

ANNUAL REPORT

PURPOSE

This annual report for the 2023 financial reporting year has been created by HBPO Canada Inc. ("HBPO Canada") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC 2023, c 9 (the "Act").

OUR COMMITMENT

HBPO Canada is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that HBPO Canada imports into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

HBPO Canada is an entity under the Act

In terms of the Act's threshold requirements, HBPO Canada has at least \$20 million in assets for at least one of its two most recent financial years and has generated at least \$40 million in revenue for at least one of its two most recent financial years.

Our Operations

HBPO Canada is part of the modules division of OPmobility and maintains principles of innovation, quality, customer closeness, and reliability. Through HBPO Canada, OPmobility is the world market leader for the front-end module and is one of the auto industry's leading suppliers of the modular front-end system. HBPO Canada assembles and develops these complex front-end modules from its plant in Windsor, Ontario.

HBPO Canada produces goods in Canada and engages in selling goods both inside and outside of Canada. Additionally, HBPO Canada also imports goods into Canada that were originally produced outside of Canada.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Supply Chain

HBPO Canada is a wholly owned subsidiary of OPmobility, who is an automotive supplier based in France. HBPO Canada primarily imports materials and parts used to produce automotive front-end modules such as push pins, various screws, hood bumper brackets, and fan modules. HBPO Canada divides their suppliers into two groups: direct and indirect. The country of origin for the vast majority of suppliers (from both groups) are the United States and Canada.

Steps Taken by HBPO Canada in 2023

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, or of goods imported into Canada, HBPO Canada implemented due diligence policies and processes for identifying, addressing, and prohibiting the use of forced and/or child labour in the organization's activities and supply chains, including having a supplier charter which explicitly prohibits suppliers from using child labour or forced labour. These policies and due diligence processes are set out in the section below. HBPO Canada also implemented grievance mechanisms, including developing a whistleblowing procedure. The whistleblowing procedure allows employees to report crime, a breach of an international commitment of an international organization given on the basis of a duly ratified obligation, any risk or serious infringement of human rights, or a threat or harm to the public interest.

POLICIES AND DUE DILIGENCE PROCESSES

HBPO Canada's Policies and Processes

HBPO Canada maintains several policies and processes which affirm its commitment to abiding by applicable forced labour and child labour laws, including:

a) HBPO Canada's "application for employment" requires applicants to indicate whether they are 18 years of age or older. The form also requires basic information from the candidate including name, current address, and level of education and training. These safeguards help identify workers and verify that no prospective candidates who are under Ontario's legal working age are considered for employment.

b) HBPO Canada is bound by the OPmobility Code of Conduct (the "**Code**"). The Code explicitly guarantees that all employees have freely chosen their job and that they are free to leave on the terms in their employment contract. There is also an explicit guarantee that no child will be employed by any entity in the OPmobility group. Within the Code, there is an undertaking by OPmobility to not hire any person less than 15 years old for work of any kind. These are explicit commitments adopted by HBPO Canada which reduce the risk of child or forced labour from being used in their operations.

c) HBPO Canada is required to use OPmobility's Supplier Charter (the "**Charter**") in their dealings with suppliers. The Charter is intended to be included in contractual documents and states that suppliers must respect all laws and regulations applicable in the countries where it conducts their activities. Additionally, the Charter helps in ensuring that suppliers undertake to respect fundamental rights regarding forced and child labour.

d) Through the Charter, HBPO Canada's Procurement Department can take any measures they deem necessary to ensure compliance with the Charter. These measures can include specific audits at the premises of a supplier. The Charter also gives HBPO Canada the ability to terminate contracts with suppliers who engage in child and/or forced labour. These processes reduce the risk of the use of child and forced labour being prevalent in HBPO Canada's supply chains.

e) HBPO Canada contractually requires that any temporary workers used by their trade union must be at least 18 years of age and be enrolled in high school, college, or university on a full-time basis. This reduces the risk of child labour in HBPO Canada's dealings with third party temporary work agencies.

FORCED LABOUR AND CHILD LABOUR RISKS

HBPO Canada has started the process of identifying risks of forced labour and child labour through the measures and procedures found within the Charter, Code, application for employment, and age restriction requirements enforced by their trade union. It is aware that there may be higher risks associated with certain regions, goods, and industries.

REMEDATION MEASURES

HBPO Canada has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

REMEDICATION OF LOSS OF INCOME

HBPO Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, it has not undertaken any remediation measures for loss of income.

TRAINING PROVIDED TO EMPLOYEES

In 2023, HBPO Canada did not provide training to its employees specific to forced labour or child labour. Moving forward, it will be assessing what related training may be appropriate.

ASSESSING EFFECTIVENESS

HBPO Canada does not currently have specific policies and procedures in place to assess its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its supply chain. However, as outlined above, the policies and procedures that are currently in place do reduce the risk that child labour and/or forced labour is present in HBPO Canada's activities and supply chain.

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 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

IN WITNESS WHEREOF the authorized signing officer(s) of HBPO Canada have executed this report as of the effective date of the signatures set out below.

SIGNED



Date

May 15, 2024

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HBPO CANADA

Per: GARY POOLE

Title: VICE-PRESIDENT

I have authority to bind HBPO Canada