

Annual Report on Forced Labour and Child Labour in Supply Chains

This is the first report to be filed by Leggat Discovery Motors Inc. O/A Leggat Discovery Ford (Leggat) 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.

This report reflects Leggat's commitment to implementing and endorsing responsible business practices to prevent and reduce the risk of forced labour or child labour in our supply chains. This report sets out Leggat's plans to monitor our suppliers mainly Ford Canada (Ford) and what is being done to ensure forced and child labour is not part of our supply chain or employees.

1. Steps Taken in the Previous Financial Year to Prevent and Reduce Forced and Child Labour:

During the previous financial year, Leggat mapped out our supply chains to assess the risk of forced and child labour. Recognizing the complexity of our primary supply chain partner, which involves multiple tiers of suppliers globally, we understand that Ford is responsible for communicating and upholding standards to eliminate slavery and human trafficking within their supply chain. Additionally, Leggat has internal controls to ensure voluntary recruitment of new employees, including specific screening questions and document requirements including drivers license for all new hires.

2. Organizational Structure, Activities, and Supply Chains:

Founded in 1922 in Ontario, Canada, Leggat provides services including the sales of new and used vehicles, vehicle financing options, servicing and repairs, and the sale of vehicle parts in Canada. Leggat has a dealer agreement with Ford, and all employees and activities are based in Canada. Leggat is controlled by an individual who oversees other entities within the retail automotive industry.

3. Policies and Due Diligence Processes:

Leggat is committed to preventing forced and child labour through thorough employment screening procedures for prospective employees. This includes job applications, questionnaires, resume screenings, and the enrollment of new employees into our HR system, which requires personal information. Our screening process includes verifying candidates' eligibility to work in Canada, possession of a valid social insurance number and driver's license.

4. Risk Assessment and Management in Business and Supply Chains:

The greatest risk of forced or child labour within our business likely lies within our parts and vehicle supply chain, substantially sourced from Ford. To assess and manage this risk, we have reviewed the anti-slavery and human trafficking statements from our manufacturers. We will continue to engage in dialogue with our suppliers to ensure they take measures to prevent forced or child labour in their manufacturing processes.

5. Remediation Measures:

No specific instances of forced or child labour have been identified, so no remediation activities have been undertaken. Should such instances be discovered, we will take appropriate measures to address the issue.

6. Measures for Vulnerable Families:

As we have not identified any vulnerable families impacted by our actions to eliminate forced or child labour, no measures have been taken in this area.

7. Employee Training on Forced and Child Labour:

We have trained our managers to use a standard screening questionnaire during interviews. This includes verifying eligibility to work in Canada, possession of a valid social insurance number, driver's license, and conducting age verification if candidates appear too young.

8. Effectiveness Assessment:

To the best of our knowledge, no instances of forced or child labour have been identified within our operations or supply chain. We commit to continuous monitoring of our operations and supply chain to prevent unethical practices.

Approval of the Report:

This report has been approved by the Board of Directors of Leggat Automotive Group on May 28, 2024, in accordance with the requirements of the act, particularly section 11. I attest that I have reviewed the information contained in this report for the entities listed above. Based on my knowledge and reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the reporting year listed above.

Full name: Brian Leggat

Title: President

Date: May 30, 2024

Signature: *Brian Leggat*

I have the authority to bind Leggat Discovery Ford