

Modern Slavery Report 2024
Sultran Ltd. and Pacific Coast Terminals Co. Ltd.

1. Introduction

This Modern Slavery Report (the “**Report**”) is prepared by Sultran Ltd. (“**Sultran**”) and its wholly owned subsidiary Pacific Coast Terminals Co. Ltd. (“**PCT**”) (collectively with Sultran, the “**Enterprise**”, “**we**”, “**us**” or “**our**”) for the fiscal year ending December 31, 2024 (“**Fiscal 2024**”) as required by the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This report sets out the steps we have taken to prevent and reduce the risk that forced labour or child labour is used at any step in our business and supply chains.

2. Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners.

The Enterprise is committed to implementing strategies and processes to better identify, prevent, and reduce the risks that forced labour or child labour are used within our business and supply chains.

In general terms, we took the following steps during Fiscal 2024 to prevent and reduce the risk of forced labour or child labour in our operations and supply chains:

- Reviewed business activities to identify changes to previously identified risks of forced labour and child labour in our operations and supply chains;
- Ensured our Code of Conduct was reviewed and signed by all staff, enforced our customer and supplier obligations under our Environmental Conservation Policy, and maintained our current purchasing policies;
- Commenced the development of an Enterprise Supplier Code of Conduct and
- Commenced the design of an Enterprise revised delegation of authority matrix, starting with the Board and President & CEO level.

Through the course of our assessment, we determined that the risk of forced labour and child labour in our business and supply chains remains low and that our largest risk factor is related to PCT’s importation of goods for use in our terminal operational activities during Fiscal 2024. In Fiscal 2024 Sultran’s logistical services also imported goods (railcars) from a USA supplier for use in transport operations.

3. Structure, Activities and Supply Chains

Sultran is incorporated under the Alberta *Business Corporations Act* and operates from its offices in Calgary, Alberta. PCT is incorporated under the British Columbia *Business Corporations Act*. PCT is a tidewater terminal located in Port Moody, British Columbia. PCT is a wholly owned subsidiary of Sultran that was acquired in 1982.

Sultran provides logistical services to enable the export of formed sulphur. These services start with the assignment of the Enterprise's fleet of owned railcars to various third party-owned and operated production facilities in Alberta and British Columbia. Sulphur is loaded into the railcars and then transported via either Canadian rail carrier CN or CPKC for delivery to either PCT or a contract third party-owned terminal. We contract with Canadian based suppliers to manage product quality. Production, sales, and ownership of the sulphur remains with each producer/marketer at all times. We procure supplier services to support our transport and logistical efforts through a small number of suppliers who we have established long term contractual relationships and engage with in an ethical and socially responsible way. All logistical activities are services conducted in Alberta and British Columbia.

Through PCT, the Enterprise also contracts with various companies to enable the receipt, temporary storage, and vessel loading of three other commodities: potash, canola oil, and ethylene glycol. All of these commodities are produced in Canada, delivered through customer managed contracts by rail and offloaded to PCT either directly to vessel or to temporary storage for subsequent vessel loading. PCT's operations are highly automated and use complex machinery and equipment to carry out its services, ultimately loading the commodities into vessels contracted by the respective producer. Ownership of these commodities remains with the respective customer at all times.

The Enterprise maintains an active inspection, repair, and maintenance program for our fleet of railcars. Inspections and maintenance are conducted through Canadian based third-party home-shops. Railcars used in logistical services are sourced and refurbished in the USA and imported using a customs and duty broker. During 2024, Sultran purchased a set of used railcars, arranged for an established USA repair facility to refurbish the railcars, and then imported the rail cars into Canada. The Enterprise has a long-standing business relationship with the US facility and visited the two locations during the refurbishment process. There were no concerns identified regarding forced or child labour.

The Enterprise also maintains a proactive maintenance and repair program to ensure 24/7 operational capacity of its terminal facility. In order to do so, the Enterprise imports components from outside Canada that are used in the maintenance and repair of its terminal operating equipment amongst other uses. Terminal component importation is managed through a customs and duty broker and sourced from distributors mostly located in the USA and Europe.

The vision, purpose and values of the Enterprise are outlined below:

Vision: Leading the way in global logistics for essential commodities. Your partner for a sustainable future.

Purpose: Bulk.Logistics.Simplified

Values: Integrity, Adapt & Evolve, Service Excellence, Results-Driven

4. Policies and Due Diligence Processes

The Enterprise is committed to embedding human rights considerations into its policies, governance frameworks, and decision making. These policies set a high bar for us, our suppliers, and our selling partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced, or bonded labour in any of our operations or supply chains and by suppliers working for us. Further details on some of our policies is provided below:

Code of Conduct

A Code of Conduct is signed by each and every employee annually. The Code of Conduct notes that each employee holds a position of trust and that they represent the Enterprise through their relations with customers, supplier, other employees, competitors, governments, shareholders, or the general public.

Each employee is entrusted to act in a manner that represents the Enterprise's reputation for honesty, integrity, and faithful performance of its undertakings and obligations.

Implicit in this Code of Conduct is the requirement to follow of ethical business practices, comply with regulatory obligations, and be aware of issues related to the general public.

Purchasing Policies

The Enterprise's management is responsible for monitoring and ensuring employees understand the Code of Conduct and Corporate Policies and Procedures. Employees are responsible for their compliance.

We maintain a stringent zero tolerance policy towards illegal activity under our Anti-bribery and Corruption policy. Use of forced or child labour would fall under this Policy and would require immediate action as outlined in the policy.

Our purchasing policy requires procurement to be conducted while maintaining the highest ethical standards and in the best interest of the company. Our Environmental Conservation Policy further supports these obligations.

We have not prepared specific policies and procedures with respect to forced or child labour due to the limited scope of the perceived risk. We expect and rely on our suppliers

to comply with all regulatory requirements including those that pertain to forced labour and child labour.

Whistleblower Policy

Our Whistleblower Policy requires our employees and contractors to report any breaches of the Enterprise Code of Business Conduct and Ethics Policy which include financial or corporate misconduct. Our Enterprise Whistleblower policy includes the use of a confidential third-party portal. The third-party line is available to all staff on a 24/7 basis.

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations.

While the risk that our employees working in our facilities in Canada are subjected to forced labour or child labour is low, we acknowledge that we have less visibility and control over our third-party suppliers and the risks of forced labour and child labour in their supply chains. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

1. monitor business activities for risks of forced labour and child labour;
2. maintain responsible business conduct within our policies and management systems; and
3. where appropriate, visit supplier locations.

5. Risk Assessment

We have continued the process of identifying risks of use of forced labour or child labour in our supply chains. We have identified the following factors that have bearing on our risk of forced or child labour in our supply chain: the industry we operate in (transportation and storage of commodities), our services provided to customers, our general nature of supplier relationships (long-term contracts and/or stable supplier base), our supplier locations and, in the case of PCT and Sultran logistics, the types of products we import for our internal use, and the locations of our suppliers, particularly whether they are in areas where jurisdictional risks including conflict, poverty, and enforcement of human rights standards are involved.

The Enterprise views the overall risk of forced labour and child labour in its business and supply chains as low. Our 2024 risk assessment included a review of our Canadian-based business activities. The 2024 assessment included a search for import documents, which identified a small set of international component suppliers where PCT was the importer of record. Based on available information, the 2024 risk assessment indicated that a further small percentage of PCT suppliers carry risks of forced labour and child labour when considering the above listed factors, amongst others.

That said, we do not supervise or control our suppliers and despite our effort to take increased actions to ensure our entire supply chain is free of any forced labour and child labour, there may nonetheless remain a risk of forced labour or child labour on products

we source from third parties where we may not have complete visibility into their supply chain. We assess the risk of forced labour and child labour in our supply chains as low given the type and complex nature of the components we require to ensure the maintenance and repair of our facility. We similarly assessed the risk of forced or child labour being involved in Sultran's purchase, refurbishment, and import of railcars in 2024 to be low as the rail cars themselves, materials to refurbish, and labour to complete the refurbishment were all sourced in the USA (which generally has existing human and labour rights legislation and is considered low-risk in the Global Slavery Index) and representatives of the Enterprise visited the refurbishment facilities twice during the process.

Although we have not identified any forced labour or child labour in our activities and supply chains, we remain dedicated to continuous monitoring and caution, and we are committed to developing an expanded risk management framework at a later stage. The Enterprise has embarked on a process to standardize and update various processes including procurement. As part of this effort, we will include the process of evaluating effective strategies to better identify the risks of forced labour and child labour in our business and supply chains.

Our policies and business practices embody the requirement for cooperation and acceptance from all of our business partners and suppliers. We expect each business partner and supplier to meet the highest standards of quality and ethics, as set out in our policies and codes of conduct, and as discussed elsewhere in this Report.

As part of this process, we have determined the need to build a distinct Enterprise-wide Supplier Code of Conduct with one of its objectives aimed at effectively managing our risk of forced labour and child labour in our supply chain. Due to a diversion of resources to address Board-directed strategic alternatives and a revised delegation of authority matrix, the Supplier Code of Conduct remains in the draft stages and has not yet received Board approval. The timeline for completion of the Supplier Code of Conduct and subsequent implementation is expected to be late Q4-2025. To ensure that our suppliers meet the same high standards that we set for the Enterprise, we intend that the Supplier Code of Conduct will require suppliers certify that their business and supply chains comply with all applicable laws, including that they are free of forced labour and child labour.

6. Remediation

Our Code of Conduct, Environmental Conservation Policy, and our Whistleblower Policy require that all employees and suppliers report actual or possible misconduct. Our whistleblower policy offers direct and indirect mechanisms to our employees and suppliers to report actual or possible misconduct, among other concerns.

No instances of forced labour or child labour were identified in our operations or supply chains in Fiscal 2024 and as such we have not taken any measures to remediate any forced labour and child labour or the loss of income to the most vulnerable families arising from such measures.

Although we are not currently aware of any forced labour and child labour in our business and supply chains, if we were to discover any forced labour and child labour in our business and supply chains, we would consider taking any or all of the following measures, amongst others, to immediately remediate such forced and child labour:

- suspension or termination of a supplier agreement; and
- consider further actions to prevent forced labour and child labour and associated harms from reoccurring.

7. Training

Our employees receive rotational training on policies during each fiscal year. All new employees must complete a mandatory onboarding program that includes review and signing of our Code of Conduct, training on our values and policies, and how to report any corporate indiscretion or behaviour via the Whistleblower Policy.

The procurement function within our Enterprise is distributed within the transport and logistics, terminal, and corporate services functions. Therefore, to ensure Enterprise-wide knowledge, we use Enterprise staff meetings and town halls to address policy topics such as supply chain exposures to forced labour or child labour. These meetings are scheduled throughout the year. Procurement processes were specifically addressed at an enterprise-wide event during the year.

8. Assessing Effectiveness

As part of our governance processes, we review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date, no concerns or complaints regarding forced labour and child labour in our business or supply chains have been identified. All staff signed the Code of Conduct and there were no matters of non-compliance with the Enterprise Environmental Conservation Policy identified during the year.

The Enterprise is committed to assess the effectiveness of its policies by reviewing all of its policies on an annual basis. We expect little change in our customer and supplier base for the foreseeable future. Accordingly, we continue to believe our risk of exposure to forced labour and child labour remains low given the narrow scope of our activities.

9. Attestation

In accordance with paragraph 11(4)(b)(ii) of the Act, this Report was approved by the Board of Directors of Sultran Ltd. on May 29, 2025 on behalf of itself and its wholly-owned subsidiary PCT and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on Sultran Ltd.'s company website at www.sultran.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Sultran Ltd. 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 Act, for the reporting year listed above.

A handwritten signature in blue ink, appearing to read 'W. Leslie'.

Wade Leslie
President & CEO
May 30, 2025

I have the authority to bind Sultran Ltd.