



Modern Slavery Report

INTRODUCTION

At Procor Limited, Procor Repair Services Ltd, and Procor Railcar Repair Services Company (together, “**Procor**”), we are committed to preventing and reducing the risk of forced labour and child labour in our business and supply chains. We strive to work ever more closely with our suppliers to ensure their workforce and the workforce of their supply chains are treated with respect and dignity.

This report is made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year commencing on January 1, 2023 and ending on December 31, 2023 (the “**Reporting Period**”).

STRUCTURE AND OPERATIONS

Procor Limited is the parent company of Procor Repair Services Ltd and Procor Railcar Repair Services Company. All three are indirect subsidiaries of Marmon Holdings, Inc. (“**Marmon**”), a global industrial organization comprising 13 diverse business sectors and more than 100 autonomous manufacturing and service businesses.

Procor manages a fleet of more than 31,000 conventional and special purpose tank and freight cars. The fleet includes a full range of pressure and non-pressure tank car types, and specialty covered hopper cars. Major industries served by Procor include: petroleum, renewable fuels, LPG, petrochemicals, plastics, chemicals, fertilizers and food.

Procor operates a repair network extending from Vancouver, BC to Montreal, QC, and into the U.S. through our parent company, Union Tank Car Company (“**Union Tank Car**”). This network includes four major service centres and seventeen customer on-site repair locations in Canada. Union Tank Car and its subsidiaries form North America’s leading manufacturer, lessor and maintainer of tank cars.

SUPPLY CHAINS

Procor sources its tank cars directly from Union Tank Car. Union Tank Car’s products are manufactured using steel in numerous forms (plate, forgings, castings, tubing, bar, springs, and angle shapes). Other products used are valves (ball, butterfly, pressure relief, and rising stem), welding materials, fasteners, paint, gaskets, elastomer seals, and decals.

Additionally, Procor directly sources many of the individual components on a tank car for the repair and maintenance of tank cars.

The raw materials used by Union Tank Car and Procor in the production and maintenance of tank cars are all procured from American or Canadian companies. These companies procure ingredients or products from countries such as China, Taiwan, Korea, Mexico, and India.

RISK PROFILE

Within Our Business

We believe that the risks of forced labour or child labour occurring within our own business operations are low. All of our workforce is based in Canada, where we have implemented fair and responsible employment practices that protect our employees’ rights.

Throughout Our Supply Chains

We recognise that risks of modern slavery may be present in our supply chain. We have namely identified the following risk factors:

- Country risk: Some of the suppliers we source from have operations, or subcontractors, in countries that present an increased risk of modern slavery.
- Sector risk: We are aware of parts of our supply chain where subcontracted labour is used.
- Product risk: We source raw materials such as steel (castings, forgings) which present a higher risk of modern slavery.

Our policies and due diligence procedures described below are meant to mitigate these risks.

POLICIES AND DUE DILIGENCE PROCESSES

Policy 1

Procor adheres to Marmon's *Prohibited Business Practices Policy and Code of Business Conduct and Ethics* ("**Policy 1**"). Policy 1 states Marmon's commitment to safeguarding against any form of modern slavery taking place within its businesses or supply chain, including slavery, servitude, human trafficking, and forced or compulsory labour.

Supplier Code of Conduct

Procor requires its suppliers to comply with Marmon's *Supplier Code of Conduct* (the "**Supplier Code**"). The Supplier Code sets out Marmon and its subsidiaries' commitment to conducting business in a manner that respects and protects fundamental human rights and their zero-tolerance approach to modern slavery in all forms. It prohibits suppliers from using forced labour or child labour and expects suppliers to, namely:

- Be able to certify that materials in their products have not been manufactured with, or obtained from companies that use, forced or child labour;
- Conduct their operations in ways that promote a humane and productive work environment;
- Compensate employees fairly and follow all applicable local wage, leave and hour labour laws and regulations;
- Share Marmon's commitment to prioritizing compliance with health, safety and environmental laws and standards; and
- Communicate and enforce the principles of the Supplier Code with their own suppliers.

A breach of the Supplier Code may lead to suspension of orders and refusal of goods from the breaching supplier until appropriate corrective action is taken.

Speak Up Policy

Procor's Supplier Code of Conduct Acknowledgement contains a provision encouraging workers to report violations of the Supplier Code:

5. SPEAKING UP & REPORTING CONCERNS

No matter your location or role, when you are working for or on behalf of Marmon you are expected to conduct yourself according to this Supplier Code and to speak up if you see something that goes against the requirements set out within. We encourage you to raise any concerns via the Marmon stakeholder reporting channels. We have a zero tolerance approach to retaliation against anyone for reporting a concern in good faith.

Reports of non-compliance or any related concerns should be made to your Marmon business representative. All such reports will be treated confidentially and communicated on a need-to-know basis only.

We thank you for your cooperation and commitment to knowing and following this Supplier Code at all times.

Due Diligence Questionnaire

As part of Procor's initiative to identify modern slavery and mitigate associated risks in our supply chain, we require our suppliers to complete a due diligence questionnaire on the subject of modern slavery risks. The questionnaire communicates Procor's policy to ensure that no product purchased is produced, in whole or in part, with convict, forced, child or indentured labour and requires suppliers to specify, namely, whether they have due diligence programs or policies in place regarding forced labour.

During the Reporting Period, the results of the questionnaires were reviewed, and no items of concern were noted.

For suppliers active in certain industries or countries with higher levels of perceived human rights abuses, this subject will be reviewed at least annually to verify their questionnaire results have not changed and that additional risk is not present. If we do identify concerns through this process, we work with the supplier to assess impact and determine appropriate next steps. Depending on the facts specific to the supplier's conduct, we may stop orders as we investigate and may ultimately terminate the relationship as appropriate.

Supplier Screening

Procor actively engages with potential new suppliers to ensure they are aligned with our principles. As part of our process to validate compliance, we screen all new suppliers with internal resources, as well as through independent auditing organizations such as Amber Road/E2Open.

Helpline

Procor's parent company, Berkshire Hathaway, provides a 24/7 confidential helpline (www.brk-hotline.com) staffed and managed by an independent third party, NAVEX Global. This reporting tool allows our employees and the workers of our suppliers to raise any concern, including forced labour, child labour or any behaviour that does not align with our values or that may be against the law or Policy 1. Employees are encouraged to raise any concerns, without fear of retaliation or retribution.

TRAINING

Policy 1 is included in all employee manuals and training on Policy 1 is a mandatory component of employee onboarding. Review and acknowledgement of Policy 1 is also required of every Procor employee on an annual basis.

REMEDATION MEASURES

We diligently monitor our supply chain partners for alignment with our values and compliance with our policies. During the Reporting Period, we have not identified any instances of forced labour or child labour in our business or supply chains. As such, no remediation measures were taken.

REMEDATION MEASURES RELATED TO LOSS OF INCOME

During the Reporting Period, we have not identified any loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, no measures to remediate loss of income were taken.

ASSESSING EFFECTIVENESS

Procor does not currently assess the effectiveness of our actions in preventing and reducing risks of modern slavery in our operations and supply chain. As we continue our efforts to prevent and mitigate modern slavery risks in our operations and supply chains, we will review and refine our processes as needed so as to appropriately assess the effectiveness of our actions.

APPROVAL

This statement was approved on the date written below by the Board of Directors of Procor Limited on behalf of Procor Limited, Procor Repair Services Ltd, and Procor Railcar Repair Services Company pursuant to paragraph 11(4)(b)(ii) of the Act.

PROCOR LIMITED

Signed by:
By: Randy Pocrnick
Randy Pocrnick
Director
Date: August 22, 2024

I have the authority to bind Procor Limited