2025 Reporting Content Under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Under the Fighting Against Forced Labour and Child Labour in Supply Chains Act, reporting entities are required to describe the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any stage of the production of goods in Canada or elsewhere by the entity, or of goods imported into Canada by the entity. In preparing this report, Davis Auto Group Ltd. and its subsidiaries have considered both the statutory reporting requirements and the practical realities of our business model as a franchise and retail group that relies substantially on franchisors, manufacturers, and other upstream suppliers for the production, sourcing, and importation of goods.

Structure, activities and supply chains. Davis Auto Group Ltd. and its subsidiaries operate through a group of separately incorporated entities engaged primarily in automotive retail, heavy equipment retail, collision repair, rentals, wholesale activities, and related support services. All of our business are classified as Canadian Controlled Private Corporation under the Income Tax Act.

Our businesses operate in Alberta and British Columbia exclusively. Our operating model is predominantly franchise-based, which means that the vast majority of the goods we sell, distribute, or use in our operations originates through manufacturer-controlled or franchisor-directed supply channels. Our franchise partners are identified at the end of this report.

Our supply chains are broad, multi-tiered, and largely upstream of our direct operational control. Our role is generally concentrated at the retail and service end of the supply chain, and our understanding of supply chain risk is informed by supplier representations, franchise arrangements, publicly available ESG disclosures, and ongoing supplier engagement.

Policies and due diligence processes in relation to forced labour and child labour. Our approach to due diligence is based on reviewing the extent to which our key suppliers and franchisors maintain policies, codes of conduct, supplier standards, human rights statements, ESG frameworks, and compliance mechanisms that address forced labour and child labour risks. Where possible, we seek confirmation that these suppliers are aware of and responding to applicable legal requirements, including Canadian supply chain reporting obligations. Internally, our due diligence processes include identifying principal suppliers, reviewing available public disclosures, considering contractual and operational constraints within franchise relationships, and escalating compliance-related concerns through management as needed. This approach is designed to support reasonable oversight in circumstances where direct audit rights or access to sub-tier supplier information may be limited. Under the franchise agreements we are bound by, we have no audit rights on any of the purchased products sourced.

Business and supply chain areas carrying risk, and steps taken to assess and manage that risk. We recognize that risks relating to forced labour and child labour can arise in complex global supply chains, particularly where goods, parts, components, raw materials, or subcontracted manufacturing processes involve multiple jurisdictions and several tiers of suppliers. In our case, the principal areas of potential risk are upstream manufacturing and sourcing activities that occur outside our direct control, rather than the retail sale of goods at our locations. The most complicated supply chain within our organization is the vehicles we sell. There is certainly risk here given the international, multi-tiered nature of vehicle manufacturing, particularly some components which have traditionally carried some “conflict minerals”, or have been sourced from originating countries without robust child labour laws. For the record, our inquiries have generated no evidence of any wrongdoing or violations of this act from any of our suppliers.

To assess and manage this risk, we focus on our major supplier relationships, monitor supplier communications and publicly disclosed compliance information, consider the nature of the products and sourcing channels involved, and evaluate where our leverage is strongest. We also consider whether additional supplier inquiries, internal review, or management attention may be warranted where heightened supply chain concerns are identified.

Measures taken to remediate any forced labour or child labour. During the reporting period, our remediation focus has been to maintain processes that would enable an appropriate response if credible concerns regarding forced labour or child labour were identified in our activities or supply chains. Depending on the circumstances, such measures would include seeking clarification from the relevant supplier or franchisor, requesting evidence of corrective action, escalating the matter internally, reconsidering procurement decisions where commercially and contractually feasible, and supporting remediation expectations through ongoing supplier engagement. To the best of our knowledge, and based on information available to us during the reporting period, no specific instance requiring direct remediation by our organization was identified.

Measures taken to remediate the loss of income to vulnerable families. We understand that efforts to eliminate forced labour or child labour can, in some circumstances, create unintended consequences for vulnerable families if not handled responsibly. Our current role in this area is limited by our position in the supply chain and by the fact that upstream remediation programs are typically designed and implemented by manufacturers, franchisors, or direct producers. If a relevant issue were identified, our expectation would be that the responsible upstream party adopt an approach to remediation that is attentive to worker welfare, lawful employment transitions, and the avoidance of further harm. At present, we have not identified a circumstance during the reporting period that required us to implement a specific income-remediation measure directly.

Training provided to employees on forced labour and child labour. We recognize that employee awareness supports effective compliance. Training, guidance, or management communications in this area may include education on the purpose of the Act, the meaning of forced labour and child labour, how supply chain risks may arise in practice, the importance of supplier oversight, and internal escalation pathways for concerns. Our company has a robust onboarding program for new hires, and awareness of this Act forms a part of that for those roles involved in sourcing and purchasing. The information contained in this report is reviewed annually at an executive level within the organization, and cascaded down to our individual entity levels as needed.

How the entity assesses its effectiveness. We assess the effectiveness of our efforts by considering whether our principal suppliers and franchisors continue to maintain and communicate policies and programs relevant to forced labour and child labour risk, whether our internal review processes remain active and proportionate to our business model, whether known high-risk areas are being identified and considered, and whether concerns can be escalated and addressed in a timely manner. Effectiveness is also informed by management oversight, periodic review of supplier disclosures, and continued attention to changes in legal requirements and stakeholder expectations. Given the limited visibility that a retailer may have into certain upstream tiers of production, most of the assessments are based on negative news and reporting undertaken by our franchisees.

Steps to prevent and reduce risks of forced labour and child labour. The steps taken by Davis Auto Group Ltd. and its subsidiaries are directed primarily toward the parts of our operations where we have the greatest practical visibility and influence. These steps include identifying major supply chain partners, reviewing publicly available supplier and franchisor disclosures, seeking confirmation of awareness and compliance efforts where appropriate, monitoring regulatory developments, and incorporating this topic into management-level compliance oversight. Our actions are aimed at both forced labour and child labour risks and are applied principally to those supplier relationships that account for the largest share of our hard goods procurement. Responsibility for identifying, assessing, and responding to these issues rests with senior management and those involved in procurement, finance, legal, and operational oversight, with reporting supported through our internal governance structure.

Below you will find web links to our primary suppliers' investor relations or ESG reports, as these form a foundation on which our own compliance is based. These suppliers make up 89% of our total supply chain of hard goods.

General Motors

Subaru

Ford

Stellantis

Nissan

Hyundai Construction Equipment America

Bobcat

Schedule A – legal entities

Legal Name	GST number
Davis Auto Group Ltd.	802643734 RT0001
Davis GMC Buick Ltd.	121413785 RT0001
Davis GMC Buick (Medicine Hat) Ltd.	858652795 RT0001
Davis Chevrolet GMC Buick Ltd.	807121280 RT0001
Davis CDJR Lethbridge Ltd. (Davis Dodge Lethbridge)	757401815 RT0001
Davis Chevrolet GMC Buick (Claresholm) Ltd.	829879071 RT0001
Davis Chevrolet GMC Buick (Brooks) Ltd.	827263351 RT0001
Davis Dodge Chrysler Jeep Ram Ltd.	807019179 RT0001
Westlock Motors Ltd	895212397 RT0001
Scougall Motors Ltd.	841569346 RT0001
2070121 Alberta Ltd. (Okotoks Nissan)	773513288 RT0001
Chinook Equipment Ltd.	784146730 RT0001
Davis Imports Ltd. (Subaru of Lethbridge)	815912696 RT0001
Kicking Horse Ford (2021) Ltd	789673407 RT0001
D2 Autobody Okotoks Ltd (Fix Auto Okotoks, Fix Auto Nanton)	737971481 RT0001
Wild Roads Rentals Ltd (National Car Rental)	764431698 RT0001
D2 Autobody Lethbridge Ltd. (Fix Auto Lethbridge)	819820762 RT0001
D2 Autobody Airdrie Ltd. (Fix Auto Airdrie)	740996095 RT0001
D2 Autobody Central Services Ltd.	703938670 RT0001
D2 Autobody Pincher Creek Ltd.	799456066 RT0001
D2 Autobody Kelowna Ltd.	793789801 RT0001
Renascent Collision Chilliwack Ltd (Fix Auto Chilliwack)	863891008 RT0001
H&R Collision and Glass Ltd. (Fix Auto Abbotsford East)	790164339 RT0001
Abra Preserve Inc (Fix Auto Vernon Central)	100018589 RT0001
Pro Body 1998 Ltd. (Fix Auto Salmon Arm)	870306461 RT0001
Shift Real Estate Investments LP	744240896 RT0001
Shift Real Estate Management Ltd	716223540 RT0001
Nimbus PDR Ltd.	702528290 RT0001
Davis Wholesale Ltd.	833273790 RT0001
Davis Ford Pincher Creek Ltd.	725243364 RT0001

Schedule B – Approval

This report is approved pursuant to section (4)(b)(II)of the Act, as Davis Auto Group Ltd. Is the parent corporation of all impacted legal entities outlined in Schedule A of this report.

Scott Mills, CPA

Davis Auto Group Ltd.

May 19, 2026.

I have the authority to bind Davis Auto Group Ltd.