

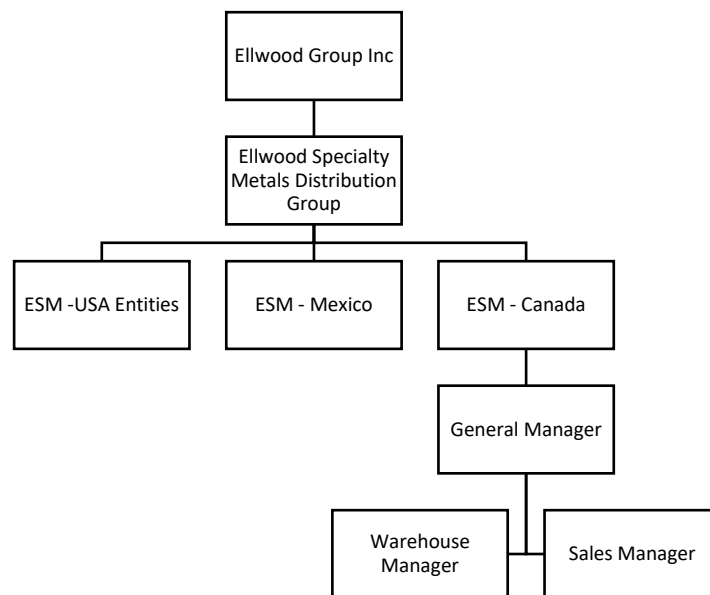
## ELLWOOD SPECIALTY METALS – Canada

3282 St. Etienne Blvd.  
Windsor, Ontario N8W 5E1  
Modern Slavery Report 2023

This annual report for Ellwood Specialty Metals Company (ESM) under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), outlines the steps taken in our fiscal calendar year of 2023 to prevent and reduce the risk that forced labor or child labor is used in any step of the production of goods in Canada or elsewhere by ESM or of goods imported into Canada by ESM.

### A. Structure, Activities, and Supply Chains

- a. Ellwood Specialty Metals Company (which will be referred to as ESM throughout this document, and is the entity with a reporting obligation under the Act) is incorporated in Canada as a Nova Scotia LLC. The company was incorporated in 2005. This company operates on a calendar year basis.
- b. The parent company is Ellwood Group Inc., located in Ellwood City, Pennsylvania, USA. Ellwood Group Inc. (EGI) is a private company in the US that was founded in 1910.
- c. Each operating unit operates autonomously with a separate President and operating team. ESM has (27) full time employees. The business unit high level organizational structure is below.



- d. ESM is one of five business units in the Ellwood Specialty Metals distribution group. The five business units comprise the distribution group of Ellwood Group Inc. ESM is located in Windsor, Ontario with its own management team on site with full responsibility for all sales and warehouse operations. ESM purchases 84% of steel and aluminum inventory from its Ellwood sister companies within the Ellwood Group.
- e. ESM issues purchase orders to the internal supply chain within its sister companies. ESM is the distribution arm only. The producers of the metal within the sister companies include steel and aluminum. The operations include casting, forging, heat treatment, machining and inspection.
- f. ESM purchases this material for distribution. The steel and aluminum block and rounds are maintained as inventory in the warehouse sold into the end user markets. ESM is a leading distributor in Canada of tool steels and aluminum for plastic molds, die casting, forging dies, and other tooling applications.
- g. The markets that Ellwood Group services include aerospace, oil & gas, defense, industrial, construction, and transportation.
- h. Of the 16% of material that is not supplied by an Ellwood company it primarily comes from a handful of suppliers in China and Germany.

Country of Supplier	Material Purchased	% of total material # purchased	# of Vendors
US- Intercompany Ellwood Group	Steel & Aluminum	84%	3
US other suppliers	Steel	1%	10
China	Aluminum	6%	2
Germany	Steel and Aluminum	7%	3
United Kingdom	Aluminum	1%	1
Canada	Steel	1%	7

**B. Policies and due diligence process in relation to forced labor and child labor**

- a. Focus Area: Our Operations
  - i. All employees at Ellwood Specialty Metals Company are required to complete an employment application agreeing to at-will employment and signing the application as evidence of agreeing to terms of employment.
  - ii. ESM requires employees to be 18 years of age or older unless otherwise approved as a co-op opportunity for graduating high school seniors working with a trade or technical school.
  - iii. ESM adheres to strong ethical and labor standards
  - iv. See also: [Ethics and Business Conduct | ELLWOOD Group](#)
  - v. Anti-Modern Slavery and Human Trafficking

1. ESM does not engage in or support forced labour, child labor, human trafficking, or slavery, of any kind, and we expect the same of our agents, suppliers and subcontractors.
2. Consistent with U.S. government laws and policies, ESM does not conduct, support or condone trafficking in persons in any form, including but not limited to sex trafficking, procurement of commercial sex acts, the recruitment, harboring, transportation, provision or obtaining of a person for labor or services through the use of force, fraud or coercion, forced labor, denial of access to employees' identity or immigration documents, or the use of misleading or fraudulent practices during recruitment and offers of employment.
3. All Team Members have the right to report to the Ethics Hotline, without fear of retaliation, activities they become aware of that are inconsistent with this Policy. This information is posted within all our facilities and is a confidential process managed with our legal team and 3<sup>rd</sup> party administrator. Violation of this Policy, including interference with good faith reporting of noncompliance with this Policy, will result in disciplinary action, up to and including termination.
4. Ellwood Group Inc, including ESM has a whistle blower policy in the event any team member would have any concerns over their work environment or management team. Details are included in the link above for Ethics and Code of Business Conduct.

b. Our Supply Chain

- i. ESM holds its agents, suppliers and subcontractors to the same standard.
- ii. ESM works with a core group of suppliers in which most already participate in human rights and labor law compliance. We will have a stronger involvement with supplier surveys and reviews of compliance in 2024 and years forward.
- iii. Training will be held with our internal supply chain within ESM
- iv. We will begin to incorporate a more formal policy with our 3<sup>rd</sup> party suppliers based on the risk assessment and survey results.

**C. Parts of the business and supply chains that carry a risk of forced labor or child labor being used and steps to assess and manage this risk**

Country of Supplier	% of total material # purchased	# of Vendors	Country Risk	Country Regulation
US- Intercompany Ellwood	84%	3	Low	Forced labor law 19 U.S.C. 1307 and Fair Labor Standards Act of 1938, among other employment legislation
US other suppliers	1%	10	Low	Forced labor law 19 U.S.C. 1307 and Fair Labor Standards Act of 1938, among other employment legislation
China	6%	2	Moderate	Labor Law of the People’s Republic of China, Law on the Protection of Minors, Regulations on Prohibiting Child Labor
Germany	7%	3	Low	SA8000 Compliant on labor law and ban on child forced labor and Compliance with the 10 Principles of the United Nations Global Compact, among other employment legislation
United Kingdom	1%	1	Low	Compliance with the 10 Principles of the United Nations Global Compact, among other employment legislation
Canada	1%	7	Low	Criminal Code of Canada, Employment Standards Legislation, International Labour Organization (ILO) Conventions

- a. ESM adheres to strict standards in the United States against forced labor and child labor as indicated in the Ellwood Code of Ethics.
- b. The European vendors participate in various Human rights and supply chain due diligence based on the country.
- c. ESM acknowledges that the likely greatest source of risk is in relation to its suppliers in China. However, that risk is moderated by the fact that we work with just two China-based suppliers, which we know well and undertake periodic reviews in respect of, discussed further below.
- d. ESM will be conducting surveys with all the foreign vendors regarding Forced labor and Child labor compliance.
- e. Where the most risk lies- steps to assess and manage – to be determined after conducting surveys and measuring the supplier results.

**D. Measures taken to remediate any forced labor or child labor, or related loss of income**

- a. None identified at this time. We will continue to monitor and address this section as we move forward with the steps outlined in the document.

**E. Training provided to employees on forced labor and child labor**

- a. Training provided by E&Y on the S-211 requirements for initial introduction. Flow down training for ESM Canada and ESM USA facilities will be developed and completed by end of 3Q2024.

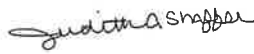


**F. Assessment of the effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains.**

- . ESM Canada has a limited number of suppliers with longstanding relationships in an industry that is not considered at high risk for child or forced labour practices. The bulk of our supply chain is in developed countries with strict laws and law enforcement on forced labour. We will assess the effectiveness based on answers to the supplier surveys regarding their code of conduct policy and transparency efforts. We will also conduct research on the company's history, reputation and any past allegations or incidences related to forced labour or human rights abuse. This will be done using any publicly available government reports, human rights organizations, and media outlets.

This report is approved pursuant to s. 11(4)(a) of the Act.

**Reviewed by:** David Heath – ESM General Manager

**Board of Directors Approvals**

<b>ESM Officers</b>	<b>Signature</b>
Judith Shaffer - President	<p>X </p> <hr/> <p>Judith Shaffer</p>
Ben Huffman – VP	<p>X </p> <hr/> <p>Ben Huffman</p>
Richard Davis – VP of Finance	<p>X </p> <hr/> <p>Richard Davis</p>