

Report on compliance with Fighting Against Forced Labour and Child Labour in Supply Chains Act

TI Automotive Canada Inc.
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Bus No. 971143

Reporting year – 2023-2024

This report outlines TI Automotive Canada Inc.'s efforts to ensure compliance with *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and its commitment to ethical sourcing practices in its supply chain. The report highlights steps taken in the previous financial year, including the implementation of a Supplier Code of Conduct, Supplier Declaration, and Supplier Sustainability initiatives. Additionally, changes to the supplier onboarding process, supplier review process, and criteria for selecting suppliers are addressed including declarations on the sourcing of conflict minerals from identified countries. The report also discusses the identification of risk areas in the supply chain and evaluations of vendors based on their human rights policies and reports.

Structure, Activities and Supply Chain

TI Automotive Canada Inc. is incorporated pursuant to the laws of the Province of Ontario and is the leading Canadian supplier of fluid carrying systems to the Canadian market. The ultimate parent of TI Automotive Canada Inc. is TI Fluid Systems plc, a company traded on the London Stock Exchange. While TI Automotive Canada Inc. does not meet the thresholds set out in the Act, on a global level the TI Fluid Systems group of companies do meet the thresholds and, for this reason, we are responding to the reporting requirement under the Act. On a global level, the TI Fluid Systems group of companies manufactures and supplies fluid carrying systems and fuel tanks and imports supplies from Asia-Pacific, Europe and North America.

Policies and Due Diligence Processes

The TI Fluid Systems group of companies has embedded responsible business conduct into its policies and management systems.

Supplier Code of Conduct

The TI Fluid Systems group of companies has developed and implemented a Supplier Code of Conduct that outlines the ethical standards and expectations for at risk suppliers. This code covers areas such as labor practices, environmental sustainability, and business integrity. Suppliers are required to adhere to these standards as a condition of doing business with the TI Fluid Systems group of companies.

Supplier Declaration

To ensure transparency and accountability, suppliers are asked to complete a Supplier Declaration confirming their compliance with the TI Fluid Systems group of companies' Supplier Code of Conduct. This declaration serves as a formal acknowledgment of their commitment to ethical business practices.

Supplier Sustainability

The TI Fluid Systems group of companies has integrated sustainability considerations into its supplier management processes. This includes evaluating suppliers based on their environmental practices, resource management, and commitment to reducing carbon footprint. Collaboration with sustainable suppliers is prioritized to promote environmental responsibility throughout the supply chain.

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

Changes to Supplier Onboarding Process

In the past year, the TI Fluid Systems group of companies has updated its supplier onboarding process to include an assessment of potential suppliers' adherence to ethical standards. This includes conducting background checks, reviewing past performance, and verifying compliance with regulatory requirements for high-risk vendors.

Changes to Supplier Review Process

The supplier review process has been enhanced to include a more rigorous evaluation of suppliers' human rights policies and reports. This includes assessing their efforts to address issues such as forced labor, discrimination, and child labor. Suppliers that do not meet these standards may be subject to further review or termination of the business relationship.

Criteria for Selecting Suppliers

The TI Fluid Systems group of companies has refined its criteria for selecting suppliers to prioritize ethical sourcing practices. In addition to considering factors such as cost, quality, and reliability, suppliers are evaluated based on their commitment to social responsibility, environmental sustainability, and human rights.

Adherence to Local Laws and Policies

The TI Fluid Systems group of companies has a comprehensive human rights policy that requires attestation for compliance with its terms.

Forced Labour and Child Labour Risks

Risk Assessment in the Supply Chain

The TI Fluid Systems group of companies is in the process of developing processes and procedures to identify forced labour and child labour risks in its supply base. Efforts are ongoing to mitigate these risks through enhanced due diligence and collaboration with reputable suppliers.

Remediation Measures

To date we have not identified any forced labour or child labour in our own production or those of our existing suppliers and therefore no remediation measures have been necessary, nor have we identified any loss of income to those most vulnerable.

Training on Forced Labor

Although workers are trained in the areas of discrimination and workplace harassment, at present, The TI Fluid Systems group of companies has not provided additional training specifically focused on forced labor and child labour. Recognizing the importance of addressing this issue, steps are in place to incorporate training programs to raise awareness and ensure compliance with relevant laws and regulations.

Assessing Effectiveness

To assess effectiveness, the TI Fluid Systems group of companies is developing a review and audit of its policies and procedures regarding forced labour and child labour. Furthermore, the TI Fluid Systems group of companies will develop a plan to conduct regularly conducts child labour and forced labour risk assessments of its supply chain and business activities.

Conclusion

The TI Fluid Systems group of companies remains committed to upholding ethical standards in its business activities, supply chain and ensuring compliance with the Act. Through the on-going development and implementation of robust supplier management processes, collaboration with responsible suppliers, and ongoing risk assessments, the TI Fluid Systems group of companies strives to promote ethical sourcing practices and contribute to a more sustainable and socially responsible business environment.

Attestation

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.



Full Name: Mike Drover
Title: Internal Controls Manager- Americas
Date: May 30, 2024
I have the authority to bind corporation.