



AN **EQUATE** COMPANY

and

ALBERTA & ORIENT
GLYCOL COMPANY ULC
An **EQUATE** Company

Fighting Against Forced Labour and Child Labour in Supply Chains

JOINT REPORT 2023





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Introduction and Reporting Context

This is the first joint report (“**Report**”) prepared by MEGlobal Canada ULC (“**MEGlobal Canada**”) on behalf of itself and its wholly-owned subsidiary, Alberta & Orient Glycol Company ULC (“**A&O**”). MEGlobal Canada is registered as a Nova Scotia unlimited liability company (“**ULC**”) under business number 3295067 in Nova Scotia and is doing business in Alberta under business number 865226476. A&O is registered as an Alberta ULC under business number 132728114. These two business entities are licensed to operate and import goods into Canada.

MEGlobal Canada and A&O (which, for the purposes of this Report, may be referred to collectively herein as the “**Company**”) are producers of ethylene glycol (“**EG**”) and operate and/or own three EG plants in Alberta: two in Prentiss near Red Deer and one in Fort Saskatchewan.

The Company is filing this Report to the Minister of Public Safety pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 (the “**Act**”) as meeting the criteria set forth by the Act for the financial period ended December 31, 2023.

MEGlobal Structure and Activities

MEGlobal Canada, its affiliates and subsidiary (“**MEGlobal**”) take pride in responsibly leading the world in the manufacture, supply and marketing of EG, a cornerstone product that helps improve lives globally, every day. As subsidiaries of EQUATE Petrochemical Company K.S.C.C. (“**EQUATE**”), the MEGlobal companies are part of the EQUATE Group which is headquartered in Kuwait.

MEGlobal Canada, a wholly-owned subsidiary of EQUATE, began in 2004; it has affiliates located in Canada, the United States, the Netherlands, Mexico, Brazil, China and Singapore. The MEGlobal companies employ a diverse group of more than 300 employees; 201 of whom are full-time employees of MEGlobal Canada. MEGlobal Canada manages the operations of A&O which does not have any employees.

MEGlobal owns and operates four EG manufacturing facilities: the three plants owned and operated by the Company (as mentioned above) and one plant in Oyster Creek, Texas. MEGlobal markets its products throughout Asia, the Americas, Europe and the Middle East.

MEGlobal embraces the principles of Responsible Care[®], focusing on the safety of employees, neighbors, communities, and the environment in every aspect of its operations.

Visit www.meglobal.biz for more information.

Mission, Vision and Values

Mission: Maximize stakeholder value through growth and sustainability

Vision: A global leader in petrochemicals through people, partnerships and business excellence

Values: Excellence, Quality, Unity, Advancement, Trust & Environmental, Health & Safety Responsibility

EQUATE Group Code of Conduct

The global EQUATE Group Code of Conduct (the “**Code**”) (available on EQUATE’s website at <https://www.equate.com/about-equate/code-of-conduct>) emphasizes the EQUATE Group’s commitment to the abolition of all forms of forced labour and child labour, the principles of non-discrimination, the recognition of the freedom to associate, social partnership and fair compensation and benefits based on local market conditions. The Code outlines the expectation that our suppliers and contractors embrace similar values and standards. Additionally, the Code requires that our suppliers and contractors comply with all applicable laws related to labour, employment, the environment, and health and safety, while treating their workers and others fairly and with respect.

The Company’s policies and standards help establish fair labour practices and a positive work environment for every employee, providing equal opportunities in conformance with all applicable laws and regulations.

Diversity, Respect and Human Rights

Diversity and Anti-Discrimination: The Company values diverse perspectives and backgrounds among its employees and stakeholders. Recognizing differences enhances our competitive advantage.

Commitment to Standards: The Company opposes forced labour and child labour, promotes non-discrimination, and ensures fair compensation. Suppliers and contractors are expected to uphold similar values.

Respect and Anti-Harassment: The Company fosters a safe, respectful work environment by striving to prevent all harassment and inappropriate behavior in the workplace.

Security, Safety, and Privacy: The Company prioritizes safety while respecting human rights. Our information technology (IT) security and privacy policies safeguard personal information.

Human Resources and Procurement: The Company promotes fair labour practices, equal employment opportunities, and collaboration with responsible contractors and suppliers.

Human Resources

EQUATE's Board of Directors, along with the global Ethics and Compliance Committee ("**ECC**") and the Company's Human Resources Department, closely monitors the implementation of our human resources policies and the Code. Additionally, MEGlobal Canada's recruitment procedures adhere to the prevailing standards in Canada, which is the primary source of MEGlobal Canada's personnel and ensures that all workers are recruited willingly. The Company has not identified any forced labour or child labour within its workforce.

Training

MEGlobal Canada's employees undergo annual training on the Code, emphasizing the principles of ethical business practices and the importance of acknowledging and upholding the applicable laws and regulations related to labour and employment. Such training ensures that employees are well-versed in the legal frameworks that govern the workplace, including workers' rights, fair labour standards, and equal employment opportunities. By adhering to these guidelines, the employees demonstrate their commitment to fostering a work environment that respects the dignity and legal rights of everyone.

Supply Chain / Procurement

Our North American Procurement Department ("**Procurement Department**") supports operations in Alberta by sourcing all products and services from suppliers, vendors, contractors, agents and other third parties ("**Suppliers**") mainly from Canada and the United States. The Company's procurement activities encompass a wide range of products and services for the following categories:

- Feedstock for manufacturing
- Maintenance, repairs and operations (MRO) of the Company's assets
- Turnarounds and upgrade projects to enhance the quality of the Company's assets
- Information technology and automation for the Company's operations
- Indirects, utilities, support services, etc.

Identifying Risk and Remediation Measures

For the year 2023, the vast majority of products and services used in manufacturing EG were sourced from the Company's Suppliers in Tier 1 (suppliers from whom the Company purchases directly) located in Canada, Switzerland and the United States. The Company believes there is minimal risk of forced labour or child labour when it comes to its Suppliers. The Company has neither identified any forced labour or child labour nor any loss of income to vulnerable families in its activities and supply chain which would have required remedial measures.

Contract Clauses and Adherence by Suppliers

The Company requires Suppliers to comply with all applicable federal, provincial, and municipal laws, regulations and codes, and all other applicable orders, rules and regulations of any authority having jurisdiction respecting the services to be provided.

The Company also expects its Suppliers to adhere to the Code which commits to the abolition of all forms of forced labour and child labour, and expects Suppliers to embrace similar values and standards as contained therein.

Measures to Fight Forced Labour and Child Labour

As part of our continuous improvement efforts, the Company aims to enhance due diligence policies and enhance processes to prevent the occurrence and reduce any risk of forced labour and child labour by implementing the following:

- Review and revise our vetting and qualification processes for new Suppliers
- Purchase from Suppliers who represent and warrant that they have investigated their labour practices to ensure that there is no forced labour or child labour used in their business
- Cite anti-forced labour and anti-child labour language in new orders for existing Suppliers
- Update the Code to include additional language with respect to prohibiting forced labour and child labour



Assessing Effectiveness

The Company is firmly committed to the abolition of forced labour and child labour in our business and supply chains. In the future, we also aim to establish an evaluation process to assess the effectiveness of measures taken.

Report Approval and Attestation

This Report was approved by the Boards of Directors of both MEGlobal Canada and A&O for the financial period ended December 31, 2023.

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 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.

I have the authority to bind both MEGlobal Canada ULC and Alberta & Orient Glycol Company ULC.

Rocco Schurink
Director, MEGlobal Canada ULC
Date: 05-30-2024

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