

Itafos Inc.

2023 Modern Slavery Report

1 Introduction

This report (“**Report**”) constitutes the first report prepared by Itafos Inc. (the “**Company**”) and Itafos Conda LLC (“**Itafos Conda**”) (together, “**Itafos**”, “**our**”, “**us**” or “**we**”) pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

This Report relates to the financial year ended December 31, 2023 (the “**Reporting Period**”).

2 Steps taken to prevent and reduce the risks of forced labour and child labour

In general terms, the steps we have taken during the Reporting Period to prevent and reduce the risks of forced labour and child labour in our operations and supply chains include maintaining internal controls to help ensure that all employees are recruited voluntarily. At present, Itafos Conda is in the early stages of initiating the mapping process of its direct suppliers (i.e., documenting information related to suppliers). Further details are set out in this Report.

3 Structure, activities, and supply chains

3.1 Structure

Overview

The Company is a phosphate and specialty fertilizer company that was redomiciled from the Cayman Islands to the State of Delaware on July 1, 2021. The Company is currently headquartered in Houston, Texas. For more information on the Company’s corporate history, please refer to the 2023 Annual Information Form (the “**AIF**”). A copy of the AIF may be accessed electronically under the Company’s profile on the System for Electronic Document Analysis and Retrieval+ (“**SEDAR+**”) at www.sedarplus.ca.

The Company also has a few controlled subsidiaries, including Itafos Conda Services LLC (a Delaware limited liability company that operates as a group to employ individuals for Itafos Conda) and other controlled subsidiaries in Brazil and Guinea-Bissau.

As of the end of the Reporting Period, Itafos Conda employs approximately 300 full- and part-time employees, and approximately 250 contractors, the large majority of whom are located in Soda Springs, Idaho, with roles ranging in production, maintenance, capital projects, commercial and procurement matters, finance, human resources and other administrative positions. The Company, as the parent entity, does not directly employ any full- or part-time employees or contractors.

3.2 Activities

The Company has five assets located across three continents. The Company’s principal asset, a

vertically integrated phosphate fertilizer business, is located in Idaho and is operated by Itafos Conda. Itafos Conda works with a direct third-party supplier to import superphosphoric acid in Canada. The superphosphoric acid is mixed with ammonia to create ammonium polyphosphate and is stored by the same third party in Alberta, Saskatchewan and British Columbia. The majority of this product is sold to agricultural retailers, who then resell the product to farmers. In addition, Itafos Conda also sells monoammonium phosphate with nitrogen, phosphorus, and sulfur in Canada to various retailers and wholesalers.

3.3 Supply chains

Itafos Conda is currently in the early stages of mapping its suppliers (i.e., in the process of documenting information related to suppliers). Itafos Conda supply chains are global and the primary categories of goods for direct suppliers include, but are not limited to, raw materials, fuel, utilities, contract mining, production components and maintenance. Our indirect suppliers provide materials including, but not limited to, maintenance, transportation, engineering and consulting.

The Company, does not, in the ordinary course, have any contracts with suppliers.

4 Policies and due diligence processes

4.1 Policies

Itafos has in place a number of policies which are relevant to reducing the risk of forced labour and child labour in its activities and/or supply chains:

- (a) Code of Ethics and Business Practices: Itafos [Code of Ethics and Business Practices](#) (the “**Code**”) applies to all employees, officers and directors of Itafos. The Code sets forth the policies and procedures in areas of key legal and ethical importance, and sets out expectations for compliance with all laws, regulations and its own policies and procedures, at all times. Any violations of the Code must be reported to the General Counsel or the Chair of the Governance and Nominating Committee. In 2024, the Company updated the Code to include anti-slavery provisions, which describe matters related to child labour, forced labour and human trafficking. The updated Code also describes the process to report any suspected activity related to modern slavery to the General Counsel, Chief Financial Officer or through the processes set out in the Whistleblower Policy (described below).
- (b) Anti-Corruption Policy: The [Anti-Corruption Policy](#) sets out the guidelines, requirements and procedures to deter, prevent and detect corruption and to comply with anti-corruption laws for all employees, officers and directors of Itafos. Any violations of the Anti-Corruption Policy must be reported to the General Counsel.

- (c) Whistleblower Policy: The [Whistleblower Policy](#) sets out our guidelines related to the receipt, retention and treatment of complaints and concerns regarding accounting, internal controls, auditing matters, fraud or unethical business practices of Itafos (any such filing, a “**Whistleblower Complaint**”) and the protection granted to someone who appropriately files a Whistleblower Complaint.
- (d) Diversity, Equity and Inclusion Policy: The [Diversity, Equity and Inclusion Policy](#) set out our view and approach related to diversity, equity and inclusion matters, and applies to all directors, officers, employees and contractors of Itafos.
- (e) Human Resources Policy: Itafos has a Human Resources Policy (which is not publicly available, and is distributed internally) that helps us maintain our commitment to ensuring a safe work environment for our employees, and to ensure everyone is treated with respect.
- (f) Harassment & Workplace Violence Policy: Itafos has a Harassment and Workplace Violence Policy in place for all employees (which is not publicly available, and is distributed internally) that outlines Itafos’ commitment to a healthy and open work environment, free from harassment and workplace violence.
- (g) U.S. Standard Purchasing Terms & Conditions: Itafos has a [standard set of terms and conditions](#) that set out guidance for our suppliers, including related to compliance for equal and fair employment practices.

Itafos Conda also has in place a number of policies which are relevant to reducing the risk of forced labour and child labour in its activities and/or supply chains (such policies are not published publicly but are internally circulated to all employees):

- (a) Employee Manual – The Employee Manual sets out, among other items, Itafos Conda’s policy in prohibiting harassment in all forms, and reporting procedures for any employees who have witnessed such conduct.
- (b) New Orientation Training – All new employees must complete mandatory human resources training, which consists of Itafos Conda’s commitment to equal employment opportunities, and must complete a mandatory anti-harassment training module.

4.2 Due Diligence Processes

- (a) Employment Practices

Respecting the dignity and human rights of our employees is important to us, and our employment and hiring practices comply with applicable laws related to labour, employment and human rights. As part of our typical onboarding process, a candidate will undergo certain background checks to confirm working status. The Compensation Committee of the Company’s board of directors is responsible for overseeing

Itafos' compensation policies, plans and programs and we complete equal employment opportunity reporting through a third-party administrator.

(b) Audit Committee

The Audit Committee of the Company's board of directors is responsible for overseeing Itafos' compliance with legal and regulatory requirements, management's responsibility for assessing and reporting on controls responsibilities to the Company's stakeholders, and our environmental, social, and governance strategies, including Itafos' reporting obligations under the Act.

5 Forced labour and child labour risks in our business operations and supply chains

5.1 Operations

Given that the majority of our business operations are conducted in Canada and the U.S., and the majority of Itafos Conda's employees are located in Idaho, we consider the risk of forced labour and child labour occurring within our business operations to be relatively low. However, we recognize that no sector or industry involved in the production or importation of goods is assumed to be entirely free from forced labour and child labour risks, and we acknowledge that there may be a higher risk of forced labour or child labour in extractive industries such as mining outside of Canada and the U.S.

5.2 Supply Chains

Itafos Conda is in the very early stages of identifying risks and has not yet completed the exercise of fully mapping our supply chains and acknowledge that suppliers located in certain jurisdictions and/or servicing certain industries may carry a higher risk of forced labour and child labour.

6 Steps taken to assess and manage the risks of forced labour and child labour in our operations and supply chains

6.1 Operations

We have certain policies and procedures in place to help us maintain compliance with applicable laws in the jurisdictions in which we operate, such as the Anti-Corruption Policy and our Harassment & Workplace Violence Policy. Itafos Conda's standard hiring process involves confirmation that all newly hired employees hold valid proof of identification to confirm legal working status.

6.2 Supply Chains

The Company does not, in the ordinary course, have active suppliers.

While Itafos Conda has not completed a formal risk assessment of forced labour and child labour in our supply chains, we have now initiated the early stages of the process of mapping our direct suppliers.

We strive to have long-standing, tenured relationships with our direct suppliers and we endeavour to work with suppliers who comply with local laws and regulations. The majority of the key corporate contractors are also screened through a third-party information management platform.

We also have contracts in place with certain suppliers which contain provisions that: (i) request such suppliers to act in accordance with applicable laws, (ii) state that Itafos Conda may seek to audit their operations involved in the manufacture or distribution of merchandise or services provided to us, and (iii) request such suppliers to communicate to us any changes in the location of their business or manufacturing location(s).

7 Remediation measures

There is nothing to report with respect to measures taken during the Reporting Period to remediate (i) instances of any forced labour or child labour, or (ii) the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

8 Training

Itafos Conda offers various training programs for its employees and affiliates (as applicable) at the time of onboarding and on an annual basis. While it does not directly engage with issues of forced labour or child labour, mandatory training on occupational health and safety matters as well as anti-workplace violence and harassment is provided to our employees and supervisors during a typical onboarding.

The Company also offers various training programs to its directors and officers at the time of onboarding and on an annual basis as it relates to anti-workplace violence and harassment.

9 Assessing the effectiveness of our actions

Itafos did not have policies or procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in our activities and supply chains during the Reporting Period. Itafos Conda is considering additional measures and methods of overseeing compliance under the Act.

10 Other

On April 10, 2024, Itafos published its second Environmental, Social and Governance (“**ESG**”) Report dated December 31, 2023, to report on its goals and progress within the Company’s broader ESG framework. The ESG Report highlights the Company’s ongoing commitment to actively participate in the local communities where we operate through the allocation of resources to support programs dedicated to improving our local communities.

The 2023 ESG Report, and the inaugural 2021 ESG Report can be found on the Company's website at: <https://itafos.com/investors/esg-reports/>.

11 Approval

This Report was approved by the board of directors of the Company for the financial year ended December 31, 2023, pursuant to paragraph 11(4)(b)(ii) of the Act.

I make the above attestation in my capacity as a director of the Company for and on behalf of the board of directors of the Company.



G. David Delaney
Director
Itafos Inc.
May 13, 2024

I have the authority to bind Itafos Inc.