

Date: August 19, 2025

Message From Automotive Industry OEMs Re: Forced Labor Due Diligence Requirements













# **Dear Valued Supplier**,

The purpose of this letter is to alert our suppliers of an industry-wide collaboration to address forced labor due diligence requirements, beginning September 2025.

As global automotive manufacturers and active members of the Automotive Industry Action Group (AIAG), we are united in our commitment to uphold human rights and eradicate forced labor from our supply chains, a longstanding priority for each of our companies and across the automotive industry. The regulatory landscape continues to rapidly evolve, and new and existing legislation—including the United States' UFLPA, Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, Germany's Supply Chain Due Diligence Act (LkSG), and the European Union's Corporate Sustainability Due Diligence Directive (CSDDD) and Forced Labour Regulation (EU) 2024/3015 —are driving enhanced requirements for supply chain transparency and due diligence throughout the automotive industry.

#### **Our Shared Foundation: The Automotive Industry Guiding Principles**

Responsible sourcing and due diligence have long been rooted in the <u>Automotive Industry Guiding Principles</u> (the 'Principles'), which continue to guide our collective approach. These Principles are based on fundamental principles of social, environmental, and governance responsibility, consistent with applicable laws and international standards—including the United Nations (UN) Guiding Principles on Business and Human Rights, International Labour Organization (ILO) Conventions, and Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The Principles define common expectations for suppliers and serve as the basis for how we function as an industry. To fulfill these Principles, suppliers are expected to implement management systems—a combination of policies, processes, tools, and internal controls—that support effective operations, achievement of objectives, and continuous improvement.

# **Why This Matters**

People and the environment are the automotive industry's most important resources. We strongly feel that companies should fulfill their social responsibilities and obligations to realize a healthy and harmonious development between enterprises and employees, society, and the environment. As part of this, we are working together to attain the highest standards in business integrity and the social and environmental performance of our supply chain.

Forced labor due diligence regulations around the world require companies to proactively identify, address, and report on forced labor risks throughout their supply chains. Enforcement actions, such as shipment detentions by U.S. Customs and Border Protection, underscore the urgency for robust, standardized due diligence processes.

### **Industry-Aligned Approach**

In collaboration with AIAG and in consultation with their suppliers, Ford, General Motors, Honda, Nissan, Stellantis, and Toyota have jointly developed the <u>Forced Labor Due Diligence Program</u>. This program provides:

- A single, standardized <u>Due Diligence Reporting Template</u> ("DDRT")
- Access to <u>leading technology providers</u> and risk screening tools from Kharon, Altana, Resilinc, and SUPPLIERASSURANCE at industry-negotiated rates
- <u>Training</u> and comprehensive resources, to support suppliers at varying levels of due diligence maturity

#### **New Supplier Reporting Requirements**

To meet these evolving regulatory obligations and support industry-wide alignment, we are implementing the following phased reporting requirements:

- **September 2025**: Selected suppliers will be requested to complete and submit the DDRT to their OEM customers.
- **By mid-2026**: An expanded list of suppliers will be requested to submit the DDRT on an annual basis.

The DDRT is designed to streamline compliance, provide consistent reporting, and minimize duplicative requests—for organizations of all sizes and stages of due diligence readiness.

#### **Call To Action: How to Prepare**

- If you do not yet have a forced labor compliance-oriented due diligence program, you need to implement one now to meet minimum due diligence and compliance requirements. You can refer to the AIAG Forced Labor Due Diligence Program as a good starting point. Suppliers can also begin by evaluating the UFLPA Entity List.
- Ensure your company policies are informed by the <u>AIAG Automotive Industry Guiding</u>
  <u>Principles and Practical Guidance</u> as a starting point as these are the minimal requirements

for alignment, then review with your customer requirements to ensure contractual compliance.

- Conduct on-going screenings through Kharon or an equivalent tool to integrate into a supply chain mapping database or provider (e.g., Altana, SUPPLIERASSURANCE, Resilinc) for continuous supply chain monitoring and traceability.
- If your organization already uses a third-party risk screening tool or manually completes due diligence, be sure you are prepared to report results through the <u>DDRT format</u>.
- Promptly communicate identified potential risks and mitigation actions directly to your customers, in line with the DDRT instructions.

# **Our Shared Responsibility**

Upholding human rights and ensuring responsible sourcing is a shared responsibility. By participating in this due diligence program and aligning with the Automotive Industry Guiding Principles, you help safeguard the integrity of our industry and demonstrate that our supply chains strive to reflect the highest standards of ethics and respect for all workers.

We thank you for your continued collaboration and commitment to this important work. For more information, resources, and ongoing support, please visit <u>AIAG Forced Labor Due Diligence</u>

Program.

Sincerely,

Liz Door

Liz Door

Chief Supply Chain Officer Ford Motor Company Jeffrey Marrison

Senior Vice President, Global Chief Procurement Officer General Motors Company Vice President, Procurement Honda Development and Manufacturing of America

Andrew Warring

Andrew Wareing Chief Procurement Officer (CPO) and Vice President, Purchasing, Nissan Americas Gilles Testu

Strategy, Risk & Value Optimization Purchasing Supplier Development Stellantis Ryan Grimm

Mike Lapham

Ryan Grimm Group Vice President Purchasing Supplier Development Toyota Motor North America











