



Bill S.C. 2023, c. 9 Federal Compliance

Towne Sales and Service Limited along with its related corporations: 641249 N.B. Inc., 701361 N.B. Inc., 508585 N.B. LTD., Hathsome Enterprises Inc., and Towne Chrysler Dodge Jeep Ram Ltd. (collectively, the “**Towne Auto Group**”), are committed to preventing Modern Slavery in its corporate activities and supply chains.

Enacted January 1, 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), identifies forced labour and child labour as forms of Modern Slavery.

This statement outlines the procedures implemented, and the actions, activities and steps taken during the period January 1, 2023 to December 31, 2023 (the “**Reporting Period**”), to identify and address risks of Modern Slavery in our organization and supply chains. Forced labour and child labour are incompatible with our values. These include professionalism, integrity, and responsibility. We fully support the government’s objective to eradicate these unlawful forms of labour. This statement applies equally and uniformly to all entities within the Towne Auto Group by virtue of the powers vested in Hal Somers, President, and Director of each entity listed herein.

Our Organization

The Towne Auto Group sells and services new and used automobiles in New Brunswick. Our organization is an authorized dealer for a host of brands such as Ford, Mazda, Chrysler, Jeep, Dodge and Ram. The Towne Auto Group is known for its great inventory selection, and the premise of making auto purchases positive and relaxing. Our numerous service centers ensure customer’s vehicles remain on the road and in good condition. Finally, our organization also offers consumers parts and accessories for purchase.

Risk and Remediation in Our Supply Chains

The Towne Auto Group has a broad range of suppliers. We work collectively with countless producers and manufacturers to deliver finished goods satisfying our consumer’s diverse needs and wants. We have considered the risk that we are directly causing, contributing to, or enabling Modern Slavery practices in our operations and supply chains with reference to the country in which we predominately work, and the nature of our products and services provided, and are of the view that risk is low.

Having reviewed our business, those which we deem to be most at risk to Modern Slavery are foreign suppliers and manufacturers that rely heavily on upstream segments of supply chains specializing in production activities. It is our initiative to source goods and services from organizations that are reputable and comply with the provisions of the Act. We achieve this by vetting our partners to assess their suitability. This extends beyond the consummation of the business arrangement to a continuous review of our suppliers and business partners.

Assessing Effectiveness

The Towne Auto Group assesses its effectiveness in reducing Modern Slavery by taking a principled approach to reviewing its suppliers. We look for gaps in statutory legislation, enforcement and access to justice that create space for non-compliance; identify socio-economic pressures facing workers; and



assess the overall business environment. Combining these factors, the Towne Auto Group can reasonably identify circumstances of enhanced risks and respond appropriately.

Policies

We operate the following policies that describe our approach to identifying forced labour and child labour risks while proactively mitigating Modern Slavery within our organization:

Health and Safety Program – The program highlights steps which minimize risks associated with our operation to ensure a safe, healthy, and productive workplace. Our policy has been updated to underscore employees of the Towne Auto Group are not expected to undertake tasks for which they do not have the requisite qualifications and training.

Employee Code of Conduct – The Towne Auto Group code clearly outlines the actions and behaviours expected of employees when representing the company throughout Canada and internationally (when applicable). Particularly, we strive to uphold the principles of our code of conduct to the highest standards when managing our organization. Our policy has been updated to reflect forced labour and child labour are intolerable.

Due Diligence

As part of the vetting process, new suppliers are required to confirm compliance with relevant legislation, including the Act. This encompasses a consideration of the integrity and human rights risks posed by a prospective business partner; their compliance with applicable laws; the adequacy of their systems to deliver the required products and or services; and applicable trade and export controls.

Our Human Resources Committee undergo specific investigation training and are responsible for carrying out investigations and due diligence in relation to known or suspected instances of forced labour or child labour in our organization. There have been no investigations to date.

Remediation of Loss of Income

The Towne Auto Group has judged that vulnerable families have not experienced a loss of income caused by the direct actions it has taken to reduce Modern Slavery. No further measures have been taken in this area.

Training

Training regarding forced labour and child labour is mandatory for senior management tasked with managing the affairs of the Towne Auto Group. In response to the enactment of the Act, all employees were distributed materials highlighting the principles constituting forced labour and child labour. Furthermore, all employees were educated on the Towne Auto Group's vehement condemnation of Modern Slavery within its organization.

What We Have Done

We understand the importance of perpetually seeking to improve our efforts towards Modern Slavery. The following represents a list of actions taken by the Towne Auto Group during the Reporting Period:

- reviewed the United Nations Guiding Principles on Business and Human Rights;
- reviewed the OECD Due Diligence Guidance for Responsible Business Conduct;
- assessed whether existing business practices reduce risk of Modern Slavery;



- conducted appropriate risk assessment during the Reporting Period;
- updated our employee training and employee policies.

Board Approval

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 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 Period.

Signed by

Hal Somers

Hal Somers

As President and on behalf of the Board of Directors of the Towne Auto Group having the authority to bind each entity listed herein.