

# Report on Forced Labour and Child Labour

## **Multimatic Holdings Inc. – Report on Forced Labour and Child Labour Pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9**

This joint report (the “Report”) is made pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (the “Act”) and sets out the steps that Multimatic Holdings Inc. and its applicable automotive affiliates have taken to ensure that their business and supply chains are free from forced labour and child labour during the prior financial year ended on December 31.

This Report covers Multimatic Holdings Inc., MTC Inc., Multimatic Inc. and Multimatic Niche Vehicles Inc., and each of their respective operating Divisions and Business Units, all of which are collectively referred to as the “Company” in this Report.

### **Introduction**

The Company is committed to limiting the risk of forced labour and child labour within its business and supply chains or any other of its business relationships in accordance with the requirements of the Act.

### **Company Organizational Structure and Operations**

The Company supplies engineered components, systems and services to Original Equipment Manufacturers in the automotive industry. The Company’s core competencies include the engineering and manufacturing of complex mechanisms, body hardware, suspension systems and body structures, as well as the design and development of lightweight composite automotive systems. The Company also develops and manufactures specialty vehicles (including concept cars, race cars and supercars).

Each corporation comprising the Company is private with headquarters located in Ontario, Canada.

The Company and its automotive affiliates (the “Multimatic Group”) employ approximately 5,800 people worldwide and operate in the UK, the EU, North America, China and Japan.

Additional information regarding the Multimatic Group may be found at: [www.multimatic.com](http://www.multimatic.com).

### **Nature of Supply Chains**

The automotive supply chain is very complex and includes multiple layers of suppliers that directly and indirectly supply components, services and raw materials from locations around the world. The scope and complexity of this supply chain often prohibits the Company from engaging directly with each sub-supplier in its supply chain. Nevertheless, the Company engages with its direct suppliers and independent contractors and expects that they will adhere to the Company’s Code of Conduct, including prohibitions on forced labour and child labour pursuant to the Act (the “Policy”).

### **Policy on Forced Labour and Child Labour**

The Company’s Policy reflects its commitment to implementing and enforcing effective procedures and controls to limit the risk of forced labour and child labour practices from infiltrating its business and supply chains or any of its other business relationships.

The Company makes its suppliers aware of the Policy and takes appropriate measures to ensure that its suppliers adhere to the same high standards.

The Policy was developed with the support of the Company’s Legal and Human Resources Departments.

## **Risk Assessment**

As a Tier 1 supplier (or lower tier supplier) to Original Equipment Manufacturers in the automotive industry, the Company is regularly required to validate its component parts and the processes used to manufacture the component parts. This extensive validation process is utilized by the Company's customers to confirm that parts produced and processes used by the Company satisfy applicable quality and manufacturing criteria. Through this validation process, the Company is able to assess the risk of forced labour and child labour associated with its operations and the operations of its direct suppliers and independent contractors.

## **Due Diligence Processes in Relation to Forced Labour and Child Labour**

In order to monitor and mitigate the risks of forced labour and child labour occurring within the Company's supply chains, the Company adheres to the strict standards imposed by the Original Equipment Manufacturers in the automotive industry. In addition to the extensive validation processes outlined above, the Original Equipment Manufacturers require (as a condition of supplying component parts and related services) that Tier 1 suppliers such as the Company represent they do not use child, slave, prisoner or any other form of forced or involuntary labour.

The Original Equipment Manufacturers may audit the Company to ensure compliance with the foregoing and/or require the Company to certify compliance with these strict standards. The Company, in turn, requires that its direct suppliers and independent contractors adhere to the same strict standards. The Company's general terms and conditions, applicable to standard contracts with its direct suppliers and independent contractors, requires compliance with laws including, without limitation, the Act. In addition, the Company's supplier code of conduct specifically prohibits the use of forced labour and child labour.

## **Employee Training**

The Company provides training to all key employees to ensure that they: (i) understand the risks of forced labour and child labour infiltrating the Company's business or supply chains; and (ii) effectively implement the Policy and related procedures to address and mitigate this risk. The Company's employee handbook includes a statement confirming that the Company prohibits the use of forced labour or child labour at any Company facilities and the facilities of its suppliers. The Company's "Open Door Policy" provides employees with a procedure by which concerns about forced labour and child labour may be raised easily and responded to quickly by management.

The Company's whistleblowing policy protects employees who make good faith reports in relation to an issue of forced labour and child labour.

## **Monitoring Compliance and Key Performance Indicators**

In order to monitor adherence to the Policy, the Company reserves the right to audit the businesses of its direct suppliers and independent contractors. The Company may also require its direct suppliers and independent contractors to provide written certificates of compliance confirming adherence to the Act and any other law prohibiting forced labour and child labour.

The Company regularly monitors and tracks the performance of its direct suppliers and independent contractors as part of its own procedures and in order to comply with the strict standards established by the Original Equipment Manufacturers in the automotive industry. If a direct supplier or independent contractor is found to be in violation of the Policy and/or the Act, the Company will assign it a negative Key Performance Indicator. This may impact current and future business with the Company and, depending on the severity of the violation, the Company reserves its right to terminate any applicable contracts with the direct supplier or independent contractor.

Employees of the Company who breach the Policy are also subject to disciplinary action up to and including dismissal in the case of breaches regarded as gross misconduct. Employees of the Company who suspect that a breach of the Policy has occurred are encouraged to report such instances to management through the "Open Door Process" or using the Company's whistleblower procedures.

This report was approved pursuant to sub-paragraph 11(4)(b)(ii) of the Act by the Board of Directors of Multimatic Holdings Inc. as of the 15<sup>th</sup> day of April, 2024 and was executed by Peter Czapka (Director) as of the 15<sup>th</sup> day of April, 2024.

Signature:

A handwritten signature in black ink, appearing to be 'Peter Czapka', written over the signature line.

I have the authority to bind Multimatic Holdings Inc.