

ANNUAL REPORT Bill S-211

PURPOSE

This annual report for the 2023 financial reporting year has been created by Coilplus Canada Inc. (“**Coilplus Canada**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”).

OUR COMMITMENT

Coilplus Canada is committed to preventing and reducing the risk that forced labour or child labour is used in the production of the goods it sells to its customers that are used in Canada and globally.

CATEGORIZATION, SECTOR, AND INDUSTRY

i) Coilplus Canada is an entity under the Act

The Act applies to Coilplus Canada as, in at least one of its two most recent financial years, the company had:

- (1) at least \$20 million in assets; and
- (2) generated at least \$40 million in revenue.

ii) Our Sector and Industry

Located in Ingersoll, Ontario, Coilplus Canada’s operations involve steel procurement from local and offshore mills, slitting, supplying and delivering processed steel to both automotive and non-automotive Original Equipment Manufacturers, and other customers.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

i) Structure and Activities

Coilplus Canada is a corporation incorporated under the *Canada Business Corporations Act*. The company is part of the Coilplus group, which is comprised of ten entities that have business operations across North America. Coilplus Canada, however, does not control or have any subsidiary companies.

In terms of its activities, Coilplus Canada operates a steel service centre that processes flat rolled steel that is then sold to various industries and customers who are based inside and outside of

Canada. The company is also engaged in the distribution of goods, inside and outside of Canada, as well as the importation of goods into Canada that are produced outside the country.

ii) Our Supply Chain

The goods produced outside Canada that are used in the processing of Coilplus Canada's steel products, in coil or blank form, include stainless steel, carbon steel, and aluminum. These materials are purchased within the regions of North America, continental Europe, Africa, and Asia and are then imported into Canada. The company's supply chain also includes ancillary services that contribute to Coilplus Canada's main production operations, such as transporters and carriers who operate across North America.

iii) Steps Taken by Coilplus Canada in Prior Financial Year

Coilplus Canada took steps 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 its goods in Canada, or elsewhere, or of the goods imported into Canada by the company. In particular, Coilplus Canada updated and implemented a revised version of its Code of Conduct and voluntary Excess Hours of Work Agreement to mitigate the risk of forced labour or child labour in its activities and supply chains.

The company also monitored and engaged with a supplier it identified that is located in a higher-risk area for forced labour or child labour. The company required that the supplier complete a letter with the Certificate of Origin that confirmed that the merchandise supplied to Coilplus Canada was not manufactured under conditions that include one or more of the International Labour Organization's indicators of forced labour.

In addition, Coilplus Canada developed and implemented a questionnaire that its suppliers are required to complete along with the Certificate of Origin. The questionnaire requires the supplier to confirm they do not use forced labour in any stage of manufacturing the goods that are sold to Coilplus Canada.

POLICIES AND DUE DILIGENCE PROCESSES

Coilplus Canada has due diligence processes in relation to forced labour or child labour, including embedding responsible business conduct into policies and management systems. In its previous financial year, the policies and processes that Coilplus maintained to help manage potential forced labour and child labour risks within the business and its supply chain include:

1. A Code of Conduct that requires all officers and employees of Coilplus Canada to comply with all applicable laws, rules, and regulations where they operate, international standards and rules, and all internal corporate rules and policies. Coilplus Canada's internal rules and policies include:

- (i) maintaining and improving systems and processes to avoid any human rights violations related to the company's operations, supply chain, and products;
 - (ii) fully supporting domestic and international efforts to end all forms of forced labour, human trafficking, and modern slavery.
2. An Excess Hours of Work Agreement, to ensure that workers who work excess hours do so voluntarily. Under the Agreement, workers voluntarily agree to work up to a maximum of 12 hours per day and 60 hours per week. In such cases, Coilplus Canada will pay employees overtime pay in accordance with the hours of work and overtime pay rules in the Ontario *Employment Standards Act, 2000*. Employees are permitted to terminate their Excess Hours of Work Agreement on two weeks notice.
 3. A Driver's License and Insurance Declaration, which requires that Coilplus Canada employees that use company vehicles have a valid driver's license. This identification measure is a process that Coilplus Canada has in place to identify and ensure that employees are of the age at which they may obtain a driver's license.

FORCED LABOUR AND CHILD LABOUR RISKS

Coilplus Canada has started the process of identifying parts of its activities and supply chains that may carry a risk of forced labour or child labour.

In the prior financial year, Coilplus Canada identified a supplier as higher risk due to the location of the supplier's operations. The company required this supplier to confirm by way of a Certificate of Origin that the goods supplied to Coilplus Canada were not manufactured under conditions that include one or more of the International Labour Organization's indicators of forced labour. Coilplus Canada has received confirmation from this supplier that forced labour was not used in its operations.

In addition, Coilplus Canada developed and implemented a questionnaire that its suppliers are required to complete along with the Certificate of Origin. The questionnaire requires the supplier to confirm that they do not use forced labour at any stage of manufacturing the goods that are sold to Coilplus Canada.

REMEDIATION MEASURES

Coilplus Canada has not identified any forced labour or child labour in its activities or supply chains. As such, the company has not undertaken any remediation measures.

REMEDIATION OF LOSS OF INCOME

Coilplus Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, the company has not taken any remediation measures related to income loss.

TRAINING PROVIDED TO EMPLOYEES

Coilplus Canada provides regular employee training, including with respect to safe and legally compliant workplace practices and policies. Training on the company's updated Code of Conduct, including the forced labour provisions, and Excess Hours of Work Agreement are mandatory for all employees. Going forward, Coilplus Canada is in the process of assessing what other forced labour and child labour-related training may be appropriate, with a particular focus on training for the company's procurement team.

ASSESSING EFFECTIVENESS

Coilplus Canada does not currently have specific policies and procedures in place to assess its effectiveness in reducing or eliminating the risk of child labour or forced labour in its activities and supply chains. The company will be considering what methods of assessment may be appropriate for subsequent reporting years.

APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

IN WITNESS WHEREOF the authorized signing officer(s) of Coilplus Canada Inc. have executed this report as of the effective date of the signatures set out below.

SIGNED	)	COILPLUS CANADA INC.
)	
<u>5-29-24</u>	)	Per: <u><i>Will Hamilton</i></u>
Date	)	Name: Will Hamilton
	)	Title: Director
)	
<u>5/29/24</u>	)	Per: <u><i>Takayuki Sato</i></u>
Date	)	Name: Takayuki Sato
	)	Title: Director
)	
<u>5/28/2024</u>	)	Per: <u><i>J. Takino</i></u>
Date	)	Name: Jun Takino
	)	Title: Director
)	
<u>5-29-24</u>	)	Per: <u><i>at Tobias</i></u>
Date	)	Name: Andrew Tobias
	)	Title: Director

We have authority to bind Coilplus Canada Inc.