



Simcoe Parts Service Inc.

Fighting Against Forced Labour and Child Labour in Supply Chains Act Statement

For the Financial Year Ended December 31, 2025

1. Introduction

Simcoe Parts Service Inc. (“SPS” or the “Company”) is a subsidiary of Honda Logistics, Inc. (“HLI”). This statement is made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the financial year ended December 31, 2025.

This statement outlines the measures taken by SPS during the reporting period to prevent and reduce the risk of forced labour and child labour within its operations and supply chains.

In accordance with the Act, this statement is published on the following website:
www.simcoeparts.com

2. Company Philosophy

As part of the SPS Philosophy, one of the Fundamental Beliefs is “Respect for the Individual.” This Fundamental Belief leads the HLI Group to value and respect the unique contributions of each individual.

Accordingly, the HLI Group is committed to ensuring that each person involved in the development, manufacture, distribution, sale and service of its products is treated with dignity and respect.

As part of its commitment to conducting business ethically and responsibly, SPS will not engage in business practices or activities that compromise fundamental human rights, including any form of forced labour or child labour.

3. Our Business

SPS is a subsidiary of HLI and provides just-in-time delivery of products and services to support Honda manufacturing operations in Alliston, Ontario.

SPS’s logistics services include:

- warehousing (parts are received, staged, packed and sequenced in SPS warehouses);
- parts delivery (ensuring the correct part is delivered to the correct location at the correct time);

- wheel assembly (tires and wheels are assembled through highly automated production lines); and
- transportation management (deliveries are coordinated through SPS's transportation department).

SPS also imports certain goods and materials into Canada in support of its operations and customer requirements.

As a key part of the Honda supply chain, SPS is proud to support the production of the Honda Civic and Honda CR-V and to contribute to operations that employ many Canadians.

SPS is ISO 9002 and ISO 14001 certified and employs more than 800 associates. Operations are conducted throughout five (5) facilities totaling more than one million square feet.

4. Supply Chain

SPS will not tolerate forced labour or child labour within its operations or supply chain. SPS expects its suppliers to share this commitment and encourages suppliers to maintain appropriate policies, procedures and controls to prevent and detect forced labour and child labour risks.

Measures implemented by SPS to prevent and reduce risks of forced labour and child labour are outlined below.

(a) SPS Supplier Code of Conduct

The SPS Supplier Code of Conduct includes provisions prohibiting forced labour and child labour.

The Code states that SPS:

- will not engage in or support child labour;
- will not engage in or support forced labour or human trafficking practices; and
- expects suppliers to maintain lawful and ethical employment practices.

The Supplier Code of Conduct further requires suppliers to ensure that workers:

- are free to leave employment with reasonable notice;
- are not subject to coercion, threats or penalties;
- are not required to surrender passports or government-issued identification documents; and
- are employed in accordance with applicable labour and employment laws.

(b) Supplier Contracts

SPS requires suppliers to comply with contractual obligations intended to address forced labour and child labour risks.

All new supplier agreements and contract renewals include provisions requiring suppliers to:

- comply with applicable labour and employment laws;
- refrain from engaging in forced labour, child labour or human trafficking practices;
- comply with applicable wage and working condition requirements; and
- comply with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* where applicable.

SPS communicates its commitment to ethical sourcing and responsible business practices to suppliers and expects suppliers to uphold similar standards throughout their operations and supply chains.

Failure to comply with these contractual requirements may result in corrective action, including termination of the supplier relationship.

(c) Due Diligence Processes

SPS conducts ongoing due diligence processes intended to identify, assess and mitigate risks of forced labour and child labour within its operations and supply chain.

These processes include:

- supplier onboarding reviews;
- contractual compliance obligations;
- supplier acknowledgement of the SPS Supplier Code of Conduct;
- employee reporting mechanisms;
- ethics and compliance investigations; and
- periodic policy and training reviews.

SPS continues to evaluate opportunities to strengthen supplier monitoring and risk assessment processes.

5. Risks of Forced Labour and Child Labour in SPS Operations and Supply Chains

Portions of the broader supply chain are managed by Honda affiliates and third-party suppliers outside Canada. SPS recognizes the importance of understanding and addressing potential forced labour and child labour risks throughout its supply chain.

SPS has sought to assess inherent risks by considering factors such as:

- the industries and sectors in which suppliers operate;
- the geographic location of suppliers;
- the nature of supplied goods and services; and
- supplier business relationships.

Operations

SPS has assessed the risk of forced labour and child labour within its Canadian operations as low.

SPS operates in highly regulated sectors in Canada and the United States, including logistics, warehousing, transportation and wheel assembly operations. SPS also maintains internal compliance controls, policies and reporting mechanisms intended to support lawful and ethical business practices.

Supply Chains

SPS has assessed the risk of forced labour and child labour within its direct Canadian and United States supplier relationships as generally low.

A significant portion of SPS procurement activities involves established suppliers, corporate service providers and suppliers affiliated with Honda and HLI operations that are subject to global standards and policies relating to human rights and responsible business conduct.

SPS recognizes, however, that supply chain risks may evolve and continues to review opportunities to strengthen supplier oversight and risk assessment measures.

6. Internal Measures

(a) Code of Conduct

SPS maintains a Code of Conduct applicable to all employees.

The Code of Conduct requires personnel to:

- comply with applicable laws, regulations and company policies;
- conduct business ethically and responsibly;
- report concerns relating to potential legal or policy violations; and
- respect the human rights and dignity of all individuals.

Employees are required to review and acknowledge the Code of Conduct on a regular basis.

(b) Ethics and Compliance Policy

SPS maintains an Ethics and Compliance Policy applicable to all employees.

The policy reinforces SPS's commitment to conducting business lawfully, ethically and responsibly and requires employees to report concerns regarding potential legal, ethical or policy violations.

Employees may report concerns to management, Human Resources or through the Ethics and Compliance Hotline.

(c) Ethics and Compliance Hotline

SPS personnel have access to an Ethics and Compliance Hotline that permits confidential or anonymous reporting of suspected misconduct, unethical conduct or policy violations.

Reports are reviewed confidentially and escalated to appropriate management and compliance personnel for investigation and resolution where necessary.

The hotline provides personnel with a mechanism to report concerns relating to forced labour or child labour.

(d) Whistleblower Policy

SPS maintains a Whistleblower Policy intended to support an ethical workplace environment and encourage reporting of concerns without fear of retaliation.

Employees may report concerns through management, Human Resources or the Ethics and Compliance Hotline.

Retaliation against individuals who report concerns in good faith is prohibited and may result in disciplinary action up to and including termination of employment.

(e) Key Performance Indicator (“KPI”) Structure

Compliance and ethics-related KPIs are reported to senior management on a regular basis.

These KPIs may include:

- the number and nature of reported compliance concerns;
- investigation status and resolution tracking;
- trends relating to ethics or compliance matters; and
- compliance hotline activity.

(f) Anti-Slavery and Anti-Human Trafficking Policy

SPS maintains an Anti-Slavery and Anti-Human Trafficking Policy applicable to employees and contractors.

The policy outlines SPS’s expectations regarding the prevention of forced labour and child labour and provides guidance regarding escalation and reporting obligations where concerns arise.

(g) Training

SPS provides training and awareness relating to forced labour and child labour through its internal learning management system.

Training is provided to new associates as part of onboarding and refresher training is conducted periodically for relevant employees and management personnel.

The purpose of this training is to support awareness of forced labour and child labour risks and reinforce SPS's expectations regarding ethical and lawful business practices.

7. Assessing Effectiveness

During the reporting period, SPS continued to strengthen its governance framework, policies, training and supplier controls relating to forced labour and child labour risks.

SPS monitors the effectiveness of its compliance measures through:

- compliance hotline reporting;
- investigation tracking and KPI reporting;
- policy acknowledgement processes;
- employee training completion monitoring; and
- supplier contractual compliance requirements.

As SPS continues to mature its compliance framework under the Act, the Company intends to further develop formalized processes and metrics to evaluate the effectiveness of its due diligence and risk mitigation activities.

During the reporting period, SPS did not identify any instances of forced labour or child labour within its operations or direct supply chain and therefore no remediation measures were required.

8. Future Steps

To further strengthen SPS's commitment to preventing forced labour and child labour within its operations and supply chains, SPS intends to:

- continue reviewing supplier agreements to strengthen compliance obligations relating to the Act;
- continue distributing and reinforcing supplier compliance expectations through the SPS Supplier Code of Conduct;
- continue reviewing and updating internal policies and procedures where appropriate;
- continue delivering employee training and awareness initiatives; and

- continue evaluating opportunities to enhance supplier due diligence and risk assessment processes.

Approval and Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for Simcoe Parts Service Inc. 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.

Signed:  _____

Name:
Mike Reid

Title:
Vice President and Member of the Board of Directors

I have the authority to bind Simcoe Parts Service Inc.

Date: May 21/2021