



CHEMTRADE

Joint Report Under the **Fighting Against Forced Labour and Child Labour in Supply Chains Act**

FINANCIAL YEAR ENDED DECEMBER 31, 2023

1. Application

This report, prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* (the “**Act**”), pertains to Chemtrade Logistics Income Fund and its subject wholly-owned direct and indirect Canadian subsidiaries Chemtrade Logistics Inc., Chemtrade West GP Inc., Chemtrade West Limited Partnership, Chemtrade Chemicals Canada Ltd., and Chemtrade Electrochem Inc. (together the “**Canadian Subsidiaries**”), as well as its wholly-owned indirect United States subsidiaries Chemtrade Holdco US Inc., Chemtrade Sulphur US Holdings LLC, Chemtrade Refinery Services Inc. Chemtrade Refinery Solutions Limited Partnership, Chemtrade Chemicals US LLC, Chemtrade Solutions LLC, and Chemtrade Logistics (US), Inc. (together the “**US Subsidiaries**”).

In this document:

- “**Fund**” means Chemtrade Logistics Income Fund;
- “**we**”, “**us**”, “**our**” and “**Chemtrade**” mean the Fund and its Canadian Subsidiaries and US Subsidiaries; and
- All information is as of December 31, 2023, and all dollar amounts are in Canadian dollars unless specified otherwise.

Chemtrade hereby reports to the Minister of Public Safety and Emergency Preparedness on the steps taken during the previous financial year ended December 31, 2023, to prevent and reduce the risk that forced labour or child labour is used at any step of the production of Chemtrade’s goods, in Canada or elsewhere, or of goods imported into Canada thereby.

2. Introduction

As a manufacturer and distributor of chemicals, our highest priorities include the environment, health and safety, security, and sustainability. The nature of our business means we are governed by environmental, health, and safety regulations in the jurisdictions we operate in, and where our products are shipped and sold.

Environmental, health, and safety regulations cover, among other things:

- people – health and safety of employees and people in our communities
- environment – air emissions, water discharges, and waste generation
- products – storage, handling, and distribution
- property – land use and zoning
- remediation – releases, presence of hazardous materials, and soil contamination.

As a member of the Chemistry Industry Association of Canada (CIAC) and the American Chemistry Council (ACC), we do more than just comply with regulations. We have been actively adhering to the CIAC's Responsible Care® ethic and its codes of practice and principles since we were formed in 2001. We use the RC14001 management system, which combines Responsible Care and ISO14001, to manage and continually improve our environmental performance, the safety of our employees, and our contribution to the community.

Responsible Care is a United Nations-recognized sustainability initiative that has helped Canadian chemical companies lead the global journey towards safe, responsible, and sustainable chemical manufacturing. Founded in Canada in 1985, Responsible Care is now practiced in 73 countries and by 96 of the 100 largest chemical producers in the world.

We signed the Responsible Care Global Charter in August 2014 on the recommendation of the CIAC. It can be found on our website (www.chemtradelogistics.com). The charter is an agreement of the leading chemical companies and federations that make up the International Council of Chemical Associations, to create a common global vision for Responsible Care and to clarify roles, responsibilities, and Accountabilities of global chemical companies in support of Responsible Care. Our compliance with the Responsible Care codes of practice is verified by a third party every three years. You can find a copy of the latest Chemtrade verification report on the CIAC website (www.canadianchemistry.ca/responsible-care/verification-reports).

As the Fund contributes to a cleaner, healthier, and more sustainable world, we seek to uphold high standards for our employees, our operations, and our supply chains. In doing so we are committed to ensuring that there is no place for forced labour or child labour ¹ in our business or supply chains.

¹ As such terms are defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act S.C. 2023, c.9*

3. Organizational Structure

Headquartered in Toronto, the Fund is a limited-purpose trust established on July 11, 2001. The Fund earns its income from Chemtrade Logistics Inc. and its distributions depend on the cash flow of Chemtrade Logistics Inc. Units of the Fund are traded on the Toronto Stock Exchange under the symbol CHE.UN.

Chemtrade provides industrial chemicals and services to customers in North America and around the world. Chemtrade manufactures and distributes chemicals and services through two business segments: Sulphur and Water Chemicals, and Electrochemicals. Through these business segments, Chemtrade is one of North America's largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite, and sodium hydrosulphite. Chemtrade is also the largest producer of high-purity sulphuric acid for the semiconductor industry in North America and is a leading regional supplier of sulphur, chlor-alkali products, and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams. As of December 31, 2023, Chemtrade had 1414 employees working out of more than 50 facilities.

4. Our Policies and Due Diligence Concerning Forced Labour and Child Labour

Chemtrade has developed policies that address the risks of, among other things, forced and child labour in operations and supply chains. The first two policies are publicly available on our website:

- Chemtrade code of conduct
- Chemtrade supplier code of conduct
- Chemtrade contractor management standard

These policies reflect Chemtrade’s commitment to *“do the right thing and be seen to do the right thing”*; ensuring that while Chemtrade and its partners go about daily tasks, we do so acting ethically, and with integrity and respect. Whether we are handling chemicals through the stages of their life cycle, keeping track of our financial records, speaking with customers, or the myriad of other activities that Chemtrade employees and partners carry out, we ensure Chemtrade and its partners comply with Chemtrade policies and all applicable laws.

CODE OF CONDUCT

Our code of conduct sets out the high business and personal standards we require of all our officers, employees, and trustees, in carrying out their duties and responsibilities. Our code of conduct reflects our Responsible Care philosophy, aiming to ensure that we *“do the right thing and are seen to do the right thing”* while performing our daily tasks. Everyone is expected to read and follow the code of conduct, including the guidelines, policies, and procedures for ethical conduct, avoiding conflicts of interest, and complying with the law. It also provides a method (a compliance line or “hotline”) for reporting breaches of the code or law. All employees and board members are trained

and tested biennially on the contents of the code of conduct and participation is tracked and followed up to ensure completion. The CEO oversees the code of conduct and monitors compliance under the board’s oversight.

SUPPLIER CODE OF CONDUCT

The supplier code of conduct sets out Chemtrade’s expectations for all suppliers of goods and services to all Chemtrade businesses, including respecting human rights. Chemtrade expects that all of its suppliers provide work that is freely chosen and without the use of forced or child labour. This supplier code of conduct also makes clear that Chemtrade chooses not to work with suppliers whom Chemtrade believes do not meet our standards. Compliance with the supplier code of conduct is being incorporated into our contractual terms with suppliers. The supplier code of conduct also provides a method (a compliance line or “hotline”) for reporting breaches of the code or law.

CHEMTRADE CONTRACTOR MANAGEMENT STANDARD

The purpose of Chemtrade’s contractor management standard is to establish the process for evaluating, selecting, utilizing, and overseeing third party contractors performing work at Chemtrade sites. The standard also establishes minimum expectations for complying with key regulations concerning contractor management, particularly with regard to safety performance. Chemtrade’s contractor management standard explicitly requires contractor employees to be at least eighteen (18) years of age.

5. Parts of Chemtrade's Business and Supply Chain that may Carry a Risk of Forced Labour and Child Labour and Steps Taken to Mitigate this Risk in our Supply Chain

The majority of Chemtrade's procurement payments in 2023 were made to suppliers of goods and services in Canada and the United States. These suppliers are subject to well-established wage and workforce laws in place in these two jurisdictions. We are aware that other suppliers to whom we make procurement payments source raw materials such as salt and alumina hydrate from other countries outside Canada and the United States, including, Brazil, Mexico, Jamaica and Guyana.

AMONG OUR WORKERS

We believe that the risk of forced labour or child labour among our direct personnel is negligible. Our recruiting processes ensure compliance with the laws currently in force in Canada, the United States and Brazil, where our employees are located.

We also recognize our personnel's right to freedom of association. Within our business, approximately 35 percent of employees are covered by collective agreements with 30 bargaining units/unions. This ensures compliance with the working conditions negotiated by union groups and therefore contributes to excluding the risk of forced labour or child labour.

WITHIN OUR SUPPLY CHAIN

Chemtrade's supply chains principally relate to the provision of services, equipment, logistics, and raw materials related to the manufacture of the products we sell, the operation of the plants that make our products, and the transportation of those products to customers. Chemtrade assesses that the risk of forced and child labour in our first-level suppliers among our supply chain is limited. While the risk is limited, we have taken steps in 2023 to further protect against forced and child labour used by first-level suppliers by setting clear expectations for all organizations supplying goods and/or services to our business through communicating to them our supplier code of conduct. To help assess relative risk, we consult the Global Slavery Index and other reference materials to determine the risk of forced labour or child labour based on the geographic location of certain suppliers or country of origin of certain goods.

For certain types of goods, particularly raw material supply and equipment procurement, the risk of forced or child labour increases for suppliers and subcontractors located further down the supply chain. Identifying the risk for these indirect suppliers over which Chemtrade has little control and visibility may prove to be complex. We have plans in place to introduce measures in the future for a more robust supplier due diligence evaluation, at the time of first engagement and/or in accordance with a regular ongoing review schedule.

6. Mitigating Risk in our Supply Chain

STEPS TAKEN OR ADVANCED, AND GOALS ACHIEVED IN 2023 INCLUDE:

- We instituted an organization-wide supplier code of conduct and related contractual provisions and began to communicate those expectations to existing and new suppliers. The supplier code of conduct mandates that suppliers:
 - Ensure compliance with all applicable forced labour and child labour laws;
 - Take reasonable steps to ensure they, their subcontractors, and others in their supply chains have adequate procedures to prevent and address forced labour and child labour laws; and
- Grant Chemtrade the right to audit them and their subcontractors for compliance against our supplier code of conduct.
- We began the process of further developing Chemtrade's supplier evaluation through the implementation of a due diligence questionnaire. This questionnaire will be required in advance of engaging with a supplier. It will be intended to better assess the risk of forced labour or child labour in our supply chain both in the first tier and supply tiers below, particularly, if the supplier's operation or the country of origin of certain goods is from a higher risk jurisdiction.

7. Measures Taken to Remediate Any Forced Labour and Child Labour or Remediate Loss of Income to Vulnerable Families

Chemtrade did not identify any instances of forced or child labour in its supply chain and no remediation was required.

8. Employee Training and Education

Chemtrade is committed to providing training to staff to ensure employees possess an effective understanding of the risks of forced and child labour in Chemtrade's operations and supply chains. All new members of staff of Chemtrade are required to complete Chemtrade's code of conduct training and all staff are re-trained biennially. Additionally, in 2023, Chemtrade engaged external consultants to present

an educational seminar about the Act and the risks of forced labour and child labour in supply chains. This training was attended by members with purchasing responsibilities in Chemtrade's procurement, capital project and customs and logistics teams to familiarize members of these teams with the Act and the risks of forced labour and child labour in Chemtrade's supply chain.

9. Assessing Effectiveness

The Fund's board of trustees has oversight of management's work regarding child labour and forced labour and compliance with relevant legislation and will receive an update annually regarding risks and mitigation initiatives.

Chemtrade will be working towards increasing the ability to audit suppliers and their subcontractors to recognize the signs of forced labour, and effectively report this to us. We are exploring digital solutions to conduct a baseline assessment of suppliers, to further assess our suppliers' practices and policies, as well as their exposure to forced labour risks and child labour.

[Signature Page and Attestation Below]

Approval and Attestation

This report was approved by the Board of Trustees of Chemtrade Logistics Income Fund, and the boards of Chemtrade Logistics Inc., Chemtrade West GP Inc. for itself and as general partner of Chemtrade West Limited Partnership, Chemtrade Chemicals Canada Ltd., Chemtrade Electrochem Inc., Chemtrade Holdco US Inc., Chemtrade Sulphur US Holdings LLC, Chemtrade Refinery Services Inc., Chemtrade Refinery Solutions GPCo LLC as general partner of Chemtrade Refinery Solutions Limited Partnership, Chemtrade Chemicals US LLC, Chemtrade Solutions LLC, and Chemtrade Logistics (US), Inc., and as being a joint report for the financial year ended December 31, 2023, in accordance with subparagraph 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I hereby attest that I have reviewed the information contained in the report for the entities listed above. To the best of my knowledge, and after having exercised due diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Scott Rook

Trustee of Board of Trustees, President and Chief Executive Officer, Chemtrade Logistics Income Fund.

Director and Chief Executive Officer and President of Chemtrade Logistics Inc., Chemtrade West GP Inc. for itself and as general partner of Chemtrade West Limited Partnership, Chemtrade Chemicals Canada Ltd., Chemtrade Electrochem Inc., Chemtrade Holdco US Inc., Chemtrade Refinery Services Inc., and Chemtrade Logistics (US), Inc.

Manager and Chief Executive Officer and President of Chemtrade Sulphur US Holdings LLC, Chemtrade Refinery Solutions GPCo LLC, as general partner of Chemtrade Refinery Solutions Limited Partnership, Chemtrade Chemicals US LLC, and Chemtrade Solutions LLC

I have the authority to bind Chemtrade Logistics Income Fund, Chemtrade Logistics Inc., Chemtrade West GP Inc., Chemtrade West Limited Partnership, Chemtrade Chemicals Canada Ltd., Chemtrade Electrochem Inc., Chemtrade Holdco US Inc., Chemtrade Sulphur US Holdings LLC, Chemtrade Refinery Services Inc., Chemtrade Refinery Solutions Limited Partnership, Chemtrade Chemicals US LLC, Chemtrade Solutions LLC, and Chemtrade Logistics (US), Inc.

Signed May 24, 2024