

Report Under the Fighting Against Forced Labour in Supply Chains Act

Kildair Service ULC

Business ID # (NEQ): 1170622543

Categorization According to the Act: Entity

Sorel-Tracy, Quebec Canada

Financial Year Ended December 31, 2023

Forced Labour and Child Labour Report 2023

This report is made in accordance with the Canadian *Act to Enact Fighting Against Forced Labour and Child Labour in Supply Chains* (the “**Act**”) and relates to the financial year ending 31 December 2023 (“**Report**”).

Unless expressly stated otherwise, references to “Kildair”, “we”, “us” and “our” refer to Kildair Operating Resources LLC. This Report sets out the steps that Kildair has taken to manage the risks of forced labour or child labour occurring in its business and supply chains in 2023. It further sets out the additional steps that it intends to take over the coming year.

Kildair is managed with a long-term perspective of providing sustainable benefits for the communities in which we live and operate. We are committed to conducting our business with the highest standards of integrity and ethics and strive to create sustainable value for our stakeholders. Our values guide our business decisions and actions and are the foundation of our sustainability efforts. We are committed to acting with integrity when conducting our business and to improving our practices to prevent forced labour and child labour.

I. Measures to prevent and reduce the risks of forced labour and child labour

In the 2023 fiscal year, we took the following measures to prevent and reduce the risk of forced labour or child labour in our activities and supply chains:

At Kildair, we reviewed all suppliers related to the purchase of our petroleum products used in our marketing activities of refined products and determined that there were no instances of non-compliance to our knowledge.

We trained our employees on our Corporate Code of Business Conduct and Ethics which describes our objective to uphold ethical standards in our corporate activities.

II. Supplementary Information

1. Our operations, structure and supply chain

Our operations

Kildair is engaged in the purchase, storage, distribution, and sale of refined petroleum products. Kildair also provides storage and handling services for refined products and residual fuel oils, for which we do not take title.

Kildair provides materials handling services, consisting of the movement of our customers’ raw materials and finished goods through our waterfront terminal. The services offered include vessel discharging and loading, short- or long-term storage, inventory management, receiving and loading out via rail or truck, as well as bulk, break-bulk, and liquid transfer.

Our organization structure

Kildair Service ULC is an unlimited liability company duly formed in the Province of British Columbia, Canada, with its headquarters in Terrebonne, Quebec. At December 31, 2023, Kildair employed approximately 76 full-time employees.

Our supply chains

Kildair's supply chains primarily involve sourcing refined petroleum and other hydrocarbon products, from trading counterparties on a global basis – see the following table for the 2023 supply by country of origin.

2023			
Country	Amount	%	Number of suppliers
Canada	155,289,803 \$	78%	9
USA	4,257,222 \$	2%	3
Portugal	14,546,247 \$	7%	1
Sweden	- \$	0%	
UK	- \$	0%	
Denmark	13,839,606 \$	7%	1
Ireland	- \$	0%	
Brazil	10,567,910 \$	5%	1
	198,500,788 \$	100%	15

2. Our policies on forced labour and child labour

Kildair is committed to ensuring that there is no forced labour or human trafficking in its supply chains or in any part of its business. Kildair does not currently maintain a policy on forced labour or child labour; we do, however, have a Corporate Code of Business Conduct and Ethics that reinforces our commitment to respecting employees' rights and to engaging in ethical conduct in our business practices.

We plan to review our practices in the area of forced and child labour as part of a broader assessment of our compliance program.

3. Due diligence processes for slavery and human trafficking

Kildair conducts due diligence on its trading counterparties, via its credit review process, prior to entering into a business relationship. Depending on the risk profile of a counterparty, a varying level of due diligence will be conducted. The risk profile will be determined by a number of factors, including the type of counterparty, nature of their business, the type of relationship we are entering into and the jurisdiction within which they operate. Due diligence also includes a sanctions screening prior to initial onboarding. Any issues of concern from the due diligence activities are escalated within Kildair.

We will continue to refine these processes and look at incorporating human rights, modern slavery and child labour into the risk assessment of our counterparties in a more systematic manner.

4. Risk assessment and management

As we undertake risk assessments of our operations, we believe that there is low risk of modern slavery or child labour in our own operations. This conclusion is based on assessments of the primary location in which we operate in, Canada, combined with the skilled business we conduct and our human resource hiring practices

Kildair has a strong commitment to acting ethically and with integrity in our commercial relationships; and, as our business and footprint expands, as part of this commitment, we will work towards implementing and enforcing effective systems and controls that ensure forced labour and child labour is not taking place in our supply chains.

As a result, we continue to identify various steps, as set out in Section 8, to mitigate such risks.

5. Our effectiveness in combating forced labour and child labour/key performance indicators

Kildair does not yet have a formal process for measuring effectiveness in the mitigation and prevention of forced and child labour risks [other than a periodic review of our activities and suppliers. As Kildair builds out its forced labour and child labour compliance program, we seek to put in place a set of key performance indicators (“KPIs”) that will give us insight into the performance of our organization and the effectiveness of our compliance with the Act. Although we have yet to undertake this work, it is anticipated that some of the KPIs would include statistics relating to forced labour, child labour and human rights training and other ethical training.]

The Risk Committee/Board of Kildair and the Legal Department have oversight of management’s work regarding child labour and forced labour and compliance with relevant legislation and will receive an update annually regarding risks and progress against identified recommendations.

6. Training

Kildair’s intention is to provide relevant training to higher risk staff as appropriate. This training will need to be developed in conjunction with the review of Kildair’s compliance program. Any such training will apply to employees based on an assessment of the forced labour and child labour risks they encounter in performing their role.

7. Grievance mechanism and remediation

Kildair is committed to the highest levels of ethics and integrity in the way that we do business. We recognize our responsibility to report unethical behavior or voice any concerns. To facilitate this Kildair has access to a Whistleblower Hotline for employees and third parties to report misconduct, including related to human rights, forced labour and child labour risks. The Whistleblower Hotline is an anonymous and secure, web and telephone-based service delivered by an independent, third-party. The service is available 24 hours a day, seven days a week. Kildair will take all reports made through this system seriously.

In 2023, Kildair did not have any complaints of forced labour or child labour. Accordingly, no measures were required to (i) remediate any forced labour or child labour or (ii) remediate any loss of income to the most vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour.

8. Next steps

Kildair anticipate taking the following steps to further combat forced labour and child labour:

- Implement a forced labour/child labour policy
- Consider implementing a supplier due diligence process to include screening for additional forced labour and child labour risk.
- Conduct a more detailed risk mapping exercise of the risks Kildair has with regard to forced labour and child labour at any step of our production of goods and those imported into Canada.

Kildair Service ULC

This Report was approved by the Board of Directors of Kildair Operating Resources LLC in accordance with subparagraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Kildair Service ULC. 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 period listed above.

Jacques Ferraro

Jacques Ferraro (May 31, 2024 14:59 EDT)

Jacques Ferraro

President and General Manager

“I have the authority to bind Kildair Service ULC.”

Date: 5/31/2024