



**REPORT UNDER THE FIGHTING AGAINST FORCED
LABOUR AND CHILD LABOUR IN SUPPLY CHAINS
ACT**

Date of Report: May 30, 2024

This report has been prepared by Welded Tube of Canada Corp. (“WTC”) with respect to its financial year ended October 31, 2023. WTC is headquartered in Ontario and it manufactures, warehouses and transports steel tubing.

REPORTING AS PER SUBSECTION 11(1) OF THE ACT

In 2023, WTC took the following steps to prevent and reduce the risk that forced labour or child labour is used in its business activities and supply chain:

1. WTC has developed and implemented its own *Social Compliance Statement* acknowledging and committing WTC to conduct its business, domestic and international, in a socially responsible manner. Employees of WTC must meet the Canadian or other applicable local minimum working age requirements.
2. The *Social Compliance Statement* document requires an annual review and sign-off by the COO (or designate) of WTC with respect to its compliance with the principles set out in the *Social Compliance Statement*.
3. The *Social Compliance Statement* details the company’s policy of wages, hours of work and benefits and is designed to mitigate the risk of forced labour in any of its facilities.
4. WTC has developed and implemented a *Supplier Code of Conduct Agreement* in which entities in WTC’s supply chains must attest and acknowledge the prohibition of the use of child labour or forced labour in any form.
5. The *Supplier Code of Conduct Agreement* requires suppliers to have in-place or develop policies and procedures for identifying and prohibiting the use of forced labour and child labour in their activities and supply chains.
6. The *Supplier Code of Conduct Agreement* contains anti-forced labour and anti-child labour commitment to which suppliers are required to agree before WTC will issue purchase orders for goods and/or services. These commitments apply to all suppliers onboarded by WTC. WTC’s supplier contracts require suppliers to comply with the *Supplier Code Of Conduct Agreement* as amended from time to time.

Development of the WTC *Social Compliance Statement* and the WTC *Supplier Code of Conduct* has been a collaborative effort including input from our Purchasing team, Environmental team and Human Resources team. Input from all three departments has helped WTC to raise awareness of its Environmental, Sustainability and Governance (ESG) policies within the company.



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STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

WTC operates its business directly through two divisions:

- (a) Industrial and (b) Energy

The Industrial Division is comprised of three Structural rolling mills and two Mechanical rolling mills located in Concord. The Industrial Division is supported by a Warehouse & Distribution Centre also located in Concord, Ontario

The Energy Division is comprised of one rolling mill in Lackawanna, New York, a heat-treating and threading facility in Welland, Ontario, and a threading facility in Port Colborne, Ontario.

Approximately 80% of WTC's employees are currently based in Ontario, with the balance located at the mill located in Lackawanna, New York.

WTC's primary supply chain includes domestic suppliers of raw steel coil. Many of its other suppliers are also domestic Canadian producers or distributors of raw materials or hardware and related materials for use at WTC's facilities and others who provide electrical, maintenance, millwrighting or other services to WTC. WTC's supply chains are concentrated in Canada and the United States. It does not directly import a material volume of goods from outside North America in the ordinary course.

POLICIES AND DUE DILIGENCE PROCESSES

The *Social Compliance Statement* and the *Supplier Code of Conduct* policies detail the due diligence processes in place related to forced labour and child labour. These policies have imbedded responsible business conduct by requiring the WTC Chief Operating Officer (COO) to sign-off annually on the *Social Compliance Statement* policy and requiring a supplier's Officer to sign-off on the terms of the *Supplier Code of Conduct* policy.

The policies and due diligence processes on forced labour and child labour relate to WTC's Environmental, Social and Governance (ESG) initiatives with the appointment of a Corporate ESG Officer to oversee the unification and alignment of these initiatives.

FORCED LABOR AND CHILD LABOUR RISKS AND REMEDIATION

WTC has reviewed the risks that forced labour or child labour might be used in its activities or supply chains. Because WTC's supply chains are concentrated in Canada and the United States, and because it does not directly import a material volume of goods from outside North America in the ordinary course, WTC has historically considered the risk of forced or child labour in its activities or supply chains to be low. However WTC does require suppliers of goods and services to attest the *Supplier Code of Conduct* which includes an attestation that child labour and forced labour are not used in a Supplier's activities. WTC also periodically reviews the websites of suppliers of raw steel for social compliance statements and commitments to prohibit child labour and forced labour in their activities.



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To date, based on its reviews, it is not aware of forced labour or child labour being used in its activities or supply chains and so it has not been required to take any remediation measures to address those issues, nor to remediate the loss of income from affected families.

TRAINING

Training on forced labour and child labour occurs in the following manner at WTC;

- (i) Employees making contracting or purchasing decisions are required to participate in mandatory training on WTC's *Social Compliance Statement* during their onboarding orientation, or as often as necessary, to ensure compliance.
This *Statement* was developed internally by staff in the Procurement Department of WTC and includes paragraphs on both child labour and forced labour.
The training is expected to last up to one hour and would be conducted in-person with a WTC facilitator from either; the Procurement Department, Health & Safety or Human Resources.
Assessment of the efficacy of the training would be made through assessment of the depth of understanding during discussions with participants at the time of the training.
- (ii) WTC's COO (or designate) is required to review and attest to WTC's *Social Compliance Statement*, annually
- (iii) Employees making contracting or purchasing decisions are also required to participate in mandatory training on the *Supplier Code of Conduct Agreement* concurrently with the *Social Compliance Statement* training.
This *Agreement* was developed internally by staff in the Procurement Department of WTC and includes paragraphs on both child labour and forced labour.
Assessment of the efficacy of the training would be made through assessment of the depth of understanding during discussions with participants at the time of the training.
- (iv) WTC's Corporate ESG Officer has completed mandatory e-training on *Child and Forced Labour Prevention* through the EcoVadis Academy platform

ASSESSING EFFECTIVENESS

WTC intends to monitor the actions taken to date and to assess their effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains.

This report has been approved by the board of directors of WTC pursuant to Section 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.