

Joint Report
*Fighting Against Forced Labour and Child Labour
in Supply Chains Act for:*

TOYOTA BOSHOKU AMERICA, INC.
TOYOTA BOSHOKU CANADA, INC.
TOYOTA BOSHOKU INDIANA, LLC

APRIL 29, 2026

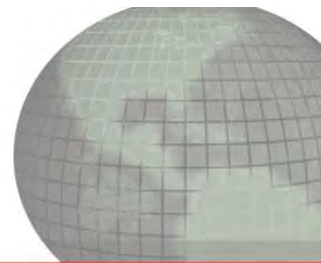
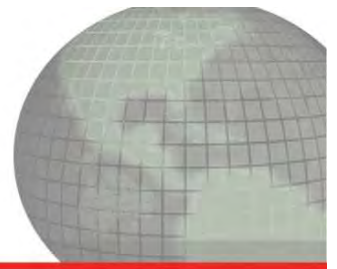


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IDENTIFYING INFORMATION

In respect of the provisions provided in subsection 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") this joint report sets out the steps that the Toyota Boshoku America Group Companies ("TBAGC") has undertaken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entities or goods imported into Canada by the entities.

Entities and Locations

This joint report has been prepared for the following entities:

1. Toyota Boshoku America, Inc. ("TBA") – Business Number: 849799762 and located at 1360 Dolwick Drive, Suite 125, Erlanger, Kentucky, 41018.
2. Toyota Boshoku Canada, Inc ("TBCA") – Business Number: 850793365 with two locations at (i) 230 Universal Rd, Woodstock, ON, N4S 7W3; and (ii) 45 Southfield Drive, Elmira, ON, N3B 3L6.
3. Toyota Boshoku Indiana, LLC ("TBIN") – Business Number: 802448258 with two locations at (i) 1698 S. 100 West, Princeton, IN, 47670; and (ii) 733 W 150th South, Princeton, IN, 447670.

Business Structure and Activities

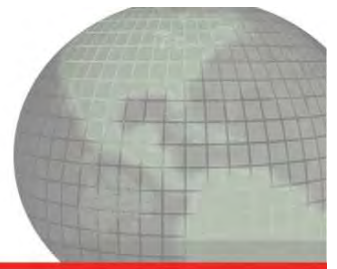
TBA is the parent company of both TBCA and TBIN (collectively, the Toyota Boshoku America Group Companies "TBAGC"). TBAGC are importers of goods into Canada and regarded as entities as provided in section 2 of the Act under the definition of "entity".

TBAGC is one of the world's premium interior systems suppliers and filter manufacturers, develops and produces interior, filtration, and powertrain components. TBAGC and its affiliates employ over 11,000 Team Members in 21 locations throughout the United States, Canada, Mexico, Brazil, and Argentina. TBAGC is a premier manufacturer of automotive interior systems, which include seat, door trim, headliner, substrate, and carpet in addition to air and oil filters for a variety of customers such as Toyota, BMW, and Subaru.¹

TBAGC sources materials and components through a multi-tiered supply chain. Direct (Tier 1) suppliers provide goods and services to TBAGC, and those suppliers may, in turn, rely on lower-tier suppliers (Tier 2 and beyond).

TBAGC is globally part of Toyota Boshoku Corporation (located in Japan, commonly known as TBJ). TBJ has extensive manufacturing operations in Japan, Asia, Europe and the Americas.

¹ From TBA's webpage at: <https://www.toyota-boshoku.com/us>



Assessing Risk in Supply Chains

TBAGC has mapped out its supply chain for activities and assessment of risk. TBAGC has Tier 1 sustainability guidelines and is continuously evolving to meet current compliance requirements for the entire group of companies.²

Tier 1 suppliers that have been vetted by TBA for risk of forced labour and child labour.³ All Tier 1 suppliers need to meet the same set of standards to be a supplier to TBAGC. TBAGC incorporates the use of its Supply Chain Risk Assessment (SCRA) processes which collect supply chain information on the supplier. This information is entered into a risk monitoring system to determine areas of various types of risk (e.g. compliance, legislative, non-compliance with environmental, social and governance standards (ESG), etc.).⁴ Globally, TBAGC carries out risk assessments to reduce risks including management risk, operational risk, risk associated with disasters and accidents, risk arising from the external environment, risks relating to corruption (such as bribery, cartels (agreements upon bids, prices, allocating the supplier and any item to avoid competition among its competitors), embezzlement, and conflicts of interest), and social reputation risk.

Consequently, TBAGC has access to and use of robust risk management procedures and processes for supply chains and sustainability guidelines to assess risk of forced labour and child labour in its supply chain.

In 2024, TBAGC replaced its Sphera risk monitoring system with Resilinc Eventwatch⁵ which is an AI-driven risk monitoring system.⁶

Assessing Risk and Implementation of Procedures

TBAGC is developing programs to improve its processes using the Hoshin Kanri⁷ method to reduce the risk of child labour and forced labour in its supply chain.⁸

TBAGC's current risk management, governance and sustainability programs are created for its North American operations. The program, as it evolves, will require the suppliers of TBAGC to be proactive in implementing measures to establish safeguards to remediate the use of forced labour or child labour in its supply chain. TBAGC will use GAP analysis to identify gaps in company policy and operations. This will also allow TBAGC to map out and apply the sustainability guidelines and measure against expected results

² For TBA's CSR and Sustainability programs see: <https://www.toyota-boshoku.com/us/>

³ Tier 1 suppliers are direct suppliers of the product; Tier 2 suppliers are subcontractors for the Tier 1 suppliers.

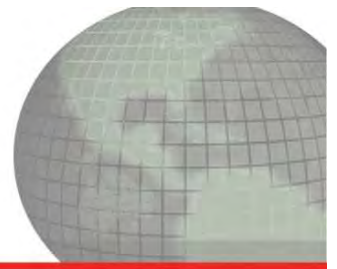
⁴ For further information regarding Toyota Boshoku's SCRA guidelines see: <https://www.toyota-boshoku.com/global/company/procurement/guideline/>

⁵ For further information regarding Resilinc Eventwatch please refer to: <https://www.resilinc.com/solutions/eventwatchai/>

⁶ For further information regarding Sphera please refer to: <https://sphera.com/>

⁷ For article on Hoshin Kanri see: <https://flevy.com/topic/hoshin/question/leveraging-hoshin-kanri-esg-goal-alignment-strategy-success>

⁸ Hoshin Kanri (Policy Deployment), is a methodological approach to Strategic Planning and Management that enables organizations to align their functions and activities with overarching strategic objectives. In the context of increasing emphasis on sustainability, Hoshin Kanri provides a structured framework to integrate ESG objectives into the core strategic goals of an organization.



for suppliers. TBAGC will obtain information from immediate (Tier 1) suppliers and where possible have access to information for suppliers further down the supply chain (i.e. Tier 2 suppliers).⁹

The GAP analysis is a risk assessment measure that will provide TBAGC with information regarding parts of the supply chain that are comparatively more risky than other parts of the supply chain. Where needed, processes can be put in place for recognizing risk-based behaviour, screening of suppliers and service providers and the implementation of further controls to mitigate and manage risk of forced labour and child labour in the supply chain. Lack of access and the inability to evaluate information from Tier 2 suppliers is a concern for TBAGC assessment of its supply chain. The GAP analysis and robust information gathering processes from its Tier 1 (immediate) suppliers will allow the TBAGC to mitigate the risk in its supply chain from Tier 2 suppliers.

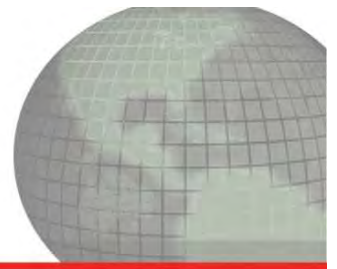
TBAGC has initiated “denied party screening” processes for its Tier 1 suppliers to filter suppliers that may be named on restricted or denied lists and is expanding the program this fiscal year.¹⁰ Denied party screening refers to the process by which a company checks a potential customer or business partner against one or more of the dozens of restricted party lists to ensure it is not about to do business with a restricted party.

TBAGC’s affiliated companies in Mexico supply the TBAGC in the United States and Canada with custom material. The affiliated companies in Mexico have undergone labor voting procedures, as well as adhered to regulations to support the labor rights provisions enshrined in Chapter 23 of the USMCA. For this reason, the TBA Group of Companies’ affiliated companies (suppliers) in Mexico adopted the measures set forth in Annex 23-A. Annex 23-A of the USMCA, is titled *Worker Representation in Collective Bargaining in Mexico*. Annex 23-A recognizes labor’s right to collective bargaining, the right to unionize, dispute resolution processes and independent bodies to issue sanctions against those who violate the authority of the legislation. Consequently, the provisions of Chapter 23 of the USMCA for labor laws protect workers and reduce the risk of use of forced labour and child labour in North American supply chains.

⁹ Tier 1 suppliers are direct suppliers of the product. Tier 2 suppliers are subcontractors for the company’s tier 1 suppliers.

¹⁰ To see the United States’ Denied Parties List please see:

<https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/denied-persons-list>



Training and Effectiveness

The TBAGC engages with civil society groups, experts and other stakeholders' on issues such as forced labour and/or child labour in supply chains. The TBAGC' purchasing personnel attended Toyota Motor North America's Sustainability Conference in 2024. During the conference, the TBAGC' employees were able to have access to feedback from customers, Tier 1 suppliers and sustainability practices to benchmark and understand current best practices and the implications of new legislation.

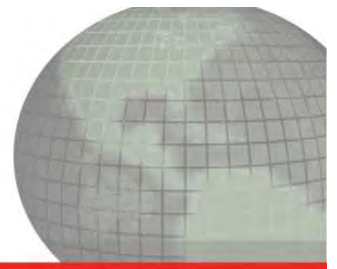
The TBAGC currently requires automated employment law training for its managers. The training is beneficial in identifying employment risks that may be associated with supply chains and areas where employment laws are minimally administered and implemented.

The TBAGC processes to filter supply chain risk has not identified forced labour or child labour in its supply chain. For this reason, the TBAGC has not identified any loss of income to vulnerable families.

The TBAGC risk assessment measures are conducted through its sustainability and SCRA programs. The TBAGC works with its Tier 1 suppliers to have suppliers self-assess sustainability and risk across the supply chain. TBAGC will be working with its suppliers to further strengthen the assessment processes to identify risk of forced labour and child labour in its supply chain.

To summarize TBAGC provides training to relevant personnel to support awareness of legal and compliance obligations:

- Managers are required to complete employment law training;
- Employees participate in industry and sustainability-related forums to remain informed of evolving expectations and best practices;
- Additional training initiatives are being developed to further support awareness of supply chain risks, including forced labour and child labour.



Policies and Due Diligence Processes

TBAGC has implemented policies and processes intended to support responsible sourcing and compliance with applicable labour and human rights laws.

Contractual Requirements

Tier 1 suppliers are required to comply with TBAGC's Terms and Conditions, which set out expectations relating to legal compliance and business conduct. TBAGC is in the process of reviewing and updating these Terms and Conditions to further strengthen provisions relating to human rights, including forced labour and child labour.

Supplier Guidance and Communication

TBAGC provides Sustainability Guidelines to Tier 1 suppliers, outlining expectations related to environmental, social, and governance practices. Additional supplier engagement initiatives, including sustainability-focused webinars, are being developed to reinforce these expectations.

Supplier Assessments

Tier 1 suppliers are requested to complete Sustainability Self-Assessments. These assessments are used to inform TBAGC's understanding of supplier practices and potential areas of risk.

Risk Monitoring and Screening

TBAGC utilizes risk monitoring systems, including Resilinc EventWatch, to support identification of supply chain risks. TBAGC also conducts denied party screening of Tier 1 suppliers against applicable restricted party lists. The company is in the process of enhancing its monitoring capabilities through the planned implementation of additional risk intelligence tools.

Identification and Assessment of Risk

As noted, TBAGC assesses supply chain risk through its Supply Chain Risk Assessment (SCRA) processes, which collect and analyze supplier information and evaluate a range of risk factors, including compliance and ESG-related risks.

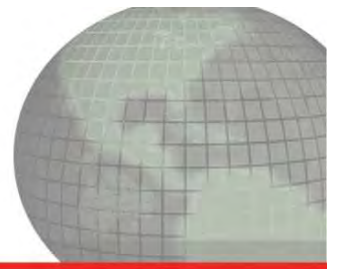
All Tier 1 suppliers are subject to a consistent set of requirements and are evaluated using available risk assessment tools. TBAGC also considers external risk factors, including geographic and industry-specific risks, where information is available.

Certain affiliated suppliers operating in Mexico are subject to labour protections consistent with Chapter 23 and Annex 23-A of the United States-Mexico-Canada Agreement (USMCA), which provide additional safeguards relating to labour rights.

Areas of Heightened Risk and Limitations

To summarize, TBAGC recognizes that there are inherent limitations in its current approach to supply chain due diligence:

- Oversight is primarily concentrated at the Tier 1 supplier level, with limited direct visibility into Tier 2 and lower-tier suppliers.
- Certain supplier data collected at the beginning of production has historically been obtained through manual processes, which may result in incomplete or inconsistent information.



- Processes for identifying and assessing newly onboarded suppliers and supplier changes are in the process of being strengthened.

As a result, TBAGC's ability to identify and assess risks beyond Tier 1 suppliers may be constrained.

Measures Taken to Prevent and Reduce Risk

TBAGC has taken steps to enhance its ability to identify and mitigate risks of forced labour and child labour within its supply chain.

Supply Chain Transparency Enhancements

TBAGC is improving supplier data collection processes through the implementation of enhanced tools within its supplier portal to support more complete and accurate supplier information.

Lower-Tier Supplier Visibility

TBAGC is working to increase visibility into lower-tier suppliers, including efforts to incorporate sub-supplier data into its risk monitoring systems where feasible.

Risk-Based Monitoring

TBAGC is implementing processes to identify and flag suppliers operating in regions that may present higher risks. These suppliers may be subject to additional screening and monitoring using risk intelligence tools.

Continuous Improvement Processes

As noted, TBAGC conducts GAP analyses to identify areas where policies, procedures, and controls can be strengthened, and to support ongoing improvements to its due diligence framework.

Assessing Effectiveness

TBAGC assesses the effectiveness of its due diligence measures through its sustainability programs, supplier assessments, and risk monitoring activities.

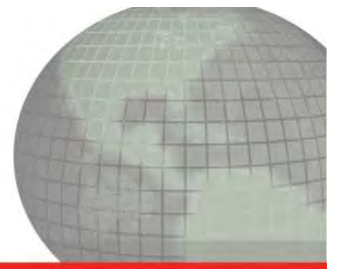
As of the reporting period, TBAGC has not identified confirmed instances of forced labour or child labour within its Tier 1 supply chain based on available information. However, TBAGC acknowledges that limitations in supply chain visibility, particularly beyond Tier 1 suppliers, may affect its ability to detect such risks in all cases.

Where risks are identified, TBAGC intends to take appropriate steps in accordance with its policies and applicable laws.

Remediation Measures

During the reporting period, TBAGC did not identify situations requiring remediation of forced labour or child labour, nor measures to remediate loss of income to vulnerable families.

TBAGC is in the process of further developing its approach to remediation as part of its broader due diligence framework.



Continuous Improvement and Future Measures

TBAGC is undertaking a number of initiatives to strengthen its approach to managing supply chain risks.

Planned Measures (FY2026)

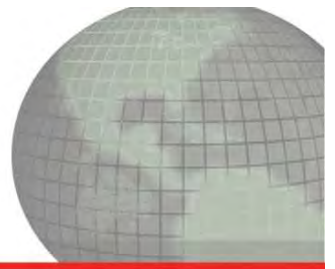
- Review and update supplier Terms and Conditions to strengthen human rights provisions
- Expand supplier education through webinars and related initiatives
- Enhance risk monitoring capabilities, including implementation of additional tools (e.g., Kharon)
- Improve supplier data collection and management through enhanced systems and processes
- Introduce systematic identification of higher-risk regions and corresponding monitoring measures
- Expand integration of sub-supplier data into monitoring platforms
- Strengthen processes for tracking and assessing supplier changes across all tiers

Future Measures (FY2027 and beyond)

TBAGC is evaluating the potential adoption of standardized due diligence reporting frameworks, including the Due Diligence Reporting Template developed by the Automotive Industry Action Group, subject to feasibility and resource considerations.

Approval and Attestation

This report was approved pursuant to the requirements of the Act.



CONCLUSION

TBAGC administers sustainability programs and continues to implement best practices and assess risk across its supply chain for its own needs. These ESG programs are being constantly updated and improved through better practices, as well use of better resources (e.g. adoption of Resilinc Eventwatch during FY'24.).

TBAGC has prioritized the improvement of its ESG programs and performance analysis. Tier 1 suppliers are audited through sustainability surveys, self-assessment programs, overview of supplier's ESG programs, as well as denied party screening.

TBAGC is educating its workforce to identify, report and resolve issues relating to supply chain security. Forced labour and child labour has been identified as a security risk as well as a regulatory risk. As a priority issue, TBAGC will be working with its suppliers, stakeholders and government bodies to further strengthen methods for mitigating the security, compliance and regulatory risk of forced labour and child labour in its supply chain.