

May 25, 2024

Annual Compliance Report on Forced Labor and Child Labor in Supply Chains

Based upon the requirements of Canadian Legislative Bill S-211 for the most recently completed financial fiscal year end date ending on 12/31/2023.

ORIGINAL REPORT

With enthusiasm, we share this report highlighting our steadfast dedication to preventing forced and child labor within our supply chain. At **Kemira Chemicals Canada Inc.**, we understand the deep impact human rights, including forced and child labor. Our commitment to ethical business practices transcends mere compliance, it's ingrained in our core values.

Within these pages, we outline the thorough measures we've taken to identify, assess, and mitigate the risk of forced and child labor in our supply chain. Through transparency, accountability, and collaboration, we strive to establish a benchmark for responsible business conduct that exceeds regulatory standards. Our mission to abolish forced labor isn't just a corporate responsibility; it's an ethical, moral obligation we fully embrace.

As you explore this report, we invite you to join us on our journey of continual improvement and ethical leadership. Together, we can establish a supply chain built on principles of fairness, dignity, and respect for all. Thank you for your interest in our commitment to opposing forced labor. We eagerly anticipate your support in this vital endeavor.

REPORT OVERVIEW

This is a single entity report to align with requirements of the Canadian S-211 Forced Labor and Child Labor reporting initiative. Kemira Chemicals Canada Inc. acts as the Resident Importer of Record for shipments into Canada using business number 872000138 RM0001. This report encompasses activities of Kemira Chemicals Canada Inc. for the most recent financial year beginning on January 1, 2023 and ending on December 31, 2023,

Kemira Chemicals Canada Inc. has identified that it aligns with at least two of the three criteria noted within the S-211 legislation in at least one of its two most recent completed financial years and is responsible to initiate the report for this Canadian regulation and initiative.

KEMIRA CHEMICALS CANADA INC

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KEMIRA GROUP STATEMENT FOR SLAVERY AND HUMAN TRAFFICKING

Kemira Chemicals Canada Inc. is committed to conducting business in an ethical manner within our operations. This includes understanding the modern slavery risks that face us and addressing them in our business and supply chains. The next statement outlines how Kemira Group is driving commitment towards human rights, with the areas listed below.

1. Our business and supply chains
2. Our key policies concerning our business relationships
3. Remediation measures taken to remediate any forced and child labor
4. Training and capacity building
5. Business activities in 2023 to ensure compliance with our policies on business relationships

OUR STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Kemira Chemicals Canada Inc. is a leader in sustainable chemical solutions for water-intensive industries. Our customers include industrial and municipal water treatment operators, and pulp & paper industry among others. We provide the best-suited products and services to improve our customers' product quality, process, and resource efficiency. Our focus is on water treatment, renewable solutions, and digital services, by manufacturing and also importing water treatment chemicals into Canada from the Americas, EMEA and APAC regions. The Kemira values go beyond our products and services. We are dedicated to customer success by offering our expertise to add value to their processes. We care for people and the environment by putting safety first in all our actions and seeking to be a role model for business partners in safety, environmental responsibility and human rights. Through policies and collaborative partnerships, we strive to ensure that our products and services are produced and delivered without exploiting or endangering the well-being of any individual. Our aim is to contribute to a world where every person can live and work with dignity, free from exploitation and force.

Our business is organized into two customer segments: Pulp & Paper and Industry & Water. The entity's structure consists of region heads by customer segment and then functional heads that manage the day to day operations of the entity including, finance, supply chain, manufacturing, sourcing, health & safety, and product regulation. The Sourcing function is responsible for strategic spend management, while our Supply Chain Management function provides supply chain related services on a regional level to our business segments.

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Kemira Chemicals Canada Inc.

Manufacturing Sites
St. Catharines
Vancouver



Employees

	Commercial	EHSQ	HR	IT	St Catharines Manufacturing	Vancouver Manufacturing	Grand Total
Alberta	3						3
British Columbia	5					8	13
New Brunswick	1						1
Nova Scotia	1						1
Ontario	6	2	1	1	25		35
Quebec	32						32
Grand Total	48	2	1	1	25	8	85

Figure 1 Kemira Manufacturing Sites and Employee Count

OUR KEY POLICIES CONCERNING OUR BUSINESS RELATIONSHIPS

Our supplier risk and compliance management defines the requirements for suppliers to do business with Kemira, as well as provides tools and processes for mitigating sustainability risks with our suppliers.

The Kemira Code of Conduct sets the minimum standards of expected behavior for our employees and business partners, including respect and support to human rights and states “never use any form of forced or child labor”. Our internal policies and procedures provide more detailed guidance to steer our daily work and decision-making. Every Kemira employee receives regular training on our Code of Conduct. Kemira has zero tolerance for violations of this Code.

We are committed to the principles of The Universal Declaration of Human Rights and the United Nations’ Global Compact and we expect our suppliers and business partners to share these principles. We seek to ensure that materials used in our products come from socially responsible sources. We do not tolerate, contribute to, or facilitate any activity that fuels conflict or violates human rights of forced labor and child labor.

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According to Kemira’s Sourcing and Procurement policy, all of our suppliers must follow our Code of Conduct for Business Partners (CoC-BP) in relation to all of their dealings with Kemira. The CoC-BP sets standards for business integrity, respecting human rights and appropriate working conditions, and protecting the environment. The CoC-BP is communicated to all suppliers through the ordering process as part of Kemira terms and conditions. Supplier adherence to these principles is controlled in different stages of our Sourcing processes starting from the new supplier screening, new vendor creation process, to contracting where the commitment to our CoC-BP is integrated in the contract templates. Finally, we have continuous monitoring in place for those contracts exceeding certain spend thresholds to make sure we are reasonably covered. Reporting on any misconduct relating to Kemira or our business partners can be sent to email address compliance@kemira.com.

REMEDATION MEASURES TAKEN TO REMEDIATE ANY FORCED AND CHILD LABOR

In the Kemira Sustainability Policy we also set standards for our approach to human rights issues. The policy covers topics like safe working conditions, ensuring human rights, no forced labor or child labor and creating a diverse workplace and inclusive culture. No remediation measures needed to be taken as forced labor was not identified in the supply chain.

POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO HUMAN RIGHTS, FORCED AND CHILD LABOR

Respect for human rights (including slavery, human trafficking, child forced labor)	
International frameworks	<ul style="list-style-type: none"> • United Nations Sustainable Development Goals (SDGs) • United Nations Global Compact • The Universal Declaration of Human Rights • International Labour Organizations (ILO) Core Principles • United Nations Guiding Principles on Business and Human Rights • Responsible Care ®
Code of Conduct	<ul style="list-style-type: none"> • Code of Conduct • Code of Conduct for Business Partners
Policies and standards	<ul style="list-style-type: none"> • Sustainability policy • Logistics and transportation policy and processes • Sourcing and procurement policy • Recruitment policy • Investigation procedure
Hazards and risks	<ul style="list-style-type: none"> • Potential violations of human, child and labor rights and unethical business practices can impact Kemira’s reputation and thus financial position.

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	<ul style="list-style-type: none"> Based on human rights impact assessment, amongst main human, child or forced labor rights risks are e.g. production and raw material sourcing of suppliers and supply chain partners.
Risk/Hazard management *	<ul style="list-style-type: none"> Ethics and compliance Hotline for raising a concern or reporting potential misconduct. Supplier sustainability assessment and audits. Mandatory Code of Conduct and Human Rights for Business trainings. Reporting system in place for violations of Code of Conduct. Human Rights impact assessment carried out Mechanisms, processes and procedures supporting the precautionary principle Grievance mechanisms Emphasized focus through corporate programs on safety and diversity and inclusion Internal Human Rights Council for discussions and improvement of human rights related processes
Due diligence/ Remediation measures	<ul style="list-style-type: none"> In human rights issues, reporting to Audit Committee of Board of Directors. Suppliers are required to accept Kemira's Code of Conduct to business partners. Kemira also constantly monitors, assesses and audits its supplier base by performing periodic checks either through routine processes or annual internal audits by competent sourcing members. Based on conducted assessments prioritized supplier are invited to take more detailed assessment or audit.
Assessing effectiveness / Outcomes of policies and due diligence processes	<ul style="list-style-type: none"> Human Rights issues identified and mitigated in own operations and value chain. Meeting on group level the minimum safeguards of most recognized human rights guidelines and guiding principles. Sourcing & Procurement policy, processes and procedures mitigate and prevent supplier's violations related to any type of non-legal practices, they also ensure that key suppliers are operating at or above the levels required by Kemira from the economical, environmental, social and human rights point of view.

TRAINING AND CAPACITY BUILDING

We educate our people continuously on human rights related matters, such as forced labor and child labor. We have a mandatory, entity-wide, 90-day onboarding program for all new hires of office personnel, management, senior-management and executive levels. Personnel is automatically assigned online courses on Code of Conduct and Human Rights and Business. All relevant sales team members are trained on third party due diligence for potential new business partners and a new process is introduced to further develop our third-party risk management. The content of the training, Human Rights & Business e-Learning module explains human

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rights and why they are relevant within a business context, provides an overview of potential human rights risks and to help understand your role and responsibilities in safeguarding human rights at Kemira. The overview of human rights educates employee's on rights i.e. "not to be tortured or enslaved, life, freedom and safety. Human Rights and Business address the State's duty to protect against human rights abuses through laws, policies and regulation". There is also a hyper-link within the e-Learning module in the Overview of Human Rights that connects you to our Kemira Business Partner Code of Conduct mentioning "never use any form of forced or child labor". The e-Learning module was developed by Kemira internally, also utilizing the partnership of a third party. The module takes approximately 20 minutes for review and a quiz is given at the end in order to receive certification of training.

KEY ACTIVITIES IN 2023 TO ENSURE COMPLIANCE WITH OUR POLICIES ON BUSINESS RELATIONSHIPS

- **Code of Conduct training of Kemira employees:** Every employee is expected to comply with Kemira's Code of Conduct. All people managers and leaders are responsible for implementing the Code within their teams. Since 2013, we have required all of our employees to regularly complete the Code of Conduct training, which is currently available in 19 languages. We also train selected employee groups on more specific compliance matters, such as anti-bribery, competition compliance and insider information.
- **Sustainability assessments of suppliers:** We continued enrolling new suppliers into our Sustainability program. A total of 477 (396 in 2022) suppliers have now gone through the assessment and have recorded an average score of 59 (57 in 2022), which is higher than industry average on assessed average on the platform. Results with low scores were reviewed together with suppliers and improvement plans were made accordingly. In most cases, low scores were due to lack of supporting documentation provided by the vendor to the assessment company. Around 57% of the 242 reassessed suppliers were able to improve their score.
- **Corporate Social Responsibility audits of suppliers:** In 2023, we conducted one Corporate Social Responsibility audit. Usually in audits results are being reviewed together with suppliers and improvement plans are created and followed up accordingly as part of our supplier management practices.
- **Quality audits of suppliers:** Direct material large spend suppliers also undergo quality audits, which include management systems, workplace health and safety standards, production quality and supply security. In 2023, 22 (11 in 2022) quality audits were conducted.
- **EcoVadis platinum medal rating:** Kemira proudly received in 2023, which also addresses labour and human rights.

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- **Integrated management system covering our operations:** Kemira has a principle that all operations under our Integrated Management System meet the international standards ISO 9001:2015 for Quality, ISO 14001:2015 for Environment, and ISO 45001:2018 for Occupational Health and Safety. Kemira's Energy Management System is certified according to ISO 50001:2018 for selected sites. Our Integrated Management System is externally audited through a three-year audit scheme.
- **Remediation of loss of income:** As a measure taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in its activities and supply chains, Kemira avoids child labor by using responsible business methods as mentioned in the above reporting.

ATTESTATION

This report has been reviewed and approved by the appropriate governing body of **Kemira Chemicals Canada Inc.**

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.

Kelly Forrester
VP, SCM Americas
May 25, 2024

Signature



I have the authority to bind Kemira Chemicals Canada Inc.

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