



Modern Slavery Act Report

Introduction

This report sets out Universal Fabricating Inc.'s ("Universal Fabricating") principal actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no forced or child labour in its own business and its supply chains. This statement relates to actions and activities during the fiscal year ending October 31, 2023.

As part of the fabrication industry, Universal Fabricating recognizes that it has a responsibility to take a robust approach to forced or child labour.

The organization is absolutely committed to preventing forced and child labour in its corporate activities, and to ensuring that its supply chains are free from forced and child labour.

1. Universal Fabrication Inc. activities, and supply chains

Universal Fabricating is a Canadian owned and operated company based in Kingsville, Ontario Canada. Our operations began in 2004 with two employees. In 2024, Universal Fabricating has over 130 full-time permanent employees in Southern Ontario. We are a custom metal fabricator that provides solutions to customers in the automotive and greenhouse industries, primarily in Canada and the USA as well as Mexico. Our supply chain includes sourcing of raw materials and components essential for our fabrication process and greenhouse solutions, from Canada, China, the USA, the Netherlands, and Portugal. We recognize that different regions present varying levels of risk concerning forced and child labour, and we are working to amend our due diligence processes and Supplier Code of Conduct to address these increased risks.

Policies and due diligence processes in relation to forced labour and child labour

- a. **Policies:** The organization operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations]:
 - **Whistleblowing policy** The organization encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organization. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organization's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
 - **Employee code of conduct** The organization's code makes clear to employees the actions and behaviour expected of them when representing the organization. The

organization strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.

- **Social Compliance Policy** The organization is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. The organization works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organization's Social Compliance Policy will lead to the termination of the business relationship.

b. Due diligence processes:

Although the organization did not have any specific due diligence processes in place for this reporting period, we are in the process of implementing the following:

- working with procurement to map the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking (to be completed by end of 2024 fiscal year and implemented for beginning of 2025 fiscal year (November 1, 2024);
- evaluating the modern slavery and human trafficking risks of each new supplier (initiated in middle of 2024 fiscal year, to be implemented at the beginning of 2025 fiscal year (November 1, 2024);
- reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping (minimum of one annual review beginning in 2025 fiscal year (November 1, 2024 – October 31, 2025);
- conducting supplier audits or assessments through a combined effort of the human resources department, health and safety committee and procurement and sales departments, which have a greater degree of focus on slavery and human trafficking where general risks are identified (minimum of one annual review beginning in 2025 fiscal year (November 1, 2024 – October 31, 2025)
- creating an annual risk profile for each supplier (initiated in middle of 2024 fiscal year and implementation to begin at start of 2025 fiscal year (November 1, 2024);
- identifying and participating in collaborative initiatives focused on human rights in general, and slavery and human trafficking in particular through reliable and informed sources (beginning in third quarter of 2024 fiscal year);
- Identifying and implementing the use of ethical standards databases, where suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular (initiated in third quarter of 2024 fiscal year); and
- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship (slated to begin in 2025 fiscal year (November 1, 2024).

The parts of the business and supply chains that carry a risk of forced labour or child labour, and the steps taken to assess and manage that risk

Although we did not conduct a risk assessment related to forced or child labour during the reporting period, the organization is in the process of forming a measurable and reliable process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking, as well as appropriate risk management practices.

Any measures taken to remediate any forced labour or child labour

During the year ended October 31, 2023, the organization did not identify any instances of forced or child labour within the organization or its supply chains.

Any measures taken to remediate loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

During the year ended October 31, 2023, the organization did not identify any instances of forced or child labour within the organization or its supply chains.

The training provided to employees on forced labour and child labour

Although no specific training related to forced and child labour was conducted during the reporting period, the organization will require all senior level management, procurement, sales and human resource employees to undergo specific training for their area of expertise before the end of the 2024 year. These employees will be tasked with championing the development of

The organization's modern slavery training will cover:

- our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;
- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- how to identify the signs of slavery and human trafficking;
- what initial steps should be taken if slavery or human trafficking is suspected;
- how to escalate potential slavery or human trafficking issues to the relevant parties within the organization;
- what messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and
- what steps the organization should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the organization's supply chains.

In addition, the organization will require all full time staff and contract employees to receive training to educate and inform them with the laws and requirements regarding forced and child labour as well

as the organization's responsibilities and expectations to protect and respect the human rights of employees within our operations and supply chain.

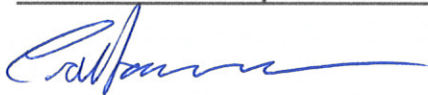
How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

Although the organization did not have specific processes in place during the reporting period to monitor the effectiveness of the organization's practices to identify and manage the risk of forced or child labour in its business and supply chains, we are planning to implement additional processes in 2024 and 2025, respectfully.

Approval

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.

I have the authority to bind Universal Fabricating Inc.



Neil Harms

Director
Universal Fabricating Inc.
May 31, 2024