

REPORT ON EFFORTS TO ADDRESS FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

Prepared by Jim Penney Limited & Operate under the Trade Name - Kelly Ford
Reporting Period: January 1, 2023 to December 31, 2023

1 INTRODUCTION

Kelly Ford is a Canadian-based company engaged in the purchase of new vehicles from Ford Motor Company of Canada and the subsequent sale of these units to Canadian residents in the Province of Newfoundland & Labrador and other Atlantic Canada provinces. This report outlines our efforts to address forced labour and child labour in our supply chains as mandated by the Forced Labour and Child Labour in Supply Chains Act.

2 COMMITMENT STATEMENT

Kelly Ford is committed to upholding human rights and ethical sourcing practices. We recognize the importance of eradicating forced labour and child labour from our supply chains and are dedicated to ensuring compliance with relevant laws and standards.

3 STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

3.1 STRUCTURE

Jim Penney Limited is multi-location new and used automotive dealership operating under the trade name Kelly Ford. Its primary focus of operations is in Newfoundland & Labrador, and at times, the Atlantic region of Canada. Its corporate head office is located in Gander at 105 Laurel Road, in the Province of Newfoundland & Labrador. Its satellite sub-store is located in Grand Falls-Windsor at 11 Station Road, in the Province of Newfoundland & Labrador. As of December 31, 2023, both sales & service locations operate under the Ford brand. Kelly Ford operates with approximately 65 full-time employees, located exclusively in the Province of Newfoundland & Labrador, Canada. It's been servicing the central portion of the province with automotive sales, Service, Parts & collision repairs since 1965.

3.2 ACTIVITIES AND SUPPLY CHAINS

Kelly Ford does not directly control any activities or supply chains related to the procurement, manufacturing or production of vehicles. All aspects of our supply chain, including sourcing, materials and manufacturing, are administered by Ford Motor Company of Canada.

4 RISK ASSESSMENT

Given our limited scope of operations focused on vehicle sales and service, we have assessed our supply chain for potential risks related to forced labour and child labour. Our analysis indicates minimal risk due to the nature of our business and direct engagement with our manufacturer, Ford Motor Company of Canada.

5 DUE DILIGENCE MEASURES

Kelly Ford currently does not have specific policies or due diligence processes related to forced labour and child labour. This is due to our business model, which involves purchasing vehicles directly from Ford Motor Company of Canada, a reputable Canadian entity, and selling them exclusively to Canadian individuals and entities.

6 MONITORING AND COMPLIANCE

We monitor compliance through regular communication with Ford Motor Company of Canada regarding their labour practices and supply chain integrity. While we do not conduct independent audits due to our specific business model, we rely on Ford's assurances of compliance with applicable federal laws and standards, as outlined in Ford Motor Companies Global Modern Slavery and Human Trafficking Transparency Policy Statement for their financial year ending December 31, 2023.

7 PARTS OF BUSINESS AND SUPPLY CHAINS AT RISK

Kelly Ford operates within a dealer purchase agreement relationship with Ford Motor Company of Canada and does not control the supply chain or carry any risk of forced labour or child labour at the dealer level. Therefore, we have not taken specific steps to assess or manage such risks within our operations.

8 REMEDIATION ACTIONS

Kelly Ford has not taken any specific measures to remediate the loss of income to vulnerable families resulting from efforts to eliminate forced labour or child labour. Our dealer purchase relationship with Ford Motor Company of Canada limit our ability to directly influence such issues outside of our control as a Canadian operating dealership entity.

9 TRAINING PROVIDED TO EMPLOYEES

No training has been provided to employees specifically on forced labour and child labour due to our current structure and activities within the dealer purchase relationship with Ford Motor Company of Canada. However, we acknowledge the importance of such training and commit to providing it in the future should there be changes in our entity's activities or supply chain structure.

10 ASSESSING EFFECTIVENESS

Kelly Ford does not have a direct way to assess the effectiveness of ensuring that forced labour or child labour are not being used in the supply chain due to our business relationship with Ford Motor Company of Canada. However, we operate in accordance with the Canadian code of conduct and laws that govern business and individuals in Canada, both federally and provincially, to uphold ethical practices and comply with all Canadian labour standards.

11 REPORTING AND TRANSPARENCY

We commit to annual reporting as required by the Forced Labour and Child Labour in Supply Chains Act. This report will be made available to relevant stakeholders, including customers, employees, and government agencies, to demonstrate our commitment to ethical sourcing.

12 FUTURE COMMITMENTS

Moving forward, Kelly Ford will continue to prioritize ethical business practices and collaborate with suppliers like Ford Motor Company of Canada to further strengthen supply chain transparency and compliance with labour standards.

13 APPROVAL

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Kelly Ford.

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 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.

I make the above attestation in my capacity as a director for and on behalf of the Board of Directors of Kelly Ford.

I have the authority to bind Kelly Ford

Signature



Corey Kelly
Jim Penney Limited (O/A Kelly Ford)
Director/Dealer Principal

Date May 17, 2024