

Fighting Against Forced Labour and Child Labour Report

Reporting Period - 2024



Introduction

This joint report constitutes the Quadra Group's (Quadra Chemicals Ltd. and Quadra Chemicals Inc. referred to herein as Quadra) response to the reporting requirements under Canada's "*Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act)". This report covering our last fiscal year (Oct 1, 2024 to Sept 30, 2025), covers the ongoing and undertaken activity to assess and prevent all forms of slavery in Quadra's supply chain and operations.

Steps Taken to Prevent and Reduce the Risks of Forced or Child Labour in 2024

During 2024, Quadra took the following steps to prevent and reduce the risk of forced labour or child labour in our business and supply chain:

- Improved our EcoVadis Sustainable Procurement score over 2023 results,
- Updated our Supplier Code of Conduct to expand on our supplier expectations in the areas of human rights, labour standards, ethical business practice and environmental management,
- Reviewed and updated Quadra's recruitment policy to expand and define the employment checks and requirements for the acquisition of new talent,
- Reviewed and updated Quadra's Procurement Risk Assessment to include product procurement, non-product procurement (good and services) and transportation/logistics (services),
- Reviewed and updated Quadra's Supplier Assessment to identify sustainability risks early in the supplier engagement process,
- Evaluated a variety of third-party modern slavery training programs that could be integrated into our corporate learning management system.

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 employ approximately 525 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 in China such as, but not limited to, business operations



reviews, export history reviews, site visits and site audits across Asia. In 2024, our global supply chain reached 33 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 center 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 products 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 CEO & President who reports directly to the Board of Directors. The senior leadership team (Senior Vice Presidents (SVP), Vice Presidents (VP), Chief Financial Officer (CFO) and Chief Digital Officer (CDO)) all have varied responsibilities for the development and implementation of corporate policies and programs tied to the procurement of goods, 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 relationships with the management of key suppliers. This level of engagement fosters trust and cooperation that ultimately enhances Quadra's business operations.

The North American 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. Quadra maintained its Gold certification in 2024, 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. In 2024, we increased the results of our sustainable procurement score over 2023.



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 business principles in the areas of human rights, labour standards, environmental management, and ethical business practice. Commitment to this organization complements 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://quadragroup.com/app/uploads/2024/09/qua-2023-sustainability-report.pdf>

FR - <https://quadragroup.com/app/uploads/2024/09/qua-2023-sustainability-report-fr.pdf>

In 2024, Quadra was awarded the Great Places to Work certification in Canada, an honor we have maintained since our first application in 2017. In 2024 we conducted our engagement survey which reflects an exceptional level of satisfaction among participants, with a majority of employees (over 90%) affirming fair treatment regardless of race, gender, age, and sexual orientation. 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

Across Quadra's operations, we have established policies and frameworks to effectively manage human capital risks, including those related to modern slavery. Our commitment to maintaining and communicating our standards extends to our employees, suppliers and customers, who are expected to adhere to our policies.

Quadra's Ethical Business Policy defines the expectation to which our employees conduct our business and engage with our co-workers, suppliers, customers, and local communities. This policy outlines the expectations our employees are expected to uphold and 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 expectations we have of our suppliers. In 2024 Quadra's Supplier Code of Conduct was updated to expand on the expectations of our suppliers in the areas of human rights, labour standards, ethical business practice and



environmental management. Roll out of this document to our employees and suppliers is underway.

Quadra has a variety of policies 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 that any use of force or child labour practices is strictly prohibited within our business. In 2024, our Recruitment Policy was updated to further define the employment checks and requirements Quadra will consider for the acquisition of any new talent. All corporate policies are available in both English and French and our employees are trained and are expected to acknowledge these policies.

Supply Chain Assessment and Actions

When assessing and reviewing the risk of modern slavery in our supply chain, there are several factors to be considered: the geography, the industry and the type of operation. At Quadra, we understand the importance of evaluating suppliers in the onboarding phase to assess the inherent risk posed and determine if a business relationship can flourish, in situations where a risk is possible, we take additional precautionary measures to minimize the risk.

Quadra Operations

Quadra's workforce is spread across our various business units in Canada and the United States. Our operational sites are supported by a workforce that facilitates commercial activities and day-to-day corporate operations. These sites remain compliant with applicable labour, employment and occupation health and safety laws. Quadra's workforce was assessed to have a low inherent risk of force labour and child labour due to factors such as geography and the predominantly highly skilled workforce and low labour intensity of the work activities. These risks are further reduced due by Quadra's corporate recruitment policies and operational practices designed specifically for our operations.

Quadra Supply Chain

Quadra believes that our greatest risk exposure to forced labour and child labour is through the procurement of product(s) we distribute in North America. These risks come from procuring products or ingredients sourced or manufactured in high-risk geographies and industry sectors. To ensure a comprehensive evaluation of our corporate risk, in 2024, Quadra expanded the scope of its supply chain risk assessment from product procurement in 2023, to include transport/logistics procurement and non-product procurement in our



business operations in 2024. In our distribution business, product procurement equates to approximately 70% of our annual spend with non-product procurement, transportation and logistic services making up the remaining 30% of our annual spend.

In 2024, Quadra procured products and materials from 33 different countries for distribution across North America. In reviewing Global Slavery Index, UNICEF Global Datasets and the US Department of Goods List (2023), Quadra was able to assess the high-risk geographies and industry sectors in which we procure goods from. Quadra identified that a few of its procured products originated from geographies that present a moderate and high-level risk of modern slavery. Of those countries, Quadra cross referenced our procured goods with the types of products originating from these countries to be of highest risk.

For those geographies and industries that contain a moderate risk, Quadra works closely with suppliers to understand their sourcing and manufacturing process. In addition to the account management, Quadra has obtained product certifications to further assure our actions. In 2024 Quadra maintained the Roundtable on Sustainable Palm Oil (RSPO) and Rainforest Alliance (RA) supply chain certifications. These certifications audit the various steps of the supply chain where farming and manufacturing practices have the potential to include modern slavery (e.g. palm oil, palm products, cocoa, coffee, tea, etc.). As a distributor, these certification bodies annually audit our distribution practices to validate the sustainable procurement and management of certified products. Quadra successfully managed its RSPO and RA supply chain certificate and distributor licenses through the 2024 audit cycle with no major findings.

To further enhance Quadra's product procurement risk, we updated our supplier assessment practice to proactively assess our Tier 1 suppliers prior to the engagement of a commercial contract. This proactive approach is not intended to prohibit supplier engagement but alternatively equips our commercial team to engage and question prospective suppliers on their business practices (specifically in the areas of human rights, labour standards, environmental management, and ethical business practices). This sustainability risk assessment process is a requirement for all new suppliers.

When assessing transportation and logistics services and non-product procurement from a forced labour or child labour perspective, the majority (99%) of services (transport and logistics) and non-product procurement activities for Quadra's Tier 1 suppliers are sourced in North America. While our geographical risk assessment deems the modern slavery risk level as low, we recognize the need for ongoing re-evaluation. Quadra will be evaluating opportunities to further engage with these suppliers to understand any associated risks.



Within our North American operations and our product procurement supply chain, Quadra has had no (0) reported allegations, claims or complaints of forced labour or child labour abuses in the 2024 fiscal year.

Training and Education

Quadra's employees receive training on our policies and procedures 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. This business model information remains available to all employees in our training catalogue as video capsules.

In 2024, we began raising awareness of the Act within our commercial and leadership teams sharing the purpose, goal and impact to Quadra's business. The sustainability department also began evaluating a variety of third-party modern slavery training course that could be integrated into our corporate learning management system.

Remediation Efforts

In 2024 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 begun to manage the effectiveness of measures to reduce the risk of modern slavery practices in its operation and supply chain and are aware of our responsibility in identifying and reporting these risks.

- Quadra has a document management system that outlines the review and update cadence for all policies and procedures,
- Quadra has a corporate mechanism in place for the reporting of grievances. All grievances are tracked through to resolution.
- Through the Supplier Code of Conduct roll-out, Quadra's suppliers have an obligation to report any non-conformances with our Code of Conduct to their respective Quadra



commercial contact or through Quadra's anonymous Speak-Up line. All reports are investigated, and corrective actions are developed accordingly.

- In addition to CEO & President approval of this report, Quadra's Executive Committee reviewed and approved the accuracy and content of this report.

"In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity of CEO and President, attest that I have reviewed the information contained in the report on behalf of the governing body of the entities of the Quadra Group, 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 within this report."

Full name: Anne-Marie Infilise

Title: President and CEO

Date: May 31, 2025

Anne Marie Infilise

Signature: _____ 05/26/2025

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