



## Modern Slavery Act: Forced & Child Labour Statement for the 2023 Fiscal Year ended December 31, 2023

### Introduction

ERCO Worldwide LP (“ERCO”, “we”, “our”, or “us”) does not tolerate slavery or human trafficking in our own organization or in our supply chain.

ERCO has prepared this statement in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Canadian Act”) on behalf of ERCO Worldwide LP. This statement outlines the steps ERCO has taken and policies we have put in place that are intended to identify and prevent modern slavery, including forced labour, child labour and human trafficking, in our own business operations and in our supply chain.

### Background

ERCO is a privately held business headquartered in Mississauga, Ontario, Canada. ERCO is a leading manufacturer and provider of specialized inorganic industrial chemicals, including in particular sodium chlorate, sodium chlorite and chlor-alkali products. ERCO is also a preeminent developer and supplier of proprietary chlorine dioxide production technology for supply to the pulp and paper and water treatment industries, among others. In addition to our headquarters in Mississauga, we have a research and development laboratory in the Greater Toronto Area, and nine operating facilities – five in Canada, three in the United States and one in Chile. ERCO imports raw materials and supplies to be used in manufacturing facilities in Canada, the United States and Chile. Currently ERCO has 364 employees in Canada; 170 in US; and 38 in Chile.

ERCO is aware of risks of forced labour and child labour in global supply chains, and we are potentially exposed to these risks in light of our global sourcing from suppliers around the world. However, we generally believe our risks are low given the products we source are not those known to be at a high risk of forced labour or child labour.

### Supplier Code

ERCO understands that respecting human rights is a shared responsibility of our organization and our suppliers regardless of where we or they operate globally. ERCO’s suppliers are required to comply with ERCO’s Supplier Code of Conduct (“Supplier Code”) and are to hold themselves to the highest standards and to act with integrity and always comply with the letter and spirit of the laws, regulations and rules that apply in the jurisdictions where ERCO operates. If any instances arise where these expectations are not met, ERCO will review and respond accordingly.

Our Supplier Code is intended to ensure ERCO serve its clients with integrity and applies to all of our suppliers.

The Supplier Code states: “*Suppliers shall only employ workers with a legal right to work. Illegal child labor and forced labor are forbidden in any circumstance.*” In addition, each ERCO purchase order provided to ERCO suppliers states: “*Acceptance of this order, or shipment of any supplies or*





*performance of any work ordered hereunder, constitutes unqualified acceptance of ERCO's Supplier Code of Conduct."* Furthermore, larger ERCO suppliers, are asked to digitally accept the Supplier Code as part of ERCO's supplier sustainability program.

#### *Procurement Questionnaire*

Within ERCO's suppliers there are four main categories for its procurement spend (1) raw materials, (2) capital and indirect goods and services, (3) freight, and (4) contractors. Raw material and capital and indirect spend are two areas of particular focus because goods can be internationally sourced (for example, ERCO has raw material supplied (including indirectly) from Canada, USA, Mexico, Brazil, China, and India). In order to develop this statement, during the end of 2023 and early 2024, ERCO sent questionnaires to each of its suppliers.

#### *Results*

To date, 88% of ERCO's procurement spend on raw materials is with suppliers that have accepted and confirmed they abide by the Code. In terms of ERCO's total procurement spend, 76% is with suppliers that have accepted and confirmed they abide by the Supplier Code.

Based on the responses to the questionnaire that we sent to each of our suppliers, ERCO is not aware of any forced labour, child labour, or human trafficking incidents in our supply chain or operations, and as such ERCO did not need to effect any remediation efforts.

#### **ERCO Internal Policies**

In addition to the Supplier Code, ERCO has in place several policies relevant to our anti-slavery and human trafficking commitment.

- ERCO's code of conduct (the "Code") applies to all ERCO's employees. A key principle of the Code is not just to follow the law, but to strive to do what is right. The Code is designed to assist ERCO's employees in understanding what is expected so we can maintain ERCO's reputation for conducting business openly, honestly, and ethically. The Code contains our commitment to prohibit forced labor, the employment of underage children, and any form of human trafficking throughout our operations and global supply chain. On a yearly basis, ERCO requires its salaried employees to certify their awareness of and compliance with ERCO's Code.
- ERCO's Human Rights Policy applies to all ERCO's employees and sets out our commitment to respect and promote human rights in our business operations and our relationships with our customers, suppliers and workforce throughout the world. This policy prohibits the use of all forms of forced labour, slavery, and any form of human trafficking. It also prohibits the hiring of individuals that are under the age of 18 years of age for positions in which hazardous work is required and requires compliance with minimum age work legislation in the jurisdictions in which we operate.
- ERCO's Reporting and Whistleblower Policy maintains procedures for reporting and raising concerns or suspected violations of the Code, other ERCO policies or the law. Reports can be made through an independent, interactive telephone service provider available 24 hours a day, 7 days a week, or through the service provider's website. Reports remain on a secure, confidential and anonymous basis. ERCO prohibits retaliation against individuals who raise concerns in Good Faith (as defined in the policy).



As of 2024, ERCO requires all our employees to undergo periodic training on the Code and ERCO's Human Rights Policy, and to certify their awareness of and compliance with ERCO's Code and ERCO's Human Rights Policy, among other policies. All ERCO's employees were enrolled to complete such training during calendar year 2024; and to date, approximately 88% of ERCO's employees have successfully completed such training.

### **Process**

ERCO's procurement and legal teams were engaged in completing this Statement. These teams operate across the entire ERCO organization.

### **Going forward**

ERCO will amend the Supplier Code to include direct references to the Canadian Act and to make its suppliers expressly aware of the Canadian Act, to further highlight the prohibition on any use of forced labour and child labour in ERCO's supply chain. In the 2024 fiscal year, ERCO intends to conduct ongoing screening of all of its suppliers, which will allow ERCO to baseline a supplier's risk profile and subsequently flag and assess any activities that would not comply with the Code. In addition, ERCO employees who oversee and engage with our supply chain shall continue to receive training focused on the risks associated with forced labour and child labour in our supply chain.

### **Attestation**

This statement was approved by ERCO's Board of Directors on May 22, 2024. In accordance with the requirements of the Canadian Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for ERCO Worldwide LP. 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 Canadian Act, for the reporting year listed above.

**ERCO Worldwide LP, by ERCO Ltd. its General Partner**

A handwritten signature in black ink that reads "Ed Bechberger".

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**Ed Bechberger**  
**President and Chief Executive Officer**

**May 22, 2024**