

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

2024 Annual Report



Organization & Operations



Risk Prevention & Mitigation



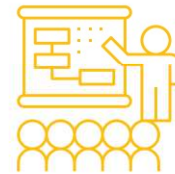
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About

This report was prepared in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). It outlines the steps taken by The Protech Group inc., a privately held company incorporated under the Canadian Business Corporations Act, together with the entities listed below (the "The Protech Group inc. Subsidiaries") (collectively, "The Protech Group inc."), during the fiscal year ended December 31, 2024, to prevent and reduce the risk of forced labour or child labour in its operations and supply chain.

As of the date of this report, the following subsidiaries of The Protech Group inc. are considered "entities" subject to the Act: Protech Chemicals Ltd. and Protech Powder Coatings inc.

This report describes the measures our company has taken—and will implement—to reduce risks related to modern slavery, including forced labour and child forced labour, within its operations and supply chains.

The Protech Group inc. engaged an independent third party, Groupe Conseil C-TPAT Inc (GCC), which specializes in supply chain and logistics risk assessments. Using a diagnostic approach, GCC supports us in conducting analyses and improving our processes, with a particular focus on the use of forced labour and child labour in our supply chains.



The Protech Group inc. AT A GLANCE

The Protech Group inc. delivers coatings, paints, and specialized materials solutions that are central to its business. For more than 45 years, it has stood out for products tailored to customer needs and for personalized services that help improve product quality, processes, and resource efficiency.

The Protech Group inc. and the subsidiaries covered by this report employ close to 500 people.

RISK PREVENTION AND MITIGATION MEASURES




The Protech Group inc. has been certified since 2006 under the voluntary public-private partnership program, the Customs Trade Partnership Against Terrorism (CTPAT), led by U.S. Customs and Border Protection. The program aims to strengthen border security as well as supply-chain and logistics security. CTPAT-certified organizations work with U.S. Customs to safeguard cross-border supply chains and logistics against all forms of illegal trafficking by implementing preventive measures.


Among the program requirements are obligations to conduct checks on designated business partners to reduce the risk of modern slavery within our operations and supply chains.

During the reporting period, The Protech Group inc. implemented governance measures to prevent and reduce these risks, in line with CTPAT program requirements.

Following the assessment carried out by our team with support from Groupe Conseil C-TPAT Inc (GCC), we developed an action plan and identified new mitigation measures to further strengthen our practices to prevent and reduce the risk of forced labour and child labour in our supply chains, including:




Establishing a steering committee tasked with assessing the effectiveness of our governance framework, policies, and procedures to address risks and identify the impacts of forced labour or child labour.



Conduct due-diligence assessments across our operations and supply chain to proactively identify, address, and mitigate risks. This includes an annual review and ongoing evaluation of our most significant tier-one suppliers.



Develop our Supplier Code of Conduct and strengthen the questionnaires sent to suppliers deemed critical under our CTPAT program. This will help us better pinpoint vulnerabilities in our operations and supply chains related to modern slavery.



Evaluating to add a clause to purchase orders issued to suppliers to raise awareness among our partners and reinforce our firm stance against any form of forced labour and/or child labour in our supply chains.

SUPPLY CHAIN AND RISK MANAGEMENT

Methodology and Analysis

The company plans to carry out a structured risk assessment focused on its key suppliers and priority supply chains. This assessment will be based on the C-TPAT Consulting Group's five-step methodology, inspired by the CTPAT program and tailored to evaluating risks related to forced labour and child labour.



Our Supply Chain

The analysis will focus on the suppliers assessed across the supply chain, including providers of raw materials used in manufacturing—such as pigments, resins, additives, chemical agents, paint components, and other specialized inputs. It will also cover packaging and equipment suppliers, as well as distributors and business partners involved in domestic or international sourcing. The assessment will consider purchasing significance, country of origin, the industries involved, and risk factors tied to specific countries, products, or raw materials. It will include a review of direct international purchases based on Canadian customs entry data, along with an assessment of domestic and international purchases made through distributors.

The results will help prioritize suppliers that require enhanced due diligence—especially those presenting medium or high risk—and will support the development of recommendations and targeted action plans.

The majority of our goods and raw materials come from North American suppliers, who are our primary source of supply.

The remainder of our supply comes mainly from countries of origin in Europe and Asia-Pacific, through direct imports.





Analysis Summary

We believe the overall risk of forced labour and child labour in our supply chain is low, as our direct purchasing for manufacturing our products comes primarily from North America and no form of modern slavery has been identified in this part of our supply chain.

We will continue to monitor other regions of the world, including Europe and Asia-Pacific. These areas will be subject to targeted assessments to identify any potential signs of practices that do not meet our high standards for human rights.



Supplier Assessment

We assess suppliers deemed critical as part of our risk analyses, supported by our CTPAT certification, with a focus on supply chain and logistics security.

Our comprehensive modern slavery questionnaire must be completed by suppliers identified as potentially higher risk, enabling us to better pinpoint supply chain risks following our internal review.



Workforce

The Protech Group inc. does not hire foreign labour, which helps reduce the risks associated with it.

Working conditions for all our employees uphold human and labour rights.

POLICIES AND DUE DILIGENCE PROCESSES

The Protech Group inc. builds on its strong leadership and well-established governance, strict compliance standards, and its developing supplier code of conduct to help safeguard the rights of its customers, employees, and workers throughout its supply chain. This commitment to human rights is rooted in a deep belief in integrity and ethical conduct, with the goal of fostering a safe and inclusive workplace for everyone involved.

The Protech Group inc. is firmly committed to combating forced labour and child labour within its supply chains by carrying out thorough, due-diligence-based assessments to identify, address, and reduce risks related to modern slavery and human rights violations. Our approach will include regular audits, ongoing training, and strong reporting mechanisms to ensure continuous oversight and steady improvement of our ethical practices.

Over the course of 2025, we will establish a governance structure specifically designed to strengthen the enforcement of our policies against forced labour and child labour. Our steering committee will provide rigorous oversight of its modern slavery program and coordinate the integration of these principles across all The Protech Group inc. operations.

Modern Slavery Policy

The Protech Group inc. is firmly committed to upholding human dignity and places a strong emphasis on advancing equality and protecting human rights across all of its operations, supply chains, and business relationships. That's why we are committed to providing a safe, inclusive workplace. This commitment will be reflected in our Modern Slavery Policy, which will be guided by leading practices and international standards.



Code of Ethics

Our Code of Ethics applies, at all times and without exception, to every employee of The Protech Group inc., as well as to its suppliers and partners.

The Protech Group inc. treats all employees fairly and with integrity, respect, and dignity. The company provides equal employment opportunities to everyone, without discrimination based on age, sex, sexual orientation, disability, race, religion, citizenship, marital status, family status, country of origin, or any other factor.

The Protech Group inc. maintains a zero-tolerance policy for modern slavery within its supply chain. We are working to implement a clear, practical process to identify at-risk suppliers, send them a modern slavery assessment questionnaire, and verify compliance so they follow all applicable laws and regulations in the regions where they operate and strictly prohibit any form of modern slavery.

The Protech Group inc. expects its suppliers and partners to review and comply with its Code of Ethics. This Code will be updated shortly to reflect our modern slavery policy.

Effectiveness Assessment

For 2024, The Protech Group inc. implemented mitigation measures in response to U.S. Customs' CTPAT program requirements, with a focus on the direct suppliers in its supply chain.

Our continuous improvement process will be an integral part of our due diligence efforts to address modern slavery, helping us reduce and prevent the risks of forced labour and child labour more broadly across The Protech Group inc.'s operations and supply chains.

This process will enable us to analyze the data we collect and assess how effective our initiatives are by defining performance indicators. These may include the number of employees trained, the number of supplier questionnaires sent and returned, and more. In addition, integrating modern slavery considerations into our supplier selection and evaluation process will also provide metrics that can be reviewed and improved over time.



Continuous Improvement

Ongoing evaluation of our efforts to combat modern slavery will help us identify any risks within our supply chain, strengthen our actions, and support the elimination of this human rights violation.



Reporting

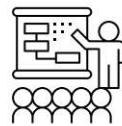
Over the coming year, we will set clear guidelines on what steps to take if a modern slavery situation is suspected. These guidelines will help employees recognize and report such situations, while also outlining the measures to put in place to prevent them or address them—helping ensure vulnerable workers are protected.

Employees who work with suppliers are required to report any potentially illegal or unethical conduct they may observe, including any indication of modern slavery within the supply chain.



Remediation

To date, we have not identified any forced labour or child labour in our operations or our supply chains, and therefore have not determined any loss of income among vulnerable families. We remain vigilant and will take a closer look at certain higher-risk areas of our direct international supply chain.



Training

Over the coming year, training will be provided to managers in Procurement, Logistics, Finance, and Sales to raise awareness of the new policies and processes currently being implemented to combat modern slavery.

The goal is to equip our employees to uphold our shared responsibility to respect and protect human rights, supporting the global effort to eliminate all forms of modern slavery.

APPROVAL AND CERTIFICATION

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), and in particular section 11, I, in my capacity as President, certify that I have reviewed the information contained in the report on behalf of the governing body of The Protech Group inc.

Based on my knowledge and after exercising due diligence, I certify that the information contained in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year identified in this report.

I have the authority to bind The Protech Group inc.



David Ades
President / CEO
May 28, 2026

