labour or child labour in their supply chains. If Honda on Human Rights: Fighting Against Forced Labour and Child Labour 8 successfully implemented, this system will provide Honda NA access and visibility into global suppliers, thereby enhancing supply chain management and risk assessment capabilities."

#### **IV. Remediation Measures**

The Company has not identified any instances of forced labour or child labour in its supply chain, and so no remediation measures have been taken.

#### **V. Remediation of Loss of Income**

The Company has not identified any instances where the measures it has implemented to eliminate forced labour or child labour from its supply chain has led to the loss of income, and so no remediation measures have been taken to address this issue.

#### **VI. Training**

The Company provides both optional and mandatory training on ethical and legal responsibilities. This training is company-wide and accessible through the Hondacom online portal.

#### **VII. Assessing Effectiveness**

The Company has not taken any action to assess its effectiveness in addressing risks of forced labour and child labour in its activities and supply chain, however, Honda states the following as per <https://www.honda.ca/en/ethics>:

"Honda has established a Human Rights Working Team to effectively implement initiatives to respect human rights, including forced labour and child labour. The Human Rights Working Team is led by the human resources and labor affairs divisions, and collaborates with many divisions involved in human rights, including the purchasing divisions and divisions in charge of sustainability planning. The Human Rights Working Team is working to strengthen the initiatives and encourages associates to take appropriate action through human rights due diligence measures, including assessments for Honda Group business sites and suppliers, as well as awareness-raising activities. The Team has also established a system to prevent and mitigate negative impacts and risks related

to human rights in cooperation with the Compliance Committee and the Risk Management Committee. These activities are reported annually to Honda's Executive Council and the Board of Directors and are linked to the Honda's sustainability management strategy.

Honda NA plans to continually assess the effectiveness of its policies and practices to ensure that forced and child labour are not being used in its business and supply chains. Honda NA is deeply committed to ensuring that no forced or child labour is used throughout its supply chain."

**VIII. Approval and Attestation**

This report has been approved by Marilyn Sheftel, Dealer Principal of Silverhill Acura in accordance with section "11(4)a" of the Act.

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 or entities 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.

Full name: *MARILYN SHEFTEL*

Title: *DEALER PRINCIPAL*

Date: *MAY 30, 2024*

Signature: *Marilyn Sheftel*

I have the authority to bind Silverhill Motors o/a Silverhill Acura.