



Cogan Wire and Metal Products Ltd.,

Report on Forced Labour and Child Labour Policies and Practices

Date: May 2024

Introduction

Cogan Wire and Metal Co. presents this report to provide transparency and accountability regarding our efforts to combat forced labour and child labour within our operations and supply chains. As a responsible corporate entity, we are committed to upholding the highest standards of ethical conduct and ensuring the well-being of workers across our business ecosystem.

Structure, Activities, and Supply Chains

Cogan, founded over a century ago, has grown to over 85 employees and operates from our 100,000+ SQFT manufacturing facility. With 13 sales offices and a wide dealer network across North America, our products are widely installed.

Organizational Structure

Cogan Wire and Metal Co. operates within a well-defined organizational structure, which includes departments like Engineering, Estimations, Sales, Purchasing, Human Resources, Logistics, IT, and Accounting. Our leadership team guides the strategic direction of the company, ensuring alignment with our values and objectives.

Core Activities

At Cogan Wire and Metal Co., creating safe, efficient, and secure workplaces is a priority. *Mezzanines* are designed to maximize floor space, while *Guardrails* ensure a safe working environment. To protect inventory, robust *Rack Protection* solutions are available, and versatile *Cantilever Racking* stores items of any size or shape. *Partitions* provide continuous security, and *Lockers* offer secure storage for personal items. Cogan is committed to being a partner in building a superior, safer, and more efficient workplace.

Supply Chains

Local Canadian Suppliers: More than 80% of raw materials are from steel sourced locally from Canadian suppliers known for high-quality standards and ethical labour practices. Stringent quality control measures applied during sourcing to ensure materials meet Cogan's specifications and ethical standards, with regular audits for compliance.

International Suppliers: Approximately 7% of raw materials (e.g. Resindeks and Bar gratings) imported from US suppliers chosen for proximity, reliable supply chains, and commitment to ethical labour practices. Approximately 11% raw materials sourced from China and Turkey for specialized components.

Manufacturing: Raw materials processed and manufactured into final products at Cogan's facility at 2460 des Entreprises, Terrebonne, QC J6X 4J8, strictly prohibiting forced labour and child labour with regular internal audits for compliance.

Consistent quality checks and inspections conducted throughout the manufacturing process to uphold product integrity, safety standards, and ethical labour practices.

Distribution: Products distributed across Canada and the US with efficient logistics networks ensuring timely delivery, ensuring compliance with ethical labour standards among logistics partners.

Products shipped to international markets, primarily the US, with robust packaging and handling to ensure safe transit, with international logistics partners.

Cogan's Measures to prevent and mitigate the risks of forced labour and child labour

Cogan Wire and Metal Products Ltd. has integrated human rights measures into our business activities using voluntary standards and principles. This includes areas such as social and environmental management, health and safety, procurement, security, and human resources.

In our financial year ending December 31, 2023, Cogan has proactively taken steps to prevent and mitigate the risks of forced labour and child labour in our operations and supply chain. While some actions were initiated or planned in the fiscal year 2023, their implementation is ongoing and will continue into the next financial year of 2024.

- Developing and implementing an action plan for addressing forced labour and child labour where risks are identified.
- Developing and implementing anti-forced labour and anti-child labour standards and codes of conduct.
- Cogan requires all employees to sign "Cogan's Corporate Policies" document upon hiring. This document is accompanied by comprehensive training materials. Recently, we added a section on "Forced Labour and Child Labour Policies," which all employees will be required to review and sign in 2024.
- Initiating and developing due diligence procedures and processes to identify, address, and prohibit the use of forced labour and child labour in our activities and supply chain, which began in 2023, will be implemented in 2024.
- We will be introducing a mandate for our direct suppliers and contractors to establish and enforce policies and procedures aimed at identifying and prohibiting the use of forced labour and child labour in their activities and supply chains; will be implemented in 2024.

- Developing the "Bill S-211 Supplier Questionnaire" to assess supplier compliance with ethical labour standards and ensure adherence to anti-forced labour and child labour policies.
- Initiating and developing anti-forced labour and anti-child labour contractual clauses for our direct suppliers; will be implemented in 2024.
- Initiating and developing training and awareness materials on forced labour and child labour; will be implemented in 2024.

Further details on these activities are provided in the following sections of this report.

Policies and Due Diligence Processes

Cogan is presently working on putting into place the following policies on Forced Labour and Child Labour.

In 2023, Cogan Wire and Metal Products Ltd. developed comprehensive policies addressing forced labour and child labour. These policies emphasize zero tolerance for such practices and outline the company's commitment to compliance with international labour standards.

Cogan Code of Ethics:

This policy confirms our commitment to high ethical standards and sets the basic rules for anyone doing business for Cogan. It strictly prohibits child labour and any human rights abuses.

Cogan's Corporate Policies:

Cogan requires all employees to sign "Cogan's Corporate Policies" document upon hiring. This document is accompanied by comprehensive training materials. Recently, we added a section on "Forced Labour and Child Labour Policies," which all employees will be required to review and sign in 2024.

Cogan's Expectations for Suppliers and Contractors: (will be implemented in 2024)

This policy sets the minimum standards of conduct for all suppliers and contractors working for Cogan. It prohibits the use of forced labour or any form of modern slavery. Additionally, it outlines expectations for addressing risks of forced and child labour, including recruitment practices, freedom of movement, and training on forced labour.

Cogan requires suppliers to agree to uphold its standards for human rights. If necessary, they also allow Cogan to check their operations through audits to ensure these standards are met and to report any human rights issues related to their activities.

- Require mechanisms to verify the ages of employees and contractors.
- Mandate appropriate safeguards for anyone aged 18 and younger working for the supplier.
- Require all employment contracts to be in writing.
- Ensure all employees and contractors keep control of their own identification documents.

Forced labour and child labour policies are supported by robust Due Diligence Processes. In 2023, the company initiated and planned the implementation of due diligence procedures to assess and

mitigate risks within its supply chains. This includes conducting risk assessments and supplier audits to ensure compliance.

Cogan has already developed the "Bill S-211 Supplier Questionnaire" to assess supplier compliance with ethical labour standards and ensure adherence to anti-forced labour and child labour policies as the early stage of due diligence process.

Risk Assessment and Management

Cogan Wire and Metal Products Ltd. operations located in low-risk areas, However Cogan identifies parts of its business and supply chains with a risk of forced labour or child labour. In 2024, Cogan will begin the risk assessment process by sending out questionnaires to all international suppliers and the top 20 local suppliers based on their transaction volume in 2023. Based on the result of risk assessment, Cogan will develop mitigation strategies in 2024.

Remediation Measures and Remediation of Income Loss

Based on the results of the risk assessment, if forced labor or child labor is identified, Cogan Wire and Metal Products Ltd. will take remedial action. This includes implementing measures to address the root causes of labor violations and supporting affected workers. These actions will begin in 2024.

To mitigate the loss of income to vulnerable families resulting from the elimination of forced labor or child labor, Cogan Wire and Metal Products Ltd. plans to implement measures to provide alternative income opportunities and support community development initiatives. These initiatives will also begin in 2024.

Employee Training

Training programs on forced labour and child labour are essential components of Cogan Wire and Metal Products Ltd.'s efforts. In 2024, the company plans to provide comprehensive training to employees to raise awareness and promote adherence to ethical labour practices.

Effectiveness Assessment

Cogan Wire and Metal Products Ltd. assesses the effectiveness of its efforts in preventing forced labour and child labour in its business and supply chains. This includes evaluating compliance with policies and conducting internal audits to identify areas for improvement.

Additionally, Cogan Wire and Metal Products Ltd. has implemented a simplified procedure known as CAPA (Corrective Actions and Preventive Actions) to assess our efforts in combating forced labour and child labour. This system enables employees to report issues directly, facilitating prompt resolution. With the integration of Bill S211 into our processes, we expect increased transparency and accountability.

The results of our CAPA procedure will be monitored quarterly and reported to upper management. This systematic approach enables ongoing evaluation of our policies and practices, ensuring continuous improvement in upholding ethical labour standards.

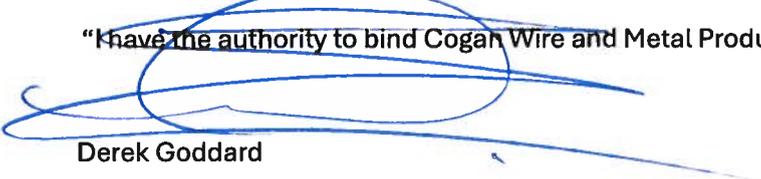
Conclusion

Cogan Wire and Metal Products Ltd. remains committed to ensuring that forced labour and child labour are not tolerated within its operations and supply chains. Through proactive policies, due diligence processes, and remediation measures, the company strives to uphold ethical standards and promote the well-being of workers worldwide.

Approval and attestation

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 Cogan Wire and Metal Products Ltd. 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.

~~"I have the authority to bind Cogan Wire and Metal Products Ltd."~~



Derek Goddard
President / CEO
Date: