



2024 Report pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada)

1. Introduction

This 2024 Report is made pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act*¹ (the “Act”) by Kronos Canada, Inc. (“Kronos Canada”) and covers the financial year ending December 31, 2023 (the “Reporting Period”). Kronos Canada forms part of an international group hereinafter referred to as the “Kronos Group”. The Act solely applies to measures taken to reduce the risk of forced labor and child labor by companies subject to the Act and their supply chains.

Kronos Canada is committed to conducting its business with honesty and integrity, and endeavours to work with suppliers and business partners that maintain high standards in accordance with international proclaimed human rights and applicable regulations. It is a priority of Kronos Canada to promote fundamental human rights as they pertain to forced labor and child labor in its activities and business relationships.

2. Kronos Canada

2.1 Structure and Activities

Kronos Canada is a manufacturer of titanium dioxide pigments (“TiO₂”), a white pigment playing a key role in the production of paints, coatings, plastics, papers and fibres, as well as in cosmetics, pharmaceuticals, glass, and ceramics. As noted above, Kronos Canada forms part of an international group of companies (Kronos Group) who either manufacture TiO₂ or mine raw minerals related to TiO₂.

The ultimate parent company of the Kronos Group is Kronos Worldwide Inc., which is a company located in the United States.

3. Information about Kronos Canada’s Due Diligence Processes and Policies

3.1 Guidelines and Policies

In order to help promote respect for human rights and decent working conditions, the Kronos Group has in place different policies which set out requirements for fundamental

¹ *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (Assented to 2023-05-11).



human rights and decent working conditions for employees of all companies in the Kronos Group, including Kronos Canada.

Employees and others that are involved in the Kronos Group's activities are required to follow the requirements set out in these policies. The aim of the policies is to help ensure that the business activities of the Kronos Group are carried out in a responsible way. The Kronos Group's policies include the following policies, which can be found at <https://www.kronosww.com/ethics/>:

- Code of Business Conduct and Ethics
- Safety, Environment, Energy & Quality Policy
- Supplier Code of Conduct

4. Kronos Canada's Due Diligence Processes

4.1 Method

On behalf of Kronos Canada, our sustainable procurement team within the Kronos Group carries out certain human rights due diligence by conducting yearly assessments. The aim of this due diligence is to identify actual and potential adverse impacts on fundamental human rights that Kronos Canada has either caused or contributed to, or that are directly linked to Kronos Canada's operations, products or services through its supply chain or business partners. If adverse human rights impacts related to forced or child labor are identified, we are committed to addressing them appropriately and equitably.

Our sustainable procurement team uses a two-step approach when carrying out due diligence assessments on our suppliers, which generally aligns with the OECD Due Diligence Guidance for Responsible Business Conduct. The first step entails carrying out an initial, high-level assessment of the potential risks to which Kronos Canada is exposed through our suppliers. Based on this initial mapping, we aim to identify which of Kronos Canada's suppliers are linked to the identified risks. In the second step, we prioritize the most significant risks for a more detailed assessment and, where we determine appropriate, may implement measures to address such risks and adverse impacts.

In performing these assessments, our sustainable procurement team may use a third-party tool to conduct an annual risk analysis of ESG (Environmental, Social, and Governance) factors in our supply chain. This ESG risk analysis focuses on the evaluation of environmental and social impacts of our supply chain, including forced labor and child labor. The third-party tool we use for these assessments provides us with certain risk profiling of our direct suppliers related to their jurisdiction and industry sector.

Suppliers that we have identified as having a higher risk may be asked to participate in a more detailed third-party ESG assessment to assess certain aspects of their ESG performance. If our sustainable procurement team identifies any actual ESG adverse impacts, including ones that relate to forced labor and child labor, through the detailed ESG assessment, we will work with the supplier to develop a corrective action plan. The Kronos Group tracks key performance indicators regarding ESG violations which allow it to



assess its effectiveness in ensuring that forced labor and child labor are not being used in our activities and supply chains.

In addition, Kronos Canada relies on the Kronos Supplier Code of Conduct (“**Supplier Code**”), which sets forth guidelines for our suppliers on a number of topics, including forced and child labor. Our strategic and high-risk suppliers are asked to either acknowledge our Supplier Code or to provide a copy of their own substantially similar code or policy, which we may review for consistency with our Supplier Code.

4.2 Supply Chain, Risks and Adverse Impacts

Kronos Group, including Kronos Canada, obtains a diverse range of raw materials from its supply chain including titanium-rich feedstock such as natural rutile ore, chloride slag, and petroleum coke, along with ilmenite, and purchased sulfate-grade slag.

Our supply chain ESG risk analysis identified general country and sector-based risks for some suppliers. Our suppliers located in countries situated in the Asian-Pacific region, South America and on the African continent were generally deemed to have high country-based risks. Data shows that these countries include statistically high risks for various social risks. The most critical topics include child labor, forced labor and human trafficking, and health and safety. Similar general social risks have been identified for certain key sectors from which we source our materials. Those sectors include the mining and the chemical industry.

While no specific risks or actual violations were identified in Kronos Canada’s supply chain, we are currently engaging with certain suppliers to better understand their ESG performance, and will work collaboratively with them to address any issues and develop corrective actions plans, if necessary.

In addition, we have not identified a risk at Kronos Canada related to forced labor and child labor in our own activities, as Kronos Canada complies with applicable Canadian labor laws and regulations on human rights and labor rights, and has in place policies and employment contracts to help promote responsible business conduct.

5. Training

All Kronos employees and management are subject to our Human Rights Policy which addresses forced labor and child labor. A copy of this policy has been provided to and acknowledged by all employees of Kronos Canada.

6. Remediation

No specific risks were identified and thus there is nothing to report with respect to measures taken during the Reporting Period to remediate (i) instances of any forced labor or child labor, or (ii) 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 our activities and supply chains.

7. Approval

This report was approved by the board of directors of Kronos Canada, Inc. for the financial year ending December 31, 2023 pursuant to paragraph 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 the report for Kronos Canada, Inc. 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.

I make the above attestation in my capacity as a director of Kronos Canada, Inc. for and on behalf of the board of directors of Kronos Canada, Inc.

A handwritten signature in blue ink, appearing to read "Frédéric Boisselle", written over a horizontal line.

Frédéric Boisselle
Director
Kronos Canada, Inc.
May 21, 2024

I have the authority to bind Kronos Canada, Inc.