

2023 Modern Slavery Report

Capital Automotive Group Inc.

Introduction

This report has been prepared by Capital Automotive Group Inc. in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) for our financial year ending December 31, 2023.

The report covers the business operations of Capital Automotive Group Inc ("Capital Auto") in Canada, and its wholly owned businesses or subsidiaries (collectively, "Capital Auto"). Capital Auto is not subject to reporting requirements under supply chain legislation in jurisdictions outside of Canada, and this report is therefore structured to meet the requirements of the Act. Applicability of the Act is based on Capital Auto having a business presence (i.e., place of business, business activities, and assets) in Canada as well as meeting the financial thresholds related to assets and revenue as set out by the Act.

Capital Auto recognizes that the automotive industry plays an important role in preventing and assessing the risk of forced labour and child labour in Canada's supply chain. We acknowledge the risks of forced labour and child labour and are committed to improvement in our due diligence, risk assessment, remediation, and training processes.

Capital Auto is committed to respecting, protecting, and promoting the human rights of people impacted by our operations and supply chain, consistent with the International Bill of Human Rights, International Labour Organizations Core Conventions, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises.

Organizational structure, activities, and supply chain

Structure

Capital Auto is a privately held corporation operating in Canada. Since 1974, Capital Auto has expanded and continues to grow. Our team consists of service technicians, product specialists, and support staff at each of our 14 locations, all of whom are led by our management team. Capital Auto has on average 854 employees in locations across Saskatchewan, Alberta, and Manitoba, and our headquarters are located in Regina, Saskatchewan, Canada.

Capital Auto is an active member in many industry and business councils, such as: Saskatchewan Auto dealers Association, Alberta Auto Dealers Association, Manitoba Auto Dealers Association.

Activities

Capital Auto is in the automotive industry, providing automotive sales and services. Our operations and locations are as follows:

- Capital Chevrolet Buick GMC - Calgary, AB.
- Capital Ford Lincoln Sales Winnipeg - Winnipeg, MB.
- Capital GMC Buick Inc. - Edmonton, AB.
- Mercedes-Benz Regina - Regina, SK.
- Capital GMC Buick Cadillac - Regina, SK.

- Capital Ford Lincoln - Regina, SK.
- Universal Collision Centre Inc, Regina, SK.
- Titan Automotive Group - Regina, SK.

Supply chain

Capital Auto procures a range of goods and services, including but not limited to

- New Automobiles from Ford Motor Company, General Motors, Mercedes Benz, and Stellantis.
- Used vehicles from various Canadian Registered Auctions such as Adesa and Manheim.
- New Vehicle Parts & Accessories from Ford Motor Company, General Motors, Mercedes Benz, and Stellantis.
- New Aftermarket Parts and Accessories.
- Bulk oil & fluids for vehicle repair and maintenance.
- Tires for vehicle repair and maintenance.
- IT and Software like dealer management systems, customer relationships systems, inventory management systems, cybersecurity systems.
- Marketing and Advertising services
- Office Supplies and Equipment like computers, printers, office furniture, stationary
- Facility Management products like cleaning products & services, waste management, security services.
- Training and Development programs, workshops, and professional development services.

On the Property Development and Management side of our business:

- Construction materials like concrete, steel, lumber, brick, roofing materials, insulation
- Construction services like General Contractors, electricians, plumbing, HVAC, landscaping.
- Architectural and Engineering services like design, planning, and consulting services,
- Project Management services like software, consulting services, and logistics.
- Real Estate Services like leasing, and agents.
- Legal and Regulatory services like legal consulting, zoning, and environmental compliance.
- Interior Design and Furnishings like design services, furniture, fixtures, and fittings.
- Security and Surveillance services like security systems, surveillance equipment and security personnel
- Utilities and Facility management like utilities (water, gas, electricity), waste disposal, and facility maintenance.
- Marketing and Sales - marketing campaigns, sales agents, and promotional events.

Steps to prevent and reduce the risks of forced labour and child labour

In the financial year ending December 31, 2023, Capital Auto has become increasingly aware of the risks of modern slavery in global supply chains and has worked to prevent child and forced labour by complying with all provincial, federal, and industry employment standards and laws applicable to our business operations. In the coming year, we are dedicating resources and efforts to developing and implementing measures to prevent and reduce the risk in our activities and supply chains.

Policies and due diligence processes

In 2023, Capital Auto did not have policies specifically addressing forced labor and/or child labor in our operations or supply chains, and we had not yet started the process of identifying risks.

Forced labour and child labour risk

For the reporting year, Capital Auto considers its operations and supply chains to be located in low-risk jurisdictions, and to date, we have not identified any forced or child labour risks in our operations and supply chains.

Remediation measures and remediation of loss of income

To date, Capital Auto has not received any complaints relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

In 2023, Capital Auto had not yet developed or implemented training materials or activities to increase awareness of and prevent forced labour and child labour in our operations or supply chains.

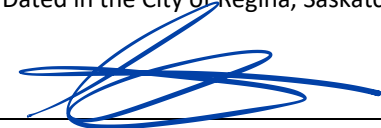
Assessing effectiveness

In 2023, Capital Auto had not yet established ways to measure the effectiveness and track our success in preventing and reducing risks of forced labour and child labour.

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.

Dated in the City of Regina, Saskatchewan, this 29, day of May, 2024.



CAMERON BOTTRELL

I have the authority to bind Capital Automotive Group.