



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

Modern Slavery Statement for the Financial Year ended 2023.

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 Southwestern Manufacturing 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 1st, 2023, and ending December 31st, 2023.

Southwestern Manufacturing Inc. is committed to fighting forced labour and child labour in our supply chains. To meet this commitment, the company continually monitors its structure, activities, and supply chains to assess and reduce risks associated with forced labour and child labour. If an activity is found to have the potential for such risks, measures are taken to remediate the problem. Establishing supply chains free from forced labour and child labour is a shared effort, and we are committed to working with the necessary parties to make it a reality.

Southwestern Manufacturing Inc. was established on October 5th, 1994. It is located at 3710 Peter St., Windsor, ON., Canada, N9C 1J9.

- Southwestern Manufacturing Inc. is a Canadian Controlled Private Corporation (CCPC).

Supply Chain

- Southwestern Manufacturing Inc. purchases steel mainly from North America (USA & Canada) and Europe (Germany).
- We regularly purchase primarily from five (5) steel plate distributors and three (3) direct mills.
- We purchase from approximately three (3) countries at any given time.

Risks in Supply Chain

Southwestern Manufacturing Inc. is firmly committed to protecting individuals from the exploitations of illegal labour practices, such as child labour, forced labour, slavery, and human trafficking; such practices are not tolerated by Southwestern Manufacturing Inc. and are strictly prohibited in all forms.

Southwestern Manufacturing Inc. holds itself accountable to the highest ethical standards and complies with and exceeds all relevant and applicable local and international laws pertaining to illegal labour practices. In doing so, Southwestern Manufacturing Inc. never knowingly contracts with or carries on a business relationship with any organization or employer that does not adhere to the same standards or is in violation of any relevant or applicable labour laws.

Southwestern Manufacturing Inc. continually monitors its own employment practices and those of its partners, vendors, suppliers, and all others conducting business on behalf of the organization to ensure compliance with ethical employment standards and protocols.

Where a supplier, vendor, or contractor is found to be in violation of this policy, Southwestern Manufacturing Inc. takes prompt remedial action in order to address the violation. Remedial measures may include termination of the business contract with the organization that committed the violation.



Possible Risks to our Supply Chain

We believe the risk of forced labour and child labour within our specified supply chain is extremely low. We do not purchase from geographic areas that are categorized as “high risk” for illegal labour practices. There is strict legislation banning and criminalizing forced labour and child labour in Germany, the USA, and Canada. Canada continues to fight for fair labour practices with the introduction of BILL S-211.

Actions Taken

Southwestern Manufacturing’s purchases largely from North America. No material action has taken place. We could easily conduct our business without sourcing outside of North America if it was determined that one of our German suppliers was taking part in illegal labour practices. Similarly, if illegal labour practices were identified with one of our North American suppliers, we would simply eliminate them from our supplier list.

Risk Assessment

Despite the legislation in place, Southwestern Manufacturing recognizes there is still a risk of exposure to forced labour and child labour is through our suppliers. We acknowledge the potential risks of forced labour and child labour in our extended supply chain and the complexity and challenges that can affect the diligence of modern slavery compliance.

Southwestern Manufacturing has assigned informed team members to review our supply chain for high-risk activities and suppliers for forced labour and child labour risks. As part of this risk review, we did not identify geographical regions categorized as high-risk violators of forced labour and child labour.

While our latest risk review represents the current standing of modern slavery for Southwestern Manufacturing, it characterizes the findings from our initial supply chain review at a particular time. More work is underway internally to monitor supplier activities with respect to forced labour & child labour. Our risk level may change in the future as we learn more.

Policies in Place to Mitigate the Risks Identified

We are currently in the process of exploring further tools and practices for preliminary risk screening.

Remediation

Southwestern Manufacturing did not discover any evidence of forced labour or child labour in the 2023 calendar year; therefore, we did not implement any remediation measures. As stated, any evidence of illegal labour practices would result in the immediate termination of our relationship with that specific supplier. We would also report the findings to the proper authorities.

Training

All new employees receive training and practical education at the time of onboarding to inform them about the harm illegal labour practices can cause. We review our policies on an annual basis and update as required. Upholding human rights, including both forced and child labour is explicitly addressed in Southwestern Manufacturing’s Employment Handbook. All members of Southwestern Manufacturing are expected to read, understand, and comply with the principles and requirements set out in our Statement of Commitment, as well as our Illegal Labour Policy.



Effectiveness Assessment

As part of ongoing enhancements, we will strive to continue to identify emerging risks. Southwestern Manufacturing intends to continue developing and implementing additional due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and child labour within our supply chain. This includes but is not limited to the following: open communication with our vendors, as well as annual audits assessing our vendors employment practices.

Sign Off

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 for the financial year ending December 31st, 2023. It has been issued on behalf of Southwestern Manufacturing Inc. and approved by Vince Schiller (President/ Owner).

Signed,

A handwritten signature in black ink, appearing to read 'Vince Schiller', is written over a light blue horizontal line.

Vince Schiller
President & Owner
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