

# 2024

## FORCED LABOUR AND CHILD LABOUR REPORT

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# About This Report

This report (“Report”) is made in compliance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) by Niterra North America, Inc., a West Virginia Corporation and Niterra Canada Limited, a corporation organized under the laws of Ontario. Niterra North America, Inc. and Niterra Canada Limited are wholly owned subsidiaries of Niterra Company Limited of Nagoya, Japan (Collectively “Niterra”).

# Who We Are

Niterra is a leading manufacturer and supplier of spark plugs, automotive sensors, and ignition coils worldwide. Since 1936, we have grown significantly due to our philosophy of producing only the highest quality products. We collaborate closely with original equipment manufacturers and top automotive aftermarket retailers to create products that meet our consumers’ most rigorous demands. Due to our upmost standards of quality, most of the world’s auto manufacturers have chosen Niterra products as their original equipment. Niterra currently operates fourteen factories in eight countries and has over 16,000 associates worldwide.



# Reporting Context

Niterra North America, Inc. is an incorporated entity subject to the legal requirements in section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act). This Report is made pursuant to subparagraph (4)(b)(ii) of the Act by the Niterra North America, Inc. Board of Directors (the Board) on May 1, 2024. For purposes of the Act, this is a joint report filed by Niterra North America, Inc. as the controlling entity of Niterra Canada Limited, on behalf of itself and Niterra Canada Limited. This report has been prepared for the calendar year ending December 31, 2023.

## Governance

Niterra has a robust governance structure in place to ensure our Human Rights programs, policies and practices are operationalized and effective. Oversight is provided at the senior executive level and includes a centralized Compliance Department that oversees our Regulatory Compliance, Ethics, and Corporate Social Responsibility (“CSR”) programs.

Niterra’s Code of Conduct specifically prohibits any unethical or corrupt practices by its managers, associates, or business partners. All associates must have a thorough knowledge and understanding of all relevant laws, regulations, policies, and procedures including laws related to forced and child labor. If an associate becomes aware of any violation of the Code of Conduct, including any law or regulation, they must report the violation to Niterra to enable Niterra to take necessary steps to rectify the situation.



# Supply Chain

Niterra is committed to taking a proactive and comprehensive approach to combatting forced and child labour and promoting ethical labour practices within our operations and supply chain. Our supply chain team is based in North America and supports our operations across Canada, the U.S., and Mexico. Niterra globally sources finished products, components, and materials for manufacture and sale in North America. Niterra's product development team works closely with other Niterra Group Companies and third-party vendors to develop and manufacture products for its brands.

## Risks of Forced and Child Labour in Our Supply Chain

Niterra is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations. All suppliers are expected to remain in material compliance with all health and safety laws applicable to its operations, its associates, and use of the facilities at which products are manufactured or stored on our behalf.

Although Niterra's exposure to forced and child labour risk is low, the nature of the business requires procuring a large number of supplies and materials from our global partners. Our supply chain includes raw materials such as steel, copper, and precious metals; finished automotive products from third parties and other Niterra Group Companies; component parts for assembly in the U.S. and Mexico from third parties and other Niterra Group Companies; as well as various North American suppliers to support our general operations.



# Remediation Measures

Through collaboration, transparency, and continuous improvement, we aim to uphold human rights and contribute to positive social impact in the communities where we operate. To reinforce our commitment, we have disseminated our forced labour guidelines to all suppliers, requiring their acknowledgment and compliance.

We have incorporated specific terms and conditions into all purchase agreements to explicitly prohibit forced and child labour. These stipulations are also part of our procurement guidelines, which have been uniformly adopted throughout the company. We have a specific remediation plan in place in the event that forced, or child labour is discovered in our supply chain. To date, Niterra has found no incidents of forced or child labour in our supply chains.

# Training

To further ensure compliance, we have initiated training programs on forced and child labour for our purchasing and supply chain teams. These educational efforts are complemented by supplier assessment surveys designed to identify and mitigate risks within our supply chain. We anticipate providing additional training on the issues of forced and child labour to all supply chain and management associates in 2024.

Adherence to our policies is mandatory for all employees, contractors, suppliers, and business partners. Non-compliance is met with stringent disciplinary actions, potentially including the termination of contracts or business relationships. To maintain transparency and accountability, Niterra meticulously records all compliance efforts, remediation actions, and outcomes. Niterra strictly prohibits retaliation against anyone who reports a concern in good faith.



# Attestation

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Niterra North America, Inc. 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 Niterra North America, Inc. and Niterra Canada Limited.



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Michael Schwab  
President and CEO  
Niterra North America, Inc.  
Niterra Canada Limited