

May 2024

The Laking Group of Companies

Report on Efforts to Prevent & Reduce the Risk of Forced & Child Labour in Supply Chains

2023 Financial Year

1. Introduction

This is the first report to be filed by The Laking Group of Companies ("The Laking Group") under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). The Act came into force in Canada on January 1, 2024. Its goal is to implement Canada's international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on entities producing goods in Canada or elsewhere or importing goods produced outside Canada. The Act is part of a broader global effort to prevent, and combat forced and child labour, an effort that The Laking Group is committed to supporting.

This report reflects The Laking Group's commitment to implementing and endorsing responsible business practices to prevent and reduce the risk of forced labour or child labour at any step in its operations and supply chains.

2. Structure, Activities and Supply Chains

The Laking Group is comprised of four operating entities, all located in Sudbury, Ontario: Laking Motors Inc ("Laking Toyota"), 772289 Ontario Limited ("Northern Nissan"), Sudbury Collision Limited ("Imperial Collision Centre"), and Forest & Lawn Equipment Supply Limited ("Forest & Lawn"). This is a joint report filed on behalf of all the above-mentioned operating entities of The Laking Group. The Laking Group employs roughly 150 people, between all four entities. For the purposes of this report, the term "The Laking Group" refers to all four entities, unless otherwise indicated.

Laking Toyota & Northern Nissan:

Laking Toyota and Northern Nissan both specialize in the retail sale of motor vehicles, parts, and accessories, as well as comprehensive vehicle servicing and repairs. Both companies also provide trade-in opportunities, financing, and leasing options, and warranty services.

As dealers of new and used vehicles and their parts, our supply chains are primarily based on the supply chains of automotive manufacturers. Specifically, as authorized Toyota and Nissan dealers, most of the procurement spend is with Toyota Canada Inc. and Nissan Canada Inc., respectively.

Information on Toyota Canada and Nissan Canada supply chains and due diligence can be found here: <u>Toyota Canada Inc.</u> Nissan Canada Inc.



Imperial Collision Centre:

Imperial Collision Centre is an automotive body shop specializing in vehicle repair and refurbishments. It comprises departments for administration, estimating, repair, painting, and detailing.

Consolidated Dealers Co-operative Inc. is the main supplier for Imperial Collision Centre. They are a co-operative organization that typically functions as a purchasing group or consortium for independent retailers or businesses. A copy of their Modern Slavery Act 2024 Report can be viewed here.

Forest & Lawn:

Forest & Lawn specializes in providing a wide range of outdoor equipment and associated repair services. We offer a comprehensive selection of lawn mowers, trimmers, blowers, and other landscaping tools, alongside maintenance and repair services.

Details regarding suppliers who have shared their efforts to combat forced labour and child labour can be found in the provided resources below:

<u>John Deere Canada Inc.</u> Husqvarna

Figure 1 illustrates an overview of the main suppliers utilized across all entities, detailing the percentage of expenditure allocated to each supplier. The Laking Group has identified approximately 34 suppliers.

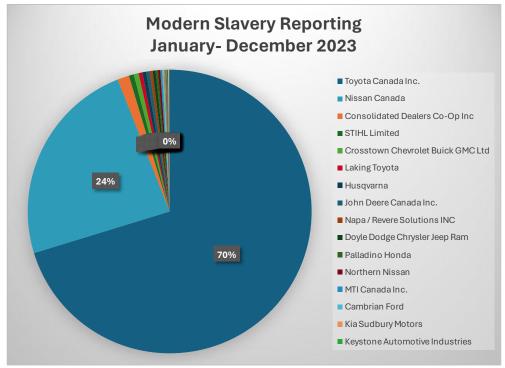


Figure 1 - The Laking Group of Companies Supply Chain



3. Policies and Due Diligence Processes in Relation to Forced and Child Labour

The following are the policies and due diligence processes that The Laking Group put in place aimed at preventing and mitigating the risks relating to the use of forced labour or child labour. They demonstrate The Laking Group's commitment to sustainable performance and to protecting human rights as well as its strong desire to create a safe and inclusive experience for all colleagues and workers across its operations and supply chains.

- (a) **United Nations Guiding Principles on Business and Human Rights:** The Laking Group refers to and respects the United Nations Guiding Principles on Business and Human Rights (UNGP), and promotes activities related to human rights based on these guidelines.
- (b) **Human Rights Policy:** We have diligently implemented a Human Rights policy, demonstrating our commitment to upholding ethical standards and ensuring the protection of human rights across all facets of our operations.
- (c) Forced Labour & Child Labour Policy: We have enforced a Forced Labour and Child Labour policy, reflecting our unwavering dedication to ethical practices and our firm stance against exploitation in any form. This initiative signifies our thorough commitment to due diligence in ensuring that our operations are free from forced labour and child labour, reinforcing our responsibility to uphold human rights and promote fair and ethical labour practices throughout our supply chain and beyond.

4. Risk Assessment

Located exclusively in Sudbury, Ontario, The Laking Group adheres rigorously to all labour laws mandated by the province. Our unwavering commitment to ethical practices and compliance ensures that our workforce is treated with dignity and respect, with stringent measures in place to prevent any form of coercion or exploitation.

Assessing the risks associated with forced labour and child labour relies heavily on the comprehensive evaluations conducted by our suppliers. These assessments are crucial in determining the extent of such risks within our supply chains and guide our efforts in implementing effective measures to mitigate them. By collaborating closely with our suppliers and leveraging their insights, we strive to ensure the integrity and ethical standards of our operations.

5. Risk Management and Mitigation

To date The Laking Group has not identified any instances of forced or child labour in our operations or supply chains, and so we have not undertaken any measures to remediate any forced or child labour, nor have we undertaken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced or child labour in our supply chains.



As we continuously monitor and assess our operations, we expect to gain deeper insights into these issues. Our ongoing commitment to vigilance means we'll remain proactive in identifying and addressing any potential concerns or areas requiring remedial action.

6. Assessing the Effectiveness of our Actions

The Laking Group is committed to ensuring that the actions we take to prevent and reduce the risk of forced and child labour in our supply chains are effective. In the coming fiscal year, we will closely monitor the development and implementation of our compliance strategy.

7. Training

The Laking Group provides optional online Forced Labour Training. This comprehensive training course describes the critical aspects of Bill S-211, its legal frameworks, reporting obligations, and compliance strategies.

8. Approval

This report has been approved by the President/Owner of all operating entities of The Laking Group of Companies in accordance with section 11(4)(b)(ii) of the Act.

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In accordance with the requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains 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.

Signature:

Name: Christopher Laking

Title: President/Owner

Date: May 21, 2024

I have the authority to bind this corporation