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### 3 | Reasons and details of future procurement review: Shift of suppliers to ASEAN has become more pronounced

› The most common reasons for reviewing procurement were "Rising raw material costs" (62.8%) in the manufacturing sector and "Promotion of local procurement" (55.3%) in the non-manufacturing sector.

Production sites for the U.S. market and plans to review production sites:

Approximately 60% is locally produced in the U.S., and more than 80% of companies have

### Production Sites of Products for the U.S. Market (By Country/Region)









## 8 | Reasons for Sales Reviews Going Forward: Slightly more than one-third of sales partner changes are in the U.S.

- › The reason for reviewing sales was "Change in sales demand" in 81.9% of responses.
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### 3 | Business and Human Rights: Challenges for companies implementing human rights DD are retroactive to indirect business partners

- › The scope of human rights DD implementation wa10.5.p fo "In3







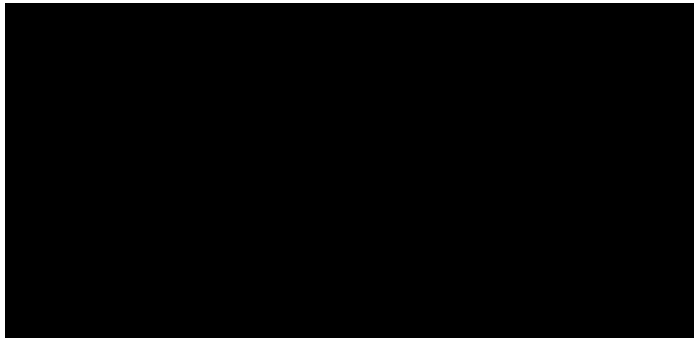




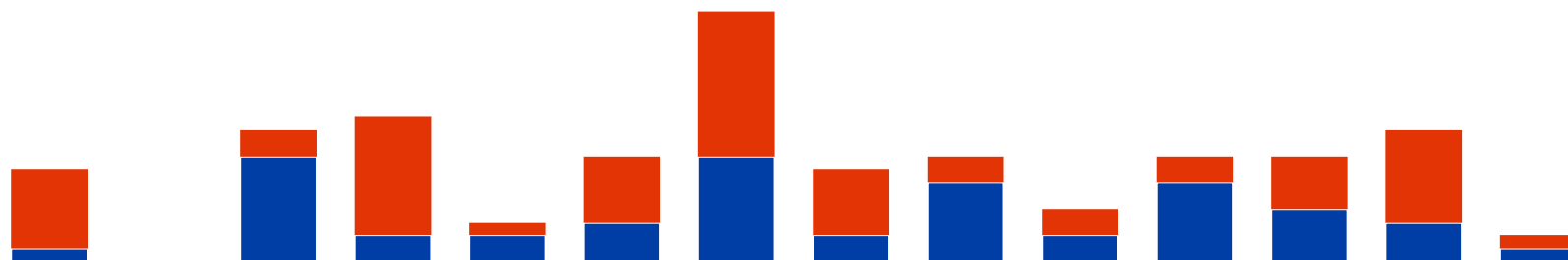








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# 1 | Management Challenges: Employment and procurement challenges are prominent

- › Employment issues such as wage hikes and labor shortages (Recruitment and retention difficulties, quality assurance) ranked high. Although awareness of the issues of rising procurement costs (from 45.8% to 43.0%) and



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# 4 | Production sites for Canadian market and plans to review production sites: Nearly 60% in Canada, mid-80% have no plans to review



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# 1 | Business Direction: Slightly more than half will expand business in Canada

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