



MITSUI & CO.

## **The Fighting Against Forced Labour and Child Labour in Supply Chain Report (2023)**

### **ABOUT THIS REPORT**

Trans-Mit Steel Inc. ("TMSI", "Company", "we", "us", or "our") (has prepared this report (the "Report") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ended December 31, 2023.

This Report describes the continued efforts being taken to enhance the transparency in our supply chains by outlining the steps taken during the 2023 financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.<sup>1</sup>

### **COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN**

#### ***Company Structure***

TMSI was incorporated in Canada in 2013 as a wholly owned subsidiary of Mitsui & Co., Ltd. ("Mitsui Canada"), headquartered in Toronto, Ontario. Mitsui Canada is one of the world's most diversified trading, investment, and services enterprises. In 2020, TMSI became a subsidiary of Mitsui & Co. (U.S.A) Inc. ("Mitsui USA") and they remain our parent company.

TMSI currently has 37 full time employees and our President, and is based in Woodstock, Ontario.

#### ***Activities***

TMSI specializes in precision steel slitting. TMSI works with some of North America's top manufacturers by processing electrical steel and similar products for the use of power generation and distribution equipment. We process and slit steel then sell the steel to customers in the electrical vehicle and electric transformers industries.

#### ***Supply Chain***

We purchase all our raw materials from Mitsui Canada and third-party importers who source materials from Asia. Our electric vehicle and electric transformer business segments source raw materials indirectly from Asia.

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<sup>1</sup> TMSI does not report in other jurisdictions under similar regimes.

Alternatively, you may provide the information in confidence by calling Ethics Point Reporting System at 1-866-294-7825 or accessing their website at <http://www.ethicspoint.com>.

Reports will be kept confidential to the maximum extent possible and will generally be shared only with those who need to know to address the matter, or except where required by law. The company ensures that no retaliatory action will be taken against anyone making a report in good faith that they had reason to believe these policies and standards, or laws and regulations, were violated.

Every officer and employee is expected to read carefully, and comply fully with, the Compliance Statement and this Manual. Failure to comply with the Statement and/or this Manual will subject an Employee to disciplinary action up to and including immediate termination of employment

### ***TMSI Compliance with Laws Policy***

The TMSI Statement of Policy – Compliance with Laws (“**Compliance Statement**”) We are committed to strictly comply with all applicable Canadian laws and regulations. Without limitation, the company will comply fully with the laws and regulations pertaining to customs, antitrust, antiboycott, international trade controls, employment, health & safety, and the environment.

It is also the policy of the company to conform to the highest ethical standards in conducting business to preserve the integrity and reputation of the company. All employees are expected to comply fully with the company's guidelines as per the Manual.

The Compliance Statement applies to all officers serving for company and employees of the company. While it is not expected that every employee will be fully versed in every aspect of the law, it is expected that every employee will have a working knowledge of permissible activities involved in his or her work and will seek guidance from TMSI management or from its parent company, Mitsui & Co., concerning any matter on which there is any question. All TMSI employees to follow TMSI and Mitsui & Co. compliance training programs to achieve full compliance.

Failure to observe company policy with respect to full compliance with laws and regulations or the Mitsui & Co. Business Conduct Guidelines (as described below) will subject an employee to disciplinary action, which may include reprimand, demotion or dismissal, depending on the seriousness of the offense. In addition, disciplinary measures will apply to any officer or manager who directs or approves violations or has knowledge of them and does not move promptly to correct them in accordance with the Compliance Policy.

### ***Trans-Mit Steel & You – TMSI Employee Handbook***

The TMSI Employee Handbook (“**Handbook**”) is introduce employees to our business, our products, our policies, and what is being done to make the company a great place to work. At TMSI, every position is important and contributes to our overall performance. We believe that much of our success is directly due to a responsible attitude on the part of fellow employees. As we continue to strive toward operational excellence, we must focus our attention on our people, our customers, our process and our profitability at all times and never let up.



The Guidelines apply to all officers, employees, and agents of TMSI and apply to all transactions between employees, with customers, and with suppliers. Some rules are based on federal laws which penalize individuals, as well as companies, for violations and were created to highlight our goal to have all employees adhere to proper legal and ethical standards in their business relationships.

***Sustainable Supply Chain Policy ([Supply Chain Policy](#))***

As a subsidiary of Mitsui USA, we benefit from its supply chain policies, including its Sustainable Supply Chain Policy (“**Supply Chain Policy**”). Mitsui USA strives to understand the issues associated with its supply chains, in accordance with its Supply Chain Policy, and are working with Suppliers and other business partners to achieve a sustainable supply chain.

Under the Supply Chain Policy, Mitsui USA does not tolerate human rights abuses and expect its suppliers to not tolerate them either, including those relating to Modern Slavery. Further, Mitsui USA expects its suppliers to understand and implement principles that show a commitment to international standards, human rights, and environmental issues.

If a business partner acts in violation of the Supply Chain Policy and causes an adverse impact on the environment or on human rights, Mitsui USA will provide remediation guidance to the business partner. If it is determined that the situation has not improved despite ongoing guidance, Mitsui USA will take measures including a potential reconsideration of the business relationship.<sup>2</sup>

As part of implementing the Supply Chain Policy, Mitsui USA’s business teams are requested to send a copy of the Supply Chain Policy to new suppliers before commencing business as well as suppliers whom the policy has not been sent before restarting business and to ask companies involved in the supply chains to take remedial action on any matters that violate the Supply Chain Policy, among other things.

**POTENTIAL RISKS OF FORCED LABOUR OR CHILD LABOUR IN OUR OPERATIONS AND SUPPLY CHAINS**

***Potential Risks in Our Operations***

TMSI considers the risk of Modern Slavery occurring within its operations to be low. From a geographical risk perspective, our employees are located in the Canada only which has a low prevalence of child and forced labour, a low risk of vulnerability to child and forced labour and a fairly robust governmental response addressing child and forced labour.<sup>2</sup>

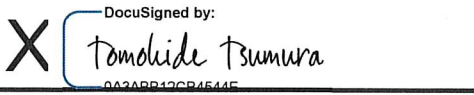
***Potential Risks in Our Supply Chain***

We recognize that the risk of Modern Slavery may be higher within our supply chains than in our operations, as our operations are entirely domestic and our supply chains engage global supply chains. We understand that particular regions, products and raw materials may carry a higher risk of child and forced labour because of the prevalence of child and forced labour in particular countries. There are also risks linked to certain industries even in countries considered to have lower risks of child and forced labour. Accordingly, our supply chains are subject to using the various processes described in this Report.

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<sup>2</sup> Walk Free, Global Slavery Index 2023, found [here](#).

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 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 purposes of the Act, for the reporting year listed above.

DocuSigned by:  
Tomohide Tsumura  
0A3APB12CB4544E

Tomohide Tsumura  
SVP & DOO of Iron & Steel Products Div.

I have the authority to bind Trans-Mit Steel Inc  
Tomohide Tsumura Director, Trans-Mit Steel Inc.  
May 29th, 2024