

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

2025 Annual Report



Structure and Activities



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and Mitigation**



**Policies and
Reasonable Due
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About

This report has been prepared in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). It outlines the actions taken by The Protech Group inc., a privately held company incorporated under the Canadian Business Corporations Act, and the entities listed below (the "The Protech Group inc. Subsidiaries") (together, "The Protech Group inc."), during the fiscal year ended December 31, 2025, 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 mitigate risks related to modern slavery, including forced labour and child forced labour, in its operations and supply chains.

The Protech Group inc. engaged a third party, Groupe Conseil C-TPAT Inc. (GCC), which specializes in supply chain and logistics risk assessments. Through a diagnostic review, 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

At the heart of what we do, The Protech Group inc. delivers coatings, paints, and specialized material solutions. For more than 45 years, we've succeeded by offering the right products and tailored services that help our customers enhance product quality, streamline processes, and use resources more efficiently.

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

PREVENTION AND RISK-REDUCTION MEASURES



The Protech Group inc. is certified under the voluntary public-private partnership program, the Customs Trade Partnership Against Terrorism (CTPAT), led by U.S. Customs and Border Protection. The program focuses on security and the implementation of preventive measures to reduce the risk of any form of illegal trafficking throughout the cross-border supply chain and logistics network.

As part of the requirements, we must conduct checks with our business partners regarding social compliance and modern slavery.

During this reporting period, we implemented—and will continue to implement over the next year—certain mitigation measures to strengthen our prevention practices and reduce modern slavery risks within our operations and supply chains, including:



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



Conduct an independent external assessment of forced-labour and child-labour risks across our operations and supply chain.



Implementation of a Human Rights and Working Conditions Policy.



Implement our Supplier Code of Conduct and develop a targeted questionnaire to better pinpoint vulnerabilities in our operations and supply chains related to forced labour; this questionnaire will be sent to suppliers identified as critical based on our risk analysis.

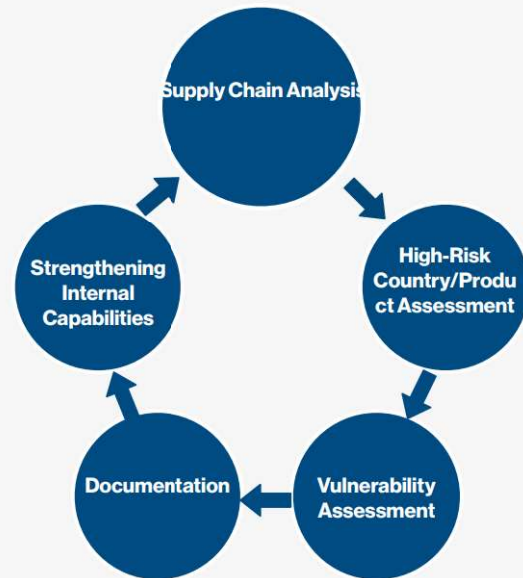


Carry out a risk assessment within our supply chain to prioritize areas that may present higher risks of forced labour or child labour, and focus our due diligence efforts there.

SUPPLY CHAIN AND RISK MANAGEMENT

Methodology and Analysis

In 2025, the company began rolling out its risk analysis for key suppliers and priority supply chains. This approach follows the Groupe Conseil C-TPAT inc. five-step method, tailored to identify risks related to forced labour and child labour.



Our Supply Chain

The ongoing analysis considers the types of suppliers in our supply chain—especially raw-material suppliers used in our products, such as pigments, resins, additives, paint components, and other specialized inputs. It also includes packaging and equipment suppliers, distributors, and other business partners deemed relevant.

The assessment looks at the value and criticality of purchases, the products' country of origin, the industries involved, and the risks tied to specific countries, raw materials, products, or services. It includes a review of direct international purchases based on Canadian customs entries, as well as an evaluation of local and international purchases made through distributors.

This approach helps us better identify suppliers with higher risk levels and guides our due-diligence measures, recommendations, and action plans to prevent, mitigate, and reduce risks related to forced labour and child labour across our operations and supply chains.

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 remains low, since our direct purchases come mainly from suppliers based in North America, where no instances of modern slavery have been identified.

That said, we will remain vigilant in other regions—particularly Europe and Asia-Pacific—to spot any signs of practices that do not meet our human-rights requirements.



Supplier Assessment

During the next reporting year, we will send modern-slavery self-assessment questionnaires to certain suppliers identified through our risk analysis and considered more critical.

We will continue to assess more of our suppliers each year based on this evaluation, and we will remain vigilant in our verification process.



Workforce

The Protech Group inc. does not hire foreign labour, which helps limit 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 strong, well-established leadership and governance, rigorous compliance standards, and its Supplier Code of Conduct to help safeguard the rights of its customers, employees, and workers across 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, inclusive workplace for everyone involved.

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

Over the course of 2026, 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 will coordinate the integration of these principles across all The Protech Group inc. operations.

Human Rights and Working Conditions Policy

The Protech Group inc. is firmly committed to upholding human dignity and places great importance on advancing equality and protecting human rights across all operations, supply chains, and business relationships. That's why we are committed to providing a safe, inclusive workplace. This commitment is set out in our Human Rights and Working Conditions Policy



Supplier Code of Conduct

Our Code of Ethics applies at all times, without exception, to every employee of The Protech Group inc., as well as to its suppliers, business partners, and any other party directly connected to its operations.

The Protech Group inc. is committed to conducting business responsibly, ethically, and with integrity, while respecting human rights and fair working conditions. The company aligns itself, in particular, with the principles set out in the conventions of the International Labour Organization, the Canadian Human Rights Act, Quebec's Charter of Human Rights and Freedoms, and Quebec's Act Respecting Labour Standards.

The Protech Group inc. treats its employees, applicants, subcontractors, visitors, customers, and suppliers with fairness, respect, and dignity. The company does not tolerate discrimination based on, among other factors, age, sex, sexual orientation, marital status, pregnancy, gender identity or expression, religion, language, race, ethnic or national origin, color, disability, social condition, or political beliefs.

The Protech Group inc. maintains a zero-tolerance policy toward modern slavery, including slavery, servitude, forced or compulsory labour, child labour, and human trafficking. The company is committed to establishing and enforcing effective systems and controls to prevent modern slavery within its operations.

The Protech Group inc. expects its suppliers to implement the policies, procedures, tools, and performance indicators needed to uphold these principles, and to manage, monitor, and develop their own supply chains accordingly. Compliance with this policy is an important criterion in the supplier selection process.

Effectiveness Evaluation



For 2025, The Protech Group inc. implemented mitigation measures in response to U.S. Customs' CTPAT program requirements, first focusing on the direct suppliers in its supply chain.

These measures are part of our due diligence process designed to prevent and reduce the risks of modern slavery, forced labour, and child labour within our operations and supply chains.

Analyzing the data collected will enable us to assess how effective our initiatives are using performance indicators, including the number of employees trained, questionnaires sent and received, and follow-ups conducted with suppliers.

Incorporating these issues into our supplier selection and evaluation processes will help us better identify higher-risk situations, improve our practices, and strengthen our efforts to combat modern slavery.



Reporting

Any concerns related to our Human Rights and Working Conditions Policy may be reported directly to the Office of the President. Reports will be addressed promptly, with follow-up provided to those involved and without retaliation.

Employees who work with suppliers are required to report any potentially illegal or unethical conduct brought to their attention, including any confirmed or suspected situation of modern slavery in the supply chain.

Over the coming year, The Protech Group inc. will establish clear guidelines outlining the steps to take if a modern slavery situation is identified. These guidelines will help employees recognize and report such situations and implement the measures needed to prevent them or address them, supporting the protection of vulnerable workers.



Remediation

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



Training

Over the coming year, training will be provided to leaders in the Procurement, Logistics, Finance, and Sales departments 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, thereby supporting the broader 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

