



## **Forced Labour Report for Jefferson Elora Corporation**

This annual report is prepared by Jefferson Elora Corporation (“**JEC**”), the Canadian subsidiary of Jefferson Industries Corporation (“**JIC**”), and, ultimately of G-TEKT Corporation (“**G-TEKT**”) which is headquartered in Japan. This report is filed in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**the Act**”). It describes the approach and actions taken by JEC to address forced labour and child labour risks in its operations and supply chains during the year ended December 31, 2023.

### **About Us**

G-TEKT works closely with automakers from the development stage of new vehicle models. It is here that we use our technologies for adding strength to ensure passenger safety and our technologies for reducing weight to improve fuel economy. We propose the optimal design of parts for both safety and environmental requirements. Our highly productive, streamlined manufacturing plants enable us to consistently deliver high-quality, low-cost parts that help us to support automakers around the world. G-TEKT has offices in 12 countries, with approximately 10,000 employees.

JEC is G-TEKT’s only subsidiary in Canada. It is a manufacturing facility specializing in stamping, metal forming, and welding of component parts and other assemblies for the automotive industry. JEC is located in Elora, Ontario and has approximately 630 employees.

The JEC philosophy encourages us to operate ethically, with honesty and sincerity, which means looking to do what is right. We must each realize we have obligations to our customers, suppliers, community, society and to each other. We will always conduct business lawfully and honestly. In short, it means “JEC is the Right Company, making the Right Decisions for the Right Reasons.”

### **What We Do & Our Supply Chains**

JEC’s mission is to provide the highest quality products and services for the automotive industry, worldwide. JEC specializes in stamping, metal forming, and welding of component parts and other assemblies for the automotive industry.

As a manufacturer of auto body components, JEC’s supply chains are complex. It sources material and equipment domestically, from within Canada, and internationally, including from China and Japan. JEC has approximately 600 active suppliers.

### **Risks of Forced Labour or Child Labour in JEC’s Supply Chains**

JEC has business outside of Canada and relies on specific suppliers inside and outside the G-TEKT Group for purchasing mainstay components and other products. Each country and region is subject to varying risks of forced labour and child labour. JEC is aware that some regions

from which it sources goods have higher risk of forced labour than other regions. There is additional risk because of JEC’s lack of visibility beyond its Tier 1 suppliers.

JEC’s parent company, G-TEKT, has created a risk map for each country where it operates. The risk map includes an assessment of potential human rights violations. Based on these maps, its overseas subsidiaries, including JEC, are identifying priority issues and effective countermeasures. Its head office in Japan regularly monitors the status of these countermeasures and shares information on risk and countermeasures throughout the G-TEKT Group.

**Our Forced Labour Program**

Our program to combat forced labour is composed of three pillars: our commitment, our due diligence and controls, and our accountability measures.

<b>Our Commitment</b>	<b>Our Due Diligence and Controls</b>	<b>Our Accountability Measures</b>
Our policies, procedures, and training.	How we assess our risks and engage suppliers.	Having grievance mechanisms in place and putting in place processes aimed at remediating harm if we identify instances of forced labour in our supply chains.

**Our Commitment**

JEC is committed to ensuring that forced labour and child labour are not used in its supply chains, and rejects all forms of compulsory labour, child labour, human trafficking, and discrimination. This commitment is implemented through policies, procedures and training to employees.

Key Policies

JEC has the following policies in place to cement our commitment to ensuring that forced labour and child labour are not used in our supply chains.

- **G-TEKT’s Anti-Forced and Child Labour Policy**

G-TEKT has established the *Anti-Forced and Child Labour Policy* which applies to JEC, all its officers, and employees. JEC is committed to upholding laws concerning forced labour and child labour and to not violate such laws.

JEC is committed to avoiding the use of forced, binding (including debt restraint), non-voluntary, slave or trafficking labour. This includes transporting, harvesting,

recruiting, transferring or taking over people who are in weak positions by intimidation, compulsion, control, abduction, or fraud for exploitation purposes.

All JEC officers and employees should recognize and take the necessary measures to secure that all labour must be voluntary, and employees can terminate employment at their own will. JEC should not ask employees to transfer public identification cards, passports, or work permits as a condition of employment, and should not tolerate exorbitant fees and all fees imposed on labourers must be disclosed to the labourers.

Additionally, JEC should not use Child Labour in any business. "Child" means a person whose age is lower than the minimum working age stipulated by law. JEC should confirm the age of those who become employees beforehand by public identification cards, etc. JEC should support labourers to use legitimate training programs.

- **G-TEKT's Supplier CSR Guidelines**

With the help of its suppliers, G-TEKT has been responding to demands of society through initiatives for quality and safety including tackling issues of forced labour. Amid rapid changes in social conditions, it has become even more important to conduct CSR activities on the entire supply chain basis, in order to engage in sustainable business activities. We will continue to improve. Through the Supplier CSR Guidelines, G-TEKT requires suppliers to comply with G-TEKT's commitment against forced labour, to report potential violations, and G-TEKT may also require suppliers to confirm its compliance status.

- **JEC's Business Ethics Policy**

The purpose of JEC's *Business Ethics Policy* is to strive for honesty and integrity in all of JEC's dealings with the business community, its associates, and the public. It also sets forth the ethical and legal obligations of JEC. The JEC philosophy encourages all employees to operate ethically, with honesty and sincerity, which means looking to do what is right. JEC is committed that it has obligations to its customers, suppliers, community, society and to each other. JEC will always conduct business lawfully and honestly.

- **JEC's Business Management System Policy**

JEC is committed to realizing its interested parties' goals and objectives. JEC's *Business Management System Policy* sets forth that JEC will do so by ensuring its products, services, and systems are continually improved through JEC's philosophy of "SMQCDE", which is safety, morale, quality, cost, delivery, and environment.

JEC will ensure a healthy and safe work environment, by embracing the 3R safety principle: Responsible for Self, Others, and Workplace. JEC is committed to eliminating workplace Health and Safety hazards and risks.

- **JEC's Corporate Governance Policy**

The purpose of JEC's *Corporate Governance Policy* is to strengthen legal compliance, business ethics and risk management systems. This policy has been established with the objectives of meeting challenges of changing legal and business environments; enhancing the trust of JEC among customers, associates, and society; and following all applicable laws and our global Corporate Governance Policies and Guidelines.

### Training

JEC is committed to periodically educating employees, providing them with training. All JEC employees must complete training on its Business Ethics Policy and human rights training. Employees should make use of opportunities to discuss the policies and guidelines, provided by Compliance Subcommittee, and share experiences and information with members of each department.

### **Our Due Diligence and Controls**

In addition to the above policies and training, JEC has measures in place to conduct due diligence on its suppliers and supply chain broadly.

JEC strives to source materials from reputable suppliers who, to its knowledge, comply with labour laws and regulations. JEC is committed to request that its suppliers comply with the *Anti-Forced and Child Labour Policy*.

JEC also requires all suppliers to fill its Supplier Capability Commitment Form, which considers suppliers' manufacturing capability, risk, and safety evaluation. It requires all suppliers to address their process risks, EDI, whether they have policies to monitor and manage their supply chain, and whether they have been cited for non-compliance. JEC is considering potential amendments to this Form to require suppliers to address potential risks of forced labour in their supply chains.

In addition, JEC may request that suppliers confirm they are compliant with JEC's *Anti-Forced and Child Labour Policy* or to conduct self-inspections to assess their compliance with JEC's ethical standards.

### **Our Accountability Measures and Remediation**

JEC has many measures in place to ensure our forced labour program is effective. This includes a corporate ethics hotline and corrective action against employees and suppliers that violate JEC's *Anti-Forced Labour and Child Labour Policy*.

JEC will strive to maintain and improve corporate ethics by using information on breaches of corporate ethics provided through the corporate ethics reporting hotline. Any suspected violations of the *Anti-Forced and Child Labour Policy* and its Guidelines, whether by a JEC officer, employee, or supplier, should immediately be reported to JEC's Ethics Committee:

- E-mail the Ethics Program at – [ethics@jec.on.ca](mailto:ethics@jec.on.ca) and leave a detailed message.
- Call the Ethics Advice Line at 519-846-3062 and leave a detailed message.

Calls to the Ethics Advice Line may be made anonymously.

Regardless of their roles, responsibilities or position, any officer or employee who acts contrary to the *Anti-Forced and Child Labour Policy*, related laws and regulations, or any JEC internal policy may be subject to disciplinary action.

JEC requests cooperation from suppliers so as not to commit inappropriate conduct. Where the *Anti-Forced and Child Labour Policy*, or related laws and regulations are violated, JEC will promptly request correction by the supplier. If correction cannot be expected, JEC will consider various remedial measures including elimination of business relations.

JEC did not identify situations of forced labour or child labour practices in its supply chain in 2023. Thus, JEC has not had to remedy and rectify any such situation. However, should this change, JEC has policies to implement action plans, including corrective action policies, tailored to specific situations.

### **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.

By:   
Name: Shigeya Yamaguchi  
Title: President, Director

I have the authority to bind JEC.