



Introduction

This report is made on behalf of Lally Sales and Service Ltd. ("Company") and describes the actions taken by the Company 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 Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Act"). This Report constitutes the first report prepared by the Company under the Act.

Structure, Activities and Supply Chains

The Company is a privately held corporation located in Tilbury, Ontario (78 Mill Street West, Tilbury, Ontario, N0P 2L0).

The Company specializes in the retail sale of motor vehicles, new and used, and parts as well as comprehensive vehicle servicing and repairs. All operations for the Company are located at the 78 Mill Street West location in Tilbury, Ontario.

As a dealer of new and used vehicles and their parts, our supply chain is primarily based on the supply chain of automotive manufacturers. Specifically, as an authorized Ford dealer, the majority of the Company's procurement spend is with Ford. The Company supports and relies upon the Ford Motor Company of Canada, Limited, their policies, reporting, and longstanding commitment to protecting human rights.

The Ford Motor Company's report for the financial year ending December 31, 2023 is provided below (link). Specifically, Appendix D, referencing the Index for Canadian Fighting Against Ford Labour and Child Labour in Supply Chains Act.

<https://corporate.ford.com/content/dam/corporate/us/en-us/documents/legal/global-modern-slavery-and-human-trafficking-transparency-statement.pdf>

We also purchase goods and services from other third-party suppliers. Purchases would include parts, components and accessories for vehicles and customers, as well as office supplies for business use. The Company adheres to processes and procedures to ensure we are only purchasing from reputable suppliers that we and our customers can rely upon to stand behind their products. Our new supplier approval and verification package prioritizes service, reliability, and credibility over the lowest price.

Policies and Due Diligence Processes

In addition to supporting human rights within our own operations, we are committed to ensuring our suppliers do the same. Our expectations for supplier relationships remain high, and during the selection or sourcing of new suppliers, management must be presented with confidence that the supplier can perform under all required obligations, but also do so in a responsible and lawful manner. Our supplier approval process remains focused on the qualitative over the quantitative.

During this review process, we have identified an opportunity within our supplier approval and review process to request they provide their report or reference to their Statement on Canada's Modern Slavery Act. Suppliers unable to provide their report or associated findings will be required for additional screening, and may result in the selection of an alternative supplier. While this would again represent a very limited number of suppliers, we will undertake the process to ensure our supply chains remain free from any potential slavery, forced labour, child labour and/or human trafficking.

The Company's Human Resources Employee Handbook and Policy Manual draws specific attention to Corporate and Social Responsibility, Business Code of Conduct, Human Rights Commitment, and our Commitment to Health and Safety. During this review process, we have identified another opportunity to update our Human Resources Employee



Handbook and Policy Manual to include specific reference to Forced Labour and Child Labour to better cover specific actions and ensure it is front of mind for all employees within the Company.

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 Ford, it relies on the assessment undertaken by Ford with regards to the extent of this risk.

The Ford Motor Company's report for the financial year ending December 31, 2023 is provided below (link). Specifically, Appendix D, referencing the Index for Canadian Fighting Against Ford Labour and Child Labour in Supply Chains Act.

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Remediation Measures

The Company has not identified any instances of forced labour or child labour in its supply chain, and so no remediation measures have been taken.

Remediation of Loss of Income

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

Training

The Company provides annual mandatory training and review of the Human Resources Employee Handbook and Policy Manual, inclusive of the Corporate and Social Responsibility, Business Code of Conduct, Human Rights Commitment and our Commitment to Health and Safety. This annual review and training is company-wide.

Assessing Effectiveness

The Company has not taken any action to assess its effectiveness in addressing risks of forced labour and child labour in its activities and supply chains.

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.

Adam Lally
President

A handwritten signature in black ink, appearing to read "Adam Lally", written over a horizontal line.

May 28, 2024

I have the authority to bind Lally Sales and Service Ltd.



Appendix A

Index for Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act

Note – Column D below provides the Ford Motor Company response and references within their report, shown under Appendix D.

<https://corporate.ford.com/content/dam/corporate/us/en-us/documents/legal/global-modern-slavery-and-human-trafficking-transparency-statement.pdf>

A	B	C	D
Requirement #	Requirement description per Act Section 11	Lally Ford Response	Location in Ford MSS and Reference
1	A description of the steps taken to prevent and reduce risks of forced labour and child labour, as per subsection 11(1)	Page 2: Assessment of Forced Labour and Child Labour Risks	Pages 3 - 5: Assessment of Risks, Due Diligence and Verification
	Supplementary information addressing each of the seven requirements in subsection 11(3):		
2	(a): The entity's structure, activities and supply chains	<p>Page 1: Lally Sales and Service Ltd. is a privately held corporation located in Tilbury, Ontario (281 Cranston Cres, Tilbury, Ontario, N0P 2L0).</p> <p>Business activities include,</p> <ul style="list-style-type: none"> • New vehicle sales, • Used vehicle sales, • Vehicle repairs and service, • Parts, and • Body Shop – vehicle repairs <p>Operating as a full service Ford dealership, our vehicles and parts are sourced from Ford Motor Company, and their associated facilities.</p>	<p>Page 1: Ford Motor Company Overview Additional information: Ford Motor Company of Canada, Limited is a corporation headquartered in Oakville, Ontario (1 The Canadian Road, Oakville, Ontario, L6J 5E4) and is a wholly owned subsidiary of Ford Motor Company. Known as Ford of Canada, its business includes vehicle assembly and distribution, engine manufacturing, research, development and innovation, marketing, and sales and service through a network of independent authorized dealers. Ford and Lincoln motor vehicles sold in Canada are sourced from Ford facilities around the world, including the USA. Ford of Canada's supply chain policies and procedures, including steps taken to prevent and reduce risks of forced labour and child labour therein, are the same as the Ford global policies and procedures described in this Global Modern Slavery and Human Trafficking Transparency Statement for the Financial Year Ending on December 31, 2023.</p>



A	B	C	D
Requirement #	Requirement description per Act Section 11	Lally Ford Response	Location in Ford MSS and Reference
3	(b): Policies and due diligence processes in relation to forced labour and child labour	Pages 1 – 2: Policies and Due Diligence Processes	Pages 2 - 3: Child Labor, Forced Labor and Human Trafficking Policies
4	(c): The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk	Page 2: Assessment of Forced Labour and Child Labour Risks	Pages 3 - 5: Assessment of Risks, Due Diligence and Verification
5	(d): Any measures taken to remediate any forced labour or child labour	Page 2: Assessment of Forced Labour and Child Labour Risks	Pages 3 - 5: Assessment of Risks, Due Diligence and Verification
6	(e): Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains	Page 2: Assessment of Forced Labour and Child Labour Risks	Pages 3 - 5: Assessment of Risks, Due Diligence and Verification
7	(f): The training provided to employees on forced labour and child labour	Page 2: Training	Pages 8 - 9: Global Internal/External Training
8	(g): How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains	Page 2: Assessing Effectiveness	Pages 5 - 7: Supplier Audits and Effectiveness