

## **HINO MOTORS CANADA, LTD.**

Annual Report – Financial Year 2024/25 – Prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

### **INTRODUCTION**

This report is submitted by Hino Motors Canada, Ltd. (“**HMC**” or the “**Company**”) for the financial year ending March 31, 2025 (the “**Reporting Period**”). The report sets out the steps that the HMC 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 by the Company or of goods imported into Canada by the Company. The report also provides supplementary information as is required under the Act.

### **STEPS TAKEN TO PREVENT AND REDUCE THE RISK THAT FORCED LABOUR AND CHILD LABOUR ARE USED AT ANY STEP OF THE PRODUCTION OF GOODS BY HMC OR OF GOODS IMPORTED INTO CANADA BY HMC**

During the Reporting Period, HMC took the following steps to prevent and reduce the risk that forced labour and child labour were used at any step of the production of its goods or of goods that it imported into Canada:

- Key HMC managers completed external training, including as relates to forced and child labour.
- HMC continued to ensure that applicable Hino Group policies, discussed below, were implemented throughout its operations.

Additionally, HMC’s parent company and primary supplier, Hino Motors, Ltd. (“**HML**”) took the following steps, which are directly relevant to HMC’s supply chain:

- Posting on its website the [HINO Human Rights Policy](#), which is based on the UN Guiding Principles, and articulates the Hino Group’s commitment to fulfilling its responsibility to respect human rights in business activities.
- Continued to collaborate with [Caux Round Table Japan](#), a non-profit corporation supporting effective and efficient implementation of CSR / sustainability, as an outside expert to proceed with initiatives aimed at construction of mechanisms for due diligence on human rights and with establishment of assessment and consultation services..
- Also worked with CRT Japan to conduct surveys and interviews with foreign technical interns at two of Hino Group companies in Japan. CRT Japan’s comments on the results were “although there is room for improvement in certain areas, there were no human rights issues found in areas such as forced or excessive labor.”

- Conducted investigations concerning conflict minerals which might be mined using child labour at mine sites. Approximately 300 companies who supply us with parts, confirmed that no materials used are sourced from problematic smelters.

## **STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

HMC is incorporated under the *Canada Business Corporations Act* and is headquartered at 6975 Creditview Road, Unit #2, Mississauga. HMC is a wholly owned subsidiary of HML, and is part of the Hino Group. HML is publicly traded on the Tokyo Stock Exchange but is majority owned by the Toyota Motor Corporation, headquartered in Japan.

HMC is primarily engaged in the manufacturing and sales of Hino branded trucks and truck parts in Canada. HMC operates a parts distribution centre in Mississauga and an assembly plant in Woodstock, Ontario where it uses technology licensed from HML to assemble light and medium duty commercial trucks comprising inputs sourced from both HML and North American parts manufacturers. HMC sells these commercial trucks and replacement parts through a network of dealers located across Canada.

HMC sources from HML or North American suppliers with limited exceptions. For most production parts sourced from North American suppliers, HMC procurement activities, including the selection of suppliers and the negotiation of Terms and Conditions, are overseen by its affiliate, Hino Motors Manufacturing U.S.A., Inc. (“HMM”), based in Novi, MI.

## **DUE DILIGENCE PROCESSES & POLICIES IN RELATION TO FORCED LABOUR AND CHILD LABOUR**

HMC is committed to the highest standard of business conduct and the eradication of forced and child labour from its supply chains. This is consistent with HML’s longstanding efforts to build a sustainable value chain. Through the entirety of the Hino product life cycle, from the parts production stage to vehicle manufacturing, customer use, and final disposal, HML not only seeks to reduce its environmental impact, but also eliminate forced and child labour and other forms of labour that violates human rights from its supply chain and endeavours to pass on a world that is a richer, nicer place to live and that provides a better future for the next generation.

These commitments are reflected in HML’s policies and due diligence procedures discussed below, which apply to all Hino Group members and their suppliers, including HMC and its supply chain. These policies are developed and overseen by HML’s Compliance Committee and Risk Management Committee. The Compliance Committee is comprised of Directors, Auditors of HML, and advisors (external attorneys) and headed by the President of HML. The Risk Management Committee is comprised of Chief Officers and Operating Officers and headed by the Chief Risk Officer (CRO) of HML.

A full discussion of Hino Group policies, commitments, and initiatives are available in the [2024 Integrated Report](#).

## *The HINO Way*

HML is committed to providing value to its customers and society at large. To enable all Hino Group members to work together, HML has created the HINO Way, which consists of the HINO Credo, the HINO Sustainability Policy, and HINO Code of Conduct. The Hino Way is the cornerstone of all actions and decisions undertaken by Hino Group companies.

### *The HINO Credo*

The HINO Credo consists of three core components: the “Corporate Mission,” the “Core Principles” and the “CSR Charter.” The Corporate Mission—we make a better world and future through helping people and goods get where they need to go—clearly defines the Group’s obligations and responsibilities toward society. The Core Principles provide the guidelines of integrity, contribution, and empathy. The CSR Charter articulates the Group’s goals and aspirations.

### *Sustainability Policy*

All employees of the Hino Group must act in accordance with the spirits of the [HINO Sustainability Policy](#). The Sustainability Policy articulates the Hino Group’s commitment to realizing a sustainable society through solving issues and challenges in relation with flows of people and goods. With particular regard to forced and child labour, the Sustainability Policy notes Hino’s “Respect for Human Rights” and articulates the Hino Group’s clear standard that it will not tolerate “any behavior contrary to respect for human rights, including child labor, forced labor and harassment.” The Sustainability Policy also requires compliance with laws and regulations, including those prohibiting forced and child labour. Lastly, the Sustainability Policy requires all purchasing activities to be undertaken in a way consistent with the Hino Group’s values and its commitment to compliance, safety and quality, and respect for human rights.

### *Code of Conduct*

HML’s [Code of Conduct](#) applies to all group companies, including HMC, and articulates HML’s requirements that employees adhere to the highest standards of conduct. It requires employees to “tadashii-shigoto” (do the right thing) and sets forth model conduct that each employees must follow. The Code of Conduct specifically notes that HML does not allow “any conduct that violates human rights, including child labor, forced labor and harassment”. The Code of Conduct also articulates HML’s commitment to creating a safe and comfortable workplace for all employees and expectation that all employees comply with applicable laws.

## *Human Rights Policy*

Respect for human rights is a key foundation for carrying out corporate activities within the Hino Group. In order to ensure that all Hino Group companies act with empathy and respect and understand each other’s thoughts and opinions, HML created the [HINO Human Rights Policy](#). This policy, which is based on the UN Guiding Principles, recognizes that understanding human rights issues in each country and region is essential for the Hino Group to develop its business globally and contribute to its customers and society. The policy articulates the Hino Group’s

commitment to respecting human rights, articulates the requirement for human rights due diligence, and taking corrective and remedial action where necessary.

### ***Procurement Policy***

The Hino Group procures the best components from trustworthy suppliers. It does so by adhering to its procurement policy, which consists of five principals for promoting sound, fair procurement activities that advance HML's values and compliance with laws, including those prohibiting forced and child labour:

1. Transparent and Fair Transactions: The Hino Group conducts transactions with suppliers fairly and in good faith. Suppliers are selected after due consideration of quality, price, production capacity, and delivery times, as well as their ESG matters.
2. Establishment of Relations Built on Trust and Continuous Mutual Prosperity: The Hino Group works closely and communicates directly with suppliers in an effort to attain good working relations and mutual prosperity based on mutual trust.
3. Promotion of Global Procurement: With its goal to be a commercial vehicle maker trusted around the world, the Hino Group promotes procurement from suppliers in the areas where the Group conducts business to enable it to contribute to communities as a local enterprise.
4. Complying with Relevant Laws, Regulations and Terms of Contracts: The Hino Group operates in accordance with social norms and in compliance with laws and regulations, in letter and in spirit.
5. Promotion of Green Purchasing: Based on Green Purchasing Guidelines, The Hino Motors Group works to procure parts, materials, and equipment that have been produced with a low impact on the environment in order to offer environment-friendly products and services.

### ***Supplier Sustainability Guidelines***

HML communicates its compliance message to all Hino Group suppliers and has implemented its [Supplier Sustainability Guidelines](#) throughout the Hino Group supply chain. The Supplier Sustainability Guidelines clearly outline the expectations that suppliers of the Hino Group will provide safe working environments, pay appropriate wages, to source materials ethically, and to comply with applicable laws. HML requests that suppliers apply the Supplier Sustainability Guidelines in their own efforts at improvement and that each supplier also checks the status of their own business partners (Tier 2 or below). In addition, HML monitors the state of implementation with suppliers and provides feedback in an effort to strengthen compliance in all supply chains.

### ***Supplier Outreach & Monitoring***

HML organizes annual supplier outreach events for suppliers in Japan and overseas. These events allow HML to explain its company policies to suppliers, including those concerning working conditions, safety, and legal compliance, including as concerns forced and child labour. HML also

recognizes supplier excellence during these events, which further encourages compliance with HML policies and values and applicable laws.

Additionally, HML monitors suppliers for compliance with certain policies, such as the Supplier Sustainability Guidelines, through periodic engagement and the use of check sheets to collect and analyze data, which helps foster compliance.

### ***Compliance Consulting Desk***

An internal reporting system is available to all employees of the Hino Group, including HMC, which accepts reports regarding the level of legal and other compliance among group employees, including as concerns forced and child labour. This system is intended to swiftly and objectively address and resolve any such issues, and callers may report anonymous and are protected from any repercussions in reporting. The Compliance Consulting Desk is administered by external law firms and specialist companies that accept anonymous consultations 24 hours per day, 365 days per year. By using posters and the Company's intranet to make these contact points well known, HML has created an environment that makes it easy for group employees to engage in consultation.

### **ACTIVITIES AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR OR CHILD LABOUR BEING USED AND THE STEPS TAKEN TO ASSESS AND MANAGE THAT RISK**

HMC sources inputs from HML or through suppliers that are mostly selected by HMM. As such, HMC mostly purchases components from entities in Japan and the USA, which are both countries that are at low risk for forced or child labour. However, HMC's suppliers have their own complex, global supply chains which may use inputs from higher risk jurisdictions, where legal protections may be less strong or workers may be sourced from vulnerable communities, or raw materials from industries which are at greater risk of forced or child labour, such as mining.

Given that HMC is not the entity that primarily oversees its own procurement, it relies upon HML and HMM to manage the risk of forced and child labour in their supply chains. These companies do so by adhering to the highest standards of business conduct and requiring the same of their suppliers. Likewise, they rely on the policies and procedures developed by HML and that apply to all procurement decisions within the corporate group. In its own limited procurement activities, HMC also relies on group policies and procedures to manage forced and child labour risk.

### **MEASURES TAKEN TO REMEDIATE ANY FORCED LABOUR OR CHILD LABOUR**

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

### **MEASURES TAKEN TO REMEDIATE THE LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES THAT RESULTS FROM ANY MEASURE TAKEN TO**

## **ELIMINATE THE USE OF FORCED LABOUR OR CHILD LABOUR IN ITS ACTIVITIES AND SUPPLY CHAINS**

HMC 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 PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR**

HMC provides training to key managers on a range of subjects, including human trafficking, forced and child labour, modern slavery and how to recognize and properly respond to these issues. HMC employees also receive training on the application of HMC policies and procedures, which stress the importance of human rights and ethical business conduct, including the prohibition of forced and child labour.

HML makes available internal training materials to Hino Group companies, including HMC, on topics such as the CSR Charter, which is the CSR commitment to all stakeholders, the Hino Code of Conduct, which clarifies the evaluation criteria for actions that should be taken by all employees, and the Compliance Guidebook, which imagines a variety of situations that could arise in everyday work and explains specific coping methods. These training tools are distributed by pamphlet and other means to all employees and can be viewed anytime via the company intranet.

## **HOW HMC ASSESSES ITS EFFECTIVENESS IN ENSURING THAT FORCED LABOUR AND CHILD LABOUR ARE NOT BEING USED IN ITS BUSINESS AND SUPPLY CHAINS**

HML on behalf of the Hino Group, including HMC, tracks relevant performance indicators as part of its compliance efforts. As noted above, HML utilizes an internal reporting system to provide consultation on employee compliance and to swiftly resolve issues from an objective viewpoint. The number of consultations received annually is tracked. Additionally, HML tracks the level of awareness surrounding compliance issues among Hino Group employees by conducting surveys.

## **APPROVAL & ATTESTATION**

This report is approved and attested, as required under paragraph 11(4)(a) and subsection 11(5) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Per: \_\_\_\_\_  
Name: Eric Smith  
Title: Chairman, Director  
Date: May 28, 2025

*I have the authority to bind Hino Motors Canada, Ltd.*