

PREVENTING FORCED AND CHILD LABOUR STATEMENT

ARTICLE 1: INTRODUCTION

- 1.1 CS Automotive Tubing Inc. (“**CSAT**”) is committed to acting ethically and with integrity in our business and our supply chains (collectively, our “**business**”) and protecting the dignity and human rights of all people connected to our business. We seek to source products responsibly and strive to work closely with our vendors and suppliers (collectively, “**suppliers**”) to ensure these objectives are implemented and maintained in their workforce and their supply chains.
- 1.2 This is CSAT’s first modern anti-forced labour statement made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “**Act**”). This statement will be reviewed and, if necessary, revised annually.
- 1.3 CSAT acknowledges that it cannot stop forced and child labour globally, but it does acknowledge that preventing forced and child labour within its supply chains is an important step in the long process of halting the practices of modern slavery worldwide.
- 1.4 This statement outlines the measures CSAT has in place and the efforts CSAT have implemented to assess and address risks of forced and child labour in our business.

ARTICLE 2: CSAT’S STRUCTURE AND ACTIVITIES

- 2.1 CSAT is a corporation with a financial reporting year ending on December 31st on each year. Its business number is 853449957. CSAT is a producer and seller of goods in the manufacturing sector. CSAT employs 50 people, all of whom are employed in Canada. CSAT and has business operations Canada, the United States, Japan, and South Korea.
- 2.2 To learn more about CSAT, please see <http://www.cstube.ca/index.html>.
- 2.3 The activities of CSAT involve the production of stainless-steel tubing for use in automotive applications. To manufacture such goods, CSAT sources stainless steel coil from suppliers in the following countries: Canada, the United States, Japan, and South Korea.

ARTICLE 3: OUR POLICIES

- 3.1 CSAT is drafting an internal Anti-Modern Slavery Policy that will reflect our commitment implementing and maintaining processes to prevent forced and child labour from taking place in our business.
- 3.2 CSAT raises awareness to its suppliers of its anti-modern slavery policies, and will begin to require its suppliers to adhere to the same high standards. CSAT is drafting a Supplier Code of Conduct that sets forth our expectations of all suppliers to us related to ethical business practices. A copy of our Supplier Code of Conduct will be made available on our website.

ARTICLE 4: OUR DUE DILIGENCE PROCESSES

- 4.1 CSAT carries out background checks and periodically reassess our employment practices to ensure that we at the minimum meet employment standards in the locations we employ employees.
- 4.2 CSAT is currently reviewing its approach to supplier due diligence, and is in the process of completing a supplier risk-mapping assessment, starting with our key suppliers, in order to identify forced and child labour risks in our business. As part of this assessment, we will ask our most important suppliers to complete a supplier-due diligence questionnaire. Subsequently, we will ask our lower-risk suppliers to complete the same questionnaire. As we receive responses from our suppliers, we may undertake additional verifications and audits.

ARTICLE 5: ASSESSMENT OF RISK OF FORCED OR CHILD LABOUR

- 5.1 Within CSAT's business operations, we have assessed a low risk of forced labour based on the following risk criteria:
- (a) **Country risk:** The Global Slavery Index describes the countries in which forced or child labour is most prevalent.
 - (b) **Sector or industry risk:** Certain sectors have a higher risk of forced or child labour.
 - (c) **Business or transaction risk:** Certain business relationships or transactions have a higher risk of forced or child labour.
 - (d) **Raw materials risk:** Certain raw materials have a higher risk of forced or child labour.
- 5.2 As noted in Section 2.1, our employees are located exclusively in Canada. Canada has a low risk of forced labour due to its employment and labour laws. It is identified by the Global Slavery Index as having a low prevalence of modern slavery.
- 5.3 The risk of forced or child labour is likely not present in our business in areas. The following map out why such risks exist:
- (a) CSAT deals exclusively with suppliers located in countries with labour laws similar to Canada, in which forced labour and child labour is prohibited and which are identified in the Global Slavery Index as having a low prevalence of modern slavery.
 - (b) CSAT sells and distributes goods primarily within Canada and the United States and does not distribute goods to any countries identified as having a high prevalence of modern slavery.
 - (c) All raw materials are sourced from countries with a low risk of modern slavery.
 - (d) CSAT does not operate in an industry identified in the Global Slavery Index as high risk for forced labour, such as the garment industry or industries with little government oversight.

- 5.4 CSAT recognizes that it has less control and visibility over the working conditions of our suppliers' employees and employment terms. We continue to tailor our risk management actions to address those risks. We will begin further efforts to classify our supplier risks to identify and prevent forced and child labour.

ARTICLE 6: ACTIONS TAKEN TO COMBAT THE RISK OF FORCED OR CHILD LABOUR:

- 6.1 Building on the policies and procedures we currently have in place, CSAT is developing strategies in order to:
- (a) assess and further its understanding in the areas of potential risk for forced and child labour in our business;
 - (b) monitor such potential risk areas; and
 - (c) reduce or mitigate such risks.
- 6.2 CSAT additionally seeks to only do business with suppliers that have similar ethically business practices, including those related to human rights. CSAT will not tolerate any form of forced or child labour within its supply chain. CSAT plans to implement appropriate contractual obligations, including, but not limited to, compliance with CSAT's Code of Conduct and audit provisions;

ARTICLE 7: EMPLOYEE TRAINING

- 7.1 CSAT is in the process of further developing its employee training program to make our employees aware, knowledgeable, and capable of reporting the risks of forced or child labour in our business. Such employee training can be described as follows:
- (a) CSAT 's Workplace Violence and Harassment Policy aims to acquaint employees with what we consider workplace violence and give them guidelines to report incidents. By doing so, our ultimate goal is to establish and maintain a workplace free of violence, harassment, and discrimination.
 - (b) CSAT's employee policies and training programs will be provided for all employees.
 - (c) CSAT intends to update its employee policies and training programs to specifically include considerations surrounding forced labour.
- 7.2 CSAT is developing employee onboarding materials to ready employees for the training program noted in Section 7.1.

ARTICLE 8: MEASURES TAKEN TO REMEDIATE:

- 8.1 As of the date of this statement, CSAT has not identified any instances of forced or child labour in our business. Therefore, we have not been required to take remedial measures.

ARTICLE 9: ASSESSING EFFECTIVENESS

- 9.1 CSAT has not taken any actions to assess the effectiveness of its actions in preventing and reducing risks of forced and child labour in our business. In the future, we will begin

assessing the effectiveness of our actions by evaluating key performance indicators, namely the number of staff trained, the number of suppliers and contractors screened, the number of reported breaches, and the instances of remedial actions being taken.

ARTICLE 10: APPROVAL OF THE STATEMENT

- 10.1 This statement is made in accordance with Section 11 of the Act and represents CSAT statement for the financial year ending on December 31, 2024.
- 10.2 This statement was approved by the Board of Directors of CSAT pursuant to Paragraph 11(4)(a) of the Act on May 27, 2025
- 10.3 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.

DATED May 27, 2025

Harold Noh

Name: Harold Noh

CS Automotive Tubing Inc.

Per: 

Name: **Harold Noh**

Title: **VP/General Manager**

I have the authority to bind the corporation