

30 May, 2024

Report With Respect To Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act S.C. 2023, c. 9

INTRODUCTION

This report, issued by Axens Canada Specialty Aluminas Inc. ("**Axens Canada**") in accordance with section 11 of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"), covers the fiscal year ending on December 31, 2023. It outlines the measures taken to prevent and mitigate the risk of forced labour, child labour and other forms of slavery ("**Modern Slavery**") in the production of goods both domestically and internationally, including goods imported into Canada.

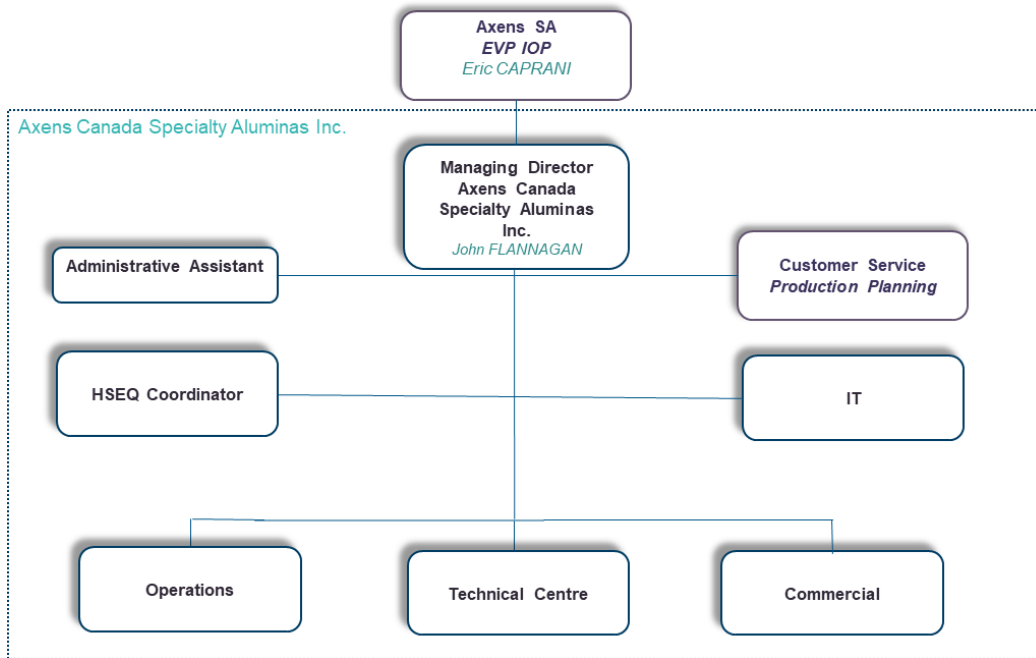
Under the Act, certain companies, including Axens Canada, are required to produce and file an annual report with the Minister of Public Safety and Emergency Preparedness of Canada. The report must, among other things, describe the modern slavery risks within the organization, as well as the risk mitigation measures implemented to address them. Completed reports must be approved by a company's board of directors, and must be made available to the public, including by publishing them on their websites. This is Axens Canada's first annual report under the Act.

1. Structure, Activities and Supply Chains

a. Structure

Axens Canada is a corporation organized under the laws of Canada with its head office and registered address at 4000 Development Drive, Brockville, Ontario, K6V 5V5.

Axens Canada is a wholly-owned subsidiary of Axens SA of France ("**Axens SA**"):



b. Activities

Axens Canada provides a complete range of activated alumina-based solutions for the treatment of potable, runoff, and effluent water, the production and purification of major petrochemical intermediates, the purification of natural gas, and the production of hydrogen peroxide. The majority of products are produced and shipped from our Brockville location. A small fraction of our sales are of products produced by Axens SA and imported into Canada by Axens Canada.

As of the date of this report, Axens Canada employs 65 people, all situated in the province of Ontario. Our employees include those in operations management, production and maintenance, laboratory/quality control, customer service, Health, Safety, Quality and Environment (HSEQ), logistics and warehousing.

c. Supply Chains

Axens Canada primarily sources goods from suppliers based in Canada. We also have suppliers situated in the following countries (although this is not an exhaustive list):

- The United States;
- France;
- Germany; and
- India.

The types of goods procured by Axens Canada principally include:

- raw materials such as alumina trihydrate, sodium carbonate, aluminum sulphate, ferric sulfate, and sodium hydroxide;
- packaging materials such as Flexible Intermediate Bulk Containers, boxes, polymer film bags and pallets;
- maintenance materials and spare parts;
- health and safety supplies; and
- other sundries.

2. Policies and Due Diligence Processes

Every employee, officer and director of Axens Canada occupies a position of trust. Whatever the area of activity and whatever the degree of responsibility, such persons are expected to act honestly, ethically, with integrity and in compliance with applicable laws and regulations.

Our board of directors adopted a Code of Business Conduct and Ethics (“**Integrity Code**”, accessible at the following link: https://www.axens.net/sites/default/files/2022-01/integrity_code_2021_v2_1.pdf) as a guide that is intended, among other things, to sensitize such individuals to significant legal and ethical issues that arise and to the mechanisms available to report illegal or unethical conduct and provide assurance that reporting of questionable behavior is protected and encouraged.

Compliance with the Integrity Code is mandatory for all of our employees, officers and directors.

The Integrity Code commits Axens Canada to respecting human rights both within the company and with those with whom we do business. We respect human rights by seeking to avoid infringing on the rights of others and seeking to address adverse human rights impacts with which Axens Canada may become involved. Notably, the Integrity Code specifically prohibits the use of forced, compulsory, or child labour.

Axens Canada, either on its own or as a subsidiary of Axens SA, maintains other policies that specifically address aspects of the Integrity Code, the United Nations Declaration of Human Rights, and other responsible business practices, including but not limited to our:

- Safety Policy - <https://www.axens.net/sites/default/files/202401/RUE%20HSE%20PO%200023%20EN%20Health%20Safety%20and%20Security%20Policy.pdf>
- Purchasing Policy - <https://www.axens.net/sites/default/files/2021-05/purchasing-policy.pdf>
- Suppliers Code of Conduct - <https://www.axens.net/sites/default/files/202305/RUE%20PUR%20CO%200002%20EN%20Axens%20Suppliers%20Code%20of%20Conduct.pdf>

3. Forced Labour and Child Labour Risks

We do not perceive any significant risk of Modern Slavery in our Canadian operations. All of our employees work in Canada, which is characterized by a low prevalence of Modern Slavery, minimal vulnerability to Modern Slavery, and a robust government response to such issues. Additionally, our workforce is predominantly composed of skilled, qualified, and experienced individuals.

We acknowledge that certain manufacturing regions and materials are associated with higher Modern Slavery risks due to prevalence in specific countries. In part to mitigate these risks, we commit to engaging our suppliers in an ongoing dialogue about the risk of forced labour and child labour in our common supply chains and identifying strategies to avoid or eliminate these practices in those supply chains.

We have not become aware of any incidents of Modern Slavery in our operations, or concerning any of our suppliers.

4. Remediation Measures

If we were to become aware of or uncover potential or confirmed instances of Modern Slavery within our supply chains, we would conduct an investigation and implement suitable remedial actions, which may involve stopping, preventing, or reducing any negative impacts. During the last fiscal year, we did not detect any cases of Modern Slavery in our supply chains. As a result, no remedial actions were necessary, including those aimed at remediating any loss of income on vulnerable families that results from any measure taken to eliminate the use of Modern Slavery in its activities and supply chains.

5. Training

All employees participate in mandatory Integrity Code training on a yearly basis. This training is developed by Axens SA, is tracked and verified through an online portal accessible using unique employee IDs, and is delivered as a series of interactive videos and questions, with a verified understanding component.

6. Assessing our Effectiveness

The Board of Directors approves our policies, including our Integrity Code, all of which are reviewed annually. Additionally, the Board of Directors monitors compliance with the Integrity Code and its related key policies and procedures and oversees training initiatives implemented to support compliance. Axens Canada regularly reviews the due diligence processes conducted prior to engaging or re-engaging suppliers. Finally, in pursuit of Axens Canada's commitment to ensuring that forced labour and child labour are not being used in our business and supply chains, we will continue to monitor applicable laws and regulations and will mitigate the risk through various methods including, but not limited to, engaging third party consultants to conduct independent risk assessments of Axens Canada's suppliers if deemed necessary.



Axens SA, and by extension Axens Canada, is a participant in the EcoVadis ESG (Environmental, Social, Governance) risk assessment and reporting platform. This platform is internationally recognized, and includes the evaluation of Modern Slavery risks.

ATTESTATION

This Report has been approved by Axens Canada's Board of Directors 30 May, 2024.

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 entities listed above. Based on my knowledge, and having exercised reasonable due 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.

Signed by

A handwritten signature in blue ink, appearing to read "John R. Flannagan".

Name: John R. Flannagan
Title: Managing Director

I have the authority to bind Axens Canada Speciality Aluminas Inc.