
LINAMAR CORPORATION 2023 FORCED LABOUR AND CHILD LABOUR REPORT

1. INTRODUCTION

This Forced Labour and Child Labour Report (the “Report”) sets out the steps Linamar and its subsidiaries (collectively, “Linamar” or the “Company” or “our” or “we”) have taken to investigate and address the risk of forced labour and child labour taking place within our operations and supply chain.

This Report constitutes the first report prepared by Linamar pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c-9 (the “Act”) and is submitted for the financial year ending December 31, 2023 (the “Reporting Period”).

This is a joint report for Linamar and each of its wholly-owned subsidiaries listed in Appendix A. As each Linamar subsidiary is subject to the same global operating systems, codes of conduct, and ethical standards, the information contained in this Report generally applies to Linamar’s organization as a whole, unless noted otherwise.¹

2. OUR COMPANY

Linamar is an advanced manufacturing company where the intersection of leading technology and deep manufacturing expertise creates solutions that power vehicles, motion, work, and lives. Linamar has over 33,000 employees in 75 manufacturing locations, 17 research and development centres and 31 sales offices in 19 countries in North and South America, Europe and Asia. Linamar is comprised of two operating segments: the Mobility segment and the Industrial segment. A brief description of each segment and their supply chains is noted below.

2.1. Mobility Segment

The Mobility segment operates as a leading Tier 1 supplier to the automotive industry. The Mobility segment is focused on propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered vehicle markets. It is subdivided into three regional groups (Linamar North America, Linamar Europe, and Linamar Asia Pacific) and one global product group (Linamar Structures).

¹ Linamar recently acquired a number of new companies that it is currently in the process of integrating into its global operating system infrastructure. For the purposes of this Report, the following entities may not have purchasing policies and forced or child labour detection and training programs that are consistent with Linamar’s during all or part of the Review Period: Linamar Structures USA (Michigan) Inc. (incorporated in November 2023) and Bourgault Industries Limited (acquired in February 2024).

Linamar North America, Linamar Europe, and Linamar Asia Pacific each perform a variety of machining and assembly processes that necessitate the use and consumption of a wide range of raw materials, components, and equipment. Purchased components include steel forgings, aluminum die castings, and iron castings. Whenever possible, we attempt to purchase these materials and components from regional suppliers close to our own operations, which are global in nature. However, factors such as price, quality, transportation costs, duties, tariffs, and delivery might cause facilities to source from suppliers outside of their immediate region. Additionally, because of certain OEM customer requirements, Linamar is at times directed to procure certain raw components from other Tier 2 suppliers. Regardless of the location of Linamar's suppliers, all of the Mobility segment's purchasing decisions follow the same review and vetting process described further below.

Linamar Structures primarily produces aluminum castings and other lightweight metal solutions for safety-critical vehicle components and systems. The production of these products requires Linamar Structures to procure a high volume of aluminum and magnesium ingots and alloys, which are typically made from either recycled or primary metals. Linamar sources these components from smelters that are located predominately in Canada. The smelters Linamar works with acquire their secondary or recycling metals in North America and source other chemicals required to produce aluminum on the global market. Linamar Structures also requires significant volumes of extrusions which it machines and assembles with other lightweight casted products to form battery trays. Most extrusions are sourced from suppliers in Canada, Turkey, and South Korea.

2.2. Industrial Segment

The Industrial segment is comprised of four market-facing brands that manufacture access and agricultural equipment: Skyjack, MacDon, Salford and Bourgault. Skyjack manufactures aerial work platforms and other forms of access equipment. MacDon focuses on the production of leading harvest equipment, including combine draper headers and self-propelled windrowers. Salford manufactures high-quality tillage and precision application equipment. Bourgault manufactures advanced seeding and tillage equipment.

Given the diverse nature of the Industrial segment's products, its facilities source a variety of raw materials, components, and subassemblies from a variety of global suppliers. The Industrial segment's production processes include cutting, bending, and welding, as well as advanced assembly and testing activities. Most metalworking activities require a variety of steel plate and tube products which are sourced from steel mills that are often regionally proximate to our production facilities (which are located in Canada, the United States, Mexico, Europe, and Asia). The assembly components and subassemblies required by each facility will vary depending on the model(s) manufactured at the location, and may include pumps, engines, tires, electrical components, hydraulics, fasteners, castings, composite formed materials, bearings, and consumables. These components are often acquired by Linamar from regional distributors, who procure them from a variety of global suppliers.

A more detailed description of our company and products can be found in our 2023 Annual Information Form dated March 28, 2024, available on our website (<https://www.linamar.com/investors>) and SEDAR +.

At this time, Linamar has not undertaken a formal assessment to identify the specific parts of its supply chain that carry a heightened risk of forced labour or child labour. Linamar expects this task to be an area of focus for the Fair Labour Practices Subcommittee (described below) in 2024.

3. OUR APPROACH

Linamar is committed to fostering a work environment that promotes fairness and concern for all people. Appropriate oversight at the executive and Board level, combined with effective policies and practices are key contributors to our ability to effectively manage a wide variety of risks, including the risk of forced labour and child labour in our workplaces and supply chains.

At Linamar, we believe a culture that prioritizes ethical behaviour is good for business. Linamar consistently reviews the measures implemented and key resources committed to developing a positive relationship with all individuals and communities impacted by Linamar's operations. Linamar's policies and practices are informed by, and consistent with various human rights frameworks and charters, including, the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, and the Global Sullivan Principles of Social Responsibility. Linamar's business also operates in compliance with applicable human rights laws and regulations, and Linamar has a zero-tolerance policy regarding forced labour or child labour in our workforce.

During the Review Period, Linamar undertook a review of its policies and practices concerning the detection and prevention of forced labour and child labour. This review prompted a number of subsequent enhancements to Linamar's internal measures designed to enhance our ability to detect and eliminate forced labour and child labour in our organization and supply chain.

3.1. Fair Labour Practices Subcommittee

Following the Review Period, Linamar's Sustainability Council established a subcommittee dedicated to addressing the issue of forced labour and child labour within our organization (the "Fair Labour Practices Subcommittee"). The objectives of the Fair Labour Practices Subcommittee include evaluating Linamar's compliance with its policies concerning human rights, identifying areas for continuous improvement, tracking industry best practices, and ensuring Linamar's compliance with the Act. The Fair Labour Practices Subcommittee will also implement bespoke solutions to detect and combat forced labour and child labour in our supply chain in a manner consistent with our organizational needs and the spirit of the Act.

3.2. Linamar Policies and Training

Linamar has implemented codes of conduct and comprehensive compliance standards to guide our efforts to uphold and respect the rights of all people within our operations and supply chain. Human rights considerations are imbedded in Linamar's Basic Code on Working Conditions, Code of Conduct, Employee Code of Human Rights and Supplier Quality Manual. Linamar has re-evaluated each of these guides following the self-assessment performed during the Review Period.

3.2.1. Basic Code on Working Conditions and Code of Conduct

Linamar has committed to maintaining the same standard of basic working conditions across our organization. In furtherance of this commitment, Linamar has established a [Basic Code on Working Conditions](#) and a [Linamar Code of Conduct](#) that applies to all of our operations, globally. Among other important principles, these codes reiterate Linamar's prohibition of the use of forced labour or child labour in its organization or supply chain. We expect all employees at all levels, as well as our business partners, to reflect this commitment.

3.2.2. Employee Code of Human Rights

Linamar believes that it is important to keep employees of the company fully informed about its policies, commitments, and expectations regarding human rights in the workplace. Accordingly, Linamar distributes an Employee Code of Human Rights which reflects the obligations each employee assumes when working at Linamar. The practices discussed in the Employee Code of Human rights are designed to provide consistent, equal and fair treatment of all employees. This includes preventing and prohibiting any forced labour and child labour in the workforce.

Linamar's employees receive regular tailored training on ethical topics and our policies. Many of the entities covered by this Report² require all new employees to receive mandatory training on the Code of Conduct, and Basic Code for Working Conditions. Each of the foregoing policies are also contained in the Linamar Employee Handbook that is provided to all new employees and are available through an intranet site that is accessible by all employees.

As part of the Fair Labour Standards Subcommittee's mandate, it is expected to explore the ways by which Linamar might expand this mandatory training to the rest of our business and administer focused training programs for employees that are most likely to be in a position to detect forced and child labour in our supply chain.

² In particular: Linamar Corporation, Linamar Holdings Inc., McLaren Performance Technologies, Inc., Skyjack Inc., Salford Group Inc., and MacDon Industries Limited.

3.2.3. Supplier Quality Manual

Linamar has high expectations of its suppliers and seeks to only work with suppliers that demonstrate a strong commitment to upholding the rights of its employees and stakeholders. To that end, Linamar requires each of its suppliers to comply with the measures and standards detailed in its [Supplier Quality Manual](#) and [Code of Conduct](#). These standards require, at a minimum, that all suppliers to Linamar are free from forced labour or child labour at any stage of their operations, including their downstream suppliers. Under the Supplier Quality Manual, Linamar has the ability to audit any supplier's compliance at any time to ensure these minimum standards are met.

Linamar ordinarily visits supplier facilities to conduct quality and compliance inspections to ensure compliance with the Supplier Quality Manual. As part of the initial supplier nomination process, each supplier is required to complete a risk assessment, a technical review, and in most cases an onsite audit of the supplier's facilities by Linamar personnel. During these audits, Linamar representatives will physically attend the facility to ensure that all requirements of the Supplier Quality Manual are being met. As part of the checklist used to complete this audit, Linamar employees are required to explicitly confirm that the potential supplier does not use forced labour and child labour.

3.3. Supplier Compliance and Reporting Obligations

As part of Linamar's efforts following the Review Period to ensure compliance with the Supplier Quality Manual and Code of Conduct, Linamar has developed supplier reporting infrastructure to collect positive declarations from each of Linamar's suppliers confirming ("Compliance Declarations"):

- a) the supplier has not identified any use of child labour or forced labour in their operations or supply chain;
- b) the supplier has, and will maintain, sufficient diligence in their operations and supply chain to identify the use of child labour or forced labour in any goods that they supply to Linamar, and they will make any diligence information available to Linamar upon our request;
- c) to the extent the supplier identifies any use of child labour or forced labour in their operations or in their supply chain in the future, they will inform Linamar promptly; and
- d) the supplier agrees that they will be subject to appropriate remedial action from Linamar if forced labour or child labour are found within their organization or supply chain.

Linamar requires all of its suppliers across all operating segments to provide Compliance Declarations, regardless of whether the supplier is domestic or foreign.

To enforce this requirement, Linamar recently updated its Supplier Terms and Conditions to explicitly require suppliers to uphold the spirit of the Act (and associated legislation which prohibits the use of forced and child labour) and submit regular Compliance Declarations. In the event a supplier fails to meet these requirements, they will be subject to appropriate remedial actions to be determined by Linamar in its sole discretion,

including the development of a corrective action plan (in the case of delinquent Compliance Declarations) or the immediate suspension or termination of the supply relationship (if Linamar becomes aware that a supplier has used or has benefited from the use of forced labour, child labour, or unethical labour practices).

3.4. Reporting Measures

In accordance with commitments made to the Ontario Securities Commission, and by requirement of the law, Linamar has partnered with NavexGlobal to utilize their EthicsPoint HelpLine. The Linamar EthicsPoint HelpLine allows employees and external stakeholders to raise anonymous and confidential questions or file complaints related to any ethical issues they encounter. Should an employee, stakeholder, or third party have concerns regarding forced labour or child labour, EthicsPoint provides a channel to anonymously raise these concerns. By having a transparent reporting process to communicate ethical concerns, Linamar can stay up to date on issues of concern throughout the company and in turn, work to develop and implement a corrective plan to improve and remedy the issues. Linamar recently updated its EthicsPoint platform to provide an explicit avenue for stakeholders wishing to report alleged forced or child labour in our facilities or the facilities of our suppliers and customers.

4. ASSESSING EFFECTIVENESS AND REMEDIATION

Linamar does not knowingly source raw materials, components, or equipment that is derived from forced or child labour. Accordingly, Linamar has not had to exercise its right to suspend, terminate, or impose other remedial action on its suppliers. To date, there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

As detailed above, Linamar 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. At this time, we have yet to undertake a formal process to evaluate the effectiveness of these measures. Linamar expects that as part of the Fair Labour Practices Subcommittee's mandate, it will undertake benchmarking exercises aimed at identifying and implementing best practices in this regard, which we expect will be described in future reports made under the Act.

5. APPROVAL AND ATTESTATION

This Report was approved pursuant to section 11(4)(b)(ii) of the Act by the Board of Directors of Linamar Corporation. In accordance with the requirements of the Act, and in particular section 11 thereof, the undersigned attest that they have reviewed the information contained in the report for the entities referred to above and in Appendix A.

Based on their knowledge, and having exercised reasonable diligence, they attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act.

I have the authority to bind Linamar Corporation.

Per:  _____

Full Name: Elliot Burger

Title: General Counsel, Global Vice President of Corporate Development, and Corporate Secretary

Date: May 28, 2024

APPENDIX A

List of Entities Covered by Report

The following Linamar entities (as defined in the Act) meet the requirements of Section 9 of the Act.

Mobility

Linamar North America

- Linamar Corporation
- Linamar Holdings Inc.
- Engicom S.de R.L. de C.V.
- Industrias de Linamar S.A. de C.V.
- Linergy Manufacturing Inc.
- Linamar North Carolina, Inc.
- Linamar Forgings Carolina Inc.
- Linamar Light Metals, MR LLC
- Linamar Automotive Systems NL, Inc.
- Linamar de Mexico S.A. de C.V.
- McLaren Performance Technologies, Inc.

Linamar Europe

- Linamar Antriebstechnik GmbH
- Linamar Hungary Zrt.
- Linamar Light Metals Zaragoza
- Linamar Light Metals (France)

Linamar Asia Pacific

- Linamar Automotive Systems (Wuxi) Co., Ltd.

Linamar Structures

- Linamar Structures USA (Michigan) Inc.

Industrial

- Skyjack Inc.
- Skyjack Equipment Inc.
- Skyjack UK Limited

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- Skyjack Mexico S. de R.L. de C.V.
 - MacDon Industries Ltd.
 - Salford Group Inc.
 - Bourgault Industries Limited