



## Modern Slavery Statement 2023

This is the Quadra Group's (referred to herein as Quadra) first Modern Slavery statement. Issued in accordance with Canada's Bill S-211, this report outlines the actions Quadra has undertaken (and continues to undertake) for its operations to identify, assess and prevent all forms of slavery in its supply chain and operations (this includes forced or compulsory labour, human trafficking, and child labour).

## Comments From Our President and CEO

We recognize that modern slavery is a growing concern across the globe and is a broad term covering a variety of actions. We support Canada's policymakers to raise the issue's profile and assign accountabilities to Canadian businesses to enhance transparency in our supply chains. The global abolition of modern slavery is an ambitious goal that will take time and bold actions. Quadra remains committed to evolving our policies, work practices, and management tools so they accurately and efficiently evaluate and verify our supply chain partners to deliver the certainty we and our customers expect.

At Quadra, our Core Values: Safety, Connected to our Customers, Supplier and Employees, Caring, Entrepreneurship, Innovation, Integrity, Quick on our Feet and Having Fun guide our actions and interactions with our supply chain partners. Our people are the ambassadors of our core values and are responsible for making decisions and executing our business with these principles in mind. Our supplier-centric, and customer-focused approach allows our teams to work closely with our suppliers to ensure mutual alignment with Quadra's business expectations.

## About Quadra

The Quadra Group is a privately held North American chemical and ingredient distribution business comprised of Quadra Chemicals Ltd, operating in Canada and Quadra Chemicals Inc., operating in the United States. We are comprised of approximately 500 employees across North America and manage complex global supply chains to deliver specialty products, blends, or raw materials to our customers safely, and reliably. The Quadra Group operates a Representative Office located in Shanghai, China that supports all sourcing activities such as, but not limited to, business operations reviews, export history reviews, site visits and site audits across Asia. In 2023, our global supply chain reached 48 different countries as we procured products for distribution across North America.

Commercially we service three dynamic business divisions; Industrial, Ingredients and Resources which cater to a subset of markets. As a distributor at the centre of the supply chain, Quadra is exposed to various stages of product development from design to customer end-use. We are strongly focused on ensuring delivery of the highest quality product with embedded responsible sourcing standards. All Quadra facilities rely on experienced specialists that support the various industries they serve.



## Corporate Governance

The overall responsibility for supply chain and business governance is held by Quadra's President and CEO who reports directly to the Board of Directors. The senior leadership team (Vice President (VP) of Supply Chain and Operations, VP of Corporate, VP of Human Resources) all have varied responsibilities for the development and implementation of corporate policies and programs tied to the procurement of goods and services and human capital.

Quadra's Commercial VP's hold responsibility for the selection and approval of suppliers and products for distribution. This includes ensuring the supplier selection process is executed, and is aligned to market considerations, product quality, cost, and reliability of supply. Additionally, they play a pivotal role in nurturing and sustaining robust relationship management with key suppliers, fostering trust and cooperation that ultimately enhances Quadra's business operations.

The Corporate Sustainability Manager is responsible for collaborating with key accountable stakeholders across Quadra's business to coordinate modern slavery reporting, monitor progress on modern slavery commitments and identify and mitigate any emerging risks.

Quadra prides itself on being a responsible sourcing partner among our suppliers, customers and within our communities. This has been demonstrated through our participation with EcoVadis since 2012. In 2023, Quadra achieved a gold rating placing us in the top 5% of all participating companies assessed by EcoVadis. Our tenured participation demonstrates our commitment to continuous improvement in the areas of environmental management, labour and human rights, sustainable procurement, and ethical business practice. We remained focused on these areas within our business operations and in all supplier and customer interactions.

In 2019, Quadra became a signatory to the United Nations Global Compact (UNGC) which outlines ten recognized principles in the areas of human rights, labour standards, environmental management, and ethical business practice. Commitment to this organization compliments our business practices and remains a core focus when choosing supply partners. Quadra has been reporting annually on progress against these 10 principles in our annual sustainability report.

**EN** - [https://quadra.wpenginepowered.com/wp-content/uploads/2023/12/QUA-111-DOC-2022-Sustainability-Report\\_V11\\_FINAL.pdf](https://quadra.wpenginepowered.com/wp-content/uploads/2023/12/QUA-111-DOC-2022-Sustainability-Report_V11_FINAL.pdf) (Page 12)

**FR** - [https://quadra.wpenginepowered.com/wp-content/uploads/2023/12/QUA-112-DOC-2022-Sustainability-Report-FR\\_V2.pdf](https://quadra.wpenginepowered.com/wp-content/uploads/2023/12/QUA-112-DOC-2022-Sustainability-Report-FR_V2.pdf) (Page 12)

In 2023, Quadra was awarded the Great Places to Work certification, an honour we have maintained since our first application in 2017. In 2023 we were also acknowledged with the "Best Workplace for Women" certification. These recognitions reflect an exceptional level of satisfaction among participants, with 90% of employees affirming fair and equitable working conditions, irrespective of gender. Additionally, Quadra achieved Platinum status as one of Canada's Best Managed Companies, a designation held for over 20 years. This prestigious award recognizes the best-in-class of Canadian-owned and managed companies that demonstrate strong business performance and innovative management practices.



## Policies

Quadra's Ethical Business Policy defines the expectation to which we will conduct our business and engage with our suppliers, customers, local communities, and co-workers. This policy also contains information on our anonymous Speak-Up line which can be used by any individual to report any non-compliances without retaliation. All reports are investigated, and corrective actions are developed accordingly.

Quadra's Supplier Code of Conduct defines the level of expectation we hold our suppliers to in the areas of human rights, working conditions, ethical business practice and environmental management. We encourage and expect our suppliers to review and acknowledge our Supplier Code of Conduct.

Quadra has a variety of policy and standard operating procedures embedded throughout the business to ensure compliance across all our regional jurisdictions. Our labour, safety, and recruitment practices meet the requirements of regional jurisdictions and further ensure modern slavery practices are not taking place within our business. All corporate policies are available in both English and French and our employees are trained and acknowledge these expectations.

Quadra is an active member of Responsible Distribution Canada (RDC) and the Alliance for Chemical Distribution (ACD) in the United States. As an active member of RDC, Quadra adheres to the Code of Practice for Responsible Distribution and complies with their internal and external audit schedule.

## Supply Chain Assessment and Action

In 2023, we procured products and materials from 48 different countries for distribution across North America. The risk of slavery practices within our supply chain is mitigated because of the policies and practices outlined above. We actively assess our supply chain for slavery practices, mitigate any identified risk and continually manage and evaluate new threats as they are raised.

In 2022, Quadra obtained the Roundtable on Sustainable Palm Oil (RSPO) and Rainforest Alliance (RA) supply chain certifications to enhance our sustainable procurement program for palm oil and palm products where farming and manufacturing practices have the potential to include modern slavery in their operations.

The RSPO certification sets standards for sustainable palm oil farming, harvesting, manufacturing and distribution in the areas of people (respect of human rights, small farmer inclusion and working conditions), environment (protect, enhance, and conserve ecosystems/environment) and prosperity (operating ethically, transparently and optimizing operations to be productive, efficient, and resilient).

Quadra successfully managed its RSPO supply chain certificate and distributor licenses through the 2023 audit cycle with no major findings.

The RA certification is an international non-profit organization working in more than 70 countries to implement sustainable farming practices and improve rural livelihoods for four select commodities, cocoa, coffee, tea, and bananas. The goals of the certification are to ensure that select products are grown, harvested, processed (as required), and distributed using sound environmental practices and suitable working conditions.



Quadra has successfully managed its RA certifications through the 2023 audit cycle with no major findings.

Within our North American operations and our product procurement supply chain, Quadra has had no (0) reported allegations, claims or complaints of modern slavery abuses or forced labour in the 2023 calendar year.

## Training and Education

Quadra's employees receive regular training on our policies through a detailed onboarding package which outlines corporate policies and other job-specific expectations. All employee policy reviews require sign-off to acknowledge having read and understood the expectations. Training on Quadra's business model is executed through Quadra University which is tailored to commercial employees and business service leaders educating them on Quadra's unique business approach and key collaboration processes.

## Remediation Efforts

In 2023 there were no (0) reported allegations, claims or complaints of modern slavery abuses or forced labour in our supply chain or within our operations. As a result, Quadra is not actively managing any remediation efforts.

## Assessing Effectiveness

Quadra has a variety of measures in place to reduce the risk of modern slavery practices in its supply chain and operations. We encourage our employees to report any issues (compliance, modern slavery etc.) through our confidential reporting line where all reports will be investigated. Currently, there are no measures to assess the effectiveness of our practices.

*"In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."*

**Full name:** Anne-Marie Infilise

**Title:** President and CEO

**Date:** May 31, 2024

**Signature:**

A handwritten signature in black ink, appearing to read 'A. Infilise', written over a horizontal line.

I have the authority to bind Quadra Chemicals Ltd. and Quadra Chemicals Inc.