



**REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR
AND CHILD LABOUR IN SUPPLY CHAINS ACT**

Financial Year Ended December 31, 2023

Introduction

This report (the “Report”) is made pursuant to the *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (also known as Canada Modern Slavery Act 2023) (the “Act”) and sets out the steps Akebono Brake Corporation (“Akebono”) has taken to prevent and reduce the risk of forced labour or child labour occurring in our business and supply chain, up to and including the financial year ending December 31, 2023.

Akebono is committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect that our suppliers share our commitment to ethical and responsible business practices.

Our Business Structure, Operations and Supply Chain

Akebono is a Michigan corporation headquartered in Farmington Hills, Michigan (USA), with manufacturing operations in Elizabethtown, Kentucky and Glasgow, Kentucky. Akebono is a wholly owned subsidiary of Akebono Brake Industry Co., Ltd., a Japanese corporation listed on the Tokyo Stock Exchange. As of the date of this Report, Akebono has 1,160 employees.

Akebono’s principal business activities are the design, manufacture and sale of wheel-end components for the automotive industry, consisting primarily of brakes and brake components. In Canada, Akebono distributes its products through its network of fourteen wholesale distributors and retail partners.

Akebono sources aluminum and iron castings, pistons, fasteners and other small components for its brake calipers, and steel pressure plates and various other raw materials for its friction products. The vast majority of Akebono’s suppliers are in the United States, Eastern Europe, Japan and Canada.

Akebono’s supply relationships are typically longer-term and governed by purchase order terms and conditions. Akebono maintains a Supply Chain Management team that is responsible for oversight of its supply chains.

Our Policies and Due Diligence Processes

Akebono has taken steps to ensure its supply chains are free of forced labour and child labour through embedding responsible business conduct into its management systems and company policies, including its Code of Business Conduct, Human Rights and Trafficking Policy, Whistleblower Policy and its Purchase Order Terms and Conditions. Our employees are made aware of these systems and policies during onboarding, and all employees with regular computer

access at work are required to complete follow-up training on at least an annual basis. We also maintain a list of approved suppliers that are subject to these policies.

Code of Conduct

We expect our employees and suppliers to know and adhere to the principles set forth in our Code of Business Conduct, which addresses, among other topics, Human Trafficking and Forced or Coerced Labor, and Reporting Code Violations (i.e., whistleblowing). This includes ensuring that child, forced, or coerced labor is not used at any level of our supply chain, and that all applicable laws pertaining to working conditions and other terms of employment always be followed. Akebono's employees and suppliers are required to immediately report any suspected violation of these policies directly to Akebono management or anonymously through Akebono's Ethics Hotline.

Our Code of Business Conduct is shared with employees via the intranet and is available to business partners on our website (www.akebonobrakes.com/supplier-resources). Akebono provides Code of Business Conduct training for all its employees. This training is provided by a third-party compliance services provider and includes an acknowledgement by employees that they are aware of their responsibilities provided in the Code of Business Conduct, including those related to forced labour and child labour.

Human Rights and Trafficking Policy

In June 2023, Akebono adopted a Human Rights and Trafficking Policy, which strictly prohibits its employees and business partners from engaging in any activity related to human trafficking or slavery, including but not limited to:

- Engaging in any form of trafficking in persons;
- Procuring commercial sex acts;
- Using forced labor in the performance of any work;
- Using a recruiter that does not comply with local labor laws; or
- Obtaining labor from a person by threats of serious harm to that person or another person.

Akebono requires that any violation or suspected violation of this policy be immediately reported and prohibits retaliation against any person who reports suspected trafficking or assists with an internal or governmental investigation of human trafficking.

Purchase Order Terms and Conditions

Akebono's suppliers are contractually required to comply with Akebono's Purchase Order Terms and Conditions (available at www.akebonobrakes.com/supplier-resources), pursuant to which each of our suppliers agrees to abide by Akebono's Code of Business Conduct and represent that neither the supplier, nor any of its subcontractors, vendors, agents or other

associated third parties, will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices in the supply of goods to Akebono.

Risk Assessment and Due Diligence

As part of our commitment to ethical business practices, we monitor operational and supply chain risks and evaluate if it is necessary to conduct risk assessments involving human and labor rights issues for any existing, new and/or potential operations and suppliers. We also rely on the cooperation of our suppliers and expect them to meet the highest standards of ethics, as defined in our Code of Business Conduct and the other policies and contractual requirements discussed in this Report. We currently assess the risk of forced labour or child labour as being minimal in terms of our direct suppliers.

Remediation Measures

We have not identified any instances of forced labour or child labour in our supply chains and have therefore not taken any remediation steps or remediated any loss of income to the most vulnerable families. Should we identify any instances of forced labour or child labour, we will consider appropriate remediation measures.

Key Performance Indicators

We monitor the incidence of discrimination and labor rights issues and human rights violations to measure the effectiveness of our efforts. We have not detected or observed, nor have we received any reports on, non-compliance, violations or grievances, related to human and labor rights issues in the reporting year. We also have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Akebono Brake Corporation.

In my capacity as a Director of Akebono Brake Corporation, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report. 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 above.

I have the authority to bind Akebono Brake Corporation.

A handwritten signature in black ink that reads "K.OKA". The letters are written in a cursive, slightly slanted style.

Keiichi Oka
President & CEO
Member, Board of Directors
Akebono Brake Corporation
May 2024