

# Forced Labor in Canadian Supply Chains

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**FY 2026 Report**  
Aiphone Corporation



Note: This report has been prepared referencing all applicable questions from [Public Safety Canada's required questionnaire](#) for Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*. Questions have been directly copied from the questionnaire and are displayed in **bold** text throughout the report.

**1. Which of the following accurately describes the entity's structure?**

- Corporation

**2. Which of the following accurately describes the entity's activities? Select all that apply.**

- Producing goods (includes manufacturing, extracting, growing and processing) outside Canada
- Importing into Canada goods produced outside Canada

**3. What steps has the entity taken in the previous financial year 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 entity or of goods imported into Canada by the entity?**

- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Monitoring suppliers

**4. Please provide additional information describing the steps taken (if applicable).**

Aiphone Corporation does not produce any goods in Canada; however, we do import goods to Canada and employ Canadian citizens.

When seeking new suppliers, Aiphone Corporation gives preference to suppliers operating in countries with robust workers' rights and labor protection measures codified into law. Most of our partners are US and Canadian entities. New suppliers must agree to maintaining compliance with all applicable government laws, statutes, ordinances, rules, regulations, orders and other requirements, including those related to age, U.S.C. 1589 regarding forced labor, the Uyghur Forced Labor Prevention Act, and all other relevant regulations governing labor and workers' rights.

Our parent company, AIPHONE CO., LTD. (TYO: 6718) is based in Japan. AIPHONE CO., LTD. manufactures the majority of the products Aiphone Corporation sells. Articles 5 and 6 of Japan's Labor Standards Act prohibit the use of forced labor and explicitly disallow intermediate exploitation by employers.

Aiphone Corporation monitors the UFLPA Entity List maintained by the US Department of Homeland Security to ensure we are not transacting with entities that have been designated as benefiting from

the use of forced labor. We also ask new suppliers under consideration to affirmatively declare that none of their suppliers are based in the Xinjiang Autonomous Region.

We conduct an annual internal assessment of risks of forced labor and/or child labor in our supply chain along with creating an associated risk identification and analysis document. Risks are scored based on probability of occurrence and potential impact to the business.

Pertaining to worker recruitment, on all applications Aiphone Corporation requires applicants to confirm they are legally 18 years of age or older. Aiphone Corporation does not consider the applications of minors nor does the company employ minors (those under the age of 18). Human Resources conducts background checks on all considered applicants and requires the completion of form I-9 (Employment Eligibility Verification) which is then submitted via the E-Verify system to ensure that government records match the personal information provided by the applicant.

**5. Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?**

- No

**6. Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?**

- Yes, we have identified parts of our activities and/or supply chains that carry risks to the best of our knowledge and will continue to identify emerging risks.

**6.1 If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains?**

- The types of products it produces or imports
- The types of products it sources
- The raw materials or commodities used in its supply chains
- Tier two suppliers
- Tier three suppliers
- Suppliers further down the supply chain than tier three

**7. Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?**

- Mining, quarrying, and oil and gas extraction
  - Mining and quarrying (except oil and gas)
- Manufacturing
  - Electrical equipment, appliance and component manufacturing

**8. Please provide additional information on the parts of the entity’s activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk.**

Electrical components utilized in manufacturing of devices represent the largest risk of forced or child labor in Aiphone Corporation’s supply chain. Companies who design and produce components often have global footprints and utilize contract labor (who often sub-contract) to meet their manufacturing needs. Many semiconductor devices and PCBs are manufactured in localities known to have recent incidents of forced and/or child labor.

Aiphone Corporation’s exposure to end products and components manufactured utilizing mined commodities also carries a risk of forced or child labor. Mining has historically been and continues to be one of the worst offending industries in utilizing forced and/or child labor. The U.S. Department of Labor estimates that at least 25,000 children are working in cobalt mines in the DRC today, for example<sup>i</sup>. Companies are financially incentivized to source commodities such as bauxite, iron ore, and tin ore from the lowest-cost localities, but these often have weaker institutional labor protections and more frequent documented cases of unethical labor practices than countries with stronger, codified labor protection. Sourcing large numbers of electronic components, we do not have visibility on the full map of the supply chain for where the metals utilized in manufacturing all of these components are sourced from which presents a risk.

Nearly every business involved with sourcing or manufacturing any electronic devices should list mined commodities as a risk for exposure to forced and child labor. Tin is the primary metal used for soldering. The world’s three largest tin-producing countries are Myanmar, Indonesia, and China-- these three nations produce significantly more tin than the rest of the world combined. The US government estimates there are over 100,000 Uyghurs and other ethnic minorities currently subjected to forced labor in China<sup>ii</sup>. Myanmar is enveloped in a civil war, nominally ruled by a military junta, where close to one in ten children are estimated to be involved in child labor<sup>iii</sup>. There is also a lengthy history of civil rights and forced labor abuses against the Rohingya people in Myanmar. Apple and Samsung have both conducted investigations as to whether tin produced using child labor sourced from Bangka Island in Indonesia ended up in their products<sup>iv</sup> for example. In commodities where global production is concentrated in regions with documented histories of labor violations, supply chains face elevated risks of forced and child labor practices.

**9. Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?**

- No, we have not taken measures

**10. Has the entity taken any measures to remediate the loss of income to the most vulnerable individuals and families that results from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains?**

- Not applicable, we 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.

**11. Does the entity currently provide training to employees on forced labour and/or child labour?**

- No

**12. Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?**

- No

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<sup>i</sup> <https://www.cecc.gov/events/hearings/from-cobalt-to-cars-how-china-exploits-child-and-forced-labor-in-the-congo>

<sup>ii</sup> <https://www.dol.gov/agencies/ilab/against-their-will-the-situation-in-xinjiang>

<sup>iii</sup> <https://myanmar.un.org/en/186115-ilo-myanmar-calls-more-action-end-child-labour>

<sup>iv</sup> <https://www.bloomberg.com/news/articles/2014-02-13/apple-supplier-responsibility-a-connection-to-illegal-tin-mining>