

Forced Labour & Child Labour Annual Report

Century Auto Group

2023 REPORT

Introduction

In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, (the “Act”), Century Auto Group, which refers to the entities as listed in Schedule A, presents the Forced Labour & Child Labour Annual Report (the “Report”) for the fiscal year ending December 31, 2023.

This Report outlines Century Auto Group’s approach to identifying and understanding the risk of forced labour and child labour (“Modern Slavery”) in its operations and supply chain, and steps taken to eliminate and remediate such activities that exist within operations. The reporting obligations of Century Auto Group are limited to Canadian requirements only as the Group operates in Nova Scotia, New Brunswick and Barbados, and do not operate in other jurisdictions. Except where otherwise noted, references to “Century Auto Group”, “the Group”, “we”, or “our” in this Report refer to Century Auto Group as defined above.

Structure, Activities & Supply Chains

Structure

The entities that comprised Century Auto Group, as detailed in Schedule A, are privately owned corporations registered in the provinces of Nova Scotia and New Brunswick, Canada; or in Barbados and operate as franchised vehicle dealerships for Chevrolet, Buick, General Motors Company, Nissan, Hyundai, Honda and Subaru branded vehicles, warranty financing entities, or real estate and investment holding companies in those jurisdictions. All vehicle dealerships operated by Century Auto Group sell new and used vehicles, wholesale vehicles, vehicle parts and vehicle accessories.

Century Auto Group has approximately 260 employees located in Nova Scotia and New Brunswick.

Activities

Century Auto Group’s core operations consist of the ownership and operation of automotive retail dealerships in Nova Scotia and New Brunswick. Activities of the Century Auto Group include the following activities that are performed in Canada and Barbados:

- Importation of manufactured vehicles and vehicle parts from outside of Canada;
- Production of manufactured vehicles and vehicle parts within Canada;
- Sale of new, used and wholesale vehicles in Canada;
- Sale and distribution of vehicle parts, accessories and vehicle care products in Canada;
- Provision of vehicle repair and vehicle servicing services in Canada;
- Provision of, or facilitation of, vehicle financing, insurance and warranty products related to the sale, purchase or lease of vehicles;
- Purchase, sale and leasing of real estate assets; and

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- Purchase and sale of investments.

Supply Chains

Century Auto Group's Tier 1 suppliers include, by order of significance, the original equipment manufacturers of the dealership brands operated by location, several local, national and international auto parts, accessories and vehicle care products retailers, and local independent service providers for vehicle repair services including body work and windshield repair along with general services including, but not limited to, cleaning contracts, employment contracts, and maintenance contracts. The Group's Tier 1 suppliers are domiciled in Canada or the United States, or are Canadian subsidiaries of entities domiciled in other jurisdictions. As certified dealers, the Group operates under contracts for sales and service with the Canadian subsidiaries of the following original equipment manufacturers; Chevrolet, Buick, General Motors Company, Nissan, Hyundai, Honda and Subaru. For all vehicles, parts, equipment and service procurement covered by those agreements, we refer you to their submission for the purpose of the Act. For Tier 1 suppliers excluding the original equipment manufacturers noted above, procurement activities are performed individually by each entity as listed in Schedule A as there is no centralized procurement function.

Century Auto Group's Tier 2 suppliers include the suppliers of the Tier 1 suppliers noted above, and Tier 3 or above are suppliers of Tier 2 suppliers, as applicable.

The Group has identified Tier 1 suppliers including their country of domicile, the nature of products sourced (primarily vehicle parts, accessories and care products) and whether those suppliers have established policies and remediation practices regarding Modern Slavery. The Group has not yet fully identified Tier 2 and 3 suppliers.

Policies, Training & Due Diligence Processes Related to Forced Labour or Child Labour

The Group has established the *Century Auto Group Policies and Procedures Handbook* (the "Code of Conduct") to detail the values of the organization and expectations of conduct for owners, employees, suppliers and all other affiliates of Century Auto Group. The Code of Conduct is required to be acknowledged via the employee human resources software by all employees and owners in the Group on an annual basis and requires acknowledging parties to adhere to the highest standard of fairness, ethics and honesty. The Code of Conduct does not explicitly address risks of Modern Slavery in the operations or supply chain, which has been identified as an area of improvement in the upcoming financial year. The Code of Conduct includes policies relating to employee concerns, working conditions, health and safety, workplace violence and hiring and promotions; all of which indirectly or directly affirm Century Auto Group's commitment to identifying and remediating risks of Modern Slavery. The Group has also established mandatory employee training regarding occupational health and safety, employee health and safety and recruitment and selection best

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practices for senior management. In addition to the established Code of Conduct and employee training programs, the governance structure within the Group is supported by active oversight of operations, including professional conduct, hiring practices and supplier selection, by Group ownership.

The Group has identified areas for improvement relating to policies, training and due diligence processes, including more robust policies, procedures and training programs that explicitly address Modern Slavery and associated risks and establishing processes relating to supplier onboarding and investigation of supplier sourcing for evidence of Modern Slavery.

Risk & Remediation of Forced Labour or Child Labour in Operations & Supply Chains

The Group has assessed the risk of Modern Slavery in operations and the supply chain based on the jurisdictions in which the Group operates, the initial identification of Tier 1 suppliers noted above, and the policies and due diligence processes currently in place within the organization.

Century Auto Group is based in Canada with operations in both Nova Scotia and New Brunswick, and an investment entity registered in Barbados. According to *The Global Slavery Index 2023* published by Walk Free, an international human rights group focused on the eradication of Modern Slavery in all its forms, Canada is among countries with the lowest prevalence of Modern Slavery and the highest government response to Modern Slavery. However, Canada is also among G20 countries with the highest value of imported goods at-risk of connection with Modern Slavery with major imported products including electronics (laptops, computers and mobile phones), garments, gold, sugarcane and textiles. Barbados is among countries with the highest prevalence of Modern Slavery and a moderate government response. As the Group's operations are wholly in Canada, with a passive investment entity registered in Barbados, the risk of engaging in Modern Slavery directly or via Tier 1 suppliers is considered low. The Group acknowledges that there is risk of Tier 2 or 3 suppliers operating in regions with higher prevalence of Modern Slavery practices and has identified this as an area for further understanding in the upcoming financial year.

Century Auto Group has identified areas for improvement regarding policies and due diligence processes currently in place as a means of minimizing the risk associated with Modern Slavery practices within the organization and supply chain. The Group acknowledges that without established processes and policies in place, the likelihood of detection of Modern Slavery practices is elevated; therefore, this has been identified as an area of risk.

As of the date of this Report, Century Auto Group has not identified any known or suspected Modern Slavery practices within operations or the supply chain that require remediation. However, areas for improvement have been identified for policies, employee training and due diligence processes to

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enhance the Group's ability to assess, identify and remediate risks of Modern Slavery in operations and the supply chain.

Assessment of Effectiveness in Eliminating Forced Labour or Child Labour from Supply Chains and Operations

Century Auto Group is committed to continually improving due diligence in operations and the supply chain to enable better identification and remediation of Modern Slavery practices. During the reporting period, the Group has not identified any instances of known or suspected Modern Slavery practices that require remediation. However, the Group has identified the following areas for improvement and areas for assessment in the upcoming financial year:

1. Identify Tier 2 suppliers including their country of domicile, the nature of products sourced including source country where available, and whether those suppliers have established policies and procedures regarding Modern Slavery practices;
2. Update policies and procedures in the Code of Conduct to directly address Modern Slavery practices including hiring policies and policies relating to employee reporting of dishonest, unlawful or unethical behaviour;
3. Develop mandatory employee training regarding Modern Slavery for those involved in procurement and the supply chain to build awareness and understanding;

Approval from Those Charged With Governance

This Report has been approved by the Owner of Century Auto Group.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in this 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 year listed above.



Ron MacGillivray, Owner

May 31, 2024

Date

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Schedule A: Entities Comprising “Century Auto Group”

Franchised Vehicle Dealerships

- Ron MacGillivray Chevrolet Buick GMC Ltd. (Nova Scotia)
- 3278724 Nova Scotia Limited (Century Honda) (Nova Scotia)
- 3323399 Nova Scotia Limited (Century Nissan) (Nova Scotia)
- 725371 NB Inc. (Century Subaru) (New Brunswick)
- Delaney Motors Inc. (Century Hyundai of Saint John) (New Brunswick)
- 3278725 Nova Scotia Limited (Century Hyundai) (Nova Scotia)

Warranty Financing Entities

- 3330792 Nova Scotia Limited (Nova Scotia)
- RWB78 Holdings Limited (Barbados)

Real Estate & Investment Holding Entities

- 3215992 Nova Scotia Limited (Nova Scotia)
- 3299524 Nova Scotia Limited (Nova Scotia)
- Maryvale Investments Limited (Nova Scotia)