

Modern Slavery Report (2024)

1 Introduction

- 1.1 At Cantak Corporation, we are committed to acting ethically and with integrity in all of our business dealings and relationships, and to promote compliance with applicable laws and protect the dignity and rights of all people connected to our business. We strive to work ever more closely with our suppliers to ensure their workforce, and the workforce of their supply chains are treated with respect and dignity. At the heart of our mission lies a commitment to fostering inclusive workplaces and sourcing products responsibly.
- 1.2 This is Cantak Corporation's first modern slavery report pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, made for the financial year ended March 31, 2024. Our report outlines the measures we have in place and the efforts we have commenced to assess and address risks of modern slavery and human trafficking in our business and supply chain.

2 Our organisational structure, business operations and supply chains

Cantak Corporation is a wholly owned subsidiary company of Japan-based Metal One Corporation and an importer and a distributor in the steel sector. Cantak Corporation has business operations in Canada and employs about 25 people in Canada. Cantak Corporation's activities include the import of goods in Canada.

The raw materials used in the manufacture of our products are sourced from suppliers located in Japan, South Korea, China and other countries. We currently purchase steel pipes for linepipe and OCTG (Oil Country Tubular Goods) usage and steel plates to resell in the Canadian market from suppliers located in Canada, Japan, South Korea, China and other countries.

To learn more about our business, please visit <https://cantak.com/>.

3 Our risk profile

- 3.1 We have assessed our risk profile within our own operations as low, based on country, sector and industry risks. All of our workers are employed in Canada, and we have fair and responsible employment practices in place to protect and promote workers' rights.
- 3.2 That said, we recognise that risks of modern slavery may be present in our supply chain, mainly due to the location of certain manufacturers and the difficulty in identifying all raw material suppliers (i.e., Tier 2 or 3 suppliers). Since suppliers at Tier 2 and further are not contracting directly by Cantak Corporation, we have less control and visibility over the working conditions and employment terms of their workers. We therefore continue to tailor our risk management actions to address those risks.

3.4 Our key operations and supply chains include:

Business operations	Supply chains	Risk assessment
OCTG (Oil Country Tubular Goods)	OCTG pipes and couplings are made in countries in the Americas, Europe and Asia. Raw materials are sourced from the Asia-Pacific region and other unknown sources.	The raw materials (steel) industry and certain countries we source from in South America, Europe and Asia have a higher inherent risk of forced labour.
Linepipe	Linepipes are made in North America, Europe, Asia-Pacific and Central Asia. Raw materials are sourced from the Asia-Pacific region and other unknown sources.	The raw materials (steel) industry and certain countries we source from in the Asia-Pacific and Central Asia regions have a higher inherent risk of forced labour.
Plate and Other products	Plates and Other products are made in North America and Asia-Pacific. Raw materials are sourced from the Asia-Pacific region and other unknown sources.	The raw materials (steel) industry and certain countries we source from in the Asia-Pacific region have a higher inherent risk of forced labour.

4 Actions taken to combat modern slavery risks

- 4.1 As can be seen in section 3 above, Cantak Corporation anticipates that its sourcing/procurement specifically from certain regions and its sourcing of raw materials such as steel are inherently susceptible to risks of modern slavery.
- 4.2 Cantak Corporation assesses and manages those risks by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which Cantak Corporation sources from, including developing and implementing those policies, processes and actions discussed below.
- 4.3 Such processes and actions include, but are not limited to, the following:
 - (a) Cantak Corporation raises awareness among its employees of the issue of forced labour and child labour during quarterly meetings.
 - (b) Cantak Corporation conducts regular supplier reviews every other year for low-risk suppliers and annually for middle-high risk suppliers. Future reviews will include a forced labour component.

5 Our policies and due diligence processes

- 5.1 Provisions requiring respect of human rights are included in our Code of Conduct, which all officers, employees and contractors of Cantak Corporation must read and follow. These provisions will be supplemented in 2024 with specific guidelines on the prohibition of forced labour and child labour.

- 5.2 We will periodically review and improve our approach to supplier due diligence with the aim of ensuring a more robust action plan to address modern slavery risks.
- 5.3 As part of our initiative to identify modern slavery and mitigate associated risks in our business and supply chain, we have adopted the following due diligence procedures:
- (a) We send comprehensive due diligence questionnaires to all existing steel suppliers on a risk-based approach. For all new steel suppliers, we send a comprehensive due diligence questionnaire before placing orders.
 - (b) For any high/middle-risk suppliers, we will consider using an external third party to review for any modern slavery risk, if necessary.

6 Supplier adherence to our values

- 6.1 Cantak Corporation seeks to do business with suppliers that have similar values, ethics and moral business practices, including those related to human rights. Cantak Corporation will not tolerate any form of modern slavery and human trafficking within its supply chain.
- 6.2 We will make every effort to include anti-modern slavery representations, warranties and covenants in our standard terms and conditions which are used with our suppliers and ensure that such provisions are included in all contracts as appropriate.
- 6.3 To ensure all suppliers and contractors in our supply chain comply with our values, we will ask our suppliers to conform to our Supplier Code of Conduct and will not trade with any who does not demonstrate compliance.

7 Training

- 7.1 We are currently working on a training program to make sure our employees are aware and capable of recognizing and reporting the risks of modern slavery and human trafficking in our business and supply chain.
- 7.2 In order to further develop the above-mentioned policies, we plan to include information regarding modern slavery risks in our employee onboarding materials. Taking a risk-based approach, we are also in the process of developing training for all employees who handle international transactions/imports on how to detect and report human trafficking and all forms of modern slavery risks.

8 Remediation measures

- 8.1 Over the course of the reporting period, we have not identified any instances of modern slavery or human trafficking in our business and supply chains, therefore, we have not been required to take remedial measures.

9 Remediation measures relating to loss of income to vulnerable families

- 9.1 We recognise that remediation measures potentially have the unintended consequence of inflicting loss of income on vulnerable groups, such as migrant labourers, unskilled labourers, indigenous people, women, or children. Over the course of the reporting period, we have not been required to take remedial measures, therefore, we have not had to remediate any loss of income to vulnerable families.

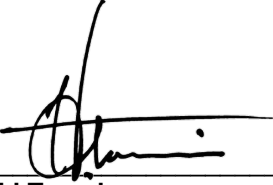
10 Effectiveness in combatting modern slavery risks

- 10.1 To date, Cantak Corporation has not taken any actions to assess the effectiveness of our actions in preventing and reducing risks of modern slavery in our activities and supply chain. Going forward, we will assess the effectiveness of our actions by evaluating key performance indicators, namely the number of staff trained and the number of suppliers and contractors screened.

11 Approval

- 11.1 This report is made in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and constitutes Cantak Corporation's modern slavery report for the financial year commencing on April 1, 2023 and ending on March 31, 2024.
- 11.2 This report was approved by the Board of Directors of Cantak Corporation pursuant to Paragraph 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* on May 23, 2024.

Signed

By: 
Hiroaki Tamai
Executive Vice President
Date: May 23, 2024

I have the authority to bind Cantak Corporation