

## Modern Slavery Annual Report Fiscal Year 2023

May 22, 2024

This report is made pursuant to Section 11(1) of the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c.9. (the “**Act**”) and sets out the steps that Litens Automotive Partnership (“**Litens**”) has taken during its 2023 fiscal year 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 Litens or of the goods imported into Canada by Litens.

The Act describes *forced labour* as a labour or service provided or offered to be provided by a person under circumstances that could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service. The Act describes *child labour* as labour or services provided or offered to be provided by persons under the age of 18 years and that (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada; (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them; or (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work.

As expounded on by the Walk Free™ international human rights group, *modern slavery* covers a set of specific legal concepts including forced labour, child labour, debt bondage, slavery and slavery-like practices, and human trafficking. Although modern slavery is not defined in the Act *per se*, it is used as an umbrella term that focuses attention on commonalities across these legal concepts. Essentially, it refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.

As discussed in greater detail below, Litens has a **zero- tolerance policy to any form of modern slavery**.



## **Litens' Business**

Founded in 1979, Litens started out as a Canadian company with a proud history of being an innovative and highly respected company in the automotive supply industry specializing in the design, development, manufacture and sales of powertrain system engineering and component supply. Litens also has an active and growing aftermarket business. Litens has been at the forefront of global expansion with the establishment of operations and support offices in new markets to better serve our customers. Today, Litens has a global presence in 15 countries across 4 continents, including sales, engineering, manufacturing and/or logistics operations in Canada, United States, Mexico, Brazil, Argentina, Germany, United Kingdom, France, Spain, Switzerland, Romania, China, Japan, Korea and India. Litens sources and procures components and services from 3<sup>rd</sup> party suppliers on a global basis, predominantly China, Korea, Europe, India, United States, and Canada. Our history includes numerous achievements, many of which have been recognized through prestigious awards from our customers.

This report is being made by Litens for itself as well as on behalf of its applicable controlled subsidiaries, including specifically 836112 Ontario Inc.

## **Our Policies and Due Diligence Processes**

Litens operates various internal policies to ensure that it, its subsidiaries, suppliers and other stakeholders are conducting business in an ethical and transparent manner. These include:

1. *Code of Ethics and Conduct.* This code explains the standards of behavior Litens expects from its employees and business partners. The code includes (but is not limited to) respect for local labor laws, competitive wages in the markets in which we operate, freedom of association, and the principal of equal employment opportunities. The code also sets out human rights including anti-discrimination and anti-harassment policies, and states that we will not tolerate any form of forced, compulsory or child labour in our sphere of influence. For further information, refer to our [Corporate Code of Conduct and Ethics](#).
2. *Suppliers Code of Conduct and Ethics.* This code, available in several different languages, expands upon our general code of ethics conduct and is specifically geared towards our suppliers. The code covers suppliers' requirement to conduct due diligence to understand the source of raw materials used in their products, environmental sustainability initiatives. This code also includes a more detailed respect for human rights and global working conditions policy, including specifically prohibiting any child labour and any form of forced or compulsory labour. For further information,



refer to our [Suppliers Code of Conduct and Ethics](#). We currently share this Code of Conduct with suppliers when they commence working with Litens, to ensure that our expectations of conduct and goals are clear at the outset of any new relationship.

3. *HR & Recruitment policy.* Litens operates a robust recruitment policy in all its business units, including conducting eligibility to work verification in the relevant location for all employees to safeguard against human trafficking or individuals being forced to work against their will. We also conduct annual wage and benefits surveys intended to benchmark industry competitive wage and benefit levels for all job classifications to help ensure that objective and non-discriminatory compensation structures are in place.

4. *Whistleblowing Policy.* Litens Senior Management has established a procedure for the confidential submission of concerns regarding questionable activities or conduct. This policy has been established to enable employees, officers, and directors of Litens, as well as its sales agents, suppliers, customers and other key stakeholders to raise such concerns on a confidential basis, free from discrimination, retaliation or harassment, anonymously or otherwise. This policy applies to all the Company's key stakeholders, including its employees, officers, and directors as well as its suppliers and customers. Refer to our Code of Conduct and Ethics Policy enumerated above.

#### Health, Safety and Environmental Audits

We conduct periodic HS&E audits of our facilities to help ensure the maintenance of legally compliant health, safety and environmental programs, using a coordinated system of world class audits, inspections, and remedial actions plans.

#### Supplier Due Diligence

Litens operates and maintains an approved supplier list. Litens conducts due diligence on all suppliers before allowing them to become an approved supplier. This due diligence may include an independent 3<sup>rd</sup> party audit to review of working conditions and thus ensure that an organization complies to the legal requirements relating to modern slavery. Furthermore, proposed suppliers to Litens must complete a Supplier Declaration Form confirming they comply with national rules of law and various other internationally recognized standards relating to working conditions, including the International Labor Organization.

Some Litens divisions also require suppliers to confirm the Supplier Declaration Form on an annual basis.



Litens contractual processes with suppliers ensures that our suppliers are contractually bound to comply with all applicable laws, including applicable labour laws. These contractual clauses include, but are not limited to, specific representations, promises and indemnities from suppliers that neither they nor their suppliers will utilize child labour or any form of forced labour.

A failure by any one of our suppliers to comply with labour laws and/or our Suppliers Code of Conduct and Ethics could result in the termination by Litens of the supply relationship.

### **Risks & Steps Taken to Reduce Risks**

We believe that the risk of modern slavery is very low in our own operations due to our robust policy framework and practices, well established HR programs and compliance-orientated values including our longstanding philosophy of fairness and concern for our people and respect for the inherent rights of workers.

In 2023 Litens began the process of monitoring all our suppliers using a 3<sup>rd</sup> party platform and requiring all our suppliers to complete a self-assessment on various topics, including human rights and working conditions.

Litens gauges that the parts of its supply chains that may carry a risk of modern slavery lie in the lower tiers of its supply chain where Litens does not have a direct relationship with suppliers. Litens intends to investigate this issue in greater detail to understand what steps it can take to assess and manage that risk over and above the requirements that it imposes on those suppliers with whom it has a direct relationship.

### **Remediation Measures**

As Litens has not detected any incidents of modern slavery, there have accordingly been no remediation measures taken to address the matter or remediate the loss of income to any affected persons.

### **Training and Monitoring**

Litens is committed to making every reasonable and appropriate effort to ensure the continuous implementation and application of the principles and values defined in this document, to rectify any shortcomings as rapidly as possible and to keep it current by:



- communicating our Code of Conduct and Ethics policies and its implementation to employees, business partners and other interested parties
- ensuring that all pertinent employees receive continual periodic training on our Code of Conduct and Ethics policies

### Performance Indicators

Litens' assesses its effectiveness in ensuring that modern slavery and is not being used in its business and supply chains by:

- analysis of supplier self-assessments
- if no reports are received from employees, the public, or law enforcement agencies to indicate that modern slavery practices have been identified
- where applicable, independent 3rd party audits do not highlight areas of risk, concern, or failure to comply with relevant standards and legislation

### Approval for this statement

This statement was approved by Litens Senior Management, its operational governing body, on May 22, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this 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.

Tyson Bytzek  
Chief Operating Officer  
May 22, 2024

I have the authority to bind Litens Automotive Partnership T.B.