

2024 Report – Fighting Against Forced Labor and Child Labor in Supply Chains.

by

Kautex Corporation

This report is filed by Kautex Corporation (hereinafter “Kautex Canada”) for the financial year ending December 31, 2024 (“Reporting Year”) and constitutes the second report prepared by the entity in response to Canada’s Fighting Against Forced Labor and Child Labor in Supply Chains Act (the “Act”). It details the steps Kautex Canada has taken to prevent and reduce the risk that forced labor or child labor is used at any step in its products production.

1. Entity Structure, Activities, and Supply Chain

Kautex Canada is a company in Ontario that was established in 1986. The company develops and manufactures fuel tank systems for use by automotive manufacturers. Kautex Canada currently employs approximately 250 employees and sources parts, assemblies, and materials from roughly 350 suppliers located in 17 countries.

Kautex Canada’s ultimate parent is Textron Inc., a U.S. publicly traded entity, with its corporate headquarters located in Providence, Rhode Island. Textron is a global business, with a presence in over 25 countries and employing about 35,000 people.

2. Steps Taken to Prevent and Reduce the Risk that Forced Labor or Child Labor is Used at Any Step of the Production of its Products

Kautex Canada is committed to fair employment practices and following applicable employment law. This unwavering commitment includes complying with laws that prohibit forced labor and child labor.

The following steps were taken during the Reporting Year to prevent and reduce the risk that forced labor or child labor is used at any step of the production of Kautex Canada’s products:

- a. Reviewed and updated its Code of Conduct, commonly referred to as the Business Conduct Guidelines.
- b. Reviewed and updated its Code of Conduct for Suppliers and Other Business Partners (the “Supplier Code”).
- c. Implemented anti-forced labor and child labor contractual clauses.
- d. Reviewed and updated its Commitment to Human Rights (“Human Rights Commitment”).
- e. Contracted with a third-party provider to conduct a supply chain risk assessment which includes an assessment of the risk that forced labor and child labor is used in its supply chain.

- f. Invited direct suppliers to participate in an annual self-assessment which asks whether the supplier prohibits the exploitation of children and the use of forced labor.
- g. Monitored the direct supply chain for adverse media reports which would include allegations around the use of forced labor or child labor.
- h. Provided information to contractors and suppliers through the Supplier Code of the reporting mechanisms available for reporting violations of its policies.

3. Policies and Due Diligence Processes

a) Business Conduct Guidelines

In the Reporting Year, the Business Conduct Guidelines were reviewed and updated. The Business Conduct Guidelines serve as a code of conduct for Kautex Canada and its employees. The Business Conduct Guidelines establish the expectation that our suppliers and business partners will conduct business in accordance with the highest ethical standards and in compliance with all applicable laws. This includes complying with laws that prohibit child labor or forced labor. Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment.

b) Code of Conduct for Suppliers and Other Business Partners

In the Reporting Year, the Supplier Code was updated. The Supplier Code sets forth Kautex Canada's expectation that its suppliers will not engage in the use of illegal child labor or obtaining labor or services through coercion, physical threats or restraints, withholding of passports, identity or immigration documents, the use of false or misleading recruitment practices, or other forced labor practices. The Supplier Code directs suppliers to ensure that their directors, officers, employees, representatives, agents, and business partners, and the suppliers within their supply chain, adhere to the principles established by the Supplier Code.

c) Human Rights Commitment

The Human Rights Commitment, which represents Kautex's commitment to promoting and supporting human rights in its operations and supply chain worldwide, was also revised and updated in the Reporting Year. This Human Rights Commitment applies to all its employees, its Board of Directors and any others who may represent or act on behalf of Kautex Canada.

4. Identifying Parts of its Business and Supply Chains that Carry a Risk of Forced Labor or Child Labor

Kautex Canada retained a third-party for purposes of conducting a supply chain risk assessment which includes identifying suppliers and areas of the supply chain that may carry a risk of forced labor or child labor. As part of the risk assessment, certain suppliers were identified as potentially carrying a risk of forced labor or child labor. Based upon this information, Kautex Canada conducted audits, visits, and/or meetings with the relevant suppliers to further assess the risks. In

addition, Kautex Canada has incorporated contractual provisions into its supply chain agreements with direct suppliers requiring compliance with the relevant laws and its Supplier Code. Further, Kautex Canada uses a media screening tool that is intended to identify adverse media about its direct suppliers, including any allegations that a supplier has used forced labor or child labor. Finally, employees and suppliers are encouraged to report violations of the Supplier Code. Kautex Canada is committed to creating an environment where individuals can raise questions or concerns without fear of retaliation.

5. Measures Taken to Remediate Any Forced Labor or Child Labor in its Activities and Supply Chains

No specific measures have been taken to remediate any forced labor or child labor in Kautex Canada's supply chain as it has not yet identified any use of forced labor or child labor.

6. Measures Taken to Remediate the Loss of Income from Any Measures Taken to Eliminate the Use of Forced Labor or Child Labor

Kautex Canada has not taken any measures that would require remediation of lost income by any persons subjected to forced labor or child labor.

7. Training Employees

Kautex Canada provides training to its employees on its Business Conduct Guidelines and requires an annual certification of compliance to be submitted by all designated employees that they are not aware of any breach of the Business Conduct Guidelines. Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment. Additionally, Kautex Canada provides responsible global supply chain employees with training on forced labour and/or child labour. Kautex Canada also provides compliance training to all employees, which compliance training includes aspects addressing forced labour and/or child labour.

8. Assessing Effectiveness in Ensuring that Forced Labor and Child Labor Are Not Being Used in its Businesses and Supply Chains

During the Reporting Year, a third-party provider was retained by one of Kautex Canada's affiliates to conduct a risk assessment of supply chain risks (also covering Kautex Canada) including those around forced labor and child labor. As part of the risk assessment, certain suppliers were identified as potentially carrying a risk of forced labor or child labor. Based upon this information, Kautex Canada conducted audits, assessments, visits, and/or meetings with the relevant suppliers to further assess the risks. Kautex Canada follows Kautex standard actions (reaction plan) based on the outcome of individual audits and assessments. For example, after an audit, a dedicated action plan is created for each supplier to follow up on necessary activities. This ensures that effectiveness is measured accordingly. The example above is aligned with the requirements of the German Act on Corporate Due Diligence in Supply Chains.

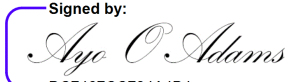
Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Kautex Corporation.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed.

I have the authority to bind Kautex Corporation.

Signed by:

A handwritten signature in cursive script that reads "Ayo O. Adams". The signature is written in black ink and is positioned above a horizontal line.

Name: Ayo Adams

Title: Director

Date: 5/27/2025