

Re: Anti-Forced Labor Report

05/05/2025

Dear Board Directors,

As per the law of Canada's Fighting Against Forced Labor and Child Labor in Supply Chains Act, Wanhua Chemical (America) Co., Ltd. is required to file this Report, which summarizes the efforts that company took, including but not limited to anti-forced labor policies, practices, as well as tracing of raw material and mapping of supply chain. Please approve the Report attached, and e-sign it. We are required to submit this Report to Canadian government by the end of May, 2025.

WCA Board of Directors

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Signature: *Wenping Zhang*
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Wenping Zhang

DocuSigned by:
Chong Wang
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Chong Wang

DocuSigned by:
Jacob Sturgeon
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Jacob Sturgeon

Signed by:
Jianming Shao
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Jianming Shao

Wanhua Chemical America Co., Ltd. Report Prepared Pursuant to Canada's Fighting Against Forced Labor and Child Labor in Supply Chains Act

1. Introduction and Identity

This Report is produced by Wanhua Chemical America Co., Ltd. (collectively, "**WCA**", "**our**", "**us**" and "**we**") for the financial reporting year ended 2024 (the "**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labor and child labor is used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (the "**Act**").

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labor and Child Labor

- WCA places significant emphasis on compliance with labor laws, including forced and child labor compliance.
- WCA conducted due diligence to check with our key vendors (on behalf of themselves and their affiliated companies) regarding their compliance with laws and regulations in U.S., Canada and Mexico. We have commitment that all products imported to Canada comply with applicable laws and regulations, including but not limited to forced and child labor.
- WCA is committed to conducting all business and affairs lawfully and with integrity. Our employees have a responsibility and are expected to hold themselves to professional legal and ethical standards. Each employee is also expected to adhere to the respective local, provincial, federal laws, and corporate guidelines. Our HR policies aim to cultivate a culture of trust, transparency, and professionalism.
- WCA's pre-onboarding process requires all new hires at WCA to review and acknowledge the contents of WCA's HR handbook. This handbook encapsulates our organizational policies, procedures, and expectations, serving as a guide for conduct and performance standards within our company.

3. Structure, Activities and Supply Chains

Structure

Within WCA, a lean organizational structure has been established to efficiently conduct business operations. This structure encompasses essential functions vital for the seamless functioning of the organization. Key departments include Sales, Technical Service, Legal, Human Resources, Information Technology, Customer Service, Planning, Logistics, and Finance. At the helm of the organization, the leadership team comprises the President and CEO, supported by the Vice President.

Activities

WCA is a distribution company who purchases material from overseas suppliers and sells materials locally in the U.S. and Canada. Besides these sales activities, WCA also provides technical support, terminal and warehouse storage, and transportation activities, which support the sales.

Supply Chains

WCA is not a manufacturer; all material sold by WCA was sourced from overseas suppliers. All products are imported from overseas to North America via ocean containers and tanker vessels. WCA has a domestic supply chain network throughout the U.S. and Canada including 5 shore tank terminals, over 25 warehouses and over 10 transloader facilities. WCA manages a North American railcar fleet of over 600 bulk rail cars. WCA works with over 25 local transportation vendors including railcar, tank truck and dry van logistics providers.

4. Policies and Due Diligence Processes

WCA is committed to conducting all business and affairs lawfully and with integrity. Our employees have a responsibility and are expected to hold themselves to the highest legal and ethical standards. Each employee is also expected to adhere to the respective local, state/provincial, federal laws, and corporate guidelines. Our HR policies aim to cultivate a culture of trust, transparency, and professionalism.

WCA complies with the Immigration Reform and Control Act of 1986 and therefore participates in E-Verify. E-Verify is an electronic program through which employers verify the employment eligibility of their employees after hire and is administered by the U.S. Department of Homeland Security, USCIS, Verification Division, and the Social Security Administration.

In addition, all employment offers are contingent upon the prospective employee's successful completion of a background check. Standard background check includes the following: County and Federal Criminal Check, Education Verification (highest degree), Employment Verification, and Identity Verification.

WCA has implemented the Forced Labor Prevention Policy which applies to the Company and all of its employees, directors, and officers. The Company exercises every effort to encourage its vendors, customers, and other third parties to maintain a similar commitment to forced labor compliance. The Company strictly prohibits the use of forced labor in its international supply chain. It is the Company's policy not to enter a business relationship with any suppliers that use or are suspected of using any form of forced labor, including in their own supply chains. The Company strictly and explicitly prohibits the use of child labor and forced or compulsory labor. No employee is made to work against his or her will, or subject to threat or coercion of any type in relation to work.

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

- Wanhua Chemical (America) Co., Ltd. is committed to conducting all business and

affairs lawfully and with integrity. Our employees have a responsibility and are expected to hold themselves to the highest legal and ethical standards. Each employee is also expected to adhere to the respective local, state, federal laws, and corporate guidelines. Our HR policies aim to cultivate a culture of trust, transparency, and professionalism.

- As part of our employment process, Wanhua Chemical (America) Co., Ltd. complies with the Immigration Reform and Control Act of 1986 and therefore participates in E-Verify. E-Verify is an electronic program through which employers verify the employment eligibility of their employees after hire and is administered by the U.S. Department of Homeland Security, USCIS, Verification Division, and the Social Security Administration. For additional information regarding E-Verify, visit the U.S. Citizenship and Immigration Services website at www.uscis.gov.
- In addition, all employment offers are contingent upon the prospective employee's successful completion of a background check. Standard background check includes the following: County and Federal Criminal Check, Education Verification (highest degree), Employment Verification, and Identity Verification.
- Through these comprehensive employment measures, WCA is committed to complying with applicable labor and employment laws and regulations, including but not limited to forced labor and child labor.

6. Remediation Measures

N/A

7. Remediation of Loss of Income to the Most Vulnerable Families

N/A

8. Training

- WCA onboarding process requires all new hires at WCA to review and acknowledge the contents of the company's HR handbook. This handbook encapsulates our organizational policies, procedures, and expectations, serving as a guide for conduct and performance standards within our company.
- During the orientation phase, the HR department conducts a session with new hires to ensure a comprehensive understanding of WCA's HR policies. This session provides an opportunity for new employees to seek clarification on any policies or procedures they may have queries about, ensuring compliance with our organizational standards from the onset of their employment journey.
- In 2024, training on child labor and forced labor was conducted. This training was mandatory for designated employees and available to all employees, both in person and virtually.

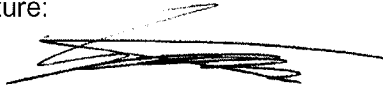
9. Assessing Effectiveness

N/A

10. Approval and Attestation

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 the entity listed above. 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.

Signature:



Name: Jacob Sturgeon

Title: President & CEO

Date: 05/28/2025

I have the authority to bind the corporation.

The Report was approved by Wanhua Chemical America Co., Ltd. on May 28, 2025.