

Forced Labour in Canadian Supply Chains

This is a joint report for two entities under common ownership and with similar business activities and supply chain activities:

Courtesy Ford Lincoln Sales Limited (“CFL”) – Business Number 103775086

St. Thomas Ford Lincoln Sales Limited (“STFL”) – Business Number 101550697

This report covers the period January 1, 2023 – December 31, 2023.

CFL and STFL are deemed to be entities for this report because of the following reasons as laid out in the Act:

- Has a place of business in Canada
- Does business in Canada
- Has assets in Canada
- Has at least \$20 million in assets for at least one of its two most recent financial years
- Has generated at least \$40 million in revenue for at least one of its two most recent financial years

Overview and action plan:

Per section 11 of the act, after conducting an internal assessment, the group is currently in the process of amending the employee handbook to include policies and procedures required of procuring employees to mitigate the risks of forced labour and/or child labour in the organizations activities and supply chains. The group believes these risks are mitigated, as much of our supply chain comes from the Ford Motor Company of Canada (“Ford”). This will make it easier to identify potential risks and remediate them as soon as possible, as opposed to having to do this for multiple suppliers. Ford produces all cars in North America and has a strong reputation for adhering to local and global employment standards and regulations.

Structure and Supply Chain (a):

Both entities are car dealerships, located in Ontario, solely sell Ford automobiles, along with Ford parts and accessories. Both entities are corporations that perform daily business in Canada. CFL is located in London Ontario and STFL is located in St. Thomas Ontario. There are approximately 150 employees of the group. As mentioned above, all automobiles available for sale are produced by Ford. Ford has numerous production plants across North America. The finished product is then shipped to Canada and distributed to the various dealerships to be sold to the end customer. There are strict export restrictions with selling to the US, therefore all units are sold to customers in Canada.

Policies and due diligence (b):

While all vehicles are purchased from Ford, there are times where parts and accessories are purchased from local suppliers when not available by Ford. All of these suppliers are located in Ontario. The group is currently in the process of increasing our due diligence of these suppliers to reduce the risk of forced and/or child labour with these suppliers. If the group uncovers any possible risks with these new suppliers, further action will be considered by management.

Risks (c):

The largest area or risk where the group could be exposed to forced labour in the supply chain would be the manufacturing of new automobiles by Ford. The group believes these risks are mitigated due to the following factors:

- Reputation of Ford over the years
- Ownership of the group has been a Ford dealer for over 20 years and has developed strong relationships and trust with Ford and has never experienced anything issues with forced/child labour
- Geographical locations where production occurs (North America).

The group will continue to perform internal and external assessments of all aspects of the supply chain to ensure continued compliance.

Remediation and training (d) and (f):

The group is not aware of any instances where there has been forced and/or child labour used at any stage of the supply chain. We will continue to perform due diligence with new suppliers and perform internal and external assessments of our operations and supply chains. Training and updated policies will be provided to the necessary employees and management going forward.

Remediation of loss of income (e):

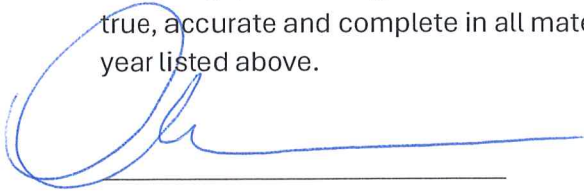
This section is not applicable as there have been no instances of forced and/or child labour to the groups supply chain.

Assessing effectiveness (g):

Since the group is still in the process of implementing policies and procedures for employees, the effectiveness of these has not been assessed as of now. The group will monitor the progress of the employees that are affected by the training and ensuring full compliance with the programs.

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 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.



Meghan Ruffilli
President, Courtesy Ford Lincoln
May 31, 2024



Billy Eansor
President, St. Thomas Ford Lincoln
May 31, 2024