



THK RHYTHM AUTOMOTIVE CANADA LIMITED
230 Louth St., P.O. Box 3004
St. Catharines, ON L2R 7B5

2024-05-30

BILL S-211

[An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff](#)

Modern Slavery Statement for the Financial Year ended 2023

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by THK Rhythm Automotive Canada Limited to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing 2023-01-01 and ending 2023-12-31.

THK Rhythm Automotive Canada Limited (THK) manufactures Automotive Linkage and Suspension products for several major OEM car manufacturers and is certified to the IATF 16949 Automotive standard and must conform to all customer specific requirements which include "Sustainability Guidelines" for sourcing products throughout our supply chain. THK is committed to respecting human rights and these sustainability guidelines have been incorporated into our Global Supplier Quality Manual that all suppliers to THK agree to abide by. These guidelines prohibit the use of forced labour and child labour, see below.



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Environment

Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

A comprehensive approach includes but is not limited to:

- **Energy Consumption & Greenhouse Gas Emissions:** Companies are expected to implement a comprehensive energy reduction strategy and management program while increasing use of renewable energy.
- **Water Quality & Consumption:** Companies are expected to effectively reduce, reuse, and recycle water with responsible treatment of wastewater discharges to protect the environment and improve overall water quality.
- **Air Quality:** Companies are expected to routinely monitor, appropriately control, minimize/minimise, and to the extent possible, eliminate emissions contributing to local air pollution.
- **Natural Resources Management and Waste Reduction:** Companies are expected to encourage and support the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.
- **Responsible Chemical Management:** Companies are expected to identify, minimize/minimise or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Companies should also be aware of any use of reportable substances in processes and finished products, and actively investigate suitable substitutes.

For further details please refer to the **Global Automotive Sustainability Practical Guidance** located at

AIAG: <http://aiag.org/corporate-responsibility> and Drive Sustainability: www.drivesustainability.org

Human Rights and Working Conditions

Companies should respect the human rights of workers, and treat all people with dignity as recognized by the international community.

- **Child Labor/Labour and Young Workers:** Companies must ensure that child labor is not tolerated in any form. The age of employment for young workers must meet or exceed company guidelines, legal regulations and local labor laws.
- **Wages and Benefits:** Companies should provide compensation and benefits that comply with applicable local laws, including those relating to minimum wages, overtime compensation, and legally mandated benefits.
- **Working Hours:** Companies should comply with local law regarding working hours, including overtime
- **Forced Labor/Labour:** Companies must prohibit any forms of forced, (bonded) or compulsory labor/labour, including human trafficking.
- **Freedom of Association:** Companies should allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Companies should respect employee rights to associate freely, to join or not join labor/labour unions, bargain collectively, seek representation, and join workers' councils in accordance with local law.
- **Health & Safety:** Companies should provide workers a safe and healthy working environment that meets or exceeds applicable local laws and industry standards for safety and occupational health.
- **Harassment:** Companies should provide a work place free of harassment against workers in any form.
- **Non-Discrimination:** Companies should not tolerate any form of discrimination in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as race, color/colour, age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.



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Group Structure

THK Rhythm Automotive Canada was established in 2015. We belong to the THK North America group consisting of 3 facilities, 2 in Ontario, Canada and 1 in Michigan, USA with its head office at 230 Louth St., St. Catharines Ontario, Canada.

This group is a subsidiary THK Co. Ltd., with its corporate head office located in Tokyo, Japan and has been listed on the Tokyo Stock Exchange since Feb. 2001 and trades under the name THK Co., Ltd.

Supply Chain

Several components in the assembly of our Automotive Linkage and Suspension products manufactured in Canada are sourced and imported from suppliers internationally. THK has approx., 200 different suppliers from several countries which include USA, China, India, Europe, South Korea, Mexico.

Risks in Supply Chain and Actions Taken

THK respects human rights, and we ensure that forced labour and child labour is not part of any product within our supply chain.

Our sustainability guidelines are incorporated into our Global Supplier Quality Manual which all suppliers must agree to conform to which prohibit the use of forced labour or child labor and that these guidelines have been cascaded down through their supply chains.

All global suppliers to THK are on-site audited for conformance to THK requirements which include our sustainability guidelines.

THK is certified to the IATF automotive standard and must adhere to all our customer specific requirements which include sustainability requirements.

As a result of our due diligence, we do not have any risks in our supply chain as we do not source any product from suppliers that do not meet our requirements.

Training

All THK employees involved in the procurement of product from suppliers have access to and have been trained on the content of our Global Supplier Quality Manual which include our sustainability guidelines.

All suppliers to THK also have access to this Global Supplier Quality Manual and must sign a Feasibility Agreement that they will conform to these THK requirements.



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Effectiveness Assessment

100% of our international suppliers to THK have been on-site audited by THK and if they do not meet our requirements, they are not considered to supply product to THK.

Approved suppliers to THK are managed and tracked in our “on-line” Global Supplier Management Portal called the Vendor Information Network (Vin). All suppliers must have access to Vin and scorecards are issued on a regular basis.

All suppliers to THK must be certified to ISO 9001 at minimum with a plan to reach the IATF automotive certification.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending 12/31/2023. It has been issued on behalf of THK Rhythm Automotive Canada Ltd. and approved by THK Rhythm Automotive Canada Ltd. board of directors.

Signed,

A handwritten signature in black ink, appearing to read 'John Cummings'.

John Cummings

Director of North America Operations