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## Forced Labour and Child Labour in Supply Chains Company Assessment

May 31, 2024

# Table of Contents

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- Table of Contents.....1
- Introduction .....2
- Structure, Activities & Supply Chain.....2
  - Structure .....2
  - Activities.....2
  - Supply Chain .....3
- Policies & Due Diligence Processes.....3
  - Current Policies .....3
  - Supplier Due Diligence .....3
- Supply Chain Risk Assessment.....4
- Remediation of Forced & Child Labour .....5
- Remediation of Vulnerable Family Income Loss .....5
- Awareness Training .....5
- Assessing Effectiveness .....5
- Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour .....5
- Approval and Attestation of the Report .....6

# Introduction

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This report is Accurcast Inc.'s (henceforth referred to as "Accurcast") response to comply with Section 11 of the Fighting Against Forced Labor and Child Labor in Supply Chains Act (the Act) for the financial year ending December 31, 2023. The reporting entity covered by this report is Accurcast Inc.

For the purposes of the Act, Accurcast meets the entity definition by having a business in Canada, doing business in Canada and meeting two of three threshold criteria (i.e. revenue and assets).

## Structure, Activities & Supply Chain

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### Structure

Established in 2003 and located in Wallaceburg, Ontario, Accurcast is a 3-shift operation that employs approximately 175 people, 25 of which are salary staff. 100% of our employees work full time hours at this Canadian facility, consisting of supervisors, administration, and product development staff, with the remaining workforce members of Unifor Local 1941. Accurcast Inc. is owned by Accurcast Corp. (which is 100% owned by a limited partnership) and is a single entity facility located in Wallaceburg Ontario.

Our mission statement is to *"supply aluminum die castings that meet our customer's expectations in quality and delivery with continuous improvement in a fulfilling work environment for our employees and creating value for our shareholders"*. We aspire to be recognized by our customers and peers as a leader in the manufacture of high-pressure aluminum parts through superior technology and people.

### Activities

Accurcast is a producer of high-pressure aluminum die castings for the automotive industry. All products manufactured by Accurcast are produced to customer specifications using 380 and 383 aluminum alloy to cast and trim, which are then sold to customer for further machining to be used in the manufacture of automotive engines. We also produce parts that our outsourced for finishing and sold as for end use.

Accurcast Inc. produces high pressure aluminum die castings with the use of 24 die cast machines ranging in size from 600T machines to 2500T machines. Each working cell consists of a die cast machine, conveyor, robot and trim press. Many of the product parts are then processed through the shotblast machine. We have 3 types of shotblast machines at Accurcast, 2 inline, 3 rotary machines and 2 tumbleblast machines. The shotblast process is similar in the 3 types, however the size of part processed will vary based on the machine used. At this stage the parts are packaged and approved by Quality Control department, and now are shipped to the customer.

Parts are sold to customers as per purchase order release requirements, and are loaded on delivery trucks (which are paid for, typically by the customer). We supply aluminum die castings to five automotive industry customers, 4 of which are located in North America and 1 located in France; we ship to 7 assembly plants (1 in Canada, 3 in the United States, 2 in Mexico, 1 in France).

## Supply Chain

### **Raw Materials:**

Aluminum sows or ingots are purchased from Canada- and US-based suppliers in a 380 or 383 alloy. Components (seals and inserts) are purchased from US- and Mexico-based suppliers as per customer specifications. Hydraulic oils, die lubricants, shot beads and steel shot are used in the die cast machine and shotblast machines operations, and are purchased from Canadian and US suppliers. Material suppliers are selected based on location, availability, specifications and price. The companies are chosen because they are: (i) reputable companies with several years of service; (ii) they have the products in stock that we need in a timely manner; and (iii) they provide competitive pricing.

### **Manufacturing:**

Internal manufacturing of customer specific casting that are trimmed and shotblasted as necessary. All castings are inspected prior to shipment to customer.

## Policies & Due Diligence Processes

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### Current Policies

Accurcast only requests resumes from people looking for full time employment. Resumes are reviewed and candidates are selected for interview based on work experience and interests. Candidates are interviewed using a series of questions conducted by the Human Resources and Office Manager. The interview process ensures that the candidate meets the criteria of the job and understands the work schedule and tasks involved in accepting a position with Accurcast. Accurcast follow all laws and regulations as per the Human Rights Code and Employment Standards Act within Ontario/Canada. No person under the age of 16 is permitted to work at Accurcast.

### Supplier Due Diligence

Almost all of our raw material purchased for the manufacture of castings are purchased from Canadian and US suppliers. Businesses based in the US are subject to US Department of Labor laws, which have strict rules around child labor and forced labor. Our suppliers for raw materials, such as metal and components, also are either IATF or ISO certified, and undergo audits and reviews completed by third party certified auditing firms to maintain these certificates. Accurcast reviews and retains copies of these certificates in supplier files as verification of their commitment to these business practices.

We have one tool supplier based in China, Shenzhen Precisioner, who is a leader in tool development and design. They hold many certificates and awards for their outstanding performance, not only for tool design and development, but also for their ethics and adherence to the rules and regulations of the automotive industry. Shenzhen also hold a current ISO certification.

Lastly, we have 2 suppliers based in Mexico that provide a service to GM factories located in Mexico. These 2 suppliers are verified by GM to perform services.

Suppliers are reviewed jointly each quarter by the Purchasing, Accounting and Quality Control

departments as per our internal procedures. This procedure outlines our practices on selection and monitoring of these suppliers, including an initial New Source Supplier Appraisal (supplier must complete the questionnaire regarding performance, delivery, customer specific requirements, security, training, Health & Safety policies, preventative maintenance, engineering, traceability, inventory management, and certifications). Measurement of suppliers is done by a demerit point system, and scorecards are issued quarterly based on this demerit system. Anytime a supplier has delivery, quality or other production related issues, demerit points are issued and deducted from their points total (50 max.). If at any time a supplier falls below 30 points, a corrective action must be undertaken and reported. Should issues continue and point levels drop further, a supplier visit/audit may be arranged. If a supplier remains non-conformant, they are removed from the approved supplier list .

## Supply Chain Risk Assessment

Accurcast will continue to monitor and evaluate the risk of forced labor and child labor from our suppliers as deemed necessary. At this time, Accurcast believes there is minimal risk of forced or child labor in our supply chain. New suppliers are subject to completing a “New Source A Supplier Appraisal” form and Accurcast is committed to exploring the opportunity of adding specific provisions about child labor/forced labor to this questionnaire to further show our commitment and to document our findings. The basis for our conclusion of our risk assessment was derived using two separate indices - Walk Free’s *Global Slavery Index* and the US Department of Labor’s *List of Goods Produced by Child Labor or Forced Labor*:

Product	Product Risk Rating	Country of Origin	Country Risk Rating	Procurement Spend (as a % of total)
Aluminum Ingots/Sows	Low Risk	Canada & USA	Low Risk	70%
Machining	Low Risk	Canada	Low Risk	12%
Components (Inserts/Seals)	Low Risk	Canada & USA	Low Risk	10%
Oils, Shotbead, Steel Shot	Low Risk	USA	Low Risk	5%
Tooling	Low Risk	USA	Low Risk	5%
New Tools	Low Risk	Canada, USA & China	Low Risk	2%
Sorting Services	Low Risk	Canada, USA & Mexico	Low Risk	1%

## Remediation of Forced & Child Labour

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Accurcast will continue to utilize the “New Source A Supplier Appraisal” form to ensure we only contract with suppliers that meet our requirements. . Should any information become available to Accurcast as to unlawful or unethical behavior from a supplier, they will be removed from the approved supplier list and the material will be resourced. The “New Source A Supplier Appraisal” procedure and appraisal form is and will be reviewed annually for edits or updates as deemed necessary. This review is completed by Purchasing, Quality Control and Management as part of our IATF requirements.

## Remediation of Vulnerable Family Income Loss

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At this time, Accurcast has not identified any instances of child/forced labor within its supply chain, and has therefore not needed to remediate any vulnerable family income loss. Accurcast commits to utilizing only approved suppliers and should any information become available to Accurcast as to unlawful or unethical behavior from a potential supplier, they will not be approved as a new source and Accurcast will explore opportunities for remediation at that time.

## Awareness Training

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Accurcast commits to revising our Core Values to reflect our stance on child/forced labor in the supply chain. Up-to-date Core Values are posted in our facility and available to our employees so they can read and understand our position. Our Core Values are reviewed annually for edits or updates as deemed necessary. This review is completed by Management as part of our IATF requirements. Employees are expected to understand and be familiar with all posted documents.

## Assessing Effectiveness

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Accurcast commits to reviewing these Core Values with our employees as deemed appropriate to ensure that our message is communicated effectively.

## Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

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Accurcast will continue to review and monitor all suppliers as per our current policies and procedures. We will assess any and all new suppliers for risk of child/forced labor based on their location and business performance. We will take all steps necessary to ensure our suppliers meet our requirements, including but not limited to the possibility of removal from our approved supplier list if our requirements are not complied with. In compliance with our IATF standards, all our policies and procedures are reviewed on an (at minimum) annual basis, and these procedures are edited and updated as necessary. All employees have access to our current IATF procedures and policies and are expected to understand and be familiar with them and how to access them.

## Approval and Attestation of the Report

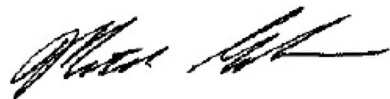
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In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I 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.

Mitchell Goldman

President

May 31, 2024

A handwritten signature in black ink, appearing to read 'Mitchell Goldman', written in a cursive style.

I have the authority to bind Accurcast Inc. This Statement has been reviewed and approved by the highest levels of the organization on behalf of itself.