

Valvoline Global's Forced Labour and Child Labour Report – Fiscal Year 2023



Introduction

VGP Holdings LLC d/b/a Valvoline Global Operations (“Valvoline Global”), headquartered in Kentucky, United States of America, is a worldwide leader in manufacturing and supplying automotive and industrial solutions, creating future-ready products and best-in-class services for partners around the globe. Valvoline Global Operations is now part of Aramco, one of the world’s largest integrated energy and chemicals companies. Our strategic partnership creates a powerful combination to drive unparalleled product innovation and sustainable business solutions. Valvoline Global’s board is accountable for its strategic objectives, including overseeing the effectiveness of any risk management systems and internal controls. Valvoline Canada Corp. is a part of the Valvoline Global Operations group of companies and is a subsidiary of VGP Holdings LLC. This Report has been prepared by Valvoline Global to meet the requirements of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”) for the Fiscal Year ending December 31, 2023.

This Report sets out risks identified in Valvoline Global’s operations and supply chains and the actions Valvoline Global has taken and/or will take in the future to address these risks. Valvoline Global is committed to respecting the human and economic rights of others. Valvoline Global does not tolerate the use of child or forced labour, slavery, or human trafficking in any of its facilities or operations, and supports the elimination of all forms of modern slavery.

Forced labour and child labour are at odds with Valvoline Global’s ethics and its strong commitment to respecting human rights in its

operations and supply chains. Valvoline Global expects and requires suppliers and contractors with whom we do business to uphold this commitment. Valvoline Global will discontinue the business relationship with any individual or company that does not comply with the same standards.

Operations and Supply Chain

The supply chain team at Valvoline Global supports our operations across 140 countries and territories. Globally, Valvoline Global operates 12 blending facilities, as well as multiple major and regional warehouses. Valvoline Global engages with several suppliers and/or service providers, including but not limited to:

- Commercial real estate services to assist with real estate leases for warehouses and office spaces;
- Applicable service providers to assist with equipment leases;
- Freight and shipping organizations to deliver and export/import finished goods and raw materials;
- Building maintenance organizations for required site maintenance and upgrades; and
- Marketing procurement suppliers.

The supply chain team also tracks key supplier metrics including spend, performance history, capabilities, discrepancies, and non-conformity.

Labour Risks

According to the International Labour Organization, there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Valvoline operates within the mining, metals,

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chemicals and resources industry sector, an industry which is recognized as a global high-risk industry. Valvoline Global is aware of common modern slavery practices connected to the resources sector, including:

- Human trafficking;
- Child labour;
- Forced or unpaid labour; and
- Bonded labour.

Valvoline Global is also aware that the resources sector is generally an industry at a higher risk of modern slavery practices because operations and supply chain are located in higher risk geographies. Internal monitoring of supplier activities is continuously underway at Valvoline Global to efficiently and effectively prevent modern slavery practices and identify additional high-risk categories and countries.

Assessing and Addressing Risks

Valvoline Global assesses and addresses the risk of modern slavery practices in its operations and supply chains by:

- Engaging suppliers and service providers from developed markets which have established labour laws and labour practices;
- Initiating ongoing improvements to internal supply chain processes, policies, and training; and
- Establishing policies and procedures which includes Global Standards of Business Conduct, and the Supplier Code of Conduct (the "Code").

Valvoline Global is committed to taking appropriate measures where it has reason to believe third parties have not met its expectations or their contractual obligations.

Valvoline Global provides employees, contractors, and suppliers with mechanisms to report suspected compliance or ethical issues or illegal or unethical activities. During Fiscal Year 2023, no such reports of modern slavery, actual or suspected, were received. Because Valvoline Global's processes and tools did not yield any evidence of forced or child labour, we did not implement any remediation measures in Fiscal Year 2023.

As part of Valvoline Global's ongoing risk assessment and due diligence processes it considers whether circumstances warrant the completion of audits of suppliers for their compliance with the Code.

If Valvoline Global identifies employees, business partners, or interested parties working on its behalf who have breached the requirements under its Modern Slavery Policy, then it will ensure that it takes appropriate action. Such action may range from considering the possibility of breaches being remediated and whether that might represent the best outcome for those individuals impacted by the breach to terminating such relationships.

Policies and Procedures

One of Valvoline Global's approaches to addressing modern slavery risks within its operation is to ensure that policies and procedures are communicated throughout its business, including to its directors, management, and employees. Valvoline Global does this through broad distribution of its policies and procedures within its workplace and providing training to workplace participants on the contents of its policies and procedures.

Valvoline Global also requires, as set out in its contractual arrangements, that its agents, consultants, joint venture partners (not managed by Valvoline Global) and other third

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parties will hold themselves to similar standards when acting on Valvoline Global's behalf.

Valvoline Global's policies and procedures which support its commitment to addressing risks of modern slavery include:

- Global Standards of Business Conduct;
- The Code;
- Respect for Human and Economic Rights Policy;
- Anti-Discrimination and Anti-Harassment Policy; and
- Environmental Policy.

Global Standards of Business Conduct

The Global Standards of Business Conduct set out the global commitment of Valvoline Global Operations to the protection of human rights including, without limitation:

- Protecting Human and Economic Rights
- Complying with Wage and Hour Laws
- Keeping the Workplace Safe

In relation to the protection of human and economic rights, the Global Standards of Business Conduct provide that:

"Valvoline has zero tolerance policies for the use of child labor, forced labor, human trafficking or land grabbing practices. We will also refuse to do business with subcontractors, business partners and suppliers who engage in these practices. If you have reason to believe that anyone we do business with is violating these policies, speak up."

Supplier Code of Conduct

To address the risk of modern slavery practices in Valvoline Global's supply chains, Valvoline Global has enacted the Code. The Code reinforces Valvoline Global's support for the

elimination of all forms of modern slavery, such as human trafficking, slavery, and child labour.

The Code is based on Valvoline Global's values and principles, as well as its expectations for how the Valvoline Global business will operate. The Code applies to all Valvoline Global suppliers and makes explicit reference to the role that all parties can play in the elimination of modern slavery practices.

Respect for Human and Economic Rights Policy

Valvoline Global expects its employees, business partners, contractors, and other interested parties to support and uphold Valvoline Global's commitment to respecting the human and economic rights of others. Under its "Respect for Human Rights" Policy, Valvoline Global states the expectations that suppliers and contractors with whom we do business will uphold the same standards, and "will not tolerate the use of child or forced labor, slavery or human trafficking in any of its facilities or operations." Nor will Valvoline Global tolerate the physical punishment, abuse, involuntary servitude or exploitation of any worker. Additionally, "Valvoline Global shall discontinue the business relationship with any individual or company that does not follow the same standards." This policy is reviewed annually.

Reporting Expectations

At Valvoline Global, we report (and mandate the reporting of) actual or potential non-compliance with our policies and/or our legal requirements, including those set out in the Code and our Respect for Human and Economic Rights Policy, so that we may address such instances appropriately. We take every report seriously. Employees have several avenues to report potential issues, depending on the nature of the

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incident, including the use of Valvoline Global's hotline (a 24-7 helpline reporting system) and its ethics and compliance email address.

Supplier Compliance with Terms and Conditions

Suppliers must comply with the terms and conditions of any executed contracts and all purchase orders that have been accepted by the supplier, including any general terms and conditions of Valvoline Global Operations which are presented to suppliers from time to time. The Code, once signed and accepted by suppliers, constitutes a part of any existing contractual relationship between Valvoline Global and its suppliers.

Training

Valvoline Global continues to strengthen employee awareness of potential human rights impacts that may arise from the company's work.

To ensure a high level of awareness and understanding of the risks of modern slavery and human trafficking in Valvoline Global's supply chains and business, this statement will be published on Valvoline Global's website. Valvoline Global has begun to develop and plans to deliver more specialized training to its employees in the form of e-learning to educate employees on labour rights, modern slavery and labour practices associated with increased worker vulnerability, how modern slavery risk indicators may occur in the company's industry or supply chains, and how to identify warning signs. Valvoline Global will also provide role-specific information on ways individuals can help identify and implement effective prevention measures and remedies.

Assessing the Effectiveness of Valvoline Global's Actions

Valvoline Global assesses the effectiveness of its actions by:

- Providing employees working throughout the business with training in relation to risks;
- Performing investigations and internal or external audits to verify that business is being conducted in compliance with policy;
- Requiring Valvoline Global employees and third parties through whom Valvoline Global conducts business to fully and promptly cooperate with the internal and external auditors and investigators, and to respond fully and truthfully to their questions, requests for information, and documents; and
- Considering disciplinary action, where necessary, for any failure by an employee to fully cooperate with an investigation or taking any action to hinder an investigation or audit.

Next Steps

While Valvoline Global is satisfied with the progress that has been made to date in its approach and in response to the risk of modern slavery in its operations and supply chain for the reporting period Fiscal Year 2023, which is relevant to this Report, Valvoline Global will strive to maintain and continually improve our transparent supply chain and work to maintain an understanding of our complex global supply chain network.

Identifying and eliminating forced and child labour in the global supply chain is a complex issue that can only be addressed through collaboration across industries and organizations. Valvoline Global remains committed to continuously improving its approach and response to the risks associated

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with modern slavery and forced labour practices within its organization and with our supply chain partners. As part of ongoing enhancements, we will continue to identify risks as they emerge. Valvoline Global intends to continue developing and implementing due diligence policies and processes for discovery and addressing the use of such labour in our supply chain activities.

Attestation

In accordance with the requirements of Section 11 of the Act, I attest that I have reviewed the information contained in the Report. 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 have the authority to bind VGP Holdings LLC.

Signed on behalf of VGP Holdings LLC by:

Thomas Gerrald
Thomas Gerrald (May 30, 2024 08:40 EDT)

Tom A. Gerrald II
Chief Operations Officer
VGP Holdings LLC






Canadian Supply Chain Report FY 2023

Final Audit Report

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