

1. Introduction

This report is made on behalf of the Surgenor Automotive Group (“Company”), which includes Surgenor Chevrolet Buick GMC Cadillac Ltd. (operating as Surgenor Ottawa), 2321528 Ontario Ltd. (operating as Surgenor Hyundai), Surgenor Barrhaven Chevrolet Buick GMC Ltd. (operating as Surgenor Barrhaven), Surgenor Gatineau Chevrolet Cadillac Ltee. (operating as Surgenor Gatineau), 1514831 Ontario Ltd. (operating as Pathway Hyundai) Surgenor National Leasing Limited and 1561660 Ontario Ltd. (operating as Surgenor Truck Centre Ottawa and Kingston) 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 Surgenor Automotive Group under the Act.

The Surgenor Automotive Group is committed to doing business ethically and takes a zero-tolerance approach to all forms of modern slavery in our organization and seeks to minimize and eliminate the risk of modern slavery in our supply chain. The Surgenor Automotive Group does not and has never employed children.

2. Structure, Activities and Supply Chains

a. Structure

The Surgenor Automotive Group is an incorporated multi-location automotive dealership group operating exclusively in Canada.

As of December 31, 2023, the Company includes 6 subsidiary entities operating vehicle dealerships based in Ottawa, Ontario, Kingston Ontario, and Gatineau Quebec. More specifically, the Company operates 6 franchised dealerships, comprised of 8 brands. The Company currently sells Chevrolet, Buick, GMC, Cadillac, Hyundai, Volvo, Mack and Isuzu branded vehicles. In addition, the Company operates an in-house leasing company.

The Surgenor Automotive Group has approximately 400 full-time employees located exclusively in Canada.

b. Activities

The Surgenor Automotive Group's core operations consist of the ownership and operation of automotive retail dealerships in Eastern Ontario and Western Quebec.

The Surgenor Automotive group specializes in the retail sale of motor vehicles and parts as well as comprehensive vehicle servicing and repairs, including collision repairs.

c. Supply Chains

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 authorized General Motors, Hyundai, Volvo, Mack and Isuzu dealers, the majority of the Company's procurement spend is with General Motors of Canada, Hyundai Auto Canada Corp., Volvo Group Canada Inc., Mack Trucks Canada and Isuzu Commercial Truck of Canada Inc..

General Motors' report pertaining to Bill S-211 or the Modern Slavery Act can be found by following this link: <https://www.gm.ca/en/home/supply-chain-responsibility.html>.

Mack Trucks Canada and Volvo Group Canada Inc.'s can be found by following this link: <https://www.volvotrucks.ca/en-ca/media/vtna/files/2024-05-15-vgci-report.pdf>.

Hyundai Auto Canada Corp. and Isuzu Commercial Truck of Canada Inc.'s reports will be shared as they become available.

3. 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 General Motors, Hyundai, Volvo, Mack and Isuzu, it relies on the assessment undertaken by General Motors, Hyundai, Volvo, Mack and Isuzu dealers with regards to the extent of this risk. The manufacturer's risk assessments can be found within the reports linked above.

4. Remediation Measures

The Surgenor Automotive Group has not identified any instances of forced labour or child labour in its supply chain, and as such, no remediation measures have been taken.

5. Remediation of Loss of Income

The Surgenor Automotive Group 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.

6. Training, Assessing Effectiveness and Next Steps

The Surgenor Automotive Group prides itself on providing on-going training for all staff to align with our group's motto of gaining "Customers for Life". This training is routed in ethical practices and procedures that ensure that we are conducting business the right way.

While there is no formal training in place today, during the next reporting period we will develop general modern slavery awareness training for those involved in procurement to continue to raise awareness and understanding of modern slavery and the risks across our operations and supply chain.

The Surgenor Automotive Group has not yet taken any action to assess its effectiveness in addressing the risks of forced labour and child labour in its activities and supply chains but will do so during this upcoming reporting period and moving forward.

We will also update our practices and policies as they pertain to Modern Slavery within our Employee Handbook so that it can be accessed by our staff at any time.

7. Approval and Attestation

This report has been approved by the Board of Directors of the Surgenor Automotive Group in accordance with section 11(4)(b)(i) 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: Matt Leslie

Title: CFO

Date: May 31, 2024

Signature: 

I have the authority to bind the Surgenor Automotive Group.