



Composites One Canada ULC
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MODERN SLAVERY REPORT FOR COMPOSITES ONE CANADA ULC

1. INTRODUCTION

This report is prepared on behalf of Composites One Canada ULC (“**Composites One Canada**”, or the “**Company**”) and describes the actions taken by Composites One Canada during the financial year beginning January 1, 2023 and ending December 31, 2023 (“**Reporting Period**”) to assess, prevent, and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”). In this report, Composites One Canada uses the term “**Forced Labour**” to encompass instances of both forced labour and child labour. This Report constitutes the first report prepared by Composites One Canada under the Act.

Composites One Canada is committed to respecting human rights and to the prevention of Forced Labour from occurring in any of its own operations or throughout its supply chains. Composites One Canada is also committed to identifying, assessing and addressing risks of Forced Labour across its business and supply chains as well as to continuous improvement of its systems and controls to better mitigate Forced Labour risks.

2. ORGANIZATIONAL STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure and Activities

Composites One LLC (“Composites One”) is recognized as the largest distributor of composites materials in North America, that was created in 1999 through the merger of three leading composites materials distributors. Composites One is headquartered in Schaumburg, Illinois, USA.

Composites One Canada is a Canadian affiliate of Composites One. It is headquartered in Langley, British Columbia, Canada. Composites One Canada is subject to all of the policies and procedures administered by Composite One that are discussed in this Report.

Composites One Canada serves a wide range of industries including aerospace, construction, consumer recreation, cultured marble and solid surface, defense and ballistics, industrial and corrosion, infrastructure, marine, transportation, and wind energy and power. As the composites industry evolves to meet societal needs, the Company’s mission is to be the premier source for the most comprehensive range of products, services, and expertise available to composites manufacturers.

At the moment, Composites One serves more than 9,000 customers in every area of composites manufacturing, who rely on Composites One as an essential source of raw materials and maintenance supplies.

Supply Chains

Composites One offers a wide array of more than 30,000 products through 41 distribution centers spread across North America. Composites One Canada operates 7 distribution centers in Canada, located in British Columbia, Manitoba, Nova Scotia, New Brunswick, Ontario, and Quebec.

Composites One works with more than 600 industry-leading suppliers worldwide, that allows the company to provide the most extensive line of quality products. In addition to the materials, Composites One provides customers with a variety of value added services, including product selection, specification, technologies training, technical applications reviews, regulatory compliance assistance, delivery, handling and use. This support helps customers enhance quality and productivity, reflecting the Composites One's ongoing commitment to industry advancement.

3. POLICIES AND DUE DILIGENCE PROCESSES

Composites One Canada is committed to conducting its business with the utmost integrity and honesty. Principles of ethical conduct are at the heart of Composite One and Composites One Canada's core values. These principles mean not only that the Company provides products that are well-made, fairly priced and of exceptional quality, but also that those products are distributed with integrity, respect, and ethical behavior as a foundation.

Code of Conduct

Composites One has developed a Code of Conduct to clarify their global expectations in the areas of business integrity, labor practices, health and safety of employees, and environmental management.

The Code of Conduct directly addresses Forced Labour issues and mandates that all work shall be performed on a voluntary basis only, and that workers shall be free to terminate their work upon reasonable notice. Composites One does not tolerate the use of, or benefit from, any form of involuntary or forced labor, including indentured, bonded, slave, or prison labor, as well as labour under the age of the applicable local statutory minimum age limit. Recruiting, hiring, transporting, or obtaining persons by means of threat, force, coercion, fraud, or other means for the purpose of exploitation is prohibited. The compliance with all applicable modern slavery and forced labor laws and regulations, including the Act, is mandatory.

The Code of Conduct applies to all employees, officers and directors, along with affiliated entities, including Composites One Canada, as well as to short-term contractors or temporary employees. Composites One expects all of their suppliers, vendors, contractors, and other providers of goods and services to share the principles expressed in the Code of Conduct. Moreover, it is also expected that the suppliers uphold these principles and standards by representing them throughout the entire supply chain.

In addition to the above, Composite One Canada strives to provide safe working conditions, proactively manages health and safety risks, and actively works to minimize exposure to hazards. The Company also provides necessary training with regards to health and safety matters.

Due Diligence

Composites One Canada works diligently to source products from suppliers who share the same ethical conduct commitments, including with respect to Forced Labour, to ensure that its supply

chain is in compliance with its Code of Conduct. The Company regularly evaluates its supply chain to identify at-risk regions and to better understand exposures.

This process flows through to our Purchase Order terms and conditions, which requires that suppliers represent that neither they nor their subcontractors, vendors, agents or other associated third parties use any form of Forced Labour in their business practices. These Purchaser Order terms and conditions are provided to vendors when they are brought on as a supplier to Composite One Canada.

Grievance Mechanism

Composites One Canada promotes a diverse workforce free from discrimination and harassment. The Company is committed to maintaining a safe work environment where employees feel valued, and provides channels for anonymously reporting concerns. Both employees and business partners, including suppliers, vendors, and contractors, are encouraged to report suspected unethical, illegal, or unsafe activities to managers, through a toll-free Ethics Hotline available in all countries in which Composites One has a physical presence, including Canada, Mexico and the United States, or via an online platform.

4. RISK OF FORCED LABOUR BEING USED AND REMEDIATION MEASURES

Forced Labour Risk

Composites One Canada is committed to assessing and addressing potential Forced Labour risks in its supply chain and using appropriate measures to remediate any adverse effects identified. If any risk of Forced Labour is flagged through Composites One's due diligence processes, the Company takes steps to investigate and mitigate such risks.

Based on its due diligence processes, Composite One Canada believes that its risk of exposure to Forced Labour is low, but is aware of suppliers located in regions where there is greater risk of Forced Labour. The Company is working to better understand its exposure based on this risk.

Remediation Measures

During the Reporting Period, Composite One Canada did not identify any instances of Forced Labour in its activities and supply chains. Further, during the Reporting Period Composite One Canada did not identify any instances of loss of income of the vulnerable families as a result of the steps Composite One Canada has taken to eliminate risks of Forced Labour. For this reason, no remediation measures have been necessary.

5. TRAINING

At the moment, Composites One Canada does not provide a training dedicated to Forced Labour issues specifically. However, there is on the job training to raise employees' awareness about the broad scope of business integrity and labor practices as covered in the Code of Conduct.

6. ASSESSING EFFECTIVENESS

Composites One monitors compliance with its Code of Conduct on an ongoing basis. Composites One also reviews questions and concerns raised through its Ethics Hotline and the online platform. To date no significant concerns or complaints have been identified by Composites One Canada.

7. APPROVAL AND ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Composites One Canada ULC.

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 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 Period.

Full name: Carla S. Dobbeck

Title: Secretary

Date: May 30, 2024

Signature: 

I have the authority to bind Composites One Canada ULC