



A WORTHINGTON STEEL COMPANY

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**Report submitted on behalf of Tempel Canada Co. under the Fighting Against Forced
Labour and Child Labour in Supply Chains Act
May 22, 2025**

Reporting Entity's Legal Name: Tempel Canada Company (a manufacturer)
Business Number: 893315838
Location: Ontario, Canada
Reporting Year: June 1, 2024 through May 31, 2025

This report is submitted on behalf of Tempel Canada Co. (referred to as the “Entity” or “Tempel CA”), located in Burlington Ontario. Tempel CA is a leading supplier of transformer core products for power conversion and distribution to the Central, Midwest, and Eastern U.S. and Canada. It manufactures a wide range of quality products, including small, stamped transformer lamination components, cut-to-length transformer laminations, distributed gapped cores, slit steel, mitered core logs, and fully assembled mitered cores. <https://www.tempel.com/en/locations/canada>

Tempel CA is not listed on a stock exchange in Canada. It does, however, have a place of business in Canada, and does business and has assets in Canada. It is principally located in Burlington, Ontario CA. It meets the size threshold of the Act by having at least \$20 million in assets for at least one of its two most recent financial years. It also has generated at least \$40 million in revenue for at least one of its two most recent financial years.

SUMMARY

Founded in the U.S. in 1945, Tempel is a leading global manufacturer of precision magnetic steel laminations for motors, generators, and transformers used in several industries such as eMobility, energy, industrial motors, and beyond. Over the years, Tempel has grown from a small family business in the U.S. Midwest (Chicago) to a global leader in the electrical steel industry. Today, it also has operations in Canada, Mexico, China, India and Germany. <https://www.tempel.com/en/about>. In December 2021, Worthington Industries completed its acquisition of Tempel.

It has always been Tempel's policy to comply with all pertinent laws and to conduct itself with the highest ethical standards. In April 2023 in response to the Uyghur Forced



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Labor Practices Act (UFLPA) and Countering America's Adversaries through Sanctions Act, and more generally, in response to the U.S. law, 19 U.S.C. § 1307, prohibiting the importation of goods made with forced labour,¹ Tempel Steel, Co., LLC ("Tempel corporate") embarked upon a due diligence exercise on behalf of the entities it directly or indirectly wholly owns or controls to ensure that its supply chains are free from all forms of forced labour. Tempel Canada is one of those entities. At that time, Tempel corporate set up a team consisting of individuals from the General Counsel's Office, Purchasing, Operations, Supply Chain, Logistics and outside counsel to address these issues and commenced bi-weekly meetings to keep up-to-date on developments and to continue its due diligence work.

The team undertook a process to create a corporate statement and policies and procedures to specifically address the issue of forced labour in supply chains. The corporate statement explicitly prohibits "the use of forced labour of any kind." It made clear that preventing forced labour in the company's supply chains is of utmost importance to the company and that it would continue to exercise vigilance over its supply chains to ensure that its products are only produced by suppliers committed to internationally recognized norms and standards and in full compliance with applicable laws and regulations.

Tempel's policies and procedures address many of the activities identified by the Government of Canada as steps to reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by Tempel CA. Among other things, its policies and procedures provide a system for reporting suspicions of forced labour in the supply chain and provides consequences for suppliers that do not adhere to Tempel's policies. It acknowledges that tracing or mapping is fundamental to its efforts to ensure compliance. Its work is ongoing and its efforts to map or trace its supply chains continue. Testing in the form of internal assessments will be incorporated into the company's practices. It will also be conducting training for its operations in its various locations around the world. As part of its Policies and Procedures it is in the process of creating a list of best practices that it

¹ 19 U.S.C. § 1307 includes indentured child labour in its definition of forced labour. Thus, the Entity's statements regarding forced labour covers child labour.



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aims to follow to ensure that its supply chains are free of forced labour. The company is also in the process of formally adopting these documents. Moreover, as a Worthington company Tempel adheres to Worthington's Supplier Code of Conduct which specifically provides a prohibition against suppliers using child or forced labor.

https://www.worthingtonenterprises.com/docs/default-source/default-document-library/misc.-support-docs/supplier-code-of-conduct.pdf?sfvrsn=e9e0dd73_1

The Tempel team regularly checks and monitors the ULFPA Entity List. The company has also sent questionnaires to its major suppliers in China, where it had the biggest risk exposure. Tempel's questionnaires specifically addressed whether raw materials have been sourced from the Uyghur region, which has been identified as having a higher probability of forced labour. Tempel began to receive responses from Chinese suppliers in the summer of 2023. While the suppliers assured Tempel that the material used for products shipped to Tempel had no connection to the Uyghur region and was free from forced labour, Tempel nonetheless sent the suppliers follow-up questions to obtain more specific answers. One supplier described its system that could trace back to raw material. Others provided more generalized assurances.

The company has also developed language in its contracting documents, i.e., the terms and conditions provided with its purchase orders, assuring Tempel that the goods are free from forced labour in the supply chain for the goods being purchased.²

Tempel is about to embark on a program of training for its employees in Asia, North America, Europe and India.

DISCUSSION

1. Steps the Entity has taken during previous financial year to prevent and reduce the risk that forced labour or child labour

As indicated above, Tempel has undertaken many steps to prevent and reduce the risk associated with forced labour in its supply chains, including, an annual review of Tempel's corporate statement to specifically address the issue; developing policies and

² The Terms & Conditions which are included with our Purchase Orders are provided as Attachment A.



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procedures; sending questionnaires and follow-up questions to major Chinese suppliers where the risk is greatest; conducting a PO tracking exercise with our top two Chinese suppliers to establish their capability to supply documentation on their supply chain. Adding Forced Labour conditions to Tempel's "New Supplier Self Evaluation form", initiating quarterly communication to Senior Leadership, and revising its purchase order terms and conditions to express zero tolerance for forced labour in its supply chains.

2. The Entity's Structure, Activities and Supply Chains

Tempel CA is a wholly-owned subsidiary of Tempel Steel, Co., LLC, which is a wholly-owned subsidiary of Worthington Steel, Inc.

Over the years, Tempel Steel Co., LLC has grown from a small family business in the U.S. Midwest (Chicago) to a global leader in the electrical steel industry. Today, it has additional operations in Canada (Tempel Canada Co.), Mexico, China, India and Germany. <https://www.tempel.com/en/about>. In December 2021, Worthington Industries completed its acquisition of Tempel.

Tempel CA is a leading supplier of transformer core products for power conversion and distribution to the Central, Midwest, and Eastern U.S as well as the Canadian Market. It manufactures a wide range of quality transformer products, including small, stamped transformer lamination components, cut-to-length transformer laminations, distributed gapped cores, mitered core logs, and fully assembled mitered cores. <https://www.tempel.com/en/locations/canada>

Tempel Steel Co, LLC is a leading global manufacturer of precision magnetic steel laminations for motors, generators, and transformers used in several industries such as eMobility, energy, industrial motors, and beyond.

Worthington Steel is North America's premier value-added steel processor and producer of market leading consumer and building products. <https://www.worthingtonsteel.com/>

Tempel Canada sources steel globally for its production in Canada. Its Canadian manufactured products are sold to the Central, Midwest and Eastern U.S. as well as the Canadian Market.



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3. The Entity's policies and due diligence processes in relation to forced labour and child labour

Tempel has drafted Policies and Procedures, which have not yet been formally adopted, and undertaken due diligence processes herein to prevent forced labour in its supply chains.

4. The Parts of the Entity's business and supply chains that carry a risk of forced labour or child labour being used and the steps the Entity has taken to assess and manage that risk

Tempel has identified raw materials that could be sourced in the Xinjiang or Uyghur region of China as a possible risk. To address this risk, Tempel has queried its major Chinese suppliers to ensure that no material is sourced in the region and that its supply chains are free from forced labour.

5. Measures taken to remediate any forced labour or child labour

Tempel's efforts have not uncovered any forced labour or child labour in its supply chain. In the event that it does discover a problem, its procedures specify that it will address the issue with its supplier and may even terminate the relationship.

6. Measures taken to remediate the 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

Not applicable since no forced labour in its supply chains has been uncovered.

7. Training provided to employees on forced labour and child labour

Tempel expects to commence its training for its global operations within its upcoming fiscal period. Specific training will be designed for each region Tempel has operations.



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

Tempel has incorporated into its contractual documents, specifically the terms & conditions provided with its purchase orders, language that requires the supplier to affirm that their supply chains are free from forced labour.

It regularly monitors the UFLPA Entity List. It also monitors supplier relationships and labour conditions in supply chains, utilizing third party audits, risk assessments and supply chain transparency tools, where deemed necessary.

Given the fluid nature of the Forced Labour landscape, Tempel will review its policies and procedures periodically.

Conclusion:

Tempel has worked diligently over the past year for improved oversight of its direct and indirect supply chain partners and their extended supply chains. The company is committed to continue its vigilance to ensure that its products are manufactured by suppliers committed to internationally recognized norms and standards and in full compliance with applicable laws and regulations.

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 Tempel Canada Co. 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 Tempel Canada Co.



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Joseph Heuer, General Counsel

Date