

Fighting Against Forced Labour and Child Labour in Supply Chains Act report (Canada)

Allnex Canada Inc., (“Allnex”) (842707135RM0001) is committed to doing business ethically and responsibly and is striving to consciously improve its implementation of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act with the ultimate objective of eliminating and preventing any forced labour and child labour risks within its operations and supply chains. Respect for human rights is deeply engrained in our values, in how we run our business, interact with stakeholders, and engage with our global community.

Allnex is committed to the protection of our employees, customers, future generations, and the communities where we live and work. This includes, but is not limited to child labour, and forced or compulsory labour. All our values are people-oriented, and we aim to treat each other professionally based on fairness, respect, and dignity. We encourage fair employment practices worldwide and offer equal opportunities to all our employees. We comply with all labour and employment laws and standards in the countries where we operate, including all laws pertaining to child labour and forced labour.

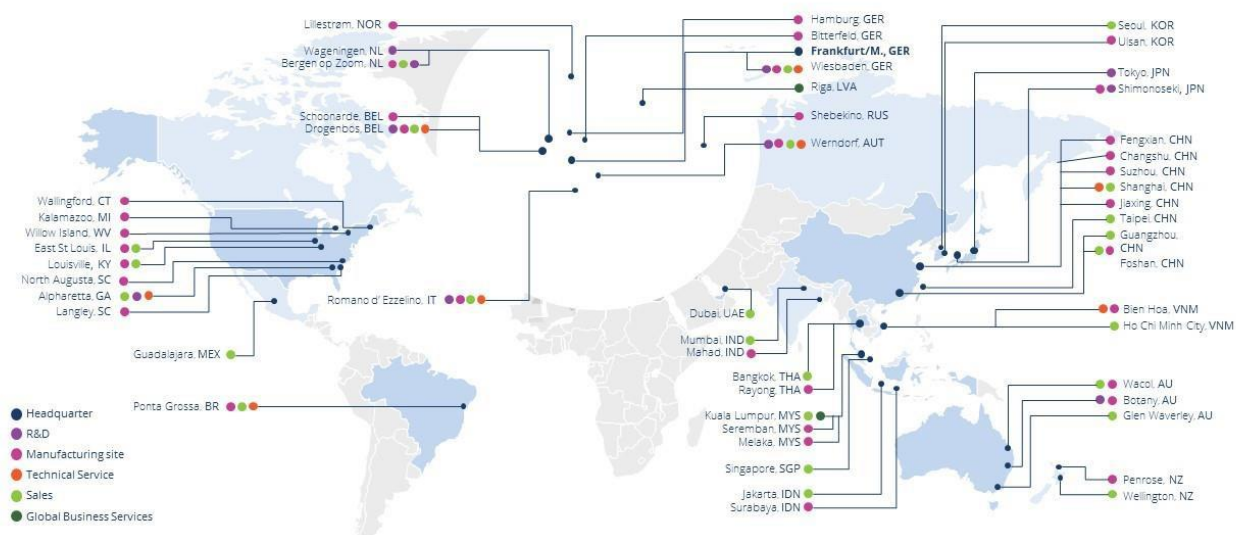
In this single entity report, for the 2024 fiscal period January 1 – December 31, 2024, we will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of child labour or forced labour in our supply chain. Our journey towards eradicating child labour and forced labour is not just a corporate obligation but a moral imperative that we embrace wholeheartedly. As you delve into the pages of this report, we invite you to join us on this journey of continuous improvement and ethical leadership. By embracing transparency, accountability, and collaboration, we aim to set a standard for responsible business conduct that goes beyond mere compliance with regulations. Our journey towards eradicating forced labour is not just a corporate obligation but a moral imperative that we embrace wholeheartedly.

Structure

Allnex Canada, incorporated under the laws of Canada, is part of the Allnex Group (“Allnex Group”) which is a global company.



Allnex Belgium SA/NV, the parent company of Allnex is managing and overseeing the global operation of Allnex Group. Allnex Belgium is a 100% affiliate of Allnex Management GmbH (Germany). Allnex and other Allnex companies in the Allnex Group’s global structure operate under the same management structure and policies. Allnex has one employee within Canada and 3,963 globally.



At Allnex Group, our success is based on a global network of manufacturing facilities which ensures supply reliability and a deep understanding of local regulations, with 33 manufacturing facilities and 23 research and technology support centers globally.

Allnex Group is the leading company globally for industrial coating resins, crosslinkers and additives. Most Allnex Canada operations are in the Crosslinkers division.

Training

The fundamental principles described in our Code of Conduct apply to all Allnex managers and employees, regardless of the country they work in or the job they do. All employees are trained annually in most policies; this is important as markets and the ways of doing business vary. Our common objective is to ensure that, every day, all activities at Allnex are shaped with reliable standardized codes of behavior.

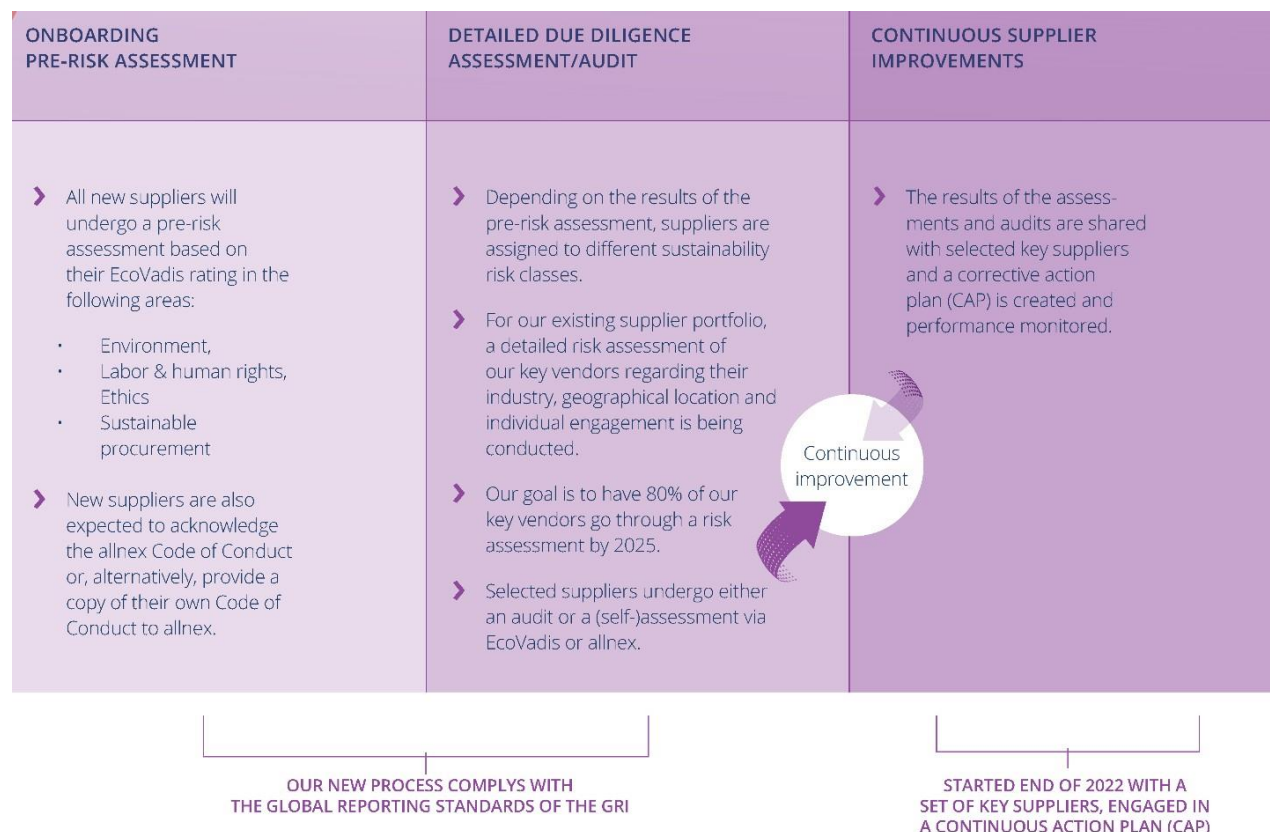
- Company-wide training on the Code of Conduct was conducted to refresh employees' understanding of ethical conduct and compliance in all aspects of business.
- Instead of conventional classroom teaching the training was offered on our e-learning platform "EXPLORE" to facilitate self-learning in the digital era.
- Employees provided with the CoC in 15 languages and were then required to go through a test including both theoretical and situational questions to confirm they had fully grasped the content of our CoC.

Supply Chain

Allnex Group manages global supplier performance, in line with our International Organization for Standardization (ISO) accreditation. Allnex conducts an annual review of supplier performance with all raw material suppliers. Assessing the risks of child labour and forced labour amongst others within the supplier and its supply chain forms part of that review, together with our global Corporate Social Responsibility (CSR) evaluation.

As a result, Allnex requires suppliers to engage in its sustainable strategy, outlined in purchasing terms, contract templates and Supplier Code of Conduct, to ensure compliance with laws, regulations, industry standards, and sustainability requirements.

In 2021, Allnex implemented the Supplier Evaluation Program and in 2022, the program further developed into the Supplier Engagement Process, which standardized our internal assessment and evaluation process:



Allnex Group operates a comprehensive global corporate compliance program to guide its decision making and to promote ethical, legally compliant, and socially responsible business conduct. The Allnex Group has a range of policies which contribute to Allnex commitment to respecting human rights and which support and assist in reducing and, where possible, eliminating child labour and forced labour.

- Code of Conduct: Builds on company values and formulates guidelines for daily activities; the code is not only applicable to all our employees, but also to contractors and consultants.
- Labour and Human Rights Policy: Communicates expectations with respect to human rights and labour practices and the high standard of conduct expected of our employees worldwide.
- Procurement Sustainability Manual: Outlines the increasing efforts to uncover sustainable market offerings in terms of raw materials, goods, and services, as well as best practice sustainable procurement principles to mitigate risks in its supply chain.
- Supplier Code of Conduct: Outlines how suppliers of goods and services are expected to respect and adhere to required principles of lawful and ethical business. The supplier is to confirm their signatory acceptance and demonstrate their commitment to Allnex's Supplier Code of Conduct.
- Responsible Sourcing of Minerals: Compliance with the existing conflict minerals regulations and also ethical and responsible sourcing of minerals globally.

The policies can be found at: <https://allnex.com/en/info-hub/compliance>.

The Supplier Code of Conduct is incorporated into Allnex's general terms of purchase and in respective purchase agreements for existing suppliers.

The Supplier Code of Conduct specifically outlined for suppliers, vendors, contractors, consultants and other providers of goods and services who do business with Allnex entities worldwide are expected to adhere to ten (10) principles within the code and take appropriate steps to ensure compliance. One of the principles specific to human rights is detailed as:

Respect fundamental human rights.

Suppliers must treat & employ its workers with respect for Human Rights, including the United Nations Universal Declaration of Human Rights, the Fundamental International Labour Organization (ILO) Conventions as well as complying with local regulatory requirements in connection with human trafficking and slavery. Suppliers must have a documented policy to effectively prevent child labour, human trafficking, and slavery in any form throughout its activities and to ensure that any child labour, human trafficking, and slavery identified at the company shall be effectively eliminated immediately.

In 2024, we obtained Ecovadis Platinum Sustainability rating. This rating places Allnex in the top 1% of Chemical Companies globally. Allnex Group is also a member of Together for Sustainability (TfS), an international member-driven initiative raising corporate social responsibility standards throughout the chemical industry.

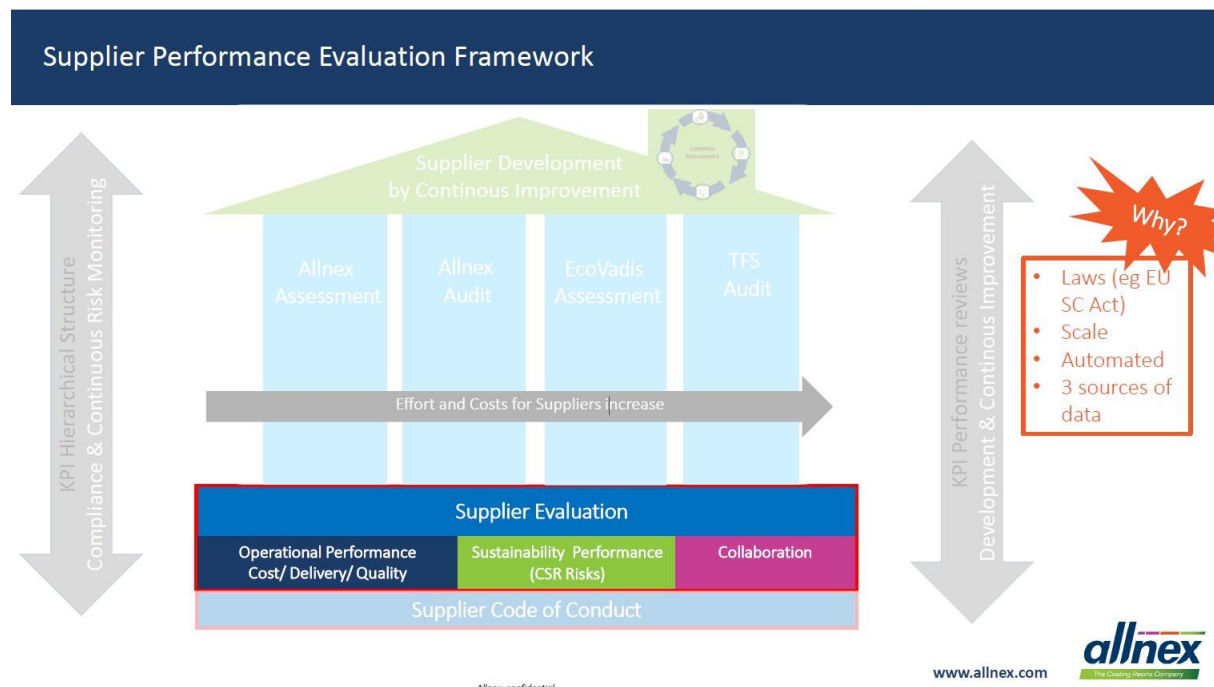
Compliance Violations Hotline

Allnex implemented a hotline to report compliance violations. Confidential reporting of any known or suspected violation of the Code of Conduct is encouraged to anyone. The hotline is easily accessible from our website 24 hours, 365 days a year and supports multiple languages communicated by either email, phone, or fax. All concerns are investigated and if necessary, action taken.

Risk Assessment and Due Diligence

An important milestone in driving impact in the chemical supply chain and our continuous improvement journey was at the end of 2022, when Allnex joined the chemical industry initiatives 'Together for Sustainability' (TfS). This member-driven organisation consists in October 2024 of 54 member companies representing a global turnover in the chemical industry of over €800 billion and a global spend of over €500 billion. A main focus in the concept of TfS is the development and implementation of a global supplier engagement process to assess and improve sustainability practices within the supply chains of chemical companies. The program is based on the UN Global Compact and Responsible Care®. The standardized approach of TfS Assessments and Audits is measuring suppliers' performance in key areas such as environmental, labour & human rights (including modern slavery), ethical and sustainable procurement. The sustainability assessments are performed by EcoVadis. Through the TfS academy, TfS provide training to our suppliers on sustainability topics.

In 2024 Allnex Group further developed the supplier performance evaluation framework to gain comprehensive insights into the commercial, environmental and social impact of our suppliers.



The evaluation of the sustainability performance of our suppliers includes corporate environmental, social, and governmental drivers that impact the final scoring. Allnex Group assesses the effectiveness of its actions by reviewing regularly the performance of their suppliers. Allnex's dedicated evaluation framework enables Allnex to identify improvement areas and gain comprehensive insights into the commercial, environmental and social performance of our suppliers. We track the progress through key performance indicators (KPIs) to ensure continuous improvement in sustainable sourcing.

The evaluation of the sustainability performance of our suppliers includes corporate environmental, social and governmental drivers that impact the final scoring. We utilize EcoVadis IQ for pre-risk screening to identify potential sustainability risks including modern slavery risks within our supply chain. Our suppliers undergo EcoVadis assessments and TFS audits which provide a comprehensive overview of their sustainability performance and compliance with our sustainability and ethical standards. For the 2024 Group supplier performance evaluation assessment, Allnex has assessed more than 1500 suppliers globally following the below-mentioned Supplier Performance Evaluation Framework. The focus has been on Allnex suppliers of raw materials and packaging.

The weight of such social and environmental criteria will continue to grow in importance in our supplier evaluation process and the final rank of suppliers supports us to create transparency amongst suppliers so we can action in a focused manner for those suppliers with higher risk scores.

The "EcoVadis rating" covers a wide range of non-financial data, including the environment, labour, and human rights, including child labour and forced labour, ethics and sustainable procurement. The companies are assessed according to the company's size, location, and industry.

Depending on the results, the suppliers are assigned to different sustainability risk classes that lead to several actions being taken. Examples of actions are the filling out of self-assessment questionnaires, participating in an Allnex-led or TFS-led audit or in worst case if no improvement is visible after a certain time, a complete stop of business needs to be considered. The results of the assessment and audits will be shared with respective suppliers and Corrective Action Plans (CAP) will be created. We actively engage with suppliers to address any instances of non-compliance and work collaboratively to implement corrective actions.

Allnex Group implements sustainable strategy and ensures that our terms and Supplier CoC are clearly communicated to our suppliers to ensure responsibility throughout our supply chain. Through these standardized and mandatory policies and procedures, expectations and terms are clearly communicated. Suppliers are to conduct their business in compliance with applicable laws, regulations, industry standards, and high sustainability standards. In addition, the prevention of violation of fundamental forced labour and child labour is clearly communicated and understood by our suppliers.

Allnex strives to establish positive long-term relationships with its suppliers and to foster a culture of true transparency, effective communication, and continuous improvement in our procurement practices.

At Allnex, we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through rigorous monitoring, supplier engagement, and continuous improvement initiatives, we have implemented robust measures to prevent the scourge of forced labour from infiltrating our

supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with credible third-party organizations to ensure compliance with internationally recognized labour standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges in combating forced labour and child labour. While we are proud of the strides we have made, we acknowledge that eradicating forced labour and child labour requires sustained vigilance and collaboration across industries and borders. We remain committed to this cause and will continue to work tirelessly to uphold the dignity and rights of all workers throughout our supply chain.

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.

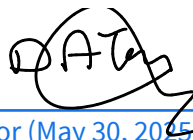
Date: 30 May 2025

"We have the authority to bind "Allnex Canada Inc."

Full Name:

Duncan Taylor

Title: Chief Financial & IT Officer



Duncan Taylor (May 30, 2025 16:26 GMT+1)

Full Name:

Mike Montagano

Title: GI Key Account Mgr RAD NA



Michael Montagano (May 30, 2025 10:22 EDT)