Trillium Ford Lincoln Ltd.

Forced Labour and Child Labour in Supply Chains Trillium Ford Lincoln Assessment

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Introduction

This report is **Trillium Ford Lincoln Ltd.'s** response to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

Trillium Ford Lincoln Ltd. satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

The financial reporting year of **Trillium Ford Lincoln Ltd.** covered by this report is January 1, 2023 to December 31, 2023.

Overview, Activities & Supply Chain

Overview

Trillium Ford Lincoln Ltd. Dealership in Alliston and Shelburne is a premier automotive retailer operated by a dedicated team committed to providing top-notch service and quality vehicles. As an independent dealership, Trillium Ford Lincoln Ltd. offers an extensive range of new and pre-owned Ford & Lincoln vehicles, featuring the latest models and a selection of certified used cars. The dealership prides itself on a customer-centric approach, ensuring personalized service and support throughout the entire car-buying process. Our knowledgeable sales team is dedicated to helping customers find the perfect vehicle to meet their needs, while our finance experts work tirelessly to secure the best financing options. Additionally, Trillium Ford Lincoln Ltd.'s state-of-the-art service center is staffed with certified technicians ready to handle all maintenance and repair needs.

Activities

Individual Consumers: This includes individuals looking to purchase a vehicle for personal use, such as commuting, family transportation, or recreational activities as well as but not limited to the purchase of parts, accessories, and mechanical services.

Fleet Buyers: Businesses or organizations that purchase vehicles in bulk for commercial purposes, such as delivery services, transportation companies, or government agencies.

Leasing Companies: We work with multiple leasing companies who purchase vehicles from us. If required customers can leverage leasing solutions from Ford or our in-house leasing portfolio.

Corporate Clients: Businesses that purchase vehicles for corporate use, such as company cars for employees or executive fleets as well as but not limited to the purchase of parts, accessories, and mechanical services.

Government Agencies: Federal, provincial, or local government entities that purchase vehicles for official use, such as law enforcement, public transportation, or municipal services. Throughout the reporting

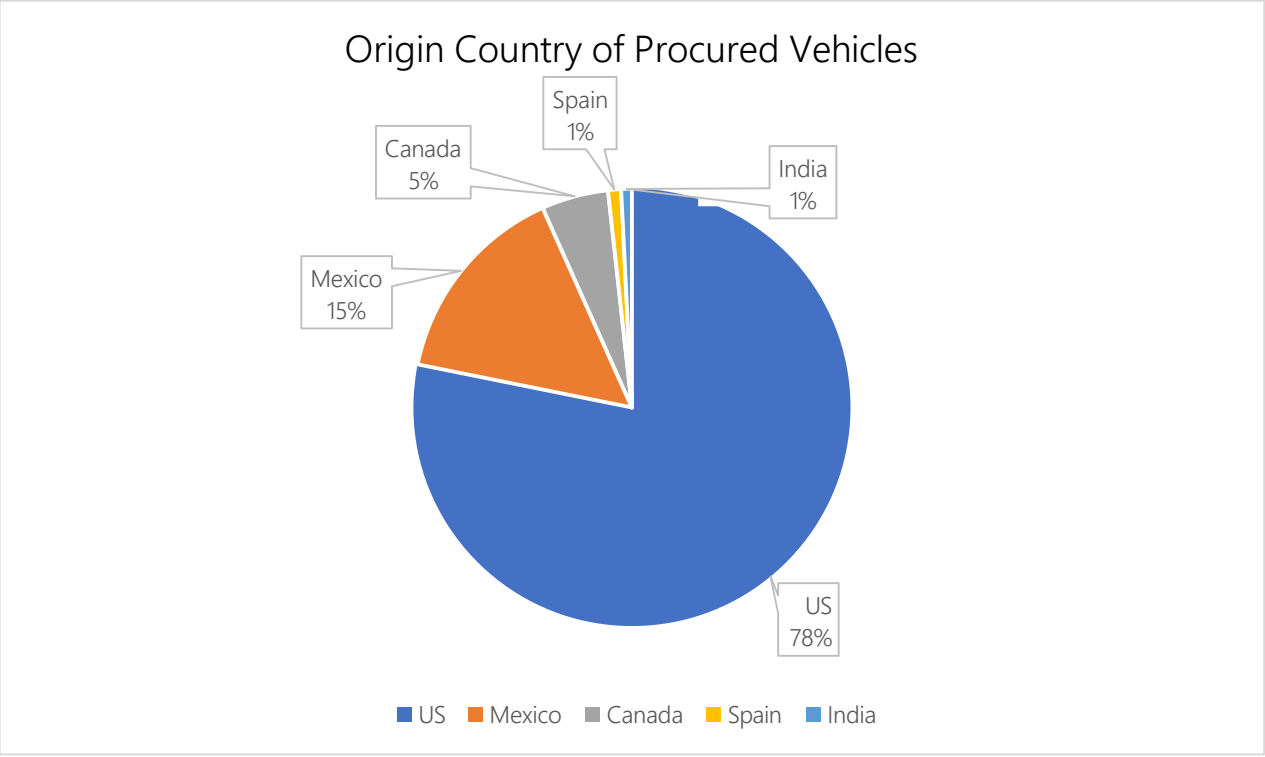
period covered in this report, Trillium Ford Lincoln Ltd. did not have any provincial or federal contracts. We do provide delivery of vehicles that were purchased directly from Ford by the Department of National Defense. In these instances, we provide a delivery service to the respective government entity for a delivery fee, with the vehicle being purchased directly from Ford Canada.

Specialized Markets: Dealerships may also cater to specialized markets, such as luxury vehicle buyers (vehicles that exceed the $100K mark and require luxury tax), performance car enthusiasts, or niche segments like electric vehicles or hybrid vehicles.

Trillium Ford Lincoln Ltd. employs 76 people who are all above working age, and have been identified through SIN, residency etc.

Supply Chain

The main categories of purchase are in the form of our new vehicles purchased from Ford. The below chart highlights the different countries of manufacturing such as Canada, USA, Mexico. There is a very small percentage of vendors from India and Spain as seen below:



Policies & Due Diligence Processes

Policy	Description	Support in Mitigating the Risks of Forced Labour and Child Labour
Health and Safety	▪ Implementation of a program for conducting routine health and safety inspections to identify and eliminate unsafe working conditions or practices and control health hazards .▪ Communication of applicable safety objectives to those persons and organizations that Trillium Ford Lincoln Ltd. owns a responsibility. ▪ Company-wide health and safety policies requiring the investigation of serious incidents to determine its cause; correct the problem and reduce the likelihood of it reoccurring	By prioritizing health and safety, Trillium Ford Lincoln Ltd. ensures employees have a secure workplace environment. In such an environment, the risk of exploitation, including forced labour and child labour, is minimized. In addition, emphasizing health and safety also demonstrates broader organizational values, ethical conduct, and transparency within the organization. This transparency can extend to labour practices, making identifying and addressing any instances of forced labour or child labour easier.
Workplace Violence and Harassment	Trillium Ford Lincoln Ltd. is dedicated to ensuring that employees can complete their duties in a safe environment, without fear of bullying or any harassment or violence related to bullying. As such, Trillium Ford Lincoln Ltd. will not tolerate and is dedicated to preventing any instance of bullying in the workplace.	Trillium Ford Lincoln Ltd. highlights the process followed internally in reporting and addressing workplace violence and harassment events. Therefore, the workplace violence and harassment policy, can be leveraged and adapted in future if an issue were to arise related to forced labour or child labour. The similar framework process is a mechanism in place to identify and alert the management at Trillium Ford Lincoln Ltd. who then would tend to the resolution efforts.
Whistleblower	A whistleblower as defined by this policy is a person who reports an activity that they consider to be illegal or dishonest to one	Currently, Trillium Ford Lincoln Ltd. has no whistleblower policy, but this is

	or more of the parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.	something we are looking into implementing to promote workplace safety even further.
Supplier Onboarding Process / Document	Prequalification: Before onboarding a supplier, conduct thorough due diligence to ensure they meet your criteria for quality, reliability, financial stability, and ethical standards. This may involve background checks, audits, and assessments of their capabilities and track record. Documentation and Contracts: Provide new suppliers with the necessary documentation, such as contracts, terms and conditions, and compliance requirements. Clearly outline expectations regarding pricing, delivery schedules, quality standards, and other relevant terms. Communication: Establish clear lines of communication with the supplier and designate a point of contact for inquiries, updates, and issue resolution. Foster open and transparent communication to build trust and collaboration. Training and Support: Provide training and support to help suppliers understand your processes, systems, and expectations. This may include training sessions, documentation, and access to online resources or support channels. Quality Assurance: Implement quality assurance processes to ensure that the	Trillium Ford Lincoln Ltd. highlights the process internally how a supplier is shortlisted, evaluated, and onboarded into the Trillium Ford Lincoln Ltd.'s eco-system as a long-term supplier. The current supplier onboarding framework will be adapted in the future to ensure a thorough review and ongoing reporting of forced or child labour practices. This includes an evaluation of their practices, especially in industries where there is an inherent risk of such labour in their supply chains. Furthermore, if a supplier is found to use forced or child labour, Trillium Ford Lincoln Ltd. will disqualify them as a supplier.

	products or services provided by the supplier meet your quality standards. This may involve conducting inspections, testing samples, and monitoring.	
Procurement Terms and Conditions	Procurement terms and conditions are the legal and operational guidelines that govern the relationship between a buyer and a supplier during the procurement process. These terms and conditions typically cover various aspects of the procurement transaction, including pricing, payment terms, delivery, quality standards, warranties, dispute resolution, and compliance requirements.	Trillium Ford Lincoln Ltd.s existence of such terms and conditions ensures that suppliers are bound to comply with listed product standards and other terms & conditions of the business. Though existing purchase contracts or purchase order terms & conditions do not incorporate supplier compliance with non use of forced labour and child labour practices in production or their supply chain; Trillium Ford Lincoln Ltd. and the Procurement Manager will ensure there is adequate reporting and compliance terms built and communicated in new contracts to ensure expected results are achieved.

Supply Chain Risk Assessment

A risk assessment over Trillium Ford Lincoln Ltd.s' country of operation, country of suppliers and types of goods procured has been performed over material direct suppliers. This risk assessment used two separate indices to conclude on inherent risk of child and/or forced labour related to goods and countries - *Walk Free's Global Slavery Index and the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour.*

Goods Procured

There are many goods that are used in Trillium Ford Lincoln Ltd.'s operations as a dealership for Ford. The goods purchased are finished items like the vehicles (used or from Ford), but also purchases for maintenance occur as well, such as engine repairs, transmission systems, suspension, brakes, electrical systems, and exhaust systems. The main raw material categories that all of the above fall into (and are within the US index used as mentioned above) are as follows:

1. Iron – High
2. Electronics – Extreme

3. Glass – High
4. Rubber – Extreme
5. Steel – High

A risk assessment on those goods has been conducted and identified an initial inherent risk of forced and/or child labour in each. This does not mean there is child labour or forced labour present in Trillium Ford Lincoln Ltd.s' supply chain, it is rather the inherent potential.

Countries Which Goods Are Procured From

Trillium Ford Lincoln Ltd. sources most of its goods, approximately 98%, from North America. This includes Canada and the United States, both of which have a lower risk of child and forced labour. However, it is important to note that while Mexico is also a significant source within North America, it is classified as having an extreme risk of such labour practices. Additionally, less than 2% of Trillium Ford Lincoln Ltd.'s procurement comes from international sources, specifically India and Spain. Spain is considered low risk for child and forced labour, whereas India is categorized as extreme risk.

It is crucial to understand that these risk assessments are general representations of the countries and do not imply that Trillium Ford Lincoln Ltd. supports or collabourates with vendors who engage in child labour. Trillium Ford Lincoln Ltd. is committed to ethical sourcing and ensures that all its vendors adhere to strict labour standards, irrespective of the inherent risks associated with their countries as mentioned previously.

Remediation of Forced & Child Labour

At Ford Motor Company, we are deeply committed to eliminating child labour and forced labour within our supply chain through a comprehensive and proactive approach. Our stringent Supplier Code of Conduct mandates that our suppliers adhere to the highest standards of human rights, explicitly prohibiting the use of child labour and forced labour. We ensure our suppliers comply with international labour conventions, such as the International Labour Organization's Minimum Age Convention (No. 138) and the Worst Forms of Child Labour Convention (No. 182), which establish strict age and working condition requirements.

To address and remediate issues of child and forced labour, we conduct regular human rights risk assessments and audits across our supply chain. These audits, performed through independent third-party programs like the Responsible Business Alliance's Validated Assessment Program, include worker interviews and facility inspections to ensure compliance with human rights standards. When non-compliance is identified, we require suppliers to implement corrective action plans and provide continuous monitoring to ensure remediation efforts are effective.

We have also established a robust due diligence process that includes the use of Sustainability Self-Assessment Questionnaires for our suppliers, helping to identify and mitigate risks related to labour practices. We actively engage with our suppliers through training and capacity-building programs, emphasizing ethical recruitment practices and the prohibition of recruitment fees and misleading practices.

Furthermore, our public commitments to human rights are reinforced through our participation in multi-stakeholder initiatives and industry groups, such as the United Nations Global Compact and the Responsible Business Alliance. These partnerships help us stay aligned with global best practices and promote broader industry efforts to combat child labour and forced labour.

Overall, our holistic approach to human rights and labour practices ensures that our supply chain is continually monitored and improved to prevent and address any instances of child labour and forced labour, demonstrating our unwavering commitment to ethical business conduct and social responsibility.

Remediation of Vulnerable Family Income Loss

To date, Trillium Ford Lincoln Ltd. has not identified instances or risks of the use of child labour or forced labour within their or suppliers' operations. Trillium Ford Lincoln Ltd. is continuing to examine its procurement practices to strengthen the thoroughness of its due diligence procedures, which also involves increasing awareness among its suppliers.

Awareness Training

Trillium Ford Lincoln Ltd. currently has a mandatory training video regarding child and forced labour. Alongside, the video, Trillium Ford Lincoln Ltd. has policies outlined, as part of the onboarding process, new hires review our standards and expectations, which can encompass sections addressing child labour, forced labour, abuse, harassment policies, and employee conduct. Recognizing the need for improved training in this regard, Trillium Ford Lincoln Ltd. plans to assess suitable staff training soon on the direct topic.

Assessing Effectiveness

To track Trillium Ford Lincoln Ltd.'s effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Trillium Ford Lincoln Ltd. Activities

Trillium Ford Lincoln Ltd. will persist in tracking refusal-to-work incidents, investigating each report to ascertain any relevance to forced labour or child labour. Trillium Ford Lincoln Ltd. maintains a zero-tolerance policy towards workplace harassment, ensuring all reported incidents are promptly conveyed to the CEO/member of management along with an action plan for timely resolution.

Supplier Activities

To address child labour and forced labour concerns, Trillium Ford Lincoln Ltd. already has clauses in supplier agreements outlining zero tolerance. It specifies repercussions if such instances are found. As mentioned before, our suppliers are to strictly follow the supplier code of conduct we have outlined which mentions prevention, and zero tolerance for child labour and/or forced labour.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Trillium Ford Lincoln Ltd. has taken some of the following steps to prevent and reduce the risk of child labour or forced labour in our activities and supply chain:

1. Mapping supply chains
2. Supplier questionnaires
3. Anti-forced labour and/or child labour contractual clauses
4. Anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists
5. Assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
6. Gathering information on worker recruitment and adding internal controls
7. Supplier due diligence policies
8. Enacting measures to remediate the income loss of forced labour and/or child labour
9. Training and awareness materials
10. Procedures to track performance.

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 Trillium Ford Lincoln Ltd. Sales (Kingston) Ltd. 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.

Full Name: Eric Vant Spyker

Date: 05/01/2024

Title: President/Owner

Signature: 

Eric Vant Spyker (May 31, 2024 14:29 EDT)

I have the authority to bind Trillium Ford Lincoln Ltd. and this report covers fiscal year January 1 2023 to December 31, 2023.