



## **BILL S-211 Annual Report: Forced Labour & Child Labour in Supply Chains Act**

### **Modern Slavery Statement for the Financial Year ended 2024**

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 1<sup>st</sup>, 2024, and ending December 31<sup>st</sup>, 2024.

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 5<sup>th</sup>, 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. We remain particularly vigilant of high-risk sectors and source/ destination countries. 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.

We have implemented a mandatory “*Supplier Self Survey Questionnaire*” for our suppliers to complete on an annual basis. As a condition of doing business with Southwestern Manufacturing Inc., the supplier is required to complete an annual compliance survey and acknowledges that they may be subject to an audit at any time to verify adherence to our ethical sourcing and labour standards.

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.

## **Policies in Place to Mitigate the Risks of Exposure**

We do not tolerate the use of forced labour or child labour at any stage of our supply chain. We are committed to taking proactive and preventative steps to identify, mitigate, and eliminate these risks through due diligence, training, monitoring, and enforcement. We are currently in the process of exploring further tools and practices for preliminary risk screening and internal monitoring of supplier activities with respect to forced labour & child labour.

Risk mitigation measures & practices may include:

1. Supplier screening
2. Annual compliance survey
3. Audits & monitoring
4. Training & awareness
5. Reporting & remediation
6. Continuous improvement

### **Remediation**

Southwestern Manufacturing did not discover any evidence of forced labour or child labour in the 2024 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*, the *Illegal Labour Policy* and the *Bill S-211: Forced Labour and Child Labour in Supply Chains Training document*. Southwestern Manufacturing supports an organizational culture focused on preventing human rights violations, including the use of forced labour.

### **Effectiveness Assessment**

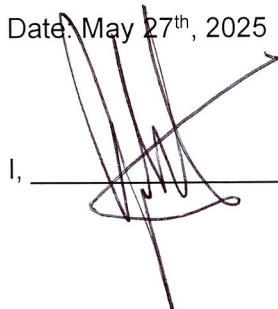
As part of ongoing enhancements, we will strive to continue to identify emerging risks. Southwestern Manufacturing intends to continue developing and implementing additional due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and child labour within our supply chain. All employees and suppliers share responsibility ensuring adherence and raising concerns of forced labour and child labour.

### **Sign Off**

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of President, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

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Date: May 27<sup>th</sup>, 2025



I, \_\_\_\_\_ have the authority to bind Southwestern Manufacturing Inc.