

Annual Compliance Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

It is with great pride and a deep sense of responsibility that we present this report detailing our commitment and efforts to prevent forced labor within our supply chain. At ARLANXEO, we recognize the gravity of the global challenge posed by forced labor and its impact on human rights. Our commitment to ethical business practices extends beyond mere compliance—it is a cornerstone of our identity.

In this report, we will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labor in our supply chain. By embracing transparency, accountability, and collaboration, we aim to set a standard for responsible business conduct that goes beyond mere compliance with regulations. Our journey towards eradicating forced labor is not just a corporate obligation but a moral imperative that we embrace wholeheartedly.

As you delve into the pages of this report, we invite you to join us on this journey of continuous improvement and ethical leadership. Together, we can create a supply chain ecosystem that stands as a beacon of fairness, dignity, and respect for all. Thank you for your interest in our commitment to preventing forced labor, and we look forward to your engagement and support in this critical endeavor.

This report prepared by ARLANXEO Canada Inc. is a joint report for ARLANXEO Canada Inc. and ARLANXEO Singapore PTE. Ltd. sharing the like business policies and referred to as “ARLANXEO” which covers the financial reporting period of January 1st, 2023 to December 31st, 2023.

Steps taken in the Previous Financial Reporting Period

As one of the major players in the rubber industry, ARLANXEO recognizes that we must examine every stage in the life of our rubber products to reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere throughout the supply chain. Guided by our Code of Business Conduct, we live by our core values of Integrity, Excellence, Safety, Accountability and Citizenship.

ARLANXEO has taken the following steps during the previous financial reporting period:

- Maintained procurement management framework
- Required suppliers adhere to the Supplier Code of Conduct which includes full compliance with all applicable employment and labour laws and regulations consistent with International Labour Organization (ILO)'s core labour standards, which includes;
 - Protocol of 2014 to the Forced Labour Convention, 1930.
 - Minimum Age Convention, 1973

And the United Nations Global Compact principles, which includes;

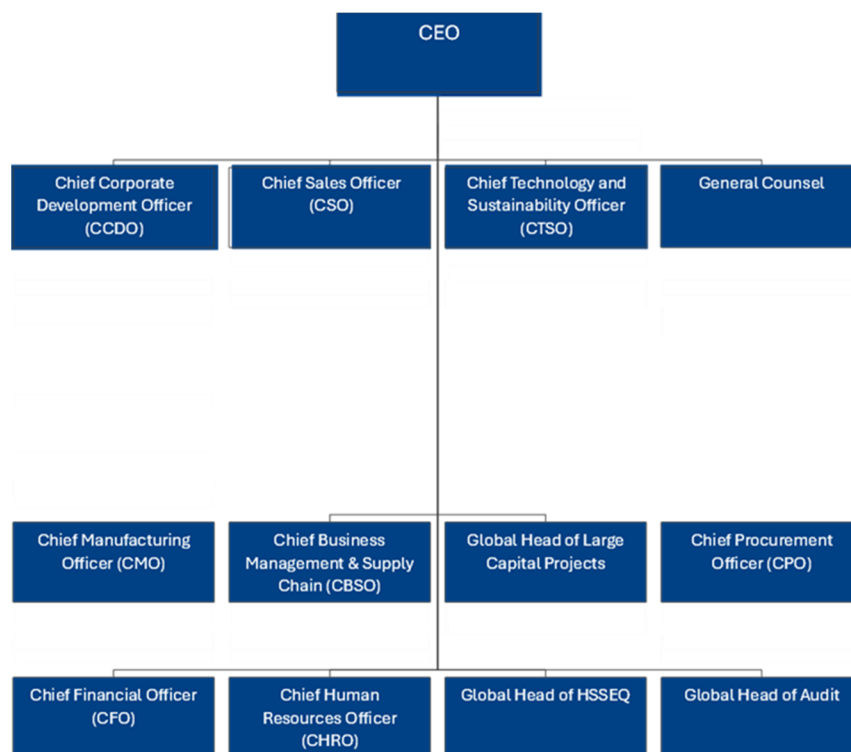
- Principle 4: the elimination of all forms of forced and compulsory labour;
 - Principle 5: the effective abolition of child labour
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- Audited and monitored suppliers
 - Implemented mandatory annual Code of Ethics training for all employees which includes human rights and labour laws

Structure, Activities and Supply Chain

ARLANXEO as a corporation is one of the world's largest producers of synthetic rubber. We develop, produce and market high-performance rubbers that are used for a wide range of applications including the automotive, industrial, construction, food, sport, oil & gas and medical industries.

ARLANXEO consists of 11 production sites with approx. 350 employees in Canada made up of full time, union and contractors and over 3500 employees globally. Our production sites, research and development facilities and business offices span the globe. Being as close to our customers as possible allows us to maintain short transport routes and assure high delivery reliability. Our headquarters is in The Hague, the Netherlands. We maintain a local presence across four continents: Europe, North and South America and Asia.

Our leadership team, having decades of experience with members coming from different regions of the world and successfully exemplify the cultural diversity at ARLANXEO.



Our corporate values determine the way we think and act at ARLANXEO – for the benefit of our customers, employees and the environment. They represent our collective commitment to set, achieve and exceed ambitious targets. Safety is the heart of everything we do.

Our ethics and compliance principles are deeply embedded within our corporate culture and business strategy. These principles form the basis for our Code of Conduct, Policies and General Instructions. The components that shape our compliance program serve as the benchmark against which we measure our performance and the performance of our partners.

Compliance Program:

Our Corporate Compliance team is responsible for the development, support, and monitoring of the compliance program. Our unified and company-wide ethics and regulatory compliance framework sets out the ethical and regulatory compliance standards for ARLANXEO. Our compliance framework is vital to us and establishes a clear unified group-wide structure and proactive culture, both to help prevent and detect improper conduct, and promote ethical behavior.

Code of Business Conduct:

Our behavior is what defines us — as a company, as employees, as people. Everything we do is anchored by our Values: integrity, excellence, safety, accountability, and citizenship. Our Values are the foundation of Our Code of Business Conduct and the way we do business. When faced with any decision, we consider how each option aligns with these values. The purpose of Our Code of Business Conduct is to help us fulfill the ethical commitments we have made to each other, our Company, our stakeholders, and ourselves.

Reporting violations:

Our ethics and compliance hotline is available to provide a secure and confidential venue for people inside and outside the company to report suspected fraud, unethical conduct, or irregularities. We hold employees to a high level of ethical conduct and expect the same of our suppliers.

Supplier Code of Conduct:

Our Supplier Code of Conduct outlines mandatory policies on compliance with laws and business ethics, health, safety, security, environment, bribery, money-laundering, fraud, conflict of interest, employment practices, intellectual property, confidentiality of information and data protection. ARLANXEO's Supplier Code of Conduct promotes our values and extends and maintains our ethical standards across our supplier network, enabling long-term, mutually beneficial partnerships.

ARLANXEO maintains a procurement management framework that consists of processes, systems, and controls and includes clearly defined roles, responsibilities and accountabilities, best practices, and procedures. The framework ensures that ARLANXEO procurement is executed fairly, openly, and transparently.

To produce our synthetic rubber, ARLANXEO relies on a network of suppliers to procure goods. Our raw materials are sourced internationally. Parts for our Canadian finishing plant are sourced from the US. Film is sourced from Germany and metal crates are sourced from China.

Risk Assessment

ARLANXEO Canada Inc., is ISO certified, active members of C-TPAT and PIP and are a Trusted Trader under the CBSA CSA program. Our European offices are active members of the AEO. As a member of these programs, we have stringent policies in place to identify, assess, mitigate and manage risk.

ARLANXEO understands that the type of product we import and locations of parties within our supply chain that they can carry a risk of forced labour or child labour. Because of this, ARLANXEO requires our suppliers to source all goods or services from third parties that meet, as a minimum, country of origin

standards for health, safety, working hours, pay and employment conditions. We also require our suppliers to adhere to the Supplier Code of Conduct.

In addition to the supplier programs, ARLANXEO also has an ethics and compliance hotline available on our website to provide a secure and confidential venue for people inside and outside the company to report suspected fraud, unethical conduct, or irregularities. We hold employees to a high level of ethical conduct and expect the same from our suppliers.

Though we do have policies in place, we acknowledge that there are still gaps in our assessments and we plan to continue building on our current processes to manage and mitigate risk.

Remediation of Forced Labour and Child Labour

During the previous financial reporting year, ARLANXEO did not identify any instance of forced labour or child labour in our supply chain. If instances of forced labour or child labour arise within our activities or supply chain, ARLANXEO commits to taking remedial action.

Remediation of Loss of Income

During the previous financial reporting year, ARLANXEO did not identify any instances where vulnerable families lost income because of measures we had taken to eliminate the use of forced labour or child labour in our supply chain. However, as part of our Corporate Citizenship our focus is on education: as one of the world's leading manufacturers of synthetic rubber, ARLANXEO aims to inspire young people for the sciences and introduce them to the exciting world of rubber. At our locations around the world, we support schools, universities and environmental projects with information, advice, and funding.

Training

To complement our business ethics, ARLANXEO has implemented a comprehensive training program to engage multiple learning avenues with in-house materials. In developing training content specifically tailored to our organization's specific policies, procedures, and workflows.

With a user-friendly Learning Management System (LMS) we have simplified the learning experience. The LMS maintains an expansive library that holds more than 13,000 courses on a variety of specialized subjects. This includes mandatory annual Code of Ethics training for all ARLANXEO employees which includes human rights and labour laws.

The LMS provides notifications to all our associates of assigned training and learning that will track and maintain electronic records once completed.

Effectiveness Assessment

ARLANXEO is committed to addressing the risks of forced labour and child labour in our business and supply chains. As described in this Report, ARLANXEO has introduced a few measures to prevent and reduce these risks however, to date no steps have been taken to assess the effectiveness of these measures.

At ARLANXEO, we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through rigorous monitoring, supplier engagement, and continuous improvement initiatives, we have implemented robust measures to prevent the scourge of forced labor from infiltrating our supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with credible third-party organizations to ensure compliance with internationally recognized labor standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges in combating forced labor.

While we are proud of the strides we have made, we acknowledge that eradicating forced labor requires sustained vigilance and collaboration across industries and borders. We remain committed to this cause and will continue to work tirelessly to uphold the dignity and rights of all workers throughout our supply chain.

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 or entities 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 year listed above.

Full name: John Schmidt
Title: Chief Manufacturing Office
Date: May 29, 2024

Signature



I have the authority to bind 'ARLANXEO Canada Inc.'.

Full name: John Schmidt

Title: Chief Manufacturing Office

Date: May 29, 2024

Signature



I have the authority to bind 'ARLANXEO Singapore PTE. Ltd.'