Davis Auto Group Ltd. & its Subsidiaries

Ensuring Franchise Compliance with Canadian Bill S.211: Upholding Ethical Sourcing Standards

In the realm of franchise operations, maintaining regulatory compliance is pivotal to upholding ethical standards and ensuring legal conformity. Central to this endeavor is adherence to legislative mandates such as Canadian Bill S.211, which mandates transparent sourcing practices within the retail sector. As a franchise dependent on our franchisor for product procurement, our commitment to compliance with Bill S.211 is integral to our operational ethos.

Given our status as a franchise, our compliance with Canadian Bill S.211 is contingent upon the practices of our franchisor, from whom we procure our retail products. Recognizing this interdependence, we have undertaken diligent efforts to ensure that our franchisor aligns with the provisions outlined in Bill S.211. Through formal inquiries and due diligence processes, we have obtained assurances from our franchisors regarding their adherence to the legislative requirements.

The supply chains of automotive and heavy equipment franchisors are large, complex and multi-staged. As a retailer, we are at the end of the chain and entirely dependent on those franchisors to ensure compliance with Bill S.211. Further our franchise agreements are very limited in how and when we obtain information on those supply chains. Examples of these limitations include being required to receive products from the manufacturers, and our inability to audit or obtain specific documentation from them. While we are limited in our ability to audit these supply chains, our suppliers all have robust and comprehensive Environmental and Social Governance programs which fully cover the scope of Bill S.211. Each of our primary suppliers have also confirmed awareness of the new legislation, which is specific to Canada.

We recognize the significance of sourcing products from suppliers who uphold ethical standards, treat their workers fairly, and prioritize environmental sustainability. We also have the utmost confidence in our suppliers of their Environmental & Social Governance programmes, to which compliance with this bill would form a significant part.

Moreover, our compliance efforts extend beyond mere regulatory conformity to encompass a proactive stance towards ongoing regulatory developments and industry best practices. Through continuous monitoring and engagement with relevant stakeholders, we remain vigilant to emerging trends and evolving standards in ethical sourcing, ensuring that our operations remain aligned with the evolving regulatory landscape.

In conclusion, our franchise's adherence to Canadian Bill S.211 underscores our commitment to ethical sourcing practices, regulatory compliance, and corporate integrity. By verifying our franchisor's compliance status and integrating ethical sourcing principles into our operational framework, we not only meet the requirements of Bill S.211 but also foster trust and confidence among our stakeholders. As we continue to navigate the complexities of the franchise landscape, our pledge to uphold the provisions of Bill S.211 remains steadfast, reflecting our enduring commitment to ethical business conduct and consumer protection.

Below you will find web links to our primary suppliers’ investor relations or ESG reports, as these form a foundation on which our own compliance is based. These suppliers make up 89% of our total supply chain of hard goods.

[General Motors](https://www.gmsustainability.com/)

[Subaru](https://ourimpact.subaru.com/measuring-our-impact/)

[Ford](https://shareholder.ford.com/Investors/esg/default.aspx)

[Stellantis](https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/stellantis/2022/Stellantis-2022-CSR-Report.pdf)

[Nissan](https://www.nissan-global.com/EN/SUSTAINABILITY/LIBRARY/SR/2023/)

[Hyundai Construction Equipment America](https://esg.hd.com/en/main)

[Bobcat](https://www.doosanbobcat.com/en/management/esg_result)

Schedule A – legal entities

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| **Legal Name** | **GST number** |
| Davis Auto Group Ltd. | 802643734 RT0001 |
| Davis GMC Buick Ltd. | 121413785 RT0001 |
| Davis GMC Buick (Medicine Hat) Ltd. | 858652795 RT0001 |
| Davis Chevrolet GMC Buick Ltd. | 807121280 RT0001 |
| Bridge City 2023 Ltd (Bridge City Chrysler) | 757401815 RT0001 |
| Davis Chevrolet GMC Buick (Claresholm) Ltd. | 829879071 RT0001 |
| Davis Chevrolet GMC Buick (Brooks) Ltd. | 827263351 RT0001 |
| Davis Dodge Chrysler Jeep Ram Ltd. | 807019179 RT0001 |
| Westlock Motors Ltd | 895212397 RT0001 |
| Scougall Motors Ltd. | 841569346 RT0001 |
| 2070121 Alberta Ltd. (Okotoks Nissan) | 773513288 RT0001 |
| Chinook Equipment Ltd. | 784146730 RT0001 |
| Davis Imports Ltd. (Subaru of Lethbridge) | 815912696 RT0001 |
| Kicking Horse Ford (2021) Ltd | 789673407 RT0001  |
| Bridge City Chrysler (2023) Ltd | 757401815 RT0001 |
| D2 Autobody Okotoks Ltd (Fix Auto Okotoks, Fix Auto Nanton) | 737971481 RT0001 |
| Wild Roads Rentals Ltd (National Car Rental) | 764431698 RT0001 |
| D2 Autobody Lethbridge Ltd. (Fix Auto Lethbridge) | 819820762 RT0001 |
| D2 Autobody Airdrie Ltd. (Fix Auto Airdrie) | 740996095 RT0001 |
| 8086168 Canada Inc (Fix Auto Calgary South Central) | 835789306 RT0001 |
| D2 Autobody Central Services Ltd. | 703938670 RT0001 |
| D2 Autobody Pincher Creek Ltd. | 799456066 RT0001 |
| D2 Autobody Kelowna Ltd. | 793789801 RT0001 |
| Renascent Collision Chilliwack Ltd (Fix Auto Chilliwack) | 863891008 RT0001 |
| H&R Collision and Glass Ltd. (Fix Auto Abbotsford East) | 790164339 RT0001 |
| Abra Preserve Inc (Fix Auto Vernon Central) | 100018589 RT0001 |
| Manfred’s Autobody (Fix Auto Vernon North) | 872611009 RT0001 |
| Pro Body 1998 Ltd. (Fix Auto Salmon Arm) | 870306461 RT0001 |
| Shift Real Estate Investments LP | 744240896 RT0001 |
| Shift Real Estate Management Ltd | 716223540 RT0001 |
| Nimbus PDR Ltd. | 702528290 RT0001 |
| Davis Wholesale Ltd. | 833273790 RT0001 |