



FACTOR GAS LIQUIDS INC. MODERN SLAVERY REPORT

This statement constitutes Factor Gas Liquids Inc.'s ("**Factor Gas**" or the "**Company**") modern slavery report for the financial year ending March 31, 2024 under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

Reporting entity under the Act is Factor Gas.

I. Factor Gas' Structure, Activities & Supply Chain

a) Our Structure

The Company was originally founded in 1994 and has since expanded its operational footprint across Canada and the United States. Currently, Factor Gas is one of the largest wholesalers of propane in Central and Eastern Canada. The Company's product portfolio includes propane, butane, olefins, natural gasoline, gasoline blend stocks, and other petroleum-based products (the "**Products**"). Since 2013, the Company expanded its business by investing in and leasing terminal capacity, storage facilities, processing capabilities, and efficient transportation systems in order for it to offer services such as logistics, including terminalling, marketing, and commodity risk management.

Factor Gas is a corporation incorporated under the *Business Corporations Act* (Alberta). The Company has a sole shareholder and its head office is located in Calgary, Alberta.

As of March 31, 2024, the Company had 23 employees in Canada and zero outside of Canada.

b) Our Activities

Factor Gas' core business is a supply and sales network of the Products and offering logistics services for the Products. The Company currently operates across Canada and the U.S., with a focus on Central and Eastern Canada. Factor Gas does not take part in any importation activities outside of North America.

c) Our Supply Chain

Factor Gas' commitment to upholding ethical business practices extends to its relationships with customers, suppliers, and its employees. Factor Gas' suppliers, which are entirely based in Canada and the United States, provide a variety of goods and services to Factor Gas. Despite the low prevalence of modern slavery in these countries, Factor Gas acknowledges that many of its suppliers have global supply chains, which requires Factor Gas to monitor its supply chain beyond the first tier.

II. Our Risks

Given that the Company operates in a highly regulated industry in North America, Factor Gas is satisfied that the forced labour and child labour risks in its supply chain are minimal. Nonetheless, Factor Gas acknowledges modern slavery risks can present in many forms. As such, the Company is committed to continuing to monitor its supply chain through verification, audit processes, mindful recruitment, fair remuneration, and establishing relationships with reputable partners, who are required to comply with domestic and international laws, and is committed to continuing to work on identifying and addressing any such risks in its business.

III. Our Policies and Practices

As of March 31, 2024, the Company did not and does not have formal policies or a due diligence process in place relating specifically to forced labour and child labour. Nonetheless, the Company established a corporate standards of business conduct policy ("**Business Conduct Policy**") and a Contracting Policy and Authorization Matrix ("**Contracting Policy**") that set out certain principles to be followed by employees,



contractors, consultants, agents, officers and directors (the “**Representatives**”) of Factor Gas, which may extend to mitigating risks of forced labour and child labour.

Business Conduct Policy

The Business Conduct Policy’s purpose is, among others, to:

- 1) conduct business in a highly moral, legal and ethical manner;
- 2) promote honest and ethical conduct;
- 3) promote full, fair, accurate and timely disclosure in any reports and documents that Company may file with, or submit to, regulators or make its public communications;
- 4) promote compliance with applicable governmental laws and regulations; and
- 5) help foster a culture of honesty, integrity and accountability.

In addition, the Business Conduct Policy promotes the prompt internal reporting of any violations of the Business Conduct Policy and provides for a mechanism for Representatives to report unethical conduct. Therefore, the Company encourages and will continue to remind its Representatives of this right in an effort to mitigate risks of forced labour or child labour in its supply chains by speaking up through the mechanisms provided for by the Company.

Factor Gas does not support or condone the use of forced or child labour, and we prohibit any form of modern slavery in our workplace and in our supply chain. We expect our suppliers and business partners to share and uphold that value.

Contracting Policy

It is the Company’s policy that all transactions with third parties be properly documented in contracts in a manner that minimizes risk to the Company while enabling it to accomplish its business objectives. All contracts are reviewed, finalized, and approved in strict accordance with the terms of the Company’s Contracting Policy, which requires that all contracts must be in compliance with all other Company policies in existence, including the ethical standards under its Business Conduct Policy. The Contracting Policy requires contracts to be approved and signed in accordance with the Company’s Contract Authorization Matrix at a VP level or higher or, for Product transactions, in accordance with the Delegation of Authority terms under its Marketing and Trading Risk Policy, which limits trading to Canada and the United States. The Contracting Policy also requires consultation with other consulting groups such as Legal and Finance to further minimize risk .

IV. Remedial Actions

Factor Gas is not aware of any forced or child labour in its supply chain. Therefore, it has not taken any remedial actions within the last fiscal year. This includes not taking any remedial actions relating to the loss of income of the most vulnerable that may be impacted by a measure take to reduce / prevent forced or child labour in our supply chain.

V. Training

As of the date hereof, the Company does not currently provide any specific training with respect to forced and child labour and methods for mitigating risks. However, upon the hiring of an employee, employees’ are required to acknowledge that they have read all of the Company’s policies, including the Business Conduct Policy and the Contracting Policy and that they will abide by them. Factor Gas reviews all of its policies and procedures, including training practices, on a regular basis and will continue to consider the appropriateness of expanding its training offerings. The Company’s senior leadership team and board of directors have been advised and notified of the Act and the requirements thereunder.



VI. Measuring the Effectiveness of Our Policies

Factor Gas continues to develop its policies and practices, including those relating to forced and child labour. Our senior leadership team and the Board of Directors monitors the development and implementation of our policies, and we adopt formal and informal measures to ensure their effectiveness and if necessary develop new policies to highlight the Company's commitment to preventing forced labour and child labour in its supply chains.

VII. Road Map Forward

Throughout Fiscal Year 2025, we intend to undertake the following actions to further support our policies and practices in relation to modern slavery:

- implement Know Your Client procedures for suppliers in relation to forced and child labour;
- implement training for the employees on the Act; and
- review our purchase orders and augment contract requirements relating to forced and child labour.

VIII. Approval & Attestation

This statement is made pursuant to the Act and has been approved by the board of directors of the Company.

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.

(signed) "Barry Vosburg"

Barry Vosburg
Chief Executive Officer
May 30, 2024

I have the authority to bind the Company.