

2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

This report has been prepared by Color Compass Corporation (**Color Compass**) in response to the requirements under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**). It sets out the steps that Color Compass has taken in our financial year ending December 31, 2023 to prevent and reduce the risks of forced labour and child labour in our operations and supply chains.

Color Compass is committed to respecting, protecting and promoting the human rights of people impacted by our operations and does not tolerate the use of forced labour and child labour in our operations or supply chain.

Organizational structure

Color Compass is a Canadian company based in Edmonton, Alberta that distributes automotive and industrial finishing materials, products and equipment in Canada. In 2019, Color Compass joined the Wesco Group of companies, which is based in Washington State; however, we continue to operate under independent management in Canada. We have approximately 276 employees across our locations in Alberta, British Columbia, Manitoba, Saskatchewan, and Ontario.

Activities

Color Compass distributes automotive and industrial repair and industrial finishing materials and equipment to autobody shops, collision repair facilities, and industrial coating applicators and other customers involved in painting and finishing. We sell a range of refinishing products for autobody repair, including paint and coatings, and supplies such as PPE, tools, abrasives, cuttings, and fasteners. We also sell equipment, including painting booths, prep stations, welder and repair stations, and frame racks, and an Inventory Management System, KUBE.

Color Compass operates retail distribution facilities under the name PBE Distributors. We sell paint, abrasives, equipment and finishing products to customers across all Canadian provinces and territories. PBE Distributors distributes goods from five warehouses located across Canada.

Color Compass' industrial division distributes industrial protective and structural coatings goods to various industries, including construction, mining, oil and gas, transportation, waste management, wind, aerospace, and the military.

Color Compass also provides scheduled and on-demand technical and business management workshops to the collision repair industry. Through these training services, we support autobody shops with shop design and layout, KPI tracking, and training on comprehensive welding.

Supply chain

Color Compass procures the automotive and industrial repair and industrial finishing materials and equipment described above directly from manufacturers and other distributors. We procure the majority of our materials from five large multinational manufacturers that are based in Europe and the United States.

Approximately 80% of the goods and materials distributed by Color Compass are procured from Canadian vendors, approximately 19% are imported from the United States, and the remaining 1% are imported from Europe or Asia.

Steps to prevent and reduce the risks of forced labour and child labour

In our financial year ending December 31, 2023, Color Compass' approach to preventing and reducing the risks of forced labour or child labour in our operations focused on enforcement of our *Code of Conduct*, *Code of Ethics*, health and safety programs and confidential reporting process. Our approach to preventing and reducing the risks of forced labour and child labour in our supply chain has been to rely on the processes and due diligence of our long-standing international suppliers.

Policies and due diligence processes

In our operations, Color Compass has an Employee Handbook that establishes our expectations of ethical business conduct, safety and human rights. The Handbook includes our *Code of Conduct Policy* and *Code of Ethics Policy*, which set our expectations of ethical business behavior, including the respect and recognition of basic human rights of workers in our operations. These policies apply to our internal management, executives, and employees.

The Handbook sets the expectations that employees are provided with meaningful employment that is ethical, fair, and in compliance with applicable laws. This policy describes the confidential processes available to employees to file a complaint or report conduct that is contrary to our policies and expectations.

Color Compass has established health and safety policies and programs, including our *Workplace Health and Safety Policy* that establish health and safety expectations for our employees and management. These policies and programs comply with Canadian laws and enable us to prevent and reduce the risks of unsafe work, workplace violence, hazardous working conditions and other potential indicators of forced labour and child labour in our operations.

In our supply chain, Color Compass has not established formal processes to screen our suppliers for risks of forced labour and child labour. Our approach to managing risks in our supply chain is to establish and maintain long-term relationships with reputable manufacturers. Our main suppliers have published statements on their modern slavery risk assessment and due diligence management systems. We depend on these suppliers to comply with Canadian, Europe, American and other domestic and international human rights regulations, assess labour practices in the extended supply chain, and respect the human rights of workers involved in the production of goods.

Forced labour and child labour risks

To date, Color Compass has not identified risks of forced labour or child labour in our operations or direct suppliers.

In our operations, our workforce consists primarily of permanent and full-time employees working in Canada. We comply with applicable Canadian laws regulating the human rights, safety, and age requirements of workers.

In our supply chain, we primarily source materials from North America, and with large, well-established suppliers. We are not aware of any publicly available information indicating that the sector or location of our direct suppliers has an increased prevalence of forced labour or child labour risks. We acknowledge that we have limited visibility beyond our direct suppliers and depend on our direct suppliers to assess risk in the extended supply chain.

Remediation measures and remediation of loss of income

Through our *Code of Ethics*, Color Compass encourages the reporting and investigation of human rights violations by our employees. We do not tolerate direct or indirect acts of retaliation made in response to a good faith report. Further, we are committed to conducting an appropriate investigation in response to any reports received from our employees.

To date, Color Compass is not aware of any incidents relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

Color Compass provides safety training to new employees in safety sensitive positions. We also provide additional safety courses to employees in Canada and track the dates and safety certifications for employees to ensure these certifications are kept current. To date, we have not provided training to employees that specifically addresses the risks of forced labour or child labour in supply chains.

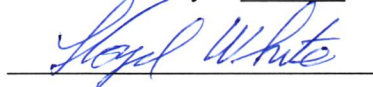
Assessing effectiveness

Color Compass has not yet developed formal measures to assess the effectiveness of our approach to preventing and mitigating the risks of forced labour and child labour in our supply chains.

Approval and attestation

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.

Dated in the City of _____, this 20 day of May, 2024.



Lloyd White, Board Member

I have the authority to bind Color Compass Corporation