

SNF INC.

REPORT ON MEASURES TO PREVENT AND REDUCE THE RISK OF FORCED AND CHILD LABOUR IN SUPPLY CHAINS

I. INTRODUCTION

This is the first report of SNF Inc. (“SNF Inc.”) under the Fighting Against Force Labour and Child Labour in Supply Chains Act (the “Act”). SNF Inc. supports the objectives of the Act and is committed to supporting and implementing responsible and sustainable business practices. We are bound by and implement in Canada the policies and standards of business ethics and sustainability of the SNF Group, including as they relate to respect for human rights and the fight against all forms of modern slavery. This report sets out the information required by Act and affirms our plans to implement and further develop appropriate measures to combat forced and child labour in our supply chains.

II. SNF INC. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

a. Structure and Activities

SNF Inc. is a Delaware USA corporation headquartered in Riceboro, Georgia USA. SNF Inc. was registered as an extra-provincial corporation in the Province of Alberta on November 30, 2007 under the Alberta Business Corporations Act. Its Corporation Access Number is 2113662544. In 2023, SNF Inc. also registered as an extra-provincial corporation in the Province of Saskatchewan (Entity No. 102177605) and Manitoba (Registry No. 10177024). SNF Inc. has been active in Canada from over 16 years. As of the date hereof, SNF Inc. has 36 full time employees in Canada.

SNF Inc. is a subsidiary of SNF Holding Company, a Delaware USA corporation headquartered in Riceboro, Georgia, USA, and is part of SNF Group SA (“SNF Group”). SNF Group, a privately held, specialty chemical company based in the Rhone-Alpes region of France, is a global leader in the manufacture of water-soluble polymers (based on polyacrylamide). With 21 production sites in Europe, Asia, Australia, and America, SNF Group has the largest polyacrylamide production capacity in the world. Our products help preserve natural resources, encourage recycling, and improve efficiencies of industrial processes. SNF Group polymers are used in all markets where water is present: drinking water production, wastewater treatment, sludge dewatering, oil and gas extraction, mining, agriculture, and the manufacture of paper, textiles, and cosmetic formulations.

SNF Group products are sold into 140 countries, across every sector of the economy, with 70 subsidiaries located in more than 40 countries, in 3 major economic regions (The Americas, Europe, and Asia). More information on SNF Group is available at: <https://www.snf.com/>.

SNF Inc.'s activities in Canada are focused on the sale and distribution of products manufactured principally in the United States by other subsidiaries of SNF Holding Company, as well as in France and China by our affiliates in the SNF Group. In Canada, SNF Inc. sells its products to i customers in the oil and gas, mining, and personal & home care industries. SNF Inc. does not sell its products to consumers. SNF Inc. has a sales office in Calgary, AB, a warehouse and lab facility in Edmonton, AB, and a product and equipment storage facility in Fort McKay, AB.

b. Supply Chain

As noted above, SNF Inc.'s supply chain primarily consists of sourcing polyacrylamide-based polymers from our affiliates in the United States, France and China, importing these products into Canada and supplying them to our customers, along with the provision of related equipment and technical support services. Most products are delivered in bulk via rail, ship, and truck.

III. POLICIES AND PROCEDURES IN RELATION TO FORCED AND CHILD LABOUR

SNF Inc.'s mission is to market and sell polymers for use in the oil & gas, mining, personal care, home care and other markets. Environmental sustainability and compliance with law are among our top priorities. SNF Inc. adheres to the strict policies and standards of its ultimate parent, SNF Group, regarding sustainable development, human rights, environmental issues, and community involvement. This includes adherence to the SNF Group [Code of Conduct](#).

The SNF Group Code of Conduct sets out the SNF Group's core ethics and integrity values, commitments and expectations for its directors, officers, employees, representatives and other stakeholders. The Code of Conduct includes a section on Ethics and Integrity in Society which affirms SNF Group's commitment to:

- The United Nations Global Compact, whose 10 principles serve as framework for the company's Code of Conduct. SNF Group is fully committed on the four major axes of the Pact: human rights, working conditions, environment and fight against corruption.
- Responsible Care®: SNF is a long-time signatory of this global industrywide initiative to help protect environment and act in a responsible way.
- The rules and guidelines of the International Labor Organization.
- The principles of the United Nations Universal Declaration on Human Rights.
- The OECD Guidelines for multinational enterprises.

In addition to the broad range of human rights and workplace issues addressed elsewhere in

the [Code of Conduct](#) and in the Group's policies, SNF Group expressly prohibits any kind of child labor or forced labor. SNF takes seriously any indication that human rights are not properly protected within its sphere of influence or that it may be complicit in any human rights violation. Employees are expected to understand the human rights issues that may be at stake in their workplaces and should prevent any violation of these rights.

Likewise, SNF Group's latest annual [ESG Report](#) (see page 61) affirms our zero-tolerance stance against modern slavery. As a global leader, SNF Group recognizes the imperative to combat this issue head-on. Modern slavery encompasses forced labor, human trafficking, and exploitation, all of which undermine the principles of dignity and equality.

With respect to its supply chains and purchasing activities, the SNF Group adheres to the highest standards of corporate social responsibility. SNF Group's responsible purchasing approach is guided by the ethical principles of its [Code of Conduct](#). These principles cover human and labor rights, respect for the environment, quality and safety of products and services, as well as compliance and ethics. Our approach is detailed in SNF Group's [Responsible Purchasing Charter](#). Among other things, the [Responsible Purchasing Charter](#) requires its suppliers not to employ any children and, where there is a legal requirement for a higher age, not to employ any children below the legal age. Additionally, suppliers are not to impose forced labor, and must respect human and International Labor Organization rights. Failure to comply with the provisions of the Charter may result in reconsideration or termination of the business relationship and corrective actions being implemented per the terms of the relevant Purchase agreements.

The [Responsible Purchasing Charter](#) also provides for an anonymous reporting system including an email address, ethics@snf.com, through which the Group's Ethics Officer can receive reports of any violation of regulations, SNF's [Responsible Purchasing Charter](#), or the SNF Group's [Code of Conduct](#).

In addition to the group-level policies we follow, SNF Inc. has a number of internal policies and practices in place for its employees, most of which are included in the SNF Holding Company Employee Handbook (which applies to SNF Inc. employees).

IV. RISK ASSESSMENT, MANAGEMENT AND MITIGATION

As explained in its latest [ESG Report](#) (page 69), SNF Group carries out extensive risk assessment and management.

SNF Group, guided by a Board-approved policy, actively manages risks. Our comprehensive Risk Management covers all aspects related to strategic objectives, including identification, assessment, processing, reporting, and control. CEO and management assess business risks aligned with strategic goals. Internal control involves the Board, management, and all staff to ensure efficient operations, reliable financial reporting, and compliance with laws,

regulations, and ethical values.

This approach integrates directives from the Board, supervised implementation, evaluation of operational efficiency and functionality, and a robust risk management process. Compliance processes guarantee adherence to laws, regulations, internal instructions, and ethical values, fostering a strong internal control culture across all levels of SNF Group.

This risk management regime applies to SNF Inc.

In relation to supply chain specifically, to monitor the risk linked to its suppliers, SNF uses a risk mapping tool developed by EcoVadis. The IQ EcoVadis system provides SNF Group a robust risk classification of its entire supply base, which provides an effective risk management solution to help meet compliance requirements and implement our sustainable strategy. This assessment is based on our own procurement data and screening of supplier risk factors. This creates a sustainability profile based on country, industry, company related risks enriched with our procurement data such as spending. This risk performance of suppliers is established with reference to 4 theme areas Environment, Labor and Human Rights, Ethics and Sustainable Procurement (which includes forced or child labour) and 21 related criteria. This allows SNF Group to get an overall risk distribution and cartography. More details on our supplier risk mapping are available in our latest [ESG Report](#) at page 74.

SNF Holding Company, SNF Inc.'s parent company, separately has communicated to suppliers, its expectation that suppliers shall not engage in or support forced, child or compulsory labor including bonded, slavery, and/or human trafficking practices. Suppliers have been asked to review [Responsible Purchasing Charter](#) and confirm in writing its commitment to comply with our expectations. Fortunately, most of our key suppliers are global companies which have the same commitment to the prohibitions on forced, child or compulsory labor.

V. EFFECTIVENESS OF OUR ACTIONS

For the purposes of reporting on our performance on non-financial indicators (such as ESG, including human rights), SNF Group also uses, for example, the international recommendations and guidelines of the OECD and ISO 26000 as a guide when defining and selecting non-financial indicators. In selecting and measuring our key data, we take into account the recommendations of the Greenhouse Gas Protocol for greenhouse gas emissions and those of the European Federation of Financial Analysts Societies, the World Business Council for Sustainable Development, the European Chemical Industry Council (CEFIC), and the International Council of Chemical Associations (ICCA) for other non-financial indicators.

The SNF Group [ESG Report](#) is also subject to external verification. The audit firm Deloitte & Associés in Lyon, France has reviewed this Environmental and Social Responsibility Report of SNF Group for the fiscal year from January 1, 2023 to December 31, 2023.

More details on the effectiveness or the SNF Group's compliance and corporate social responsibility actions are available in the SNG Group latest [ESG Report](#), including at pages 15, 72 and 98.

VI. REMEDIATION MEASURES

SNF Inc. has not identified any incidents of forced or child labour in our supply chains. As such, we have not undertaken any related remediation measures nor taken any steps to mitigate any negative effects on vulnerable families. In the unlikely event an incident should arise, we are committed to taking appropriate remediation measures and assisting vulnerable families.

VII. TRAINING

As set out in greater detail in its latest annual [ESG Report](#), the SNF Group maintains an active training program on its Code of Conduct and [Responsible Purchasing Charter](#). As explained in the [ESG Report](#) (page 61):

We believe that knowledge empowers change. SNF invests in the continuous education of our employees on human rights matters. Our global onboarding program for new hires incorporates online courses, ensuring that all employees are equipped with the knowledge to uphold our values.

In conclusion, SNF stands resolute in its commitment to combat modern slavery, upholding the principles of human dignity, equality, and ethical conduct. Through proactive measures, transparent practices, and continuous education, we strive to create an environment free from the scourge of modern slavery.

APPROVAL & ATTESTATION

In accordance with the requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in the report for SNF Inc. I attest that the report has been approved by the SNF Inc. Board of Directors and that, based on my knowledge and having exercised reasonable diligence, 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.

Signature: *Christopher Gannon*

Name: Christopher Gannon
Title: General Counsel & Secretary
Date: May 29, 2024