

# MODERN SLAVERY STATEMENT FY2023

*This Modern Slavery Statement for Marubeni-Itochu Steel Canada Inc. is made pursuant to Part 2 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C.2023, c.9 for the financial year April 01, 2023, to March 31, 2024.*



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## 1. The Reporting Entity

### Marubeni—Itochu Steel Canada Inc.

This report has been made in accordance with PART 2 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act S.C. 2023, c.9 (the “Modern Slavery Act”) and covers the activities of Marubeni-Itochu Steel Canada Inc. (“MISC”) (BN 878723519) for the financial year ended 31 March 2024 (the “Reporting Period”).

This marks our inaugural report under the Modern Slavery Act. During the Reporting Period, MISC has initiated the assessment of modern slavery risks and the corresponding measures to address them. We are steadfast in our commitment to continuously evaluate and respond to these risks.

The purpose of this report is to elucidate our approach within our robust compliance and risk frameworks aimed at mitigating the prevalence of modern slavery across our operations and supply chains.

MISC is dedicated to upholding ethical conduct in our business practices and fostering the same principles among our trading partners. We hold our vendors and suppliers to high standards, expecting their operations to reflect our values to the best of their ability.

MISC vehemently opposes the use of modern slavery in any form and is resolute in addressing, to the best of our ability, the risk of its occurrence within our operations or those of our vendors and suppliers.

MISC recognizes the effect of modern slavery is a serious issue and supports efforts to identify and mitigate the risks of modern slavery globally.

In this report, references to “modern slavery” include forced labour and child labour as defined in the Modern Slavery Act.

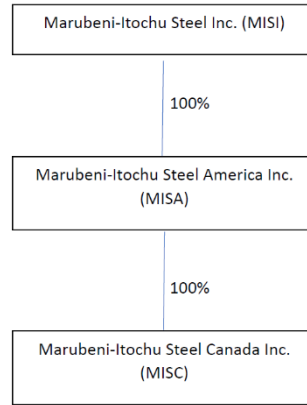
## 2. About MISC: Structure, Operations and Supply Chains

### 2.1 Structure

MISC was incorporated under the Canada Business Corporations Act on September 6, 2001. MISC is a wholly-owned subsidiary of Marubeni-Itochu Steel America (“MISA”), which is headquartered in New York. MISA is wholly-owned subsidiary of Marubeni-Itochu Steel Inc. (“MISI”), a Japanese steel business joint venture between Marubeni Corporation and Itochu Corporation. MISC operates from two offices, one situated in Greater Vancouver and the other in Toronto. In financial year 2023, MISC recorded total sales of CDN\$193.0 million.



The corporate structure of MISC and of the pertinent related parties is as follows:



## 2.2 Operations

MISC's operations encompass general trading and the importation of steel products, alongside offering supply chain management services.

In its trading operations, MISC delivers a comprehensive suite of services. This includes procuring and importing various steel products like steel plates, bars, pipes, tubing, and coils from both domestic and international sources. Leveraging MISI's global integrated network, MISC facilitates overseas and local logistics, as well as brokerage services, ensuring efficient delivery to steel service centers and customers within the construction industries.

In the realm of supply chain management, MISC offers end-to-end inventory management services. This involves purchasing, warehousing, processing, and delivering electrical steel, stainless steel, and carbon steel products to manufacturers of electric transformers and automotive components across the Eastern region of Canada.

## 2.3 Workforce

As of March 31, 2024, MISC had 16 employees working in two offices located in Greater Vancouver and Toronto. Our employees work in various departments, including Sales, Procurement, Logistics, Administration, and within the leadership team.

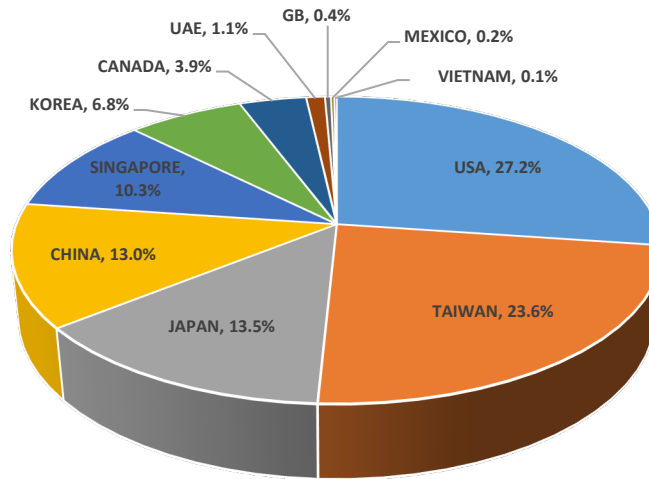
## 2.4 Supply Chains

In its supply chains, MISC rely primarily relies on foreign steel mills, as well as local logistics and brokerage service providers. During the Reporting Period, MISC directly and indirectly procured products and services from a diverse network of over 100 suppliers, predominantly located in the United States of America, Taiwan, Japan, and China. Additionally, MISC collaborates with other Marubeni-Itochu Steel companies globally, leveraging their expertise as agents to facilitate purchases.



MISC procures electrical steel, stainless steel, and carbon steel from a range of countries, including Japan, China, Taiwan, Vietnam, Indonesia, and Brazil, to fulfill the needs of customers in the electricity transformer and automotive industries in Ontario and Quebec. In the Western Canadian market, MISC obtains steel plates, bars, pipes, tubing, and coils customized for commercial construction contractors. Additionally, MISC supplies materials to steel service centers and distributors across Canada.

MISC Source of Purchases  
by total spend by Country  
(FY2023)



### 3. Modern Slavery Risks

MISC is currently assessing its modern slavery risks within our organization and within its supply chains. Given its dealings with diverse foreign steel mills, MISC acknowledges the potential impact of modern slavery on its business activities. Recognizing its responsibility, MISC is committed to reducing and mitigating these risks throughout its operations, including within its supply chains.

#### 3.1 Potential Modern Slavery risks in operation

MISC operates within Canada, with offices situated in Greater Vancouver and Toronto. The company upholds rigorous HR policies aimed at protecting employees from harm, harassment, and exploitation. These policies strictly adhere to the Charter of Rights and Freedoms in Canada, as well as both federal and provincial labor standards. Through thorough risk assessments, MISC has concluded that occurrences of modern slavery within its operations are minimal and actively works to maintain this standard.

#### 3.2 Potential Modern Slavery risks in supply chain

MISC understands there are industry risks and geographic risks of modern slavery within the sectors in which it operates. MISC sources goods from industries with potential modern slavery risks, such as steel production, transportation, and logistics.

MISC engages suppliers from countries identified with a low estimated prevalence of modern slavery. Acknowledging the intricate nature of supply chains, MISC recognizes it has limited visibility beyond direct suppliers, thereby heightening the risk of modern slavery instances from indirect suppliers.



#### **4. Remediation measures**

During the Reporting Period, MISC has not identified any instances of modern slavery within its organization or supply chains and accordingly, has not taken any measures to remediate modern slavery in our activities.

#### **5. Actions will be taken to address Modern Slavery risks in supply chain**

##### **5.1 Suppliers Due Diligence**

MISC initiated efforts to assess its modern slavery risks by analyzing supplier expenditure data alongside the findings of the Global Slavery Index 2023, identifying suppliers operating in high-risk industries and regions. First-tier with high-value suppliers within these high-risk categories will be prioritized for due diligence and review. In subsequent years, MISC is planning to expand its due diligence efforts to include second-tier suppliers operating within high-risk industries and regions.

MISC has engaged with third parties to assist in its modern slavery mitigation efforts. During the upcoming financial year, MISC is hoping to develop supplier questionnaires, which will be sent out to MISC's top-tier suppliers. Their responses will be documented and reported in upcoming periods.

##### **5.2 Modern Slavery policy and Supplier Code of Conduct**

During the upcoming financial year, MISC will be working with third parties to develop and establish a Modern Slavery Policy and Supplier Code of Conduct for the suppliers to be complied with. MISC believes that these initiatives will strengthen its business integrity, elevate social performance, and champion policies fostering accountability.

MISC is committed to implement the Modern Slavery Policy and Supplier Code of Conduct to both existing and new suppliers and monitor and report on supplier acceptance rates in forthcoming reporting periods.

##### **5.3 Engagement, training, and education**

MISC will additionally assess the necessity of providing modern slavery training to its employees. This training will cover an understanding of modern slavery, MISC's strategies to mitigate modern slavery risks, and guidance on reporting any concerns related to modern slavery.



## **6. Assessing the effectiveness**

MISC is committed to continuously monitoring the effectiveness of its modern slavery prevention processes through regular reviews aimed at enhancing its approach. Our Compliance Committee will be entrusted with monitoring and periodically assessing progress in this regard. MISC remains dedicated to continually improving its approach and management of modern slavery risks.

## **7. Consultation**

MISC does not own or control another entity. This statement was reviewed by the MISC management team and approved by the Board of Directors.

## **8. Relevant Information**

MISC representatives will pursue opportunities to attend seminars conducted by public or private entities on modern slavery. Additionally, MISC will remain vigilant in staying informed about modern slavery developments and will endeavor to implement best practices in assessing and addressing risks that may arise within its organization and its supply chains.



This Statement was approved by the Board of Directors of Marubeni-Itochu Steel Canada Inc. on 29th May 2024.

*Junichi Irie*

Director  
Junichi Irie

*Toshio Namiki*

Director  
Toshio Namiki

*M. Ishiguro*

Director  
Motojiro Ishiguro

*KV*

Director  
Kelly Vogt

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity 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.

*Junichi Irie*

Full Name: Junichi Irie  
Title: President

I have the authority to bind Marubeni-Itochu Steel Canada Inc.