CHEMTRADE

2024 Supplemental Sustainability Report

Our annual Sustainability Supplement provides an overview of the past year's sustainability milestones and outlines the goals we aim to achieve in the future.

2024 Highlights:

- This 2024 report is our fifth annual Sustainability Supplement
- In 2024, Chemtrade received the Association of American Railroads' Non-Accident Release Grand Slam Award for 2023 for our spotless record in moving hazardous materials by rail
- Our 2024 greenhouse gas (GHG) intensity of 0.090 (Scope 1 in kg GHG/kg product produced) is 36% below the 2024 chemical industry average
- The percentage of electricity usage from renewable sources in 2024 reached 88%, exceeding our minimum goal of 85%

This report will provide an overview of our 2024 initiatives related to:

1.0 SUSTAINABILITY 2
1.1 Sustainability Metrics 2
1.2 Sustainability Targets for 2025 and Beyond 4

2.0 ENVIRONMENTAL 5
2.1 Greenhouse Gas and Other Air Emissions 5
2.2 Industrial and Hazardous Waste Management 8
2.3 Energy Management 10
2.4 Climate Related Risks and Opportunities 11
2.5 Transitional Risks and Opportunities 12

3.0 SOCIAL 14
3.1 Workplace Health and Safety 14
3.2 Operational Safety, Emergency Preparedness and Response 16
3.3 Employee Engagement 19

4.0 GOVERNANCE 22
4.1 Corporate Governance and Business Ethics Structure 22
4.2 Management of Legal and Regulatory Environment 22
4.3 Governance of Environmental and Social Issues 23

1.0 | SUSTAINABILITY & RESPONSIBLE CARE: AN OVERVIEW

Responsible Care®, an UN-recognized sustainability initiative, has guided Chemtrade's sustainability principles since 2001. Practiced in over 70 countries, it promotes safe and sustainable chemical manufacturing, transporting, and handling. Using the RC14001 management system, which integrates Responsible Care and ISO14001 standards, we provide workplace and employee safety guidance and community commitment. We address air emissions, water discharges, waste management, and hazardous materials, with compliance verified by third-party audits every three years.

Since 2021, we have monitored, tracked and reported on the following sustainability metrics across the organization:

1.1 | Sustainability Metrics

Environmental Goals

Our environmental focus is on areas of our business where investment and improvement generate measurable and meaningful environmental advantages.

In this report, we review our progress and tracking in the areas of:

- GHGs and other air emissions including:
  - nitrogen oxides (NOx)
  - sulphur oxides (SOx)
  - hazardous air pollutants (HAPs)
  - particulate matter
- Industrial and hazardous waste
- Energy use and management
- Spills (reportable and non-reportable)
- Transportation incidents

Our tracking system centralizes data on these factors, enabling us to monitor progress towards our goals.

Social Goals

In Social, this report looks back at the past year's efforts in:

- Workplace health and safety, including:
  - Incidents resulting in serious injuries or fatalities (SIF)
  - Employee and contractor occupational injury/illness rates (OIR)
  - Potential exposures to serious injuries or fatalities, recognized after the incident (close call PSIF) and proactively before the incident (proactive PSIF)
  - Employee and contractor injuries requiring first aid treatment
- Operational safety
- Emergency preparedness and response
- Contractor, partner, and community safety
- Employee engagement
- Diversity and inclusion

Governance Goals

Sustainability efforts in the area of Governance are concentrated around:

- Corporate governance and business ethics
- Management of legal and regulatory environments
- Governance of environmental and social issues

From the above, each area of focus has been tested and found to be material to the company's financial and operating performance, using the five-factor test developed by the Sustainability Accounting Standards Board (SASB).

SUSTAINABILITY METRICS

ENVIRONMENTAL

- GHG and other air emissions, including:
  - nitrogen oxides (NOx)
  - sulphur oxides (SOx)
  - hazardous air pollutants (HAPs)
  - particulate matter (PM)
- Industrial and hazardous waste
- Energy management
- Tracking of reportable and non-reportable spills

SOCIAL

- Workplace health and safety, including:
  - Incidents resulting in serious injuries or fatalities (SIF)
  - Employee and contractor occupational injury/illness rates (OIR)
  - Potential exposures to serious injuries or fatalities, recognized after the incident (close call PSIF) and proactively before the incident (proactive PSIF)
  - Employee and contractor injuries requiring first aid treatment
- Operational safety, emergency preparedness and response
- Employee engagement

GOVERNANCE

- Corporate governance and business ethics
- Management of legal and regulatory environment
- Governance of environmental and social issues

1.2 | Sustainability Targets for 2025 and Beyond

The table below offers a snapshot of our sustainability targets. Details on our progress, along with baseline sustainability metrics from 2021, also follow. Some targets are compared to the chemical industry average, using Chemical Industry Association of Canada (CIAC) data.

SUSTAINABILITY TARGETS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
GHG and other air emissions ■ Reduce, offset, or displace Scope 1 GHG emissions from 2021 (recalculated) baseline levels by 50% by 2025 ■ Including all future acquisitions, maintain GHG intensity (kg GHG/kg product) below the chemical industry average	**Workplace Health and Safety** ■ Achieve employee occupational injury/illness rates (OIR) of 0.7 by 2025 ■ Avoid all serious injuries or fatalities (SIFs) for employees and contractors in 2022 and beyond	**Corporate Governance and Business Ethics** ■ Demonstrate leadership on sustainability by reporting material SASB factors in alignment with Task Force on Climate-Related Financial Disclosure model (Governance, Strategy, Risk Management, Metrics and Targets)
Industrial and Hazardous Waste ■ Reduce high clay alumina (HCA) landfill disposal by an additional 20% of 2021 baseline by 2025	**Operational Safety, Emergency Preparedness and Response** ■ Reduce Level 1 spills or releases by 50% of 2021 baseline by 2025 ■ Reduce the number of transportation incidents by 50% of our revised 2022 baseline by 2025	
Energy Management ■ Ensure a minimum of 85% of our electricity usage is from hydroelectric or other renewable sources and maintain this target when making acquisitions	**Employee Engagement** ■ Achieve industry benchmark employee engagement survey results by 2025	

2.0 | ENVIRONMENTAL

Our Sustainability Accounting Standards Board (SASB) Materiality Assessment identifies GHG and air emissions, industrial waste, hazardous waste, and energy management as our key environmental issues. Our tracking system monitors and stores our data related to these factors. In 2022, Chemtrade began tracking Scope 2 GHG emissions from purchased electricity and utilities.

2.1 | Greenhouse Gas and Other Air Emissions

We acknowledge the impact of Greenhouse Gases (GHG) and air emissions on climate change, public health, and susceptible ecosystems. To meet stakeholders' expectations, we aim to reduce our impact by improving manufacturing and transportation efficiency, ensuring production facility reliability, and using emissions control equipment.

GHGs

The majority of GHG emissions originate from natural gas combustion used in our production processes and the processing of spent acid at sulfuric acid regeneration plants. Additionally, smaller quantities of GHG emissions are produced through diesel combustion in our private fleet of trucks and various production processes at a small number of facilities. Other fuels are also combusted in support of various production processes. The emission intensity is influenced by the efficiency of combustion equipment and fleet vehicles, as well as fuel compositions.

Our strategies to reduce, offset, or displace GHG emissions include:

- Optimizing the use of hydrogen gas, a by-product at our electrochemical sites within the electrochemical (EC) segment, in boilers and combustion equipment, thereby reducing demand for natural gas.
- Capturing hydrogen that is currently released to the atmosphere at our electrochemical sites and selling it to third parties to displace GHG-intensive fuels like diesel and natural gas.
- Improving the efficiency of our private fleet vehicles.
- Improving the efficiency of our processes and equipment.

The sale of green hydrogen is recognized as a potential area for organic growth. Hydrogen gas produced at our electrochemical sites is considered "green" as it is created through an electrolysis process powered by renewable hydroelectricity.

Capital and operating budgets include investments in more efficient vehicles to expand our private fleet. The Chemtrade fleet grew by six percent in 2024, which will increase Scope 1 GHG emissions. However, overall GHG emissions (Scope 3) will decrease as we reduce reliance on third-party carriers.

As part of a scheduled review of GHG data, we found that CO_2e emissions from burning spent acid, which contain organic material and release CO_2e had not been included in our 2021 baseline calculations or subsequent measurements. Including this source, the revised 2021 baseline is now 245,450 tonnes (previously 154,000 tonnes). The recalculated data for 2021 through 2023 and final estimates for 2024 are included the table below.

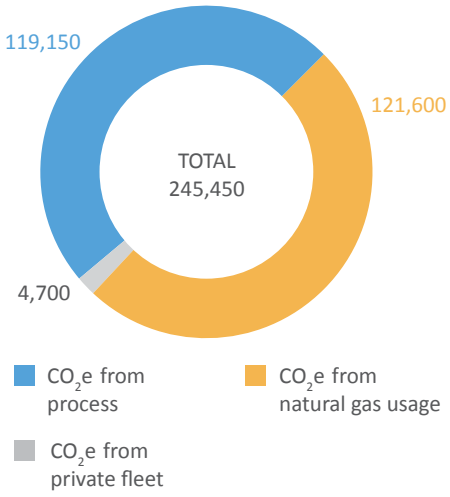
	2021	2022	2023	2024
Previously stated Scope 1 emissions (tonnes)	154,000	156,500	166,210	-
Restated Total Scope 1 emissions (tonnes)	245,450	249,500	257,150	268,830
Previously stated GHG intensity	0.047	0.050	0.055	-
Restated GHG intensity	0.07	0.08	0.09	0.09
CIAC Industry Average	0.11	0.13	0.13	0.14

PROGRESS AGAINST 2021 BASELINE **GHG, AND OTHER AIR EMISSIONS**	In our 2021 baseline year, our recalculated Scope 1 GHG emissions were 245,450 tonnes of carbon dioxide equivalent (CO_2e)*. In 2024, our Scope 1 GHG emissions were 268,830 tonnes of CO_2e. Our target is to: ■ Reduce, offset, or displace our 2021 recalculated baseline direct GHG emissions emitted from sources we own or control (Scope 1 emissions) by 50% by 2025. ■ Including all future acquisitions, maintain a GHG intensity (kg GHG/kg product) below the chemical industry average. Approximately 7.9% of our Scope 1 GHG emissions were either reduced, offset, or displaced compared to our 2021 baseline. This was achieved, in part, by capturing and selling hydrogen from our Brazil site. Additionally, our North Vancouver, British Columbia and Brandon, Manitoba sites use hydrogen in place of natural gas to operate boilers and other equipment, reducing GHG emissions at these sites. Finally, further GHG reductions were realized by using more efficient fleet vehicles and by improving process efficiencies. Our GHG intensity of 0.090 (Scope 1 in kg GHG/kg product produced) is 36% lower than the 2024 chemical industry average of 0.14. We expect to maintain a GHG intensity that is below the chemical industry average.

*CO_2e (carbon dioxide equivalent) is a standardized unit of measurement that allows for the comparison of different greenhouse gases based on their global warming potential. This measurement allows us to calculate the warming impact of various greenhouse gases (such as methane and nitrous oxide) in terms of the amount of CO_2 that would create an equivalent warming effect.

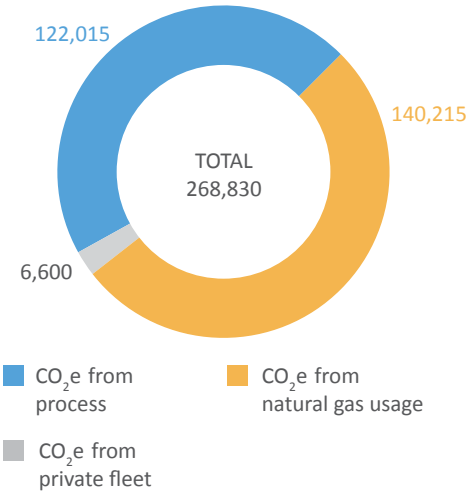
It is our goal to maintain a **GHG intensity** (Scope 1 kg GHG/kg product produced) that is significantly below the chemical industry average. In 2024, our GHG intensity was 36% lower than the industry norm.

BASELINE 2021 GHG (TONNES)



GHG Intensity - 0.074 (kg GHG per kg of final product)

2024 GHG (TONNES)



GHG Intensity - 0.090 (kg GHG per kg of final product)

Scope 1 CO_2e Composition*	2024 (tonnes)
Carbon dioxide (CO_2) from natural gas usage	140,080
Methane (CH_4) from natural gas usage	2,640
Nitrous Oxide (N_2O) from natural gas usage	264

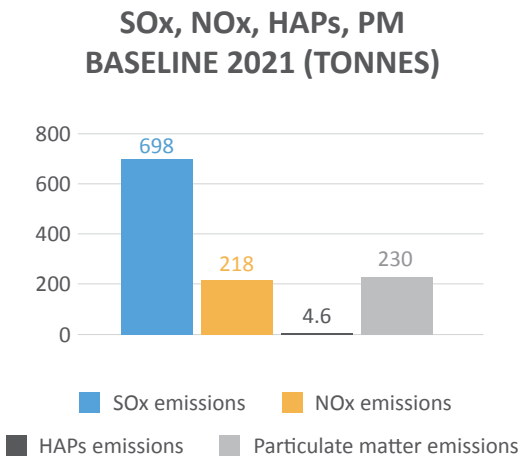
The projects intended to achieve our Scope 1 GHG emission target by 2025 have been delayed, but efforts are ongoing to achieve this goal. In 2022, we began tracking Scope 2 GHG emissions, which are indirect GHG emissions resulting from the generation of purchased electricity and other utilities consumed by our operations.

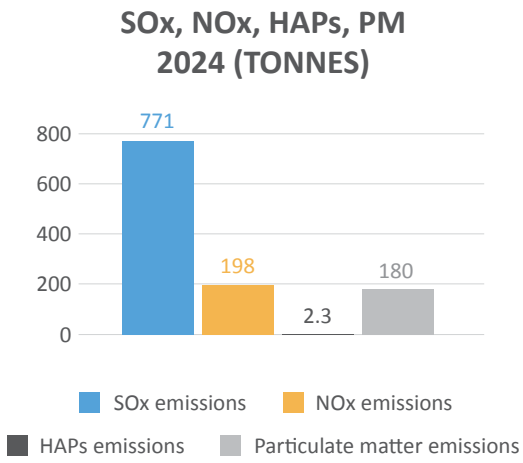
Scope 2 GHG Emissions*	2022 (tonnes)	2024 (tonnes)
CO_2	63,442	59,252
CH_4	7.60	6.86
N_2O	1.50	1.30

*Other greenhouse gases were below 0.1 tonnes and not deemed material for this report.

OTHER AIR EMISSIONS

Our operations also generate nitrogen oxide emissions (NOx), sulphur oxide emissions (SOx), hazardous air pollutant emissions (HAPs), and particulate matter.





Total other emissions in 2024 were similar to our 2021 baseline, with variations attributed to differences in production levels. The changes in emissions from natural gas usage, private fleet, and process emissions reflect shifts in relative levels of production across our business segments. Emission control strategies are in place to minimize the environmental impact of these air emissions. Air emissions abatement systems, such as scrubbers, precipitators, and filtration equipment, are used along with operating procedures to reduce emissions.

Chemtrade continues to pursue a green hydrogen strategy, and our EC segment facilities offer further opportunities to use hydrogen gas.

2.2 | Industrial and Hazardous Waste Management

Recognizing the impact that industrial and hazardous waste can have on the environment and our local communities, Chemtrade has created strong policies and best practices for the handling, management, and disposal of the chemical waste generated by our production processes.

High Clay Alumina (HCA)

The majority of our industrial waste comes from high clay alumina (HCA), a non-hazardous by-product produced at many of our water chemical sites. Our approach to minimizing HCA and other waste involves repurposing or reusing it. In 2024, two Chemtrade sites began HCA reuse programs, with trials planned at more sites for 2025. Through repurposing efforts, we reduced or diverted around 7,500 tonnes of HCA, or about 42% of our 2021 HCA baseline. Repurposed HCA is mainly used in cement production.

PROGRESS AGAINST 2021 BASELINE **HCA DIVERTED FROM LANDFILL**	In our 2021 baseline year, we generated 18,000 tonnes of HCA and diverted 4,900 tonnes (27%) away from landfills. Our target is to: ■ Reduce HCA landfill disposal by an additional 20% (3,600 tonnes) of our 2021 baseline (for a total of 8,500 tonnes diverted) by 2025, through reuse and process efficiencies. In 2024, we diverted 7,500 tonnes (42%) of HCA away from landfills, which is an additional 2,600 tonnes (additional 15%) above what we reused in 2021.

High Clay Alumina Reduction	**2021**	**2024**
Produced (baseline)	18,000	
Diverted	4,900	7,500
Percentage	27%	42%

Hazardous Waste

Our processes generate a limited amount of hazardous waste, typically during periodic turnarounds or other recurring events. The waste generated includes spent catalyst, filter waste, filter cake from sulphuric acid production, and hexavalent chromium in filtered brine sludge from sodium chlorate production. We limit the quantity of hazardous materials produced through careful production and maintenance planning, and we follow all regulatory requirements for labelling, tracking, and managing hazardous waste and materials. We only use licensed, reputable vendors for the disposal of hazardous material, and we audit these vendors for appropriate certifications. In 2024, our facilities generated 102 tonnes of hazardous waste – a 92% decrease from 2023. The significant drop can be attributed to the sale of our Lawrence, Kansas P2S5 plant in 2023, which was responsible for a comparatively large amount of hazardous waste.

Waste Management Details	2021 (tonnes)	2024 (tonnes)
Hazardous waste generated	1,980	102
Non-hazardous industrial waste generated (includes HCA and other wastes)	21,000	29,220
Total waste generated	22,980	29,322

Chemtrade is committed to the beneficial reuse of waste. In 2024, it diverted over 7,500 tonnes of High Clay Alumina away from landfills and towards other uses like cement production.

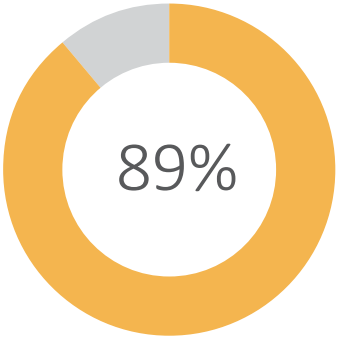
2.3 | Energy Management

Our operations rely primarily on energy from electricity and natural gas. Our electrochemical sites are our largest consumers of electricity and they are predominantly powered by renewable hydroelectric sources. We work to reduce our energy consumption through operational efficiencies and the use of renewable and self-generated fuel sources where possible. At our sulphuric acid facilities, we self-generate a portion of the energy we consume by recovering organics from spent acid and sulphur produced as a process by-product. In 2024, our facilities consumed 8,427,000 gigajoules (GJ) of electricity. The percentage generated from renewable sources fluctuates based on where our electricity providers source their energy.

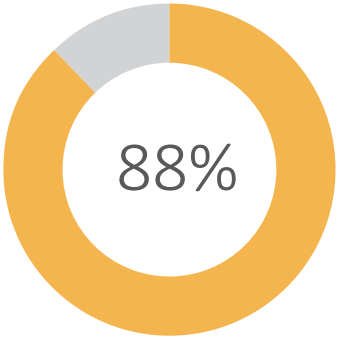
Annually, we project the percentage of energy from renewable sources and verify it through electricity supplier grid reports, which may be received up to two years after usage. Any material changes to previously reported estimates will be disclosed in the following year's annual information form.

PROGRESS AND 2021 BASELINE **ENERGY MANAGEMENT**	In our 2021 baseline year, 89% of our electricity usage was generated from renewable hydroelectric sources. In 2024, 88% of our electricity usage was generated from renewable hydroelectric sources. Our target is to: ■ Ensure a minimum of 85% of our electricity usage is from hydroelectric or other renewable sources and maintain this target when making future acquisitions.

2021
Percentage of Electricity Usage from Renewable Hydroelectric Sources



2024
Percentage of Electricity Usage from Renewable Hydroelectric Sources



Energy Management Details	2021	2024
Electricity usage	9,979,000 GJ	8,427,000 GJ
Percentage of electricity usage from renewable sources	89%	88%
Target	Minimum of 85% - Achieved	Minimum of 85% - Achieved

2.4 | Climate Related Risks and Opportunities

Climate change creates strategic risks and opportunities for us that could potentially impact our financial performance, impacting investors, lenders, suppliers, and customers. Please refer to the 2024 Annual Information Form (AIF) for more details on the risks associated with various aspects of our business.

We analyze climate-related risks and opportunities from many perspectives using the **Task Force on Climate-Related Financial Disclosure** model. This involved reviewing:

Transition to a low carbon economy creates both risks and opportunities for our businesses. We examined risks in the areas of policy and legal, technology, markets and reputation, as well as opportunities in the areas of resource efficiency, energy sources, products/services, markets and resilience.

This analysis was considered in our business strategies and risk management plans, including consideration of financial and other implications for our company.

RISK RESPONSE

We address weather-related emergencies through our crisis management plan that includes securing the facility, shelter in-place provisions, proper notification to authorities, accounting for all employees, and customer notifications.

While we have insurance that covers certain extreme weather events, there can be no assurance that it will compensate us for losses related to severe weather conditions or seismic events, including but not limited to the above events. The occurrence of any of these events could have a material adverse effect on our business, financial condition, and/or results of operations.

2.5 | Transitional Risks and Opportunities

Based on our assessment, we determined that the following areas represent the greatest **opportunities** and/or **risks** to the company.

ELECTRIC VEHICLES (EVs)

Increased demand for EVs is driven by a number of factors, including tighter regulations on CO_2 emissions, government incentives, and regulatory policies. In addition, consumers are more open to EVs as they are able to drive increasingly long distances before needing to be charged, which is the result of advancements in semiconductor chemistry that allows batteries to function at higher voltages. Finally, government mandates requiring that all new vehicles purchased beginning in 2035 be zero-emission, will also increase demand.

This increased demand for EVs creates the following opportunities for our businesses:

- **Increased demand for our UltraPure sulphuric acid:** UltraPure sulphuric acid is used in the production of semiconductors. We are investing in increased capacity at our Cairo, Ohio facility and through our KPCT Advanced Chemicals LLC joint venture (which is currently on hold) to meet this demand.
- **Increased demand for merchant sulphuric acid:** Nickel is a key component in lithium-ion batteries and in nickel-metal hydride batteries used in hybrid electric vehicles (HEVs). Increased demand for nickel will result in increased demand for merchant sulphuric acid.
- **Increased demand and prices for caustic soda:** Caustic soda is required in the production and recycling of lithium-ion batteries used in EVs and plug-in hybrid electric vehicles (PHEVs). If there is limited demand for the chlorine molecule products (hydrochloric acid and chlorine), production of co-product caustic soda will be limited, which will increase the price.

The demand for EVs creates the following risks to our businesses:

- **Reduced demand for spent acid regeneration services:** Demand for our spent acid regeneration services from gasoline refineries will decline as EV sales continue to grow. However, driven by US exports, the current refining outlook is very strong for the next three years. As EV sales grow and US oil and gas exports decline, this could negatively impact prices and ultimately result in the closure of one or more of our spent acid regeneration facilities.
- **Reduced sulphur supply potentially leading to increased cost:** Sulphur is a byproduct of oil production and is one of our main raw materials. As oil production decreases, supply of sulphur will also decrease, driving up the price.
- **Reduced demand for hydrochloric acid:** Demand for our hydrochloric acid may decline due to reduced fracking activity and improved technology that require less hydrochloric acid per tonne of product. This could limit caustic soda production if chlorine demand does not increase to offset the reduced hydrochloric acid demand.

OTHER MARKETS

Chemtrade products are critical to many industries that present both risk and opportunity for the company.

OTHER TRANSITION MARKETS HIGHLIGHTS:

- Hydrochloric acid (HCL) is a raw material for the energy-efficient foam insulation used in the building industry, Increased demand for sustainable buildings may drive up hydrochloric acid (HCl) prices. However, this could lead to overproduction and price decreases for caustic soda, which is generated as a co-product during HCl manufacturing.
- We currently use hydrogen gas (a coproduct from our EC segment sites) in boilers and combustion equipment, reducing our natural gas consumption. We have also identified an opportunity to capture hydrogen, which is currently vented to atmosphere, and sell it to third parties as a replacement for GHG-intensive fuels. This hydrogen is considered "green" as it's produced through electrolysis powered by renewable hydroelectricity.
- In 2024, under Canada's *Greenhouse Gas Pollution Pricing Act*, Chemtrade paid $2,573,000 in carbon taxes for fossil fuels used at facilities in British Columbia, Manitoba, Alberta, and Québec. Our private fleet expansion in Québec, Alberta, and Ontario, combined with higher tax rates, resulted in an additional $125,000 in carbon tax. However, we avoided $154,350 in carbon charges at North Vancouver by using hydrogen from a neighboring manufacturer and $2,880,165 at Brandon, Manitoba by utilizing locally produced hydrogen.

3.0 | SOCIAL

Based on our SASB materiality assessment, our significant social topics include workplace health and safety, operational safety, emergency preparedness and response, as well as employee engagement. Descriptions of our programs, plans and metrics for each are provided below.

3.1 | Workplace Health and Safety

Our philosophy is that working in an injury-free environment is by choice, not by chance.

We believe:

- All injuries are preventable.
- An injury-free work environment begins with employees who have the right mindsets, training, and behaviours.
- Leaders must create a culture aligned to these beliefs, in which everyone is committed to working safely, and are free to express ideas and concerns that are then addressed promptly.

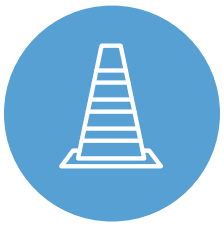
Employee safety is… **KNOWLEDGE, SKILLS, TRAINING, TOOLS, EQUIPMENT, AND ACCOUNTABILITY**

Throughout our organization, we have established comprehensive health and safety programs to protect our employees, contractors, and communities. Our workplace health and safety programs focus on the safe execution of all work at all locations. Programs include leadership and employee training, identification and management of hazards, work-permitting processes, compliance monitoring, supervisory oversight, regular maintenance, and contractor management. Safety incidents and corrective actions are tracked and reported to our senior leadership team.

We monitor the following key performance indicators on a monthly, quarterly, and annual basis:

- Lagging Performance Indicators:
- Incidents that resulted in serious injuries or fatalities (SIF).
- Occupational injury/illness rate (OIR) for both employees and contractors.
- Incidents that had the potential to result in serious injuries or fatalities (PSIF) that were recognized after an incident occurred (close-call PSIF).
- Injuries requiring first aid treatment for both employees and contractors.
- Leading Performance Indictors:
- Incidents that had the potential to result in serious injuries or fatalities, but were proactively recognized before an incident occurred (proactive PSIF).
- Incidents that had the potential to result in an injury of lower severity than a SIF, but occurred in safety focus area interventions (SFAIs) historically known as problematic and that were recognized before an incident occurred.

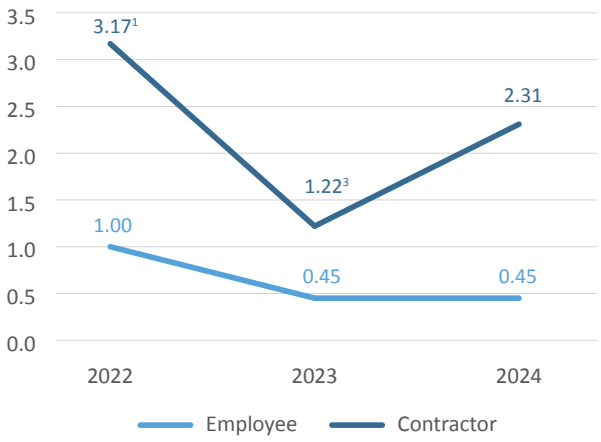
It is our goal to minimize all key performance indicators, with the exception of proactive PSIFs and SFAIs, which we encourage employees to report in an effort to identify and correct hazardous situations before they lead to injury or harm.



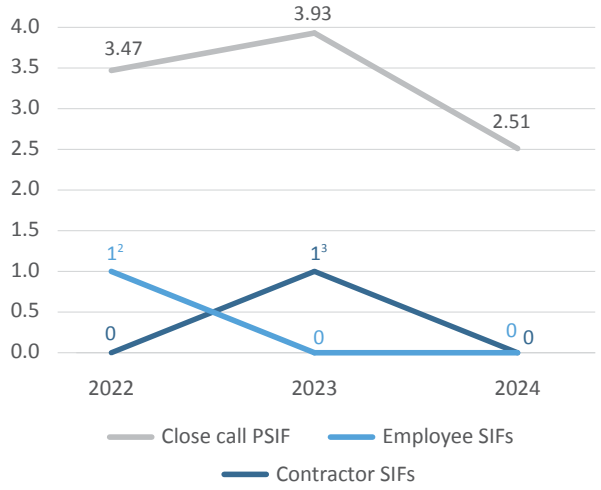
Safety by choice, not by chance.

For comparison purposes, the table below reports, among other figures, rates based on the number of incidents that occurred per 100 full-time employees. Over the past three years, our performance in these areas is indicated below:

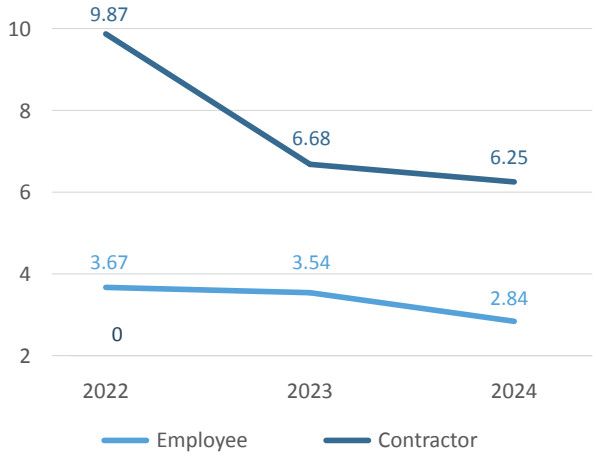
3 Year Injury Rate (OIR)



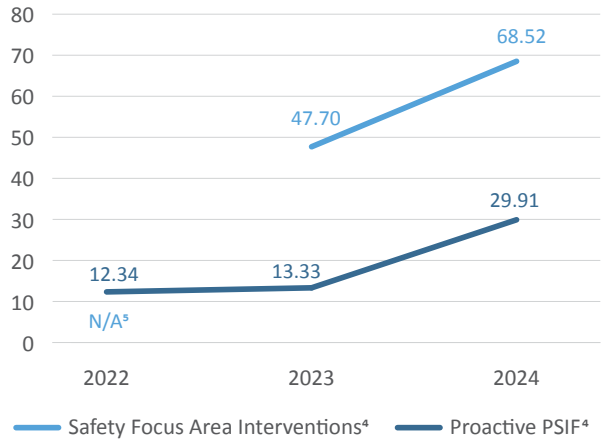
Serious Incident Tracking



3 Year First Aid Rate



Leading Indicators (Proactive PSIF & SFAI)



[1] Excludes COVID-19 related recordable injuries to allow for historical comparisons.
[2] All employee SIF incidents in 2022 were serious injuries, not fatalities.
[3] It is with sadness that we report that the 2023 Contractor OIR and number of Contractor SIFs include a contractor fatality that occurred in June of that year at our Fort McMurray Facility.
[4] For Proactive PSIF rates and Safety Focus Area Interventions, a higher figure indicates improved performance.
[5] We began tracking Safety Focus Area Interventions in 2023.

PROGRESS AGAINST 2021 BASELINE **WORKPLACE HEALTH AND SAFETY**	In our 2021 baseline year, we had an employee OIR of 1.26 and one (1) employee SIF injury. In 2024, we had an employee OIR of 0.45 and zero (0) employee SIF injuries. Our targets are to: ■ Achieve an employee OIR of 0.7 or lower by 2025. ■ Avoid all SIFs for employees and contractors in 2022 and beyond. In 2023, we did not achieve this target. In 2024, we achieved this target.

3.2 | Operational Safety, Emergency Preparedness, and Response

Process safety and risk management are important considerations for us as a manufacturer and distributor of chemicals. They are part of our commitment to our employees and the communities in which we work. Process safety is both a regulatory requirement and a mandate of our Chemistry Industry Association of Canada (CIAC) membership. But more than that, it is the right way to approach our business and an important part of our culture.

Chemtrade employs a multifaceted approach to process safety across all our facilities, which is critical to the management of hazardous materials. Our standards help ensure critical operational controls and safeguards are in place to maintain a healthy workplace and prevent unintended releases into the environment. Effective process safety management provides safety and sustainability benefits, enhanced product quality, production efficiency, and reduced downtime.

CYBERSECURITY

The security of our data and information is a key operational risk managed by our board. Currently, six board members bring expertise in assessing and mitigating cybersecurity risks, ensuring strategic guidance for our security measures. We regularly evaluate risks through reviews of IT controls conducted with insurance providers and auditors, enabling continuous improvement of security protocols across operations.

In 2024, we bolstered our cybersecurity efforts by adding specialized roles to the IT and manufacturing teams. Our program is led by a Certified Information Security Manager (CISM) experienced in ISO/IEC 27001-certified security programs, while operational technology security is overseen by an industrial electronics engineer certified as an ISA/IEC 62443 cybersecurity expert. The security team provides annual updates to the board on strategy, progress, and challenges, reflecting our commitment to ongoing improvement.

IN OUR COMMUNITIES

Our facilities prioritize the safety of the communities in which we operate by implementing robust emergency preparedness measures. These include comprehensive procedures, trained emergency response teams (both on-site and off-site), and 24-hour readiness to ensure swift action during emergencies related to our products or facilities. We maintain strong partnerships with community first responders, offering training, and sharing plans, insights, and experiences through active Community Advisory Panels (CAPs) at many locations. These panels foster strong collaboration with local stakeholders, enhancing trust and preparedness.

Additionally, we are certified under the Customs Trade Partnership Against Terrorism (C-TPAT), which focuses on securing private companies' supply chains against terrorism. All of Chemtrade's emergency response teams are available 24/7 and consist of employees from various departments, including safety, production, maintenance, supply chain, engineering, and logistics. These teams participate in training sessions at our facilities and coordinated exercises with other emergency responders such as hazmat teams, fire departments, police, customers, and carriers in the region. Technical support personnel and specialized emergency response vehicles equipped for chemical emergencies are strategically stationed to ensure rapid deployment when needed.

TRANSPORTATION SAFETY

We participate in TRANSCAER® (Transportation Community Awareness and Emergency Response), a voluntary initiative by CIAC and American Chemical Council (ACC) that helps communities located close to major transportation routes. TRANSCAER outlines our comprehensive policies for preventing transportation accidents through rigorous employee training, proper equipment standards, and careful carrier selection. The program includes detailed transportation emergency response plans for product spills or leaks and facilitates our involvement in community awareness programs.

We're also active members of the Chlorine Emergency Plan (CHLOREP), an industry-wide program ensuring rapid and effective response to chlorine emergencies throughout Canada and the U.S.

In 2024, we conducted a comprehensive drill at our Syracuse, New York facility to test both our site emergency response plan and crisis management team capabilities. The drill simulated a large-scale ammonia leak, allowing us to evaluate our revised crisis management and communication plan implemented in 2023. This exercise provided valuable insights that helped us further enhance our site emergency response standard. We remain committed to regularly testing and refining our protocols to continuously improve our emergency preparedness and response capabilities.

MEASURING UP

We monitor key performance indicators for process safety on a monthly, quarterly, and annual basis. All spills and releases that occur on-site are reported and investigated to develop corrective actions to prevent recurrence. The severity of the spill or release is categorized using an internally developed definition matrix. In general:

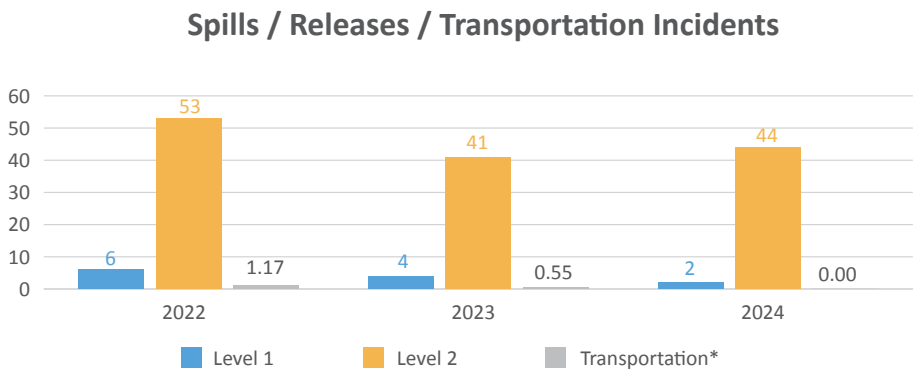
- **Level 1 spills or releases:** spills or releases that result in contamination or pollution leaving the facility boundary, requiring clean-up, or exceeding quantity thresholds that require reporting to federal regulators.
- **Level 2 spills or releases:** spills or releases that remain within the facility boundary, yet require clean-up, and do not exceed quantity thresholds that require reporting to regulators.

These incidents and corrective actions are tracked and reported to our senior leadership team.

We also track transportation related incidents during shipment, transport, and delivery of our products monthly, quarterly, and annually. In 2022, we revised our metric to meet the SASB requirements for better alignment with SASB standards, unbiased tracking against shipping volumes, and easier comparison with other chemical companies. We now track transportation incidents with an incident rate per 1 million miles (1.6 million kilometers). Transportation incidents requiring U.S. Department of Transportation Form 5800 submission (or equivalent) include:

- As a direct result of a hazardous material:
  - a person is killed
  - a person receives an injury requiring admittance to a hospital
  - the general public is evacuated for one hour or more
  - a major transportation artery or facility is closed or shut down for one hour or more
- A release of a marine pollutant occurs in a quantity exceeding 450 L (119 gallons) for a liquid or 400 kg (882 pounds) for a solid.
- An unintentional release of a hazardous material or the discharge of any quantity of hazardous waste.
- A specification cargo tank with a capacity of 1,000 gallons (3,785 L) or greater containing any hazardous material suffers structural damage to the lading retention system or damage that requires repair to a system intended to protect the lading retention system, even if there is no release of hazardous material.
- An undeclared hazardous material is discovered.

Over the past three years, our annual performance in these areas is shown below:



*Based on our revised criteria for transportation incidents

PROGRESS AGAINST 2021 BASELINE **OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS AND RESPONSE**	In our 2021 baseline year, we recorded three Level 1 spills or releases and two transportation incidents (based on our revised criteria for transportation incidents). Our updated targets are to: ■ Reduce Level 1 spills or releases by 50% of 2021 baseline by 2025. ■ Reduce the number of transportation incidents by 50% of new 2022 baseline (see below) by 2025. In 2024, we recorded two Level 1 spills or releases, which, while a decrease from our 2021 baseline of three Level 1 spills, falls short of our goal of reducing Level 1 spills by 50% of the 2021 baseline. In 2024, we also had a transportation incident rate of 0.00 incidents per 1 million miles (1.6 million kilometers), which is a 100% decrease from the previous year.

3.3 | Employee Engagement

EMPLOYEE ENGAGEMENT

Our employees are our most valued asset, and crucial to our success. We have found high employee engagement leads to improved safety, employee retention, customer satisfaction, increased productivity, and ultimately, profitability. Engagement is driven by strong leadership and a culture that fosters empowerment and growth and development.

Highlights of employee satisfaction and retention efforts:

Our employee development processes are designed to be thorough and well-structured, fostering both individual growth and organizational success. Key aspects of our approach include **Talent Reviews and Succession Planning** and **Individual Development Plans (IDPs)**. Succession planning and IDPs are structured around clearly defined and supported **Core Competencies**.

- problem-solving and strategic mindset
- teamwork and collaboration
- leading change and initiative
- development mindset
- customer mindset
- effective communication

This employee-focused framework ensures team members have clear pathways for growth while strengthening our talent pipeline for future leadership roles.

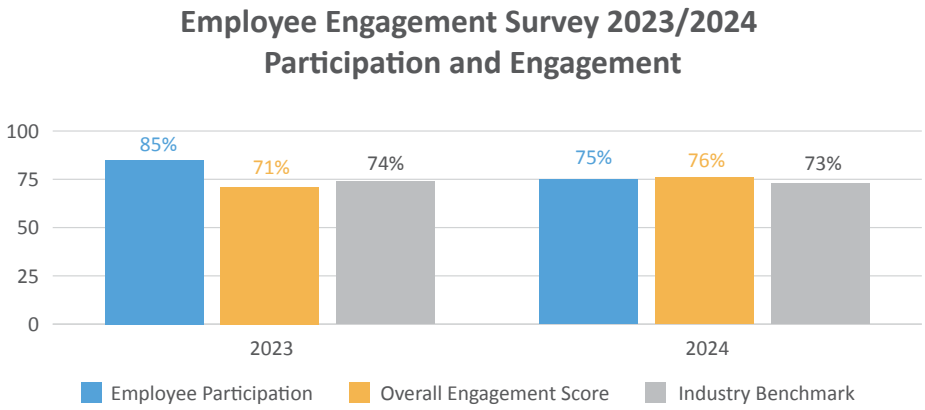
Our leadership development programs are designed to enhance core competencies, catering to the particular needs of directors, managers, and first-time supervisors. These programs focus on developing leadership skills such as strategic thinking, decision-making, and effective communication, ensuring leaders can drive organizational performance and foster collaboration.

CHEMTRADE UNIVERSITY: ONLINE EMPLOYEE TRAINING

Our online employee training system, Chemtrade University, provides comprehensive training and development resources for all employees. It supports the advancement of core competencies, documents understanding and tracks completion of mandatory environmental safety and corporate compliance training, while also offering self-led learning opportunities aligned with individual employee interests.

EMPLOYEE ENGAGEMENT SURVEY

In 2024, we introduced a shorter (five questions) version for our third annual employee engagement survey. This pulse survey showed an overall engagement score increase to 76%, surpassing the external benchmark of 73%. Communication scores rose by six points to 66, also exceeding the benchmark. Despite a participation decrease from 85% to 75%, these results highlight positive trends. Moving forward, we will alternate between full and pulse surveys every other year, to optimize response rates and insights.



PROGRESS AND 2021 BASELINE **EMPLOYEE ENGAGEMENT**	In our 2021 baseline year, our first annual employee engagement survey resulted in an overall engagement rating of 69% as compared to our external benchmark of 76%. In 2024, our annual employee engagement survey resulted in an overall engagement rating of 76% as compared to our external benchmark of 73%. ■ Our target was to achieve the external benchmark by 2023. We fell short of this benchmark by three points in 2023 but exceeded it by three points in the 2024 pulse survey. Our next company-wide survey will be conducted in 2025. Our goal is to sustain the improvements we achieved in the pulse survey.

DIVERSITY AND INCLUSION

Our board and management are dedicated to ensuring we are hiring the most qualified candidates for the position, and that our workforce is inclusive and reflects the diversity of the communities in which we operate. We believe that a range of skills, backgrounds, and perspectives improve both operational and financial outcomes. Our compensation practices support pay equity for comparable work.

Diversity Across the Organization

Our diversity and inclusion strategy was informed by our employee engagement surveys. Our approach was built on four strategic pillars:

- **Leaders –** Visible champions advancing diversity and inclusion
- **People –** High-performance workforce reflective of the diverse communities in which we operate
- **Workplace –** Fostering a culture of respect and belonging with aligned policies, procedures, and programs
- **Community and Customers –** Building relationships with partners who support and recognize these same values

Our extended leadership team (ELT) participated in training workshops on recognizing unconscious biases and promoting an inclusive workplace. This training was also provided to managers and employees throughout the organization. Diversity and inclusion are now highlighted in our Vision, Values, and Culture statements. In 2024, an ELT meeting featured a half-day session on these topics with a keynote address by Indigenous board member, Gary Merasty, followed by a panel discussion with senior leaders.

Our Diversity, Equity and Inclusion Policy addresses recruitment, selection and promotion, remuneration, career development and performance, talent reviews and succession planning, training, gender and racial diversity, inclusion, employee consultation, and supplier diversity.

BOARD AND EXECUTIVE POLICY

In January 2022, we adopted a policy that recognizes the importance of diversity on the Chemtrade board and in executive management. The policy includes (and requires us to identify candidates) covering diversity of age, gender, visible minorities, Indigenous peoples, persons with disabilities, sexual orientation, and other personal characteristics.

Our diversity statistics and targets for both board and management levels are contained in our most recent management information circular (MIC) available on our website (**www.chemtradelogistics.com**) and on SEDAR+ (**www.sedarplus.com**).

4.0 | GOVERNANCE

Based on our SASB materiality assessment, our material governance topics are corporate governance and business ethics, management of the legal and regulatory environment, and governance of environmental and social issues. Our programs, plans, and metrics are described below.

4.1 | Corporate Governance and Business Ethics Structure

Chemtrade is governed by our board of trustees and four board committees providing oversight of our corporate strategy, risk management, and environmental, and social practices. Our currently available Management Information Circular (MIC) contains an additional discussion of various corporate governance topics, including the following:

GOVERNANCE CATEGORIES

STRUCTURE

- Size and composition
- Independence
- Diversity

INTEGRITY

- Code of conduct
- Supplier code of conduct
- Anti-corruption and anti-bribery policy
- Clawback policy
- Insider trading policy
- Disclosure policy

BOARD QUALITY

- Skills matrix
- Orientation
- Continuing education
- Board assessment

COMPENSATION

- Fee schedule
- About deferred units

COMMITMENTS/ EXPECTATIONS OF BOARD MEMBERS

- Risk oversight
- Succession planning
- Serving on other boards
- Equity ownership
- Attendance
- Tenure and renewal
- Majority voting

4.2 | Management of Legal and Regulatory Environment

We are members of the Chemistry Industry Association of Canada (CIAC) and the American Chemistry Council (ACC), leveraging these partnerships to help shape government regulations and policy. The CIAC promotes policies that enable innovations for a healthy environment and a low-carbon economy, while the ACC collaborates with governments to develop effective safety, health, environmental, and transportation standards.

Additionally, we participate in trade associations such as the Chlorine Institute and The Sulphur Institute to provide input on regulatory matters. To stay informed, we use RegScan compliance specialists as our primary tool for tracking proposed and final environmental, safety, and health regulations.

4.3 | Governance of Environmental and Social Issues

ROLES & RESPONSIBILITIES

The board of trustees is responsible for overseeing strategy, governance, and risk, as well as the overall approach to sustainability.

The audit committee oversees financial risks, the systems implemented to monitor them, and the strategies and controls in place to manage them.

The Responsible Care committee oversees our environmental, health, safety, security and transportation philosophy and policies, and monitors our performance in those areas.

The governance and nominating committee oversees our governance practices and our business ethics policies.

The human capital and compensation committee oversees our compensation policies, plans and programs to ensure they do not motivate inappropriate risk-taking.

Through our mandates, charters, policies, and related documents, we have developed a robust, strategic approach to our sustainability commitments. This extends to our relationships with valued partners, including employees, customers, suppliers, and investors. Each of the board committees is responsible for sustainability topics in its area of responsibility, with the board having overall oversight. At the managerial level, theVice President, Environmental Risk, has overall responsibility for sustainability commitments. The Vice-President, Responsible Care has responsibility for management of environmental, health, safety, security, and transportation, with the oversight of the Group Vice-President, Manufacturing and Engineering. The social aspects are the responsibility of the Senior Vice-President, Human Resources and the governance aspects are managed by the General Counsel.

The board adopted an investor engagement policy in 2016. A copy of the policy is available on our website (**www.chemtradelogistics.com**). Our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) routinely meet with equity research analysts, as well as current and prospective investors to discuss sustainability topics. Chemtrade's sustainability initiatives and targets are part of Chemtrade's investor presentation materials and are generally covered at such meetings. In 2024, our CEO and CFO had a total of 76 investor meetings either virtually or in-person, with retail investors and potential investors (or their brokers) to explain the business and answer their questions and also had 11 meetings with seven of our top unitholders. Additionally, we offered meetings to our top unitholders with our board chair and our governance and nominating committee chair.

4.4 | Anti-corruption and Anti-bribery

An anti-corruption and anti-bribery policy that applies to our officers, employees, trustees, and third-party agents will be issued in 2025. The purpose of the policy, which will be available on our website (**www.chemtradelogistics.com**), is to ensure that Chemtrade employees and representatives act with honesty and integrity, complying with global anti-corruption and anti-bribery laws. The policy emphasizes that bribery and corruption are strictly prohibited, and outlines the requirements for avoiding improper payments, including gifts, entertainment, facilitation payments, and political contributions. Beginning in 2025, biennial training on the anti-corruption and anti-bribery policy will be required for all employees. Specific departments and employees, for whom this policy would most impact their day-to-day responsibilities will receive targeted training.

CHEMTRADE

A FUTURE OF SUSTAINABILITY

Sustainability at Chemtrade is an ongoing and expanding focus. We are working to lessen our environmental impact and optimize efficiency throughout our operations. This annual Supplement Sustainability Report has been created to share the areas in which we are currently making strides in our environmental and sustainability efforts.

METRICS AND REPORTING STANDARDS

At Chemtrade we monitor the health, safety and environment metrics for our key facilities as recommended by Responsible Care and as required by Environment, Health & Safety (EHS) regulations. Objectives for key facilities are set and tracked annually and reported quarterly. The sustainability metrics, including emissions, reported in this supplement are calculated and reported based on SASB standards. SASB standard calculations may result in reported figures that differ from the same or similar metrics we report to regulators in accordance with each regulator's specific requirements.

For more detail on many of the topics covered here, please refer to our **2024 Annual Information Form**, available on **www.sedar.com**.

All information shared in this supplement is as of December 31, 2024, and all dollar amounts are in Canadian dollars, unless specified otherwise.

FORWARD-LOOKING STATEMENT

Certain statements contained in this Report constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "expected", "intend", "may", "will", "project", "plan", "should", "believe" and similar expressions. Forward-looking statements in this Report describe the expectations of Chemtrade Logistics Income Fund (Chemtrade) and its subsidiaries as of the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the "RISK FACTORS" section of Chemtrade's latest Annual Information Form and the "RISKS AND UNCERTAINTIES" section of Chemtrade's most recent Management's Discussion & Analysis. Although Chemtrade believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. Except as required by law, Chemtrade does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Further information can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on **www.sedar.com**.

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