INOAC Canada Limited

Annual Report

Pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act



Fiscal Year 2025

Innovation & Action

INOAC

INTRODUCTION

On August 1, 2023, the President and Chief Operating Officer of INOAC Corporation ("**INOAC**") in Japan communicated our "President's Statement on Respecting Human Rights" to all employees.

Approach to respecting human rights

We recognize that we may directly or indirectly affect human rights in the process of conducting our business. We support international norms related to human rights, such as the United Nations' International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and we hold ourselves responsible to respect the human rights of all people involved in our business activities.

We do not tolerate discrimination based on nationality, gender, age, beliefs, religion, race, ethnicity, sexual orientation, disability, whether one is married or has children, or for any other such reason, nor do we permit any form of harassment such as power harassment, sexual harassment, or peer pressure, or behavior that undermines an individual's dignity. We also prohibit forced labor and child labor, and we guarantee freedom of association. In addition, we create healthy and safe working environments for our employees.

August 1, 2023
Yasushi Nomura
President & COO
INOAC Corporation

INTRODUCTION

Introduction

This report is a joint report filed by INOAC Canada Limited on behalf of itself, INOAC Interior Systems GP, Inc., INOAC Interior Systems LP, and INOAC Exterior Systems Inc. (collectively "**INOAC Canada**") pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ending December 31, 2025. The report sets out the steps that INOAC Canada has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by INOAC Canada. The report also provides supplementary information as is required under the Act.

INOAC and its subsidiaries, including INOAC Canada, are committed to adherence to the highest ethical standards and conducting business with the utmost level of integrity. While adhering to high ethical standards, we carry the same expectations that its group business partners will do the same.

This Report constitutes the third report prepared by INOAC Canada pursuant to the Act.

PREVENTION

Steps to prevent and reduce the risk of forced labour or child labour in our activities and supply chains

During the previous financial year, INOAC Canada continued to apply group due diligence processes and policies described elsewhere in this report. Additionally, the following actions were taken at the INOAC group level, which are directly relevant to INOAC Canada's supply chain given its role in exercising a central procurement function and developing group policies and processes:

- In 2025, INOAC's group Business Ethics and Code of Conduct Policy, which prohibits the use of forced and child labour, was reviewed and updated.
- In early 2025, INOAC developed and published its Supplier Corporate Social Responsibility Code of Conduct
- In conjunction with its customers, INOAC on behalf of its subsidiaries including INOAC Canada, conducted compliance assessments of INOAC group operations and its supply base.
- INOAC provided training to its group management and supervisors relating to the Business Ethics and Code of Conduct policy.
- In 2024, INOAC's parent company in Japan, INOAC Corporation, rolled out an extensive Compliance Policy that extensively prohibits and condemns any form of slavery or forced labour within all INOAC affiliated entities across the entire globe.
- INOAC Corporation further emphasized that any person working for INOAC, or its affiliated entities, must do so with their own volition and free will.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure, activities and supply chains

INOAC Canada Limited is incorporated under the *Business Corporations Act (Ontario)*, and is headquartered in St. Marys, Ontario. INOAC Canada Limited is ultimately controlled by INOAC, the controlling entity of the INOAC group, headquartered in Japan. INOAC Interior Systems GP, Inc., INOAC Interior Systems LP., and INOAC Exterior Systems Inc., are wholly owned and controlled subsidiaries of INOAC Canada Limited.

INOAC is a world leader in the field of polymer chemistry specializing in polyurethanes, plastics, elastomers and advanced materials. It serves as a key producer of a broad range of products for a variety of industries including automotive, information and telecommunications, healthcare, cosmetics, industrial materials, and housing. The operations of INOAC's subsidiaries within Canada, the United States, and Mexico encompass over 10,000 employees as of December 31, 2025.

INOAC Canada is engaged in manufacturing and assembly of interior and exterior automotive components and parts, and the foaming and painting of components and parts. All marketing of INOAC's products is provided through central offices in Novi, MI, USA. These include offices in Novi, MI and Bardstown, KY. INOAC Canada's supply chain consists of raw materials and components required to manufacture interior and exterior automotive parts but consists principally of resins. Most of these materials, components and systems are provided by suppliers within Canada and the United States and are sourced through INOAC's centralized procurement function located in the US.

Policies, governance and due diligence processes

INOAC Canada benefits from the INOAC group due diligence processes and policies in relation to forced and child labour described below. INOAC policies are available on the following websites: https://www.inoac.co.jp/en/sustainability/compliance/ and https://inoacusa.com/suppliers/

4.1 INOAC Corporation's Compliance Policy

INOAC's Compliance Policy is designed to guide the business activities of INOAC affiliated companies around the world with a firm commitment to ethical and lawful practices.
To promote ethical and lawful practices in its business operations, INOAC Corporation affirms that among the several compliance principles that all INOAC affiliated companies must comply with, all INOAC affiliated entities strongly prohibits and condemns any form of slavery or forced labour within all INOAC affiliated entities across the globe. Any person working for INOAC, or its affiliated entities, must do so with their own volition and free will.
It is important that INOAC entities familiarize themselves with this policy and conduct their business activities in accordance with its Compliance Policy.

4.2 Human Rights Statement

INOAC's Human Rights Statement outlines INOAC's commitment to upholding human rights throughout its operations and supply base, and therefore its commitment to preventing forced and child labour.

4.3 Code of Conduct & Business Ethics Policy

INOAC's Code of Conduct & Business Ethics Policy (the "**Policy**") is INOAC's commitment to adherence to the highest ethical standards and conducting business with the utmost level of integrity. An uncompromising adherence to high ethical standards is integral to creating and sustaining the strong foundation on which success is built.

While each individual is responsible for the consequences of his or her actions, the Policy applies to all levels of the INOAC organization, including the Board of Directors, corporate officers, and all of the management teams and employees at every location and organization. The Policy covers ethical business practices and conduct in the work environment. The principles set out in the Policy reflect INOAC's belief that honesty and integrity are the essential pillars of a successful business, and they are key to continued growth and development. The Policy creates real expectations that all employees, contractors, and representatives of INOAC are expected to be honest and ethical in dealing with each other, customers, suppliers and all other third parties.

4.4 Supplier Corporate Social Responsibility Code of Conduct

INOAC's Supplier Corporate Social Responsibility Code of Conduct (the "**Code**") recognizes that its suppliers play a crucial role in creating a responsible and sustainable value chain. As such, it is important to integrate INOAC's key standards and practices that it requires in its organization, into its supply chain partners. These include Environmental Responsibility, Social Compliance and Standards, Business Ethics Compliance, and other key areas. Suppliers that INOAC engages with and with which INOAC companies enter business partnerships must have a commitment to focus on improving and maintaining their Corporate Social Responsibility and their adherence to the Code.

INOAC commits to sourcing as many products as possible from high quality, safe and sustainable sources within its global supply chain. Given that the supply chain forms an important part of INOAC's social and environmental impact, INOAC must ensure that the relevant environmental, social, and ethical impacts are fully understood and addressed by group suppliers. For this purpose, INOAC developed and implemented the Code in the first quarter of 2024, which covers these aspects of its business.

4.5 Third Party Due Diligence Policy

INOAC companies only work with companies that share their high standards and commitments to having a supply chain free of forced and child labour. INOAC's third party due diligence policy outlines the required processes and standard for onboarding a new supplier for INOAC companies. INOAC continues to improve and develop its compliance policies and programs. In 2025, the existing Third-Party Due Diligence process was further refined to address new and emerging standards.

4.6 Reporting and Non-Retaliation Policy

In accordance with the Reporting and Non-Retaliation Policy, INOAC encourages group employees and suppliers to speak up and address any serious concerns regarding any activity that they may consider to be illegal, unethical, or in violation of the Policy, including incidents of forced and child labour. Should an employee or supplier have concerns regarding violations of the Policy, the Code, or violations relating to forced or child labour, they have a responsibility to report their suspicions. INOAC provides several avenues for group employees or suppliers to report any potential compliance concerns, such as reporting:

- to colleagues, including supervisors, human resources managers, INOAC's General Counsel, or next level of management.
- inTouch, INOAC's free, anonymous, and confidential hotline available to all employees and third parties 24 hours a day, seven days a week, anywhere in the world, accessed by phone or online.

Additionally, INOAC has committed to its group employees, and any third parties, that it will not retaliate against any individual, or individuals, that report any violations of the Policy, the Code, or applicable law. This commitment includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any individual who believes he/she is being retaliated against must contact the INOAC's General Counsel immediately.

RISK MANAGEMENT

Assessing and managing our risk

INOAC Canada is engaged in injection molding and relies resins as its principal inputs. These resins are majority sourced from suppliers in the US, while a small number of inputs may also be sourced from Canada and Japan. The primary inputs for these resins are derived from the oil and gas industry, who also source their products from North America.

Given that INOAC Canada is sourcing from suppliers in low risk jurisdictions whose inputs are in turn sourced from low risk jurisdictions, we believe the risk of forced labour or child labour within our supply chain is low. Nevertheless, INOAC takes compliance seriously and is continually vigilant about the risk of forced and child labour risk in its supply chain and the supply chain of its suppliers.

With respect to its activities, INOAC Canada's employees, human resource policies and onboarding process requires full compliance with the laws of Canada, the United States, and Mexico, including as concerns working conditions and compensation.

To help manage forced and child labour risk in its supply chain, INOAC Canada limits its business relationships to those companies that uphold its high standards. Additionally, it depends on the due diligence processes and policies described elsewhere in this report. The INOAC group continues to refine and develop policies and procedures to help identify and evaluate forced and child labour risks.

REMEDIATION

Remediation measures

INOAC Canada is not aware of any incidents of forced or child labour in its supply chain and therefore the issue of remediation is not applicable.

Remediation of loss of income

INOAC Canada is not aware of any loss of income to families resulting from any measures taken to eliminate the use of forced or child labour in its supply chains and thus the question of remediation is not applicable.

TRAINING

Training

All INOAC group employees, including those of INOAC Canada, receive training on a variety of compliance topics and our policies. All new office employees are assigned mandatory onboarding training which includes training on the Policy and the Code. On an annual basis, all office employees are required to complete compliance training across several important compliance topics; including labour and employment laws.

Assessing effectiveness

INOAC Canada has in place several measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. INOAC, on behalf of INOAC Canada, has conducted compliance assessments to assess the effectiveness of those actions.

APPROVAL & ATTESTATION

Approval & attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular subparagraph 11 (4)(b)(ii) thereof, I, Roger Dawes, in the capacity of Director and President, INOAC Canada Limited, attest that I have reviewed the information contained in the report on behalf of the governing body of INOAC Canada Limited, INOAC Interior Systems GP, Inc., INOAC Interior Systems LP, and INOAC Exterior Systems Inc. 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 within this report.

Per: _____

Roger Dawes

Director and President of INOAC Canada Limited

April 1, 2026

I have the authority to bind INOAC Canada Limited