

MODERN SLAVERY REPORT

1. INTRODUCTION

This report is prepared pursuant to the *Fighting Against Force Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the “Act”) covering The CSL Group Inc. fiscal year of April 1, 2023 to March 31, 2024. It also constitutes a statement under subsection 54 (1) of the United Kingdom’s *Modern Slavery Act 2015*, section 14 of the *Australian Modern Slavery Act 2018*, (collectively the “legislation”) and section 5 of the *Norwegian Transparency Act*, which contain provisions against modern slavery, child labour, servitude, forced or compulsory labour and human trafficking, including provisions for the protection of victims.

The CSL Group Inc. (collectively “CSL”, “we” and “our”) is committed to maintaining high ethical standards in all of its operations worldwide, and will not tolerate modern slavery, child labour, human trafficking or any other form of forced labour. As part of a comprehensive corporate social responsibility program that forms an integral part of its business strategy, CSL has implemented various policies and procedures to promote ethical behaviour, to provide a safe work environment and to ensure that fair labour practices are followed.

This statement lists the actions and steps CSL has taken to ensure that slavery, human trafficking, child labour and any other form of forced labour are not taking place in its supply chains or in any part of its business.

2. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

STRUCTURE

CSL is a Canadian-based privately-owned shipping company with headquarters in Montreal, Canada. CSL employs a total of approximately 1,500 employees worldwide, both onboard ships and ashore. CSL has affiliate offices conducting business globally through its Canada, Americas, Europe, Australia, Asia and transshipment operating divisions.

ACTIVITIES

Together with its subsidiaries, CSL is a leading provider of marine dry bulk cargo handling and delivery services and the world’s largest owner and operator of self-unloading vessels, carrying cargoes such as iron ore, coal, aggregates, grain, salt and sugar for industries ranging from construction and steel to energy and agri-food.

SUPPLY CHAIN

As a vessel owner/operator, CSL contracts with both local and international suppliers for the provision of products, parts and services, including engaging international crewing providers to crew vessels under CSL management. CSL contracts with and acquires raw material, parts, equipment and consumables from both European based and international suppliers and from time to time, will outsource technical vessel management to third parties.

3. POLICIES AND DUE DILIGENCE

CSL's Code of Corporate Responsibility (the "Code") sets out CSL's standards of integrity and expectations of ethical behaviour. The Code affirms CSL's commitment to respect human rights, to provide fair and competitive employment terms, to promote equal opportunity employment, to treat employees fairly, to comply with applicable laws and regulations, and to provide a clean, healthy and safe work environment. It further confirms CSL's undertaking to conduct business as a responsible corporate member of the society, to abide by applicable laws and to respect high ethical standards wherever it operates, and to promote the application of the Code in its dealings with suppliers. As part of our Code, we include compliance clauses in our contracts with suppliers that promote sustainable procurement practices. These clauses cover a range of important issues, including privacy of personal data, information security, modern slavery, sanctions, and anti-corruption. Additionally, under such contractual terms, it is a supplier's duty, if it becomes aware of any potential or actual breach of law, to promptly notify CSL and provide CSL with all necessary assistance in investigating that breach. By including these compliance clauses, we are committed to promoting safe, sustainable, and ethical business practices among our suppliers. This helps us ensure our supply chain is not only efficient and cost-effective, but also socially responsible and environmentally sustainable. CSL's President and Chief Executive Officer is responsible for initiating and supervising investigations into alleged violations of the Code, and the results of the investigations are reported to CSL's Board of Directors.

More broadly, CSL is committed to strictly complying with national and international human rights laws and recognizes its responsibility to respect human rights principles as set out in the International Bill of Human Rights and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work. CSL also actively supports the ten principles of the United Nations Global Compact.

To further CSL's commitment to ensuring its supply chain reflects its strong commitment to the principles of sustainable development, CSL signed up to the IMPA Act, a not-for-profit program founded by the International Marine Purchasing Association (IMPA). The IMPA Act is a marine management program that seeks to align marine purchasers and suppliers with internationally accepted principles of Corporate Social Responsibility (CSR) through focusing on sustainable and ethical supply chain management. CSL has codified its practices within its own internal policies and procedures. Also, where CSL contracts with crewing agencies for the provision of vessel crews, CSL's Safety Management System stipulates that only crewing providers which have current certification under the Maritime Labour Convention ("MLC") can be engaged. The MLC provides measures to guarantee minimum age requirements, minimum wage requirements and welfare requirements of crew are maintained. Each crewing provider must obtain annual certification under the MLC to ensure compliance, and CSL completes checks annually to ensure ongoing compliance.

4. SUPPLY CHAIN RISKS

CSL considers as low the risk of forced labour or child labour in countries where it operates. Even if CSL recognizes that the industry may be subject to potential abuses, more specifically towards seafarers, such as extended working hours and overtime, poor working conditions (mental harassment, fatigue and lack of rest and sleep), lack of food and drinking water, CSL works with like-minded suppliers, with whom it has been doing business for many years and who operate in countries with high measures of protection for employees. CSL supply chain is also governed by the International Association for Classification Societies and Transport Canada requirements for approved vendors and suppliers. For this reporting year, CSL has conducted an evaluation of one of its supplier's workers' working conditions and welfare.

5. REMEDIAL MEASURES

CSL encourages its employees, customers and the public to report any breaches of CSL's policies and commitments. Reports of any suspected breaches can be made anonymously and confidentially online or by phone anywhere in the world through EthicsPoint, an independent third-party reporting service. Any reports of breaches received through EthicsPoint are promptly investigated and addressed. The number and types of complaints received, breaches detected, and instances where corrective measures were taken are published annually in CSL's Corporate Sustainability Report (the "Sustainability Report"). The Sustainability Report also outlines the steps taken and progress made by CSL during the previous year to promote ethical business practices in its operations, as well as the action it intends to take going forward to ensure CSL continues to uphold high ethical standards in all aspects of its business.

6. LOSS OF INCOME

CSL believes that the most vulnerable families have not incurred any loss of income as a result of the measures it has taken to eliminate the risk forced or child labour. However, we acknowledge the direct impact our operations have on the communities in which we operate and embrace our responsibility to give back and act as a catalyst for positive change. We firmly believe that business success is not only measured by financial achievements. It encompasses a broader commitment to creating lasting value on communities and the environment.

Our approach emphasizes building strong community relationships founded on trust, respect, and collaboration. Through our partnerships and philanthropic endeavours, we strive to enhance the wellbeing of individuals living and working in the areas we serve. We aim to forge a brighter and more resilient future for all through our active efforts to promote environmental sustainability, and support the diverse social and cultural needs of communities.

7. TRAINING

CSL ensures that all employees are educated about and comply with policies, law and ethical conduct. All CSL employees are required to read, understand, and confirm their compliance with the Code on an annual basis and to report any violations that come to their attention.

In addition, CSL is an active member of the Maritime Anti-Corruption Network ("MACN"), a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. MACN anti-bribery training ("Stand your Ground, be a Leader") is provided to all vessel operations staff and Masters. Shoreside employees receive integrity training annually to increase their awareness of the dynamics and impact of corruption, and to provide them with the tools and insight necessary to identify and address risks. Specific training is also conducted for personnel working in operations and purchasing departments to reinforce the importance of CSL's Anti-Corruption Program, emphasis on appropriate due diligence practices, and CSL's zero tolerance for corruption in any form.

8. EFFECTIVENESS ASSESSMENT

CSL expects its suppliers to have a zero-tolerance policy in regard of force labour or child labour in all their facilities and business activities and within their entire supply chain. To assess effectiveness, we rely on information provided by our employees, clients, suppliers, and member of the community. We intend to continue to assess and refine our policies and procedures and so improve our approach to human rights.

No instances of modern slavery, child labour, servitude, force or compulsory labour or human trafficking involving our suppliers have been detected for the 2024 fiscal year by CSL's oversight of procedures.

9. OUR CONSULTATION AND GOVERNANCE PROCESS

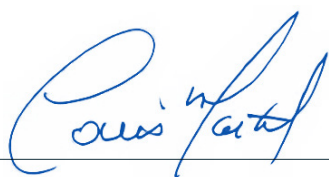
In preparing this Report, CSL conducted consultation with key areas of its organization, including, Global Strategic Procurement, Internal Audit, Finance, Human Resources, ESG and the Legal Departments. These teams operate across our organization, including across the subsidiaries to which this Report applies. This exercise has supported CSL endeavors to continue its contribution towards restoring and maintaining the basic human rights worldwide.

10. APPROVAL AND ATTESTATION PURSUANT TO SECTION 11 OF THE CANADIAN ACT

This statement was approved by the Board of Directors of The CSL Group Inc. on June 11, 2024.

In accordance with the requirements of the Act, and in particular with sub-paragraph 11 (4)(a) thereof, we attest that we have reviewed the information contained in the report for the entities listed above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate, and complete in all material respects for the purpose of the Act, for the reporting year listed above.

We have the authority to bind The CSL Group Inc.



Louis Martel
President and Chief Executive Officer
May 28, 2024



Paul Martin
Chair of the Board of Directors
May 28, 2024