

2023 Report Forced Labour in Canadian Supply Chains

Prepared on April 5, 2024

Modern Slavery Statement for the Financial Year ended 2023:

Ronsco Inc. is committed to upholding ethical standards and ensuring compliance with all relevant labor laws, including the S-211 Forced Labour Law. The purpose of this report is to demonstrate our company's adherence to the provisions outlined in S-211 and to outline the measures we have implemented to prevent forced labor within our operations.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Ronsco Inc. to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2023 and ending December 31st, 2023.

Company Structure:

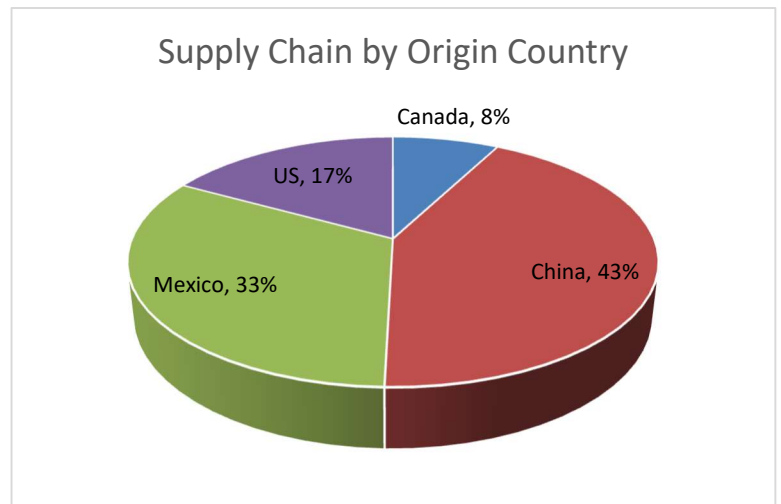
Ronsco Inc. is a Canadian based company, established in 1968. It trades under the business name Ronsco Inc. with its head office at 75 Rue Industrielle, Coteau-du-lac, Quebec, Canada, J0P1B0. Ronsco is a privately owned corporation with core business is the railway supply sector.

Physical locations include:

- 75 Rue Industrielle, Coteau-du-lac, QC
- 1675 Burlington St East, Hamilton, ON
- 12830 148 St NW, Edmonton, AB

Brief outline of supply chain:

Ronsco is an importer of finished railway products from around the world into Canada, as well as an importer of raw materials (steel) for further processing into finished railway products. In general, all products imported are from companies certified by the Association of American Railroads (aar.org), all of which undergo annual audits. Primary countries of origin include US, China, Mexico, Ukraine. Fourteen (14) suppliers account for over 75% of total annual spend.





Risks in Supply Chain:

At Ronsco Inc., we hold the fundamental belief that respect for human rights is paramount in all our operations. We are steadfast in our commitment to ensuring that forced labor and child labor play no role whatsoever in the creation or distribution of any product within our supply chain. Our stance on this matter is unequivocal, and we have implemented comprehensive measures to uphold this commitment.

Risks in our supply chain are deemed to be very low. Risks may increase upon deeper evaluation of 2nd and 3rd-level sub-suppliers (still to be performed).

Actions:

The following outlines actions taken by Ronsco Inc. in 2023:

- Subscribed to the Ecovadis Sustainability Assessment platform, achieving an above-average ESG score for our industry sector.
- Establishment of an internal policy (and procedures) for Compliance with Canada's Bill S-211 on Forced Labour. Policy establishes the methodology and frequency of supplier evaluations are to be performed, criteria for employee training, contractual terminology, continuous improvement, enforcement, and reporting requirements.
- Published a supplier code of conduct on company website, which includes explicitly prohibiting the use of forced labour in any form.
- Updated contractual terminology including on purchase orders and contracts to reflect above.
- Provided e-learning training courses for all employees involved in procurement and supply chain management.

Risk Assessment:

To evaluate risk in our supply chain, Ronsco established a procedure to perform an annual supply chain assessment targeting top vendors accounting for at least 75% of annual spend. The procedure establishes a risk score of each supplier evaluated and overall company risk score. Suppliers are scored based on criteria including verification of published policies on forced labour, country of operation (jurisdiction), ownership structure, and type of products/services provided. Fourteen (14) of our top suppliers were evaluated and scored according to our evaluation procedure. All suppliers scored as low risk.

In future assessment, we intend to incorporate annual questionnaires for suppliers to complete. When on-site audits are performed at any supplier, forced labour evaluations will be incorporated into the audits and to include 2nd and 3rd level sub-suppliers.



Remediation:

To date, Ronsco has not identified forced/child labour within a company. However, we acknowledge our shared responsibility with suppliers to address forced labour and slavery victims. Our policy (informed by global standards such as the International Labour Organization Conventions and UN Protocols) outlines a practical framework for remediation. It ensures a victim-centred, collaborative approach in our operations and supply chains.

This commitment includes:

- Remediation efforts will prioritize the needs and preferences of the victims, ensuring their voices are heard and respected throughout the process.
- All remediation activities will be conducted transparently, with clear accountability mechanisms in place to ensure the effectiveness and integrity of the process.
- We will collaborate with relevant stakeholders, including affected individuals, civil society organizations, government agencies, and industry partners, to develop and implement remediation strategies that are inclusive and comprehensive.
- Prohibiting retaliation against individuals who report instances of forced labor or participate in remediation activities. We will safeguard the confidentiality and security of all parties involved.

Training:

In 2023, Ronsco provided e-learning training courses on the topic of forced/child labour. The courses were provided to the primary employees involved in engaging with supply chain partners.

Effectiveness Assessment:

Fourteen (14) of our top suppliers were evaluated and scored according to our evaluation procedure. All suppliers scored as low risk.

Prepared by Greg Barlow (Executive VP)


April 5th, 2024



S-211 Statement of Compliance – Reporting Year 2023

By 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 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 Act, for the reporting year listed above.

Full name: Gregory Barlow

Title: Executive VP

Date: April 5th, 2024

Signature: 

I have the authority to bind Ronsco Inc.