



## **Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 Report**

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### **1. Introduction**

This report is made on behalf of Steele Auto Group Limited and all its subsidiaries (collectively “Steele Auto Group” or “the Company”), and in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Act”).

This report describes the actions taken by Steele Auto Group during the financial year ending **December 31, 2023**, to assess, prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of **section 11** of the Act. This represents the inaugural annual report prepared by Steele Auto Group under the Act.

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

Steele Auto Group, one of the largest and most diversified automotive groups in Canada, is currently comprised of 60 new auto dealerships, 5 used auto dealerships, 4 International Truck dealerships, 3 Powerhouse Equipment stores, and 9 collision centers based in Atlantic Canada, and Texas, United States. The Company is headquartered in Dartmouth, Nova Scotia.

The Company specializes in the retail sale of motor vehicles and parts as well as comprehensive vehicle servicing and repairs.

As a dealer of new and used vehicles and their parts, our supply chain is primarily based on the supply chain of automotive manufacturers (OEMs). Specifically, as an authorized dealer of brands including Acura, Audi, Chevrolet, Buick, General Motors of Canada, Chrysler, Ford, Lincoln, Honda, Hyundai, International Trucks, Jaguar, Land Rover, Kia, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Porsche, Subaru, Toyota, Volkswagen, and Volvo, most of the Company’s procurement spend is with vehicle manufacturers.

Steele Auto Group also purchases goods and services from other third-party suppliers. This includes vehicle OEM parts, office suppliers, vehicle related consumables such as paint, lubricants, fuel, cleaning products, and undercoating products.

### **3. Policies and Due Diligence Processes**

At Steele Auto Group, our organizational values define what we stand for and shape our character and culture. These values are the foundation that guides our individual and collective actions and include our people, integrity, innovation, and community.

The Senior Leadership team at Steele Auto Group collaborates closely to make strategic decisions, ensuring that all actions align with the company's goals and values. Due diligence is conducted through risk assessments and compliance checks to support and inform all decisions. Additionally, the Company engages with an advisory board, convening quarterly to review progress, provide insights, and offer guidance on key initiatives.

Further, as it relates to the fight against Forced Labour and Child Labour, Steele Auto maintains a list of each OEM's position on global modern slavery, forced labour and/or child labour, and their preventative commitments.

### **4. Assessment of Forced Labour and Child Labour Risks**

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 each manufacturer and relies on the assessment undertaken by these OEMs with regard to the extent of this risk. Steele Auto maintains a list of each OEM's position on global modern slavery, forced labour and/or child labour, and their preventative strategies.

### **5. Remediation of Loss of Income**

The Company has not identified any instances where measures implemented to eliminate forced labour or child labour from its supply chain have led to the loss of income, therefore, no remediation measures have been taken to address this issue.

### **6. Training**

The Company provides access to <https://www.walkfree.org/global-slavery-index/> through the Company's intranet site and is available to all employees upon hire.

For the upcoming reporting period, the Company will be integrating mandatory, comprehensive modern slavery awareness training for all staff to enhance the knowledge and recognition of modern slavery and its associated risks within our operations and supply chain.

## 7. Assessing Effectiveness

To date, the Company has not identified evidence of forced or child labour within its' supply chain. Therefore, we have not taken any action to assess its effectiveness in addressing the risks of forced labour and child labour in its activities and supply chains.

Nevertheless, Steele Auto Group is dedicated to the ongoing enhancement of its operations and supply chain diligence to mitigate and prevent modern slavery risks. In the upcoming reporting period, we intend to initiate several key activities to better understand and manage these risks:

1. Development of a formal statement on Forced Labour and Child Labour, which will be publicly available on the company's website.
2. Development of a Procurement Policy, which will incorporate the principles outlined in the Act and enhance due diligence processes as it relates to procurement. All employees responsible for procuring goods/services on behalf of the Company will be provided with training on this procurement policy.
3. Implementing tracking of relevant performance indicators, such as levels of employee awareness of forced labour and child labour through completion of mandatory training.
4. Conducting a revision and annual audit of our current policies and practices, including our Code of Conduct, to explicitly integrate the principles outlined in our Forced Labour and Child Labour Statement.
5. Monitoring our suppliers' measures and actions to address forced labour and child labour, including tracking relevant performance indicators and their respective policy statements.


## 8. 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: Kim Day

Title: President and COO

Date: May 31, 2024

Signature: 

I have the authority to bind Steele Auto Group Limited.