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An Annual Report as required by Part 2 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "FCLA")

PURPOSE

The purpose of this Annual Report is to report on the steps the Reporting Entities described below have taken during their previous financial year to prevent and reduce the risk that forced labour and child labour is used at any step of the production of goods in Canada or elsewhere by the named Reporting Entity, or of goods imported into Canada by the Reporting Entity, if any.

REPORTING ENTITIES

This report pertains to the activities of the INEOS Styrolution entities listed below, who are parties filing this report jointly in accordance with subsection 11(2) of the FCLA, and any reference to "Reporting Entities" in this report shall be taken to be a reference to each of them:

1. INEOS Styrolution Canada Ltd.;
2. INEOS Styrolution America LLC; and
3. INEOS Styrolution Mexicana S.A. de C.V.;

(hereafter, the "Reporting Entities").

REPORTING PERIOD

The reporting period relevant for purposes of this report is the previous financial year of the Reporting Entities, which is common, and which is the year ended December 31, 2023 (the "Reporting Period").

REPORTABLE ACTIVITIES

A. Structure, Activities & Supply Chains

INEOS Styrolution Canada Ltd., INEOS Styrolution America LLC, and INEOS Styrolution Mexicana S.A. de C.V. are each controlled subsidiaries of INEOS Styrolution Group GmbH (“INEOS Styrolution”), which falls under the umbrella of INEOS Group.¹

INEOS Styrolution is the leading integrated producer of styrene monomer, polystyrene and styrenic specialties, and the only global ABS producer. Headquartered in Frankfurt, Germany, INEOS Styrolution has a worldwide market presence, with manufacturing sites located in Germany, Belgium, France, South Korea, Thailand, China, USA, Canada and Mexico.²

In the U.S., INEOS Styrolution operates five manufacturing facilities and employs approximately 800 employees. In Canada, INEOS Styrolution has one manufacturing facility and approximately 80 employees. In Mexico, INEOS Styrolution has a presence at one manufacturing facility and employs a team of approximately 300 employees.

INEOS Styrolution applications can be found in many everyday products across multiple industries, including automotive, electronics, household, construction, healthcare, packaging, and toys/sports.³

With regard to supply chains, the three Reporting Entities have established a global network of suppliers, which consists of hundreds of suppliers across many countries, such as Belgium, Great Britain, China, Germany, Canada, the U.S., Mexico, Japan, Korea, the Netherlands, Singapore, and Spain. Through that network, we procure a wide range of materials essential for our operations, including organic and inorganic chemical compounds.

B. Policies & Due Diligence Processes in Relation to Forced Labour & Child Labour

INEOS Styrolution has established a comprehensive set of policies and due diligence processes aimed at addressing the issue of forced labour and child labour, which apply to not only INEOS Affiliates and their employees but also to all third-party suppliers.

Some of the policies and processes are discussed below.

1. Code of Conduct

INEOS Styrolution and each of the Reporting Entities is committed to operating as a responsible corporate citizen and complying with all relevant local, national and international laws. Our mission is to be a leader in our industry while advancing sustainability in society and maintaining

the highest ethical standards. To help us uphold this commitment, our [Code of Conduct](#) defines and summarizes, in one universal framework, what we expect from our businesses and employees regardless of location or background.

Our [Code of Conduct](#) is based on internationally recognized standards that INEOS Styrolution is committed to upholding, namely the [Ten Principles of the United Nations Global Compact](#), the [United Nations Guiding Principles on Business and Human Rights](#), the [International Labour Organization Declaration on Fundamental Principles and Rights at Work](#), and the [Responsible Care Global Charter](#).

INEOS Styrolution conducts business throughout the world, which means our employees and contractors are subject to the laws and regulations of many different countries and organizations. Each worker is responsible for knowing and following the laws that apply to us where we work.

The [Code of Conduct](#) establishes common principles for business conduct applicable throughout INEOS Styrolution, regardless of location. Where differences exist as the result of local customs, norms, laws or regulations, employees must apply either this [Code of Conduct](#) or local requirements – whichever sets the higher standard of behavior. At a minimum, we expect all of our employees to hold themselves to the highest standards of ethics, integrity, openness and accountability in the way they conduct business.

With respect to human rights, INEOS Styrolution respects the rights in the [International Bill of Human Rights](#) and the [International Labour Organization Declaration on Fundamental Principles and Rights at Work](#). We recognize employees' rights to collective bargaining and freedom of association, and we work to prevent any instances of forced or compulsory labour, child labour, or employment discrimination in connection with our operations. All our businesses and employees must uphold these standards and report violations as a priority. INEOS Styrolution businesses must not work with customers or distributors with a record of human rights violations and must ensure suppliers meet INEOS Styrolution's [Supplier Code of Conduct](#), which includes provisions on human rights.

2. [Supplier Code of Conduct](#)

INEOS Styrolution and INEOS Affiliates including the Reporting Entities each expect their suppliers to comply with applicable laws and adhere to internationally recognized Environmental, Social and Governance ("ESG") standards, including those set forth in our [Code of Conduct](#) and [Safety, Health and Environment](#) policy.

This [Supplier Code of Conduct](#) (“SCoC”) is based on the [United Nations Global Compact principles](#) to which INEOS Styrolution has subscribed and reflects the [United Nations Guiding Principles on Business and Human Rights](#), the [International Labour Organization Declaration on Fundamental Principles and Rights at Work](#), the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#), and the [Responsible Care Global Charter](#). It defines and summarizes what we expect of our suppliers, suppliers’ subsidiaries and affiliates, and their subcontractors or other business partners’ contractors and agents, regardless of location or background relative to the following categories:

- Health & safety
- Environmental protection
- Labour practices and human rights
- Ethics & fair business practices

Ensuring that human rights are respected and workers are treated well in our value chains is of great importance to INEOS Styrolution.

Suppliers are also required to ensure that the workplace is fair and inclusive and that they respect the rights in the [International Bill of Human Rights](#) and the International Labour Organization’s [Declaration on Fundamental Principles and Rights at Work](#).

Suppliers are required to employ only members of staff who are at least 15 years of age or the applicable minimum legal age, whichever is higher. For persons under the age of 18, suppliers shall identify presence, monitor health, working conditions, hours of work and shall not employ for hazardous work or in a manner that is economically exploitative, interferes with education or is harmful to health, physical, mental, spiritual, moral or social development.

C. Specific Risks

This portion of this Annual Report addresses parts of INEOS Styrolution and its supply chains that could carry a risk of forced labour or child labour, and the steps INEOS Styrolution (including the Reporting Entities) has taken to assess and manage that risk.

Recognizing that goods from certain countries and regions may carry heightened risks of forced labour, we conduct reviews of all vendors and goods within our supply chain. By scrutinizing each vendor and good carefully, we demonstrate our dedication to safeguarding human rights and preventing forced labour and child labour throughout our operations.

INEOS Styrolution screens all customers, suppliers, and contractors against not only the various [U.S. Blocked, Denied and Debarred Party Lists](#), but also against various global Denied/Debarred

Parties Lists and the newly implemented Uyghur Forced Labor Prevention Act (“UFLPA”) [Entity List](#).

Our denied/debarred party screening tool is integrated with our Enterprise Resource Planning system, which has been configured to ensure that any potential match against the restricted lists triggers an immediate lockdown of the relevant purchase or sale order. Locked down orders remain inaccessible until Trade Compliance personnel review the issue.

Additionally, we screen all suppliers and goods against the U.S. Department of Labor’s [Better Trade Tool](#). Vendors are checked against the [Better Trade Tool](#) to determine whether they are from an “at-risk” country. If determined as such, we conduct further reviews to determine if the good in question has been categorized as having forced labour and child labour risk. In case of affirmative findings, we conduct a detailed investigation, including obtaining complete raw material history from the vendor for the item contemplated for purchase. A positive outcome (i.e., no forced labour is present) clears the vendor; however, negative results lead to the vendor being immediately blocked in our system.

Through this review process, during the Reporting Period, we have not identified any suppliers that meet the criteria for removal. Similarly, in our most recent review in 2024, no instances of forced labour and/or child labour risks have been identified within our supply chains.

To ensure ongoing compliance, we perform this review process on an annual basis.

D. Remediation Measures re Forced or Child Labour Findings

As discussed, when INEOS Styrolution or any of the Reporting Entities become aware of instances of forced labour or child labour within its supply chains, we immediately block the supplier in our systems, effectively halting further purchases from that supplier.

During the Reporting Period, no such issues were identified.

E. Remediation Measures re Vulnerable Families & Lost Income

This section of the Annual Report reports on measures taken by the Reporting Entities during the Reporting Period to remediate the loss of income to the most vulnerable families that resulted from any measure taken to eliminate the use of forced labour or child labour in their activities and supply chains.

During the Reporting Period there were no issues identified by the Reporting Entities involving forced labour or child labour and accordingly, the Reporting Entities were unable to identify or remediate the loss of income of any vulnerable families.

F. Training Provided to Employees on Forced Labour & Child Labour

Training plays a vital role in upholding our policies, serving as a cornerstone for ensuring adherence and promoting a culture of compliance. By providing comprehensive training, INEOS Styrolution equips all corporate employees with the knowledge and tools necessary to implement and enforce our policies, including our [Code of Conduct](#) and our [SCoC](#). Training also helps to strengthen our relationships with external suppliers.

All procurement professionals involved in purchasing processes are required to complete INEOS Styrolution's internal training, which covers essential elements of the [SCoC](#). This training covers the new Online Questionnaire initiative (which we discuss in detail below), and specifically addresses how to handle suppliers that have been flagged as "at-risk". Business areas are responsible for ensuring that all relevant personnel receive the training in a timely manner.

In addition, INEOS and the Reporting Entities partner with a leading third-party provider to offer comprehensive compliance training to our logistics, purchasing and commercial staff. These trainings cover various topics, including anti-bribery and corruption, anti-money laundering, and anti-slavery. It is mandatory for employees assigned to these trainings to complete them in a timely manner. If an employee fails to do so, notifications will be sent to their supervisor and direct managers until the training is completed.

G. Self-Assessment Processes

INEOS Styrolution acknowledges and understands that assessment plays an important role in ensuring the effectiveness of measures implemented to combat forced labour and child labour. It provides a framework for evaluating the impact and effectiveness of policies and strategies, allowing us to identify areas of improvement and make informed decisions.

INEOS Styrolution partners with EcoVadis, the world's largest and most trusted provider of business sustainability ratings. EcoVadis rating is based on the evaluation of the quality of a company's corporate social responsibility ("CSR") management system through its policies, actions and results.

Four sustainability themes are covered:

- Environment;

- Labour and human rights;
- Business ethics; and
- Sustainable procurement;

On April 3, 2022, INEOS Styrolution received a gold sustainability score from EcoVadis, which was valid through December 31, 2023. This rating validates INEOS Styrolution's sustainability efforts over the Reporting Period, placing it in the top 4% of companies in the chemical sector.

NEW INITIATIVE FOR 2024 FINANCIAL YEAR

In addition to the concrete actions and processes taken during the Reporting Period described above, INEOS Styrolution and the Reporting Entities would like to highlight a new initiative implemented in the 2024 financial year.

Supplier Questionnaire

In 2024, the INEOS Group, including INEOS Styrolution and the Reporting Entities, introduced a new Supplier Questionnaire to reinforce our commitment to ensuring that all our suppliers comply with our [SCoC](#). This initiative is part of our ongoing efforts to maintain high standards of ethical conduct and social responsibility throughout our supply chains. By implementing this Supplier Questionnaire, we aim to enhance transparency and foster stronger partnerships with suppliers who share our commitment to these values.

The Online Questionnaire is distributed to the top 200 of our global suppliers via a third-party platform. The platform allows us to effectively evaluate and monitor suppliers' compliance status, as it consolidates and analyzes responses from suppliers.

Additionally, while distributing the Online Questionnaire to the top 200 of our global suppliers has represented a significant step towards enhanced compliance monitoring, the Reporting Entities are committed to extending this initiative to all of their suppliers within the 2024 financial year.

Each of the Reporting Entities is responsible for maintaining accurate records of their own supplier assessments as well as ensuring that all suppliers are assessed on a regular basis (and preferably once per annum).

1. Supplier Questionnaires - Input Requested

Our Supplier Questionnaire is designed to extract information regarding our suppliers' policies concerning health and safety, labour practices and human rights, and ethics and fair business practices.

Specifically, with respect to labour practices and human rights, we ask our suppliers the following questions:

- Whether they have policies in place that govern working conditions and human rights. If such policies exist, we ask for information on the specific areas that the policies cover and whether the policies address forced labour and child labour.
- Whether they provide training on the policies;

- Whether they have a management system for labour practices and human rights;
- Whether they have procedures to review countries and materials with high risks of forced labour and child labour;
- Whether their products contain conflict materials and whether the minerals were ethically sourced;
- Whether they have set specific targets and action plans related to forced labour and child labour;
- Whether their Purchase Orders include terms prohibiting all forms of forced/indentured labour;
- Whether they screen their own suppliers for forced labour risks;
- Whether they have full knowledge of how their goods were made, by whom, and under what labour condition.

Once we receive complete responses from the suppliers, we begin our due diligence review process, which is outlined in the following section.

Suppliers who have undergone an audit and received certification from a recognized third party such as EvoVadis are not required to complete the Questionnaire.

2. Supplier Questionnaires - Due Diligence Review Processes

The first step in our review process is to verify the completeness of the information requested. If the information that has been provided is deemed comprehensive and complete, and the initial assessment indicates that the supplier aligns with our policies, including our [SCoC](#), the assessment process is concluded.

Where any process or substantive deficiencies are addressed in the review of the Supplier Questionnaire, the reviewing entity, including the Reporting Entities, promptly engage with the supplier to communicate the perceived deficiencies, emphasizing INEOS Styrolution's commitment to compliance and the importance of addressing the issues in a timely manner.

Subsequently, an Action Plan is requested from the affected supplier, which should include a proposed plan to rectify any non-compliance issues. Upon receipt of such Action Plan, INEOS officials review same and work with the supplier to establish an agreed set of corrective and remedial actions. INEOS then monitors the supplier's progress in implementing the agreed corrective measures. If the supplier fails to make progress, matters are escalated.

After all required corrective actions have been implemented, INEOS conducts a reassessment of the supplier's compliance status. Additionally, periodic audits or reviews may be conducted to ensure ongoing adherence to our standards.

Failure to comply with INEOS Styrolution policy in these respects may lead to the removal of the supplier from INEOS Styrolution approved supplier lists.

ATTESTATION

In accordance with the requirements of the FCLA, and in particular Section 11 thereof, I attest that I have reviewed the information contained in this report for the entities listed below. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the FCLA, for the reporting year ended on December 31, 2023.

Gregory S. Fordyce

Gregory S. Fordyce
President, Americas

05/28/2024

I have the authority to bind INEOS Styrolution Canada Ltd.; INEOS Styrolution America LLC; and INEOS Styrolution Mexicana S.A. de C.V.

ENDNOTES

- ¹ References herein to the “INEOS Styrolution” or to “INEOS Affiliates” shall include each of the Reporting Entities, INEOS Styrolution Group GmbH, and all affiliated and/or related entities.
- ² https://www.ineos-styrolution.com/INTERSHOP/static/WFS/Styrolution-Portal-Site/-/Styrolution-Portal/en_US/Company/INEOS%20Styrolution-Company-Portrait-2023.pdf
- ³ https://www.ineos-styrolution.com/INTERSHOP/static/WFS/Styrolution-Portal-Site/-/Styrolution-Portal/en_US/Company/INEOS%20Styrolution-Company-Portrait-2023.pdf