

**Unigembe Automotive Holdings Inc.**

**Fighting Against Forced Labour and Child Labour in  
Supply Chains Act**

**Year Ended February 28, 2024**

## **Introduction**

This report is presented on behalf of Unigembe Automotive Holdings Inc. ("the Company") and outlines the measures taken by the Company throughout the fiscal year ending on February 29, 2024, to evaluate, prevent, and mitigate the risk of forced labor or child labor within its operations and supply chains, as mandated by section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act"). This Report serves as the inaugural submission by the Company in compliance with the Act.

While the Company itself does not engage in activities that classify it as an Entity under the Act, certain subsidiaries do, thereby categorizing the Company as an Entity in this context. Although none of the Company's individual subsidiaries meet two of the three threshold tests based on assets, revenue, or employees, when assessed on a consolidated group basis, these thresholds are met, necessitating the submission of this report by the Company.

## **Steps taken to prevent and reduce the risk of forced labour and child labour**

The Company has not taken any action to reduce the risks of forced labour and child labour in its activities and supply chains.

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

The Company is a holding corporation based in Mississauga, Ontario. The Company is involved in joint ventures relating to automotive dealerships, gas stations, and real estate. The primary subsidiary entities that are involved in the sale of goods are automobile dealerships in Ontario. The corporations operate franchised Mazda, Hyundai or Mitsubishi dealerships. None of these corporations in themselves meet two of the threshold tests. Collectively they contribute to the Company meeting the threshold tests for Revenues and Assets.

The Company's Automotive Subsidiaries specializes in the retail sale of motor vehicles and parts as well as comprehensive vehicle servicing and repairs. Each Automotive Subsidiary has entered into a Dealer Sales and Service Agreement with Mazda Canada Inc., Mitsubishi Canada, or Hyundai Canada. Pursuant to these agreements, the operations of each Automotive Subsidiary are governed strictly by the franchisors.

As a dealer of new and used vehicles and their parts, our supply chain is primarily based on the supply chain of the respective automotive manufacturers. For example, as an authorized Mazda dealer, the vast majority of the Company's procurement spend is with Mazda Canada Inc.

We also purchase goods and services from other third-party suppliers. The majority of these purchases are from local suppliers who in turn may be sourcing goods and services indirectly from third party suppliers. There is no one significant supplier and the dollar quantum is not significant for any one supplier. These goods and services include office supplies, cleaning supplies, parts and accessories and other normal procurement in operating a local business.

## **Policies and Due Diligence Processes in relation to Forced Labour and/or Child Labour**

The company acknowledges the crucial importance of safeguarding human rights and remains dedicated to upholding the rights of all individuals. It also aligns with Canada's international commitment to combat forced labor and child labor, aiming to eliminate modern slavery. In pursuit of this goal, the company's subsidiaries under its operational control, such as the Automotive Subsidiaries, have implemented workplace policies covering employee standards of behavior, health and safety, prevention of workplace harassment, and termination procedures.

## **Risks of Forced Labour and/or Child Labour being Used and Steps Addressing Risk**

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 their respective automotive distributors/franchisors, it relies on the assessment undertaken by those franchisors with regard to the extent of this risk.

With respect to any non-automotive subsidiary carrying on business, the Company is currently assessing how to assess and address compliance with the Act.

## **Measures Taken to Remediate any Forced Labour or Child Labour**

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.

## **Measures Taken to Remediate Loss of Income to Vulnerable Families**

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.

## **Training Provided to Employees on Forced Labour and/or Child Labour**

The Automotive Subsidiaries offer training sessions on workplace safety and human rights to their employees. The Company intends to explore the inclusion of modules specifically focused on evaluating potential risks in the supply chain concerning human rights issues, such as forced labor and child labor. This training initiative is expected to involve the Parts departments, which handle the bulk of procurement activities, as well as select administrative staff members.

## **Assessing Effectiveness of Remediation Measures**

No actions have been taken to address effectiveness in preventing and reducing risks of forced labour and/or child labour in our activities and supply chains.

## **Approval and Attestation**

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: Narendra Patel

Title: VP Finance

Date: May 29, 2024

Signature 

I have the authority to bind Unigembe Automotive Holdings Inc.