

## **Matrix Adhesives Group - Fighting Against Forced Labour and Child Labour in Supply Chains Report**

### **Introduction**

At Matrix Adhesives Group, LLC (“Matrix Adhesives Group”, “Matrix”, or “we”), we are highly dedicated to adhering to responsible business conduct throughout our operations. We place great importance on the prevention of forced and child labor throughout our supply chains. This joint report prepared by Matrix and its reporting entity subsidiaries (i.e., NUCO Sealants Inc., Rivenco Industries Ltd., Adaseal International, LLC, Guy Chemical Co., LLC, and Lohnpack Contract Filling, Inc.), in compliance with Section 11 of Bill S-211 (“the Act”) for the financial year ending December 31, 2023, provides an overview of the measures we have taken, as well as measures we plan to implement, to mitigate any risks associated with child labor and forced labor.

### **Section A: Legal and Organizational Structure**

Matrix Adhesives Group is a private company headquartered in Westerville, Ohio, United States. We are a solutions partner to businesses and consumers of adhesives and sealants, with manufacturing and distribution in the United States and Canada.

Matrix’s wholly owned subsidiaries include:

- NUCO Sealants Inc. (“NUCO”),
- Adaseal International, LLC (“Adaseal”),
- Guy Chemical Co., LLC (“Guy Chemical”),
- Lohnpack Contract Filling, Inc. (“Lohnpack”), and
- NewStar Adhesives, LLC (“NewStar”).

NUCO is based in Guelph, Ontario, Canada. It is a leading manufacturer of silicone technology and other quality products. It distributes to various markets, including residential, HVAC, OEM, industrial, and construction worldwide. NUCO has a wholly owned subsidiary, Rivenco Industries Ltd (“Rivenco”), which is also based in Guelph, Ontario, Canada. It sells foams and adhesives to Distributors and Contractors.

Adaseal, Guy Chemical, Lohnpack are based in the United States and distribute goods in Canada. NewStar is based in the United States and did not distribute goods in Canada over the last financial year.

We strive to positively impact our people and community, being recognized an employer of choice, and being seen as a preferred operational partner. The integrity of our supply chain is a foundational component of our achievements to date and future growth. We have established strong relationships with our suppliers, supporting our efficiency and quality delivered to our customers.

## **Section B: Policies and Due Diligence Processes**

In the last financial year, beyond ensuring adherence to the regional employment standards that Matrix and each of its companies operate in (collectively, “the Group”), the Group did not have any policies or due diligence processes in place related to forced labor and/or child labor. However, we recognize the importance of taking proactive measures to mitigate against the possibility of child labor or forced labor being used in our activities and supply chains.

Going forward, we strive to formalize the integration of Responsible Business Conduct (RBC) into our policies and processes to ensure that our supply chain partners align with our commitment to uphold human rights and ethical business practices. This includes:

- Developing a Code of Conduct, including deliberate verbiage on the prohibition on modern slavery, that all employees and suppliers must abide by,
- Creating a formal process as part of supplier onboarding and contracting that requests suppliers to provide transparency on the risks of modern slavery within their activities and supply chains, and
- Conducting risk assessments to identify any changes to our risk profile, reflecting on any need to change our policies and processes to mitigate modern slavery within our activities and supply chains.

We strive to engage and collaborate with our suppliers, partners, and other stakeholders to identify and address human rights impacts across our business.

## **Section C: Forced Labor and Child Labor Risks**

We have conducted a risk assessment to identify and evaluate the risks of forced and child labor within our activities and supply chains based on our supplier base over the last financial year. We leveraged the Walk Free Global Slavery Index to identify high-risk countries prone to modern slavery practices. We purchase a small percentage of our goods (i.e., less than 10% of total supplier spend) from suppliers located in higher-risk countries such as China, India, and Estonia. The majority of our purchases are from suppliers located in North America.

We also reviewed the US Department of Labor’s List of Goods Produced by Child Labor and Forced Labor to determine if any products we purchase have a higher risk of being produced through the use of modern slavery. Based on this review, we did not identify any risks associated with the products we purchase.

As a result, we recognize that while the risk of modern slavery being used in our activities and supply chains are low, we acknowledge that no industry is entirely exempt from such risks. We understand the importance of proactively implementing due diligence measures to continuously monitor and address risks of modern slavery being used in our supply chains.

### **Section D: Remediation Measures**

We have not identified any risk of forced labor or child labor being used in our activities and supply chain over the last financial year and prior. If such risks are identified in the future, we commit to engaging in immediate remediation efforts tailored to the risks we have identified. This may include initiatives such as re-evaluation of supplier relationships and termination of contracts.

### **Section E: Remediation of Loss of Income**

We have not identified any risk of forced labor or child labor being used in our activities and supply chain over the last financial year and prior. Therefore, we have not had to take any steps to eliminate forced labor or child labor risks that have caused vulnerable families to experience loss of income. However, if such situations arise in the future, we will evaluate the circumstances of each case to define the appropriate remediation efforts.

### **Section F: Training**

In the last financial year, we have not provided any training for employees around the identification of forced and child labor risks in our sourcing process. We plan to provide training regarding the formal process we plan to introduce as part of supplier onboarding and contracting, requesting suppliers to provide transparency on the risks of child labor or forced labor being used in their activities or supplier chains. As we develop our Code of Conduct, which will include a section around the intolerance of modern slavery within our operations and supply chains, we will also require all our employees to acknowledge their understanding and commitment to the Code.

### **Section G: Assessing Effectiveness**

In our last financial year, we have not formally assessed the effectiveness of our policies and processes in addressing the risks of child labor or forced labor being used in our activities and supply chains. Going forward, we plan to formally reflect on the effectiveness of our policies and due diligence processes in mitigating modern slavery.

### **Conclusion**

Matrix and its companies strive to make a positive impact on customers, people, and community each day. While operating ethically is already embedded into our culture and the foundation in which we do business, we see great value in continuously improving our risk mitigation measures and formally integrating Responsible Business Conduct into our policies and processes, particularly when it comes to the eradication of modern slavery across global supply chains.



**Attestation**

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by Matrix Adhesives Group, LLC’s Board of Directors.

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 entities listed above, and that it has been approved by the governing body of the entities. 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.

Dennis Johnson

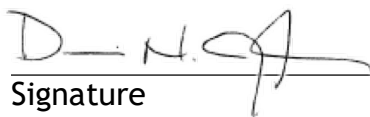
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Full name

CEO and President, Matrix Adhesives Group, LLC

\_\_\_\_\_  
Title

5/29/2024

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature

I have the authority to bind Matrix Adhesives Group, LLC.