

# MHI RJ Aviation ULC

## FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT REPORT

MHI RJ Aviation ULC makes this report for the financial year ending March 31, 2024, pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9, assented to 2023-05-11 (the "Act").

This is an Initial Report.

### Reporting Entity Identifying Information:

- Corporation Number: BC1227408
- Entity categorization under the Act: A corporation that has a place of business in Canada, sells or distributes goods in Canada and elsewhere, has at least \$20 million of assets, and employs at least 250 employees;
- Sector/Industry: Aerospace
- Location of Head Office: 3655 Av. Grandes-Tourelles, Suite 110, Boisbriand, Quebec, J7H 0E2

Certain MHI Group (as defined below) companies may make similar attestations each year pursuant to section 54 of the *Modern Slavery Act 2015* (England), but not MHI RJ Aviation ULC.

MHI RJ Aviation ULC is a member of the Mitsubishi Heavy Industries, Ltd. (Japan) ("MHI") group of companies, with such group of companies designated herein as the "MHI Group" and such designation in this report shall be deemed to include a reference to MHI RJ Aviation ULC. MHI RJ Aviation ULC has adopted the MHI Group policies related to ethics and social governance principles, in addition to other similar policies of its own.

## Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

The MHI Group is committed to taking effective steps to assess, prevent, and mitigate the risk of modern slavery, forced labour and child labour in our operations and supply chain. We aim to be transparent about these steps and expect the same of our suppliers and contractors.

### Structure, Activities and Supply Chains

#### Structure and Main Activities

MHI RJ Aviation ULC is an unlimited liability company who, together with its direct parent company located in the United States of America, provides comprehensive critical operational, engineering and customer support solutions including maintenance, refurbishment, technical publications, marketing and sales activities for the global regional aircraft industry and beyond.

## Supply Chains

### Policies

The MHI Group is committed to taking effective steps to assess, prevent, and mitigate the risk of modern slavery, forced labour and child labour in our operations and supply chain. We aim to be transparent about these steps and expect the same of our suppliers and contractors.

Entities in the MHI Group must adopt the *MHI Group Global Code of Conduct* (the "MHI Code"). The MHI Code prohibits the use of compulsory or forced labour and child labour, and requires us to maintain a framework of fair and just remuneration, fair working hours and benefits.

The MHI Code is available at: <https://www.mhi.com/company/aboutmhi/policy/conduct-html>

In addition to the MHI Code, MHI also has adopted for the entire MHI Group the MHI Group Human Rights Policy which states, in part, that we recognize that the human rights of all those affected by the MHI Group's business activities must be respected. That policy is based upon the United Nations Guiding Principles on Business and Human Rights. MHI is a signatory to the United Nations Global Compact (the "GC 10"). The MHI Group has affirmed its support and respect of core labour standards such as Prohibition of Child Labour, Prohibition of Forced Labour, Elimination of Discrimination, and Freedom of Association and Collective Bargaining Rights.

The MHI Group Human Rights Policy is available at:  
[https://www.mhi.com/sustainability/social/pdf/mhigroup\\_human\\_rights\\_policy.pdf](https://www.mhi.com/sustainability/social/pdf/mhigroup_human_rights_policy.pdf)

We continue to enhance the ways we work with our suppliers and our contractors to ensure we apply common standards and philosophies to help eradicate modern slavery, forced labour and child labour. Entities in the MHI Group must adhere to the MHI Group Procurement Policy and its core values of Openness, Fairness, Partnership and Compliance. The MHI Group Procurement Policy also requires the exclusion of anti-social forces.

The MHI Group Procurement Policy is available at: <https://www.mhi.com/company/procurement>.

In addition to the aforementioned policies, the MHI Group has put in place Global Policies and Procedures, including global policies and procedures related to procurement activities. There are also Supply Chain CSR (Corporate Social Responsibility) Promotion Guidelines available with regard to our business partners at: <https://www.mhi.com/company/procurement/csr>.

Similarly, as an additional policy for its suppliers, MHI RJ Aviation ULC has also adopted a Suppliers Code of Conduct (the "MHIRJ Suppliers Code") that is aligned with the MHI Code, and the MHI Group Procurement Policy and the MHI Supply Chain CSR Promotion Guidelines in specifically prohibiting our suppliers from using forced labour, child labour and other forms of modern slavery.

The MHIRJ Suppliers Code is available at: <https://www.mhirj.com/en/about-mhi-rj>

As part of this aforementioned policies and procedures, we execute self-assessments on compliance within our supply chain and procurement processes. This process assists us to develop a better understanding of the actors in our supply chain.

We ensure consistent communication of the MHI Code and other similar documents throughout our business and management at all levels, including:

- direct and interactive communication to new employees on induction, as well as an annual communication to all employees to remind them of the importance of ethics and compliance (including as to matters of child labour and modern slavery);
- e-learning/training for all employees at MHI RJ Aviation ULC to explain their role and responsibility in complying with the MHI Code, among others; and

- through publication of the MHI Code and other related documents on our internal and external websites.

### DUE DILIGENCE PROCESS

In order to identify and respond to modern slavery, forced labour and child labour, we adopt a risk assessment-based approach and have put in place the following processes:

- We identify, assess and continually monitor risk areas in our business and supply chains.
- We only work with reputable vendors selected and assessed by supply chain and our quality teams.
- We analyze our supply chain in order to better understand and assess the nature and level of potential risks within our supply chains. We use the outcomes of this work to take more targeted action in respect of any significant risks identified.
- We ensure that our employees know how to identify violations of the MHI Code and other similar codes and policies in general. Further details are provided below under the heading "Training".
- We continue to share information across the MHI Group of any updates to governmental requirements/guidance related to modern slavery, forced and child labour.
- We protect whistleblowers, including on issues related to modern slavery, forced labour and child labour. This protection is communicated to all our employees through our Non-Retaliation Policy, through our internal website, and as part of our annual compliance communication. We use the ClearView Connects system of Syntrio (known as our whistleblowing hotline), an external service provider which allows the submission of issues and concerns completely anonymously. The implementation and go-live of this system has been communicated to all our employees and is the subject of an annual reminder.
- Employees are also encouraged to raise any concerns or suspicions they may have regarding human rights, modern slavery, force labour and child labour abuses at the earliest opportunity to the Compliance Office, Human Resources and/or Legal Services teams.

We ensure that any employee with a grievance, including in circumstances which might relate to modern slavery, forced labour and child labour is listened to and treated fairly, according to our workplace grievance mechanism. To ensure transparency and accessibility, this grievance mechanism is integrated into our Compliance function which adheres to processes to investigate and ensure whistleblower protections are offered to the employee raising a grievance.

### Forced Labour and Child Labour Risks

Several functions in our company support our measures to assess and manage modern slavery and child labour risks. These include amongst others:

- Governance and Compliance, through their establishment and review of governance structures and internal policies.
- Finance, through their review of financial transactions and governance.
- Communications, through their interactions with internal and external stakeholders support the identification of potential instances of non-compliance.

- Procurement, through the assessment of suppliers and self-assessment of procurement activities.
- Quality, through the assessment of suppliers.
- Legal, through interaction with staff and management and with external law firms and legal advisors, ensuring that we remain at the forefront of changes in legislation and corporate requirements, as well as through their participation in internal investigations.
- Human Resources, through their enforcement of our Non-Retaliation Policy and participation in internal investigations.

Employees are also encouraged to discuss concerns with their supervisors without fear of repercussions. This structure allows us to identify issues quickly when they would occur.

#### Remediation Measures and Assessing Effectiveness

The MHI Group has created a Sustainability Databook which includes information measured and tracked as outlined in the *Sustainability Databook*, which is available at:

<https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2023.pdf>

The *MHI Sustainability Databook 2023* details the efforts that the MHI Group has implemented in relationship to Human Rights. The Databook includes a roadmap of the way in which the MHI Group has investigated human rights violation risks and will work to reduce these risk factors in the future, including the use of questionnaire surveys, and onsite surveys to determine the risk of human rights violations. In addition to the MHI RJ Aviation ULC grievance process and whistleblowing hotline, the MHI Group also has a grievance process whereby employees and third parties can report suspected violations of MHI Group policies.

#### Remediation of Loss of Income

The MHI Group continues to assess the impact of our business on communities and to implement analysis and procedures as outlined in the *MHI Sustainability Databook*.

#### Training

In addition to the training on the Global Code of Conduct, the MHI Group has introduced an e-learning course to promote an understanding of human rights and the MHI Group's commitment to human rights, which will be provided to employees of MHI RJ Aviation ULC. All members of the MHI Group also receive annual training on the MHI Code and how to report actual or suspected violations. The MHI Group is committed to ensuring that our staff understand and can identify modern slavery, forced labour and child labour risks in our supply chains and business, we continue to develop and provide appropriate training.

Further details on the MHI Group companies can be found at:

[https://www.mhi.com/network/text\\_version.html](https://www.mhi.com/network/text_version.html)

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 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. I have the authority to bind MHI RJ Aviation ULC.



---

Francois Potvin  
Vice-President & General Counsel, Head of Compliance and Governance, and Corporate Secretary  
MHI RJ Aviation ULC  
May 27, 2024