



Introduction

Taylor Steel Inc. ("Taylor Steel") conducts its business activities in accordance with all applicable laws and regulations. This includes complying with the requirements of Bill S-211, an *Act to enact the Fight Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

Taylor Steel is committed to establishing and implementing a standard of excellence in every aspect of our business activities, while promoting ethical conduct in all our operations, specifically regarding the rights of all individuals. This includes the prevention of modern slavery, forced labour and child labour in both our internal business practices and supply chain operations.

Trust, accountability, integrity and honesty are core values within all our business practices. We adopt these values and maintain truthful relations with all individuals and companies we conduct business with.

Structure, Activities & Supply Chain

Structure

Taylor Steel is a privately owned company operating as a steel service centre out of five facilities in Stoney Creek, Ontario. Taylor Steel employs approximately 400 full-time employees and an additional 40 temporary and/or outsourced personnel.

Taylor Steel satisfies the definition of an Entity within the Act by having a place of business in Canada, conducting business in Canada, having assets in Canada and meeting the three size-related thresholds.

This is the first version of the report submitted and the report is for the entity Taylor Steel. There are no other reporting requirements under other jurisdictions. The financial reporting year of Taylor Steel covered by this report is January 1st, 2023, to December 31st, 2023.

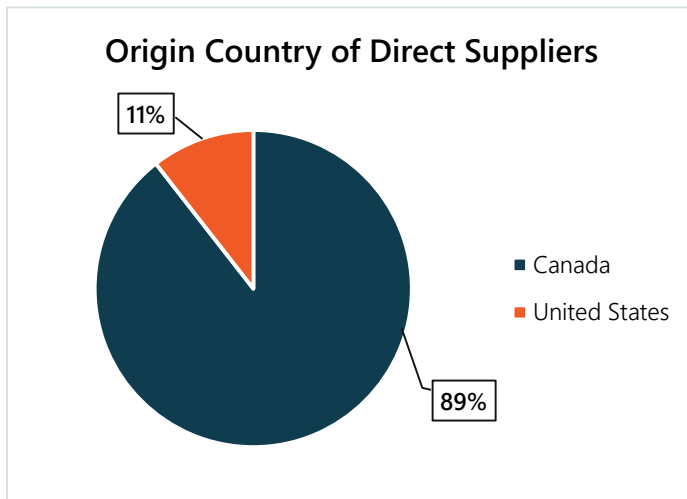
Activities

Since 1967, Taylor Steel has been processing and selling high quality, value added flat rolled steel to customers throughout North America. Housed within 1,500,000 sq ft of floor space are 18 processing lines providing for annual processing capacity in excess of two million tons. Taylor Steel carries a complete range of steel products including Hot Rolled, Cold Rolled and Coated in a wide range of gauges, widths and grades.



Taylor Steel supplies the automotive, appliance, construction and manufacturing sectors in both domestic and export markets. We offer value-added services such as slitting, cut-to-length processing, and just-in-time delivery to meet the specific needs of our customers. Our focus is to deliver the best quality flat rolled steel products to our customers, on time, and at the least possible cost. Taylor Steel is committed to workplace safety and invests in the world’s best metal processing machinery.

Supply Chain



An analysis of vendor head offices and supplier locations confirms that they are almost exclusively North American (see chart). The population of suppliers located outside of North America is less than 1% of total procurement spend in 2023. Steel is the primary good purchased by Taylor Steel, accounting for approximately 98% of the total purchasing spend in 2023.

Policies & Due Diligence

Taylor Steel has the following internal policies in place relevant to this Act:

Policy	Description	Support in Mitigating Risk of Modern Slavery
Open Door Policy	<ul style="list-style-type: none"> A set of guidelines and procedures established by Taylor Steel to encourage employees to report any unethical activities within the organization without fear of reprisal. 	Instances of forced labour and/or child labour often occur covertly within supply chains or within company operations. Employees or stakeholders who are aware of such practices may hesitate to come forward due to fear of retaliation or lack of confidence in the process. Our open-door policy provides a mechanism for these individuals to report violations confidentially, thereby enabling the detection of labour abuses that might otherwise go unnoticed.



Workplace Violence & Harassment

- Outlines Taylor Steel’s stance against harassment and violence and establishes procedures and guidelines for reporting incidents of violence, intimidation, harassment, sexual harassment and bullying on company premises, at company events or while conducting company business.

A clear harassment policy establishes a safe and respectful workplace environment. By establishing a workplace environment that prioritizes safety, respect, and dignity for all individuals, we are creating a culture that is less tolerant of any form of exploitation or abuse, including forced labour and/or child labour.

Due Diligence with Suppliers

Taylor Steel has implemented processes to mitigate the risks of human rights violations and instances of forced and child labour within our operations and supply chains.

All new steel suppliers at Taylor Steel are analyzed to ensure compliance with our quality standards and ensure that customer end use requirements can be met. This onboarding process involves our quality control department validating if the vendor can meet customer specifications.

In the current state, our larger vendors are evaluated annually using our Subcontractor Evaluation Form. These reviews include evaluating supplier performance based on delivery, quality, and pricing. Though these reviews do not currently review supplier compliance in relation to the Act, Taylor Steel plans to implement clauses in their purchase orders and accompanying terms and conditions that would require suppliers to attest to not using forced labour and/or child labour in their operations or supply chains.

Risk Assessment

A risk assessment of the goods procured by Taylor Steel and the countries from which the goods are procured from has been performed in relation to the Act. This risk assessment used two separate indices to conclude on inherent risk of forced labour and/or child labour related to goods and countries — Walk Free’s Global Slavery Index and the US Department of Labour’s List of Goods Produced by Child Labour or Forced Labour.

For the purposes of assessing risk associated with goods in Taylor Steel’s supply chain, we focused our evaluation on our largest 19 vendors comprising roughly 98% percent of total procurement (goods) spend



for fiscal year 2023. Remaining suppliers (beneath this threshold) were deemed immaterial for this assessment and excluded from further analysis.

Goods Procured

A risk assessment has been conducted on Taylor Steel's primary goods procured, and has identified initial inherent risks of forced labour and/or child labour within the following categories:

• Iron	• Timber	• Rubber
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Taylor Steel does not procure all the listed raw materials directly. For example, steel makes up the majority of Taylor Steel's total purchasing spend; although it is not explicitly listed on the two indices, it is a byproduct of iron, which is considered a high-risk good. Similarly, timber and rubber are present in the supply chain and by their nature constitute higher risk.

Other goods procured by Taylor Steel include plastic polymers. These remaining goods were not directly identified within the two noted indices; therefore, these remaining items carry low inherent risk of forced labour and child labour

Countries of Procured Goods

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour*, we conducted a risk assessment on the countries of operations of our vendors (representing 98% of our total goods procurement spend). Our analysis found that all vendors are from North America. According to both global benchmarks, there is low inherent risk exposure of forced labour and child labour identified in vendors located in Canada and the United States. This does not mean that forced labour or child labour does not exist in the supply chains of our vendors. While we know that in some limited instances our vendors may purchase goods from foreign countries that may be then resupplied to us, we are not currently able to ascertain the extent to which this may be occurring.

Mitigating Activities

To mitigate the risk of child labour and forced labour within our supply chains, Taylor Steel incorporates the following mechanisms for supplier onboarding and monitoring:

1. Supplier Onboarding

- a. **Onboarding Process:** All new steel suppliers at Taylor Steel are evaluated to ensure compliance with our quality standards. This onboarding process involves our quality control department validating if a vendor can meet customer specifications. Though this



assessment does not currently incorporate aspects related to the Act, Taylor Steel is considering implementing clauses to its purchasing documents requiring suppliers to attest to not using child labour or forced labour in their operations or supply chains.

- b. Supplier Disqualification:** Within Taylor Steel's purchase orders there is a list of conditions for which a supplier may be disqualified. This includes provision of test reports, chemistry specifications and coil weight sizes. There is an opportunity for Taylor Steel to add a clause relating to the conditions of the Act, noting that suppliers must comply with applicable legislation or Taylor Steel can reserve the right to terminate the vendor's agreement.

2. Supplier Monitoring

- a. Annual Reviews:** Our vendors are evaluated annually using our Subcontractor Evaluation Form. These reviews evaluate supplier performance based on delivery, quality, and pricing. There is an opportunity to expand this process to include a Supplier Questionnaire that, among other matters, would require suppliers to address specific questions regarding child labour and forced labour. The intention would be to implement this Questionnaire using a phased approach beginning with the largest suppliers.

3. Internal Policies

- a. Policies to mitigate risk of forced labour and child labour:** Despite having no reported instances of forced labour or child labour identified within Taylor Steel's operating activities, Taylor Steel is committed to continually developing internal capabilities and controls that reduce the risk of forced labour and/or child labour within our supply chain. There is an opportunity to further strengthen corporate policy by adding a documented code of ethics and code of conduct to reinforce for employees, suppliers and stakeholders our commitment to ethical business practices.

Remediation forced labour & child labour & vulnerable family income loss

To date, Taylor Steel has not identified or have had reason to suspect any instances of forced labour or child labour within our operations or supply chain. Accordingly, no remediation measures have been required. Taylor Steel continues to investigate our supply chain for any possible areas of risk while further reviewing procurement practices with a view to further improving due diligence processes. As a by



product of this exercise, we expect to raise awareness and enhanced rigor throughout our supply chain.

Awareness Training

Taylor Steel does not currently have training in place specifically addressing the subject of forced labour or child labour. Concurrent with other noted improvements, we will be actioning for purchasing personnel in particular the opportunity to provide for ongoing training and appropriate supplemental resources in these areas.

Assessing Effectiveness

To assess the effectiveness of Taylor Steel's procedures to mitigate the risk of child labour and forced labour, the following mechanisms are either in place or in the process of being developed:

Taylor Steel Internal Processes

1. **Harassment incidents:** Taylor Steel has zero-tolerance for discrimination and harassment. All claims made regarding harassment will be reported to Management. Where an investigation is warranted, Taylor Steel will ensure an unbiased, impartial investigation is conducted.
2. **Conduct and behaviour incidents:** Taylor Steel plans to implement a Code of Conduct for all employees. As a condition of employment, employees would be required to sign a Certificate of Acknowledgement, stating that they have read the Code of Conduct and understand that they are required to comply with outlined conduct and behaviour.
3. **Employee training:** Taylor Steel plans to implement employee training on the topic of child labour and forced labour. Content will include how to identify, assess and report perceived or actual instances of child labour and/or forced labour.

Supplier Activities

1. **Vendor Onboarding:** Taylor Steel plans to implement clause(s) within purchasing documentation (terms and conditions) specifying zero-tolerance for child labour and forced labour. This clause would aim to outline disciplinary action or other outcomes that would result from instances of child labour or forced labour being reported or discovered by Taylor Steel.
2. **Supplier questionnaire:** Taylor Steel plans to implement a phased approach to ensure that suppliers complete a Supplier Questionnaire containing targeted inquiries about child labor and forced labor. Taylor Steel will gather responses from each questionnaire in a centralized system,



aiming to comprehensively assess how the risk of child labor or forced labor impacts our suppliers.

3. **Supplier performance reviews:** Key suppliers of Taylor Steel are reviewed on an annual basis to review quality, delivery and pricing. These reviews can serve as an opportunity to review findings from supplier questionnaires. Record keeping for frequency of reviews and date of last review will be kept on a centralized data base to ensure these reviews are being performed.

Steps Taken to Prevent & Reduce Risk of Forced Labour or Child Labour

Taylor Steel has taken the following steps to prevent and reduce the risk of forced labour or child labour:

1. Conducting an internal risk assessment of forced labour and/or child labour in the organization's activities and supply chains. Taylor Steel has identified goods and countries within the supply chain that have inherent risks of forced labour and/or child labour in this report.
2. Implementing reporting policies and procedures that create a culture where employees feel safe and capable of reporting instances of forced labour and/or child labour or any other form of suspected exploitation.
3. Addressing practices in our organization's activities and supply chains that increase the risk of forced labour and child labour: Remediation efforts related to due diligence processes have been identified to reduce the risk of forced labour and/or child labour within the supply chain.
4. Developing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains.
5. Implementing anti-forced labour and/or anti-child labour conditions: Taylor Steel has identified the opportunity to integrate conditions within the Vendor Approval policies related to forced labour and child labour.
6. Monitoring suppliers: Taylor Steel uses supplier reviews to monitor key suppliers. This is an opportunity to verify whether suppliers are adhering to labour laws and regulations, specifically in relation to forced labour and child labour.
7. Enacting measures to provide for, or cooperate in, remediation of forced labour and child labour: Mitigating activities have been identified to reduce the risk of forced labour and child labour within supply chains. See risk assessment section for further explanation.
8. Developing and implementing training and awareness materials on forced labour and child



labour: Taylor Steel has identified the opportunity to develop employee training relevant to forced labour and child labour in their internal operations.

Attestation

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.

Michael T Taylor

Original copy signed and maintained onsite

Full Name

Signature

Chairman

May 29, 2024

Title

Date

I have the authority to bind Taylor Steel Inc. and this report covers financial year 2023 and applies to Taylor Steel Inc. and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of Taylor Steel Inc. if they apply.