



# MSA Supply Chain Risk Annual Report (Original Report 5.31.2024)

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## 01. BACKGROUND (SECTION 11(1))

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The federal government of Canada has introduced reporting requirements within the Fighting Against Forced Labor and Child Labor in Supply Chains Act. Annual filings are **due on or before May 31**. The legislation is named the Modern Slavery Act ("MSA") or referred to as "the Act" within this document. Reporting is required based on the criteria denoted by Public Safety Canada [Reporting obligations \(publicsafety.gc.ca\)](https://publicsafety.gc.ca).

Affected entities must develop an annual supply chain risk report, submit it to the Minister of Public Safety & Emergency Preparedness, and publish it prominently on the Entities website. [LINK To WEBSITE](#)

## DETERMINATION STATEMENT

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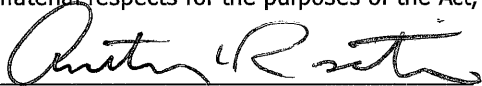
Based on the criteria denoted within the Act, it is determined that Dearborn Holding Company, LLC and all respective subsidiaries (collectively referred to herein as "the Entity") are subject to the reporting requirements of the Act as the Entity meets all three size-related thresholds and has a Canadian business presence

Entity Reporting Year: December 31, 2023  
Entity Sector/Industry: NAICS Code 236220 – Commercial and institutional building construction.  
Entity Headquarters: 901 Wilshire Dr. Troy, MI 48084 Suite 250 USA

## APPROVAL AND ATTESTATION STATEMENT (SECTION 11(4/5))

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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 in Section 02. 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.

  
Anthony L. Rosati Chief Executive Officer      Date 5/28/24

I have the authority to bind Dearborn Holding Company, LLC and all subsidiaries.



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## 02. MULTIPLE JURISDICTIONS (SECTION 11(2))

### Organizational structure and control:

The Entity is controlled by the Chief Executive Officer followed by the respective subsidiaries' presidents. Company organization and respective data is denoted below:

Full Legal Company Name, Business Type, Physical Address	U.S./Mexico EIN#	CAN BN	WSIB	U.S/ Mexico Employees	CAN Employees
Dearborn Holding Company, LLC Limited Liability Company 901 Wilshire Dr. Troy, MI 48084 Suite 250 USA	81-1151147			13	0
Dearborn Realty, LLC Limited Liability Company 901 Wilshire Dr. Troy, MI 48084 Suite 250 USA	35-2577193			0	0
Dearborn Mid-West Company, LLC Limited Liability Company 20334 Superior Rd Taylor, MI 48180 USA 20336 Superior Rd Taylor, MI 48180 USA 19440 Glendale St. Detroit MI 48223 USA 901 Wilshire Dr. Troy, MI 48084 Suite 265 USA	47-2254578	807732193	6008486	83 50 87 0	0 0 0 0
DMW Mexico Holdings, LLC Limited Liability Company (Holding company only) Amapola del Camino # 10 Int 2 Col Cerritos Silao, Gto. Mexico C.P 36293	35-2538709			0	0
DMW Mexico Division, Inc. C-Corporation Amapola del Camino # 10 Int 2 Col Cerritos Silao, Gto. Mexico C.P 36293	DMD150930RT5			11	0
W&H Systems Acquisition, Inc. C-Corporation (Holding company only) 253 Passaic Avenue Fairfield, NJ 07004 USA	61-1756307			0	0
W&H Systems, Inc. (d/b/a DMW&H) C-Corporation 5042 Industrial Road, Suite B, Farmingdale, NJ 07727 USA 253 Passaic Avenue Fairfield, NJ 07004 USA	13-1996491	135457901		7 186	0 0

### Other supply Chain reporting requirements determination:

The Entity does not report under legislation in other jurisdictions. The Entity will continue to complete annual assessments to follow reporting requirements in other jurisdictions.

## 03. SUPPLEMENTARY INFORMATION (SECTION 11(3))

Documentation to address requirements within Section 11(3) of the MSA

### REQUIREMENT (A) – STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

#### Structure



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The Entity is a limited liability company with certificate of formation in the state of Delaware. The Entity is not publicly traded in Canada or the United States of America ("USA" or "U.S."). The Entity does not have a physical place of business nor physical assets in Canada. Much of the Entities Canadian business presence is importing goods produced outside of Canada and providing project management services over installation projects in which Canadian subcontractors are procured to perform in country Canada activities.

## **Activities & Supply Chain**

The majority of supply chain activities consists of procurement of materials based on Canada customer requirements and often using a customer driven supplier/vendor.

Key products imported from the U.S. to Canada consist of component parts for conveyor assemblies. Component parts consist of a wide range of materials from very large steel components fabricated into sections of conveyors to be assembled in Canada to small replacement parts such as belts/motors/chains. The large, fabricated parts are either fabricated directly by the Entity or a sub fabricator in the U.S. or Mexico and imported into Canada. Purchased parts are typically U.S. based but there are some parts purchased in Europe, China, Mexico or Canada.

U.S. to Canada import activity by the Entity for the reporting year was valued at \$4.2 Million USD. Canada to U.S imports amount to \$3 Thousand USD.

The Entity performs management services to procure primarily Canadian subcontractors who will install the purchased materials and U.S. project management/monitoring activities are completed until project completion. These services are primarily done remotely by employees in the U.S. At times the Entity will send U.S. employees or U.S subcontractors to the Canadian location for supervisory activities. The Entity reports hours worked in Canada through WSIB and submits respective Canada payroll and GST/HST taxes through the respective Canada business account number(s). Income taxes for Canada activity for both the Entity and respective employees are filed appropriately using the Canadian consulting firm Roth Mosey.

For the reporting period the Entity had a total of 14 employees that visited Canada for management oversight purposes for a total of 1,614 hours worked. No U.S. based subcontractors performed onsite work in Canada in the reporting period.

The Entity completes due diligence procedures to process proper Canada requirements for a U.S. employee to work in Canada. The Entity works with Canadian firms to ensure compliance.

Although there are no documented policies or procedures for this activity, the Entity believes processes are completed in accordance with our expectations. The Entity will work towards a formal Entity level policy/procedure to ensure consistency in the process, documentation, and support retention.

The majority of the Entities' supply chain activities are contracts with customers within Ontario and Quebec regions.

## **REQUIREMENT (B) – POLICIES AND DUE DILIGENCE PROCESSES**

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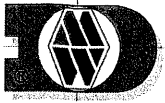
The Entity is committed to ensuring that all subsidiaries have consistent guidance either via policy or procedures ensuring proper due diligence is applied with all aspects of the business.

Dearborn Holding Company, LLC is the responsible subsidiary for publishing Entity level policies and procedures to the subsidiaries. Currently, the Entity is reliant on policies set forth by U.S. Department of Labor ("DOL") regarding child labor or forced labor laws. The DOL has specific guidelines when hiring persons under the age of eighteen.

Number of employees under eighteen for the reporting year employed by the Entity: Zero

The Entity does not have independent policies or procedures that address child labor or forced labor for the reporting period. The Entity will review the current processes and develop a policy/procedure to ensure consistent compliance with emerging legislation.

Employees can however report suspected violations internally to Human Resources for escalation as needed. Additionally, the Entity is required by U.S. agencies (State and Federal) to have various posters in a common area for



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all employees to reference if they have any employment concerns to external parties. These posters are present at all physical locations and include external contact information for the various regulatory agencies that addresses the following:

- Discrimination – Addresses age - <https://publicportal.eeoc.gov/Portal/Login.aspx>
- Labor Laws – State and Federal with respective contact information
- Immigration Rights
- Union Rights

Entity level policies are developed to address the following:

#### Human Resources:

- [Employee Code of Conduct](#)
- [Equal Employment Opportunity](#)
- [Employment Eligibility Verification is conducted to confirm age and authorization to work in the U.S for every employee.](#)
- [Fair pay practices](#)
- [Labor Laws \(domestic and international\)](#)
- [Workplace Anti-Harassment](#)
- [Workplace Safety](#)
- [Meals and Rest Periods](#)
- [Open Door Policy](#)

#### Financial:

- Sets thresholds and level of approvals for high-risk transactions.
- Verification and monitoring of all assets as IFRS/GAAP require

The subsidiaries also have a due diligence to identify subsidiary specific risks and have policies/procedures in place to consistently mitigate, prevent or detect those risks. This includes but is not limited to:

#### Financial:

- Know your customer/vendor
  - Requires proof of business registration
  - Requires due diligence review of financials

#### Operational:

- Standard terms and conditions for suppliers

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## REQUIREMENT (C) – FORCED LABOUR AND CHILD LABOUR RISKS

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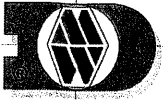
The Entity had assessed the areas in which have inherent or embedded risks regarding child/forced labor. The Entity will commit to further exploring this process gap and implement procedures, potential policies, and training to ensure future compliance.

The majority of the Entities suppliers are U.S. based and subject to the U.S. DOL regulations around child/forced labor laws. However, additional due diligence can be done around supplier set up to get attestation of their compliance.

The Entity does have suppliers in Mexico, Canada, Europe, and Asia where regulations may differ from our standard expectations. Regional risk needs to be further assessed.

The Entity heavily relies on subcontractors for fabrication and services. The opportunity for risk is inherently higher with this operating activity and needs to be further assessed.

Other items needed for consideration: Industry, typical labor force (union vs. nonunion), transportation (use of brokerages and freight suppliers) and migrant/minority suppliers.



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## REQUIREMENT (D) – REMEDIATION MEASURES

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The Entity did not identify any forced labor or child labor in our business or supply chain activities within the reporting period.

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## REQUIREMENT (E) – REMEDIATION OF LOSS OF INCOME

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The Entity has not identified any loss of income to vulnerable families resulting from measurements to eliminate the use of forced labor or child labor in our business or supply chain activities within the reporting period.

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## REQUIREMENT (F) – TRAINING

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The Entity had not developed a training regiment to address this legislation for the reporting period. The Entity will review the suggested training touchpoints denoted below and develop and implement Entity level required training.

- Whether the training is mandatory or optional
- Whether the training is entity-wide or only covers employees in specific areas of the entity
- Which groups or levels of employees receive the training (e.g., whether the training covers senior management/executive-level staff)
- The content of the training, including whether it covers forced labor, child labor or both
- How the training was developed, including whether it was developed internally or by an external organization
- The length of the training
- Any mode(s) of assessment included in the training.
- How many employees have received or will receive the training.

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## REQUIREMENT (G) – ASSESSING EFFECTIVENESS

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The Entity did not develop an assessment of effectiveness for the reporting period. The Entity will review the suggested listing of actions and implement a policy/procedure and respective training to ensure future compliance.

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## 04. ACCESSIBILITY OF REPORT (SECTION 13(1))

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[Link to Website](#)

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## 05. ACTION ITEMS

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Action items are documented here to ensure the Entity is transparent in the areas of which risk assessments and policies/procedures are being strengthened to properly address to meet or exceed the minimum requirements dictated within the Act.

### Jurisdictional reviews (Section 11(2))

- Upon new customer/supplier set up review of state/country laws around child labor and supply chain reporting requirements.
- Annual review of state/country laws around child labor and supply chain reporting requirements.
- Implement Entity wide documentation retention requirements and repository.

### Canada entry documented procedure employees and subcontractors (Requirement A)

- Implement Entity wide procedures and documentation retention requirements.



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## Due diligence and emerging legislation (Requirement B)

- Develop/implement/train on entity level policy/procedure to ensure consistent compliance.
- Identify consultants as needed for respective jurisdictions.
- Develop/implement/training for Human Trafficking Awareness
- Develop/implement/training for Know your customer/Supplier requirements including documentation retention and repository.

## Risk assessment (Requirement C)

- Develop/implement/training/documentation/Retention for risk assessment.

## Training and development (Requirement F)

- Establish and issue a Corporate Policy to prohibit forced labor and unlawful child labor
- Develop/implement training requirements Entity level for consistent compliance and awareness.
- Conduct introductory training to heighten awareness of forced labor and unlawful child labor

## Assessing effectiveness (Requirement G)

- Development/implementation/training/documentation retention of assessment effectiveness.

### 06. REPORT REVISION LOG

Report/Revision Date	Key Changes
5/28/2024	Original Report Filed