

Modern Slavery and Forced Labour - Transparency Statement and Report

About the document:

This Modern Slavery and Forced Labour Statement and Report is prepared on behalf of "Lorama", "Lorama Group", "we", "us") in accordance with section 54 of the UK Modern Slavery Act 2015, and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C., 2023, c.9. As mandated by both Acts, this document outlines the measures we have taken in the previous financial year from 1st January 2025 and ending on 31st December 2025, to prevent and mitigate the risk of forced or child labour in our production processes, within Canada, the UK and internationally, as well as in our supply chain.

Lorama Group is committed to preventing modern slavery and human trafficking in all aspects of our operations and supply chains. We uphold high standards of ethical conduct and integrity and expect the same from our employees, suppliers, and business partners.

Structure, Activities and Supply Chains

About the Organization

Founded in 1977 and headquartered in Mississauga Ontario, Lorama Group Inc. is both a manufacturer of Colour Dispersions & Bio-based Additives, as well as an international distributor of Specialty Chemicals and Functional Extenders.

Our main laboratory powerhouse is situated in Mississauga, Canada housing our R&D, technical services, and colour services group. In addition to our headquarters in Mississauga, Lorama has subsidiary companies in the UK, Miami, Mexico, Barbados, Brazil, as well as labs in Kenya and Malaysia. The various activities performed at each Lorama location are described in Figure 1.

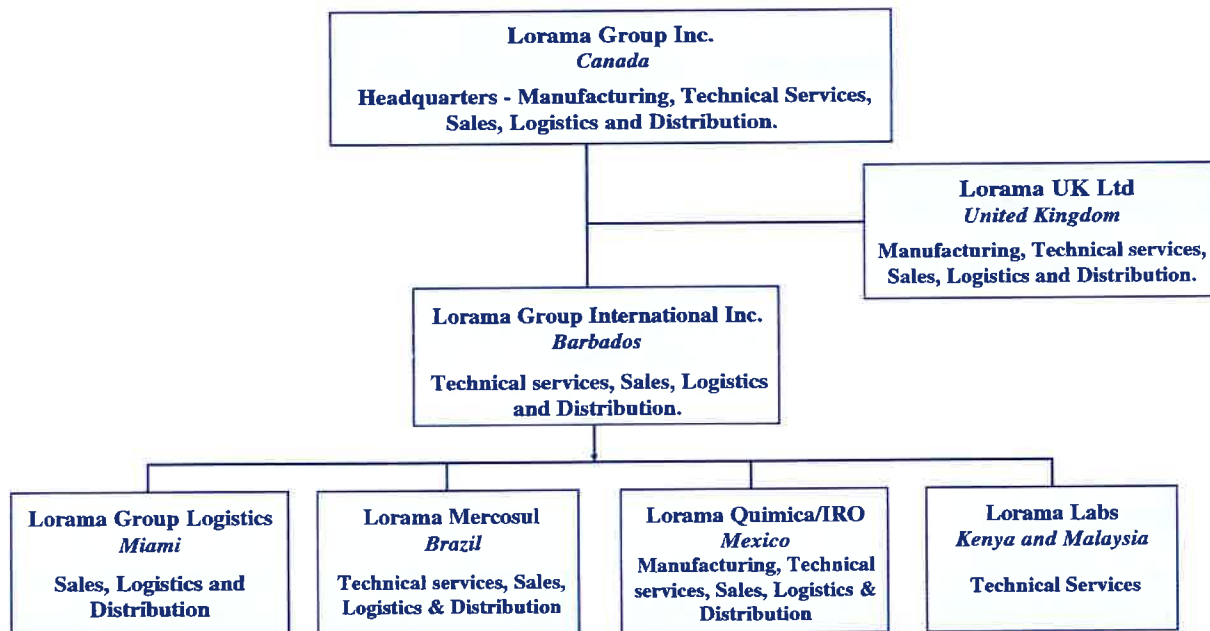


Figure 1: Lorama Group - Structure and Activities

Supply Chain

As an organization, we work with over 150 suppliers, primarily from North America and Europe, to provide us with the materials, goods, and services we need. In this case, the term supplier includes all manufacturers, distributors, service providers, vendors, contractors, subcontractors, and consultants we work with. At Lorama Group, we recognize the important roles suppliers play in our sustainability commitments and ESG goals. Our commitment to sustainability and ESG goals drives us to collaborate with suppliers who adhere to our policies and uphold our values to environmental, quality, and human rights practices.

Determining the Risk of Forced labour or Child labour

- **Within Lorama Group Inc.**

Lorama considers the risk of forced or child labour within its own operations to be low, based on compliance with labour laws, controlled hiring practices, and internal oversight mechanisms. The company complies with all relevant labour laws and has established internal policies and training programs administered through its Human Resources Department. A thorough recruitment process ensures all employees are over 18, and only reputable contract labour agencies are used.

- **Within our Supply Chain**

An internal assessment was conducted on Lorama's identified suppliers. The risk screening considered supplier location, sector, and questionnaire responses covering topics including compliance with labour laws and ethical practices.

The responses and accompanying documentation have been reviewed to evaluate the presence of any potential risks related to forced and child labour. This engagement forms the basis for Lorama's ongoing efforts to strengthen supply chain oversight and ensure alignment with applicable legal and ethical standards.

Policies and Due Diligence Processes

Our Policies and Practices

Lorama has developed and implemented several policies and practices related to human and labour rights, sustainability, and quality within our organization. These include but are not limited to the following:

- Internal hiring practices.
- Lorama Internal Forced and Child Labour Policy.
- Lorama Forced and Child Labour Grievance Policy.
- Lorama Supplier Code of Conduct.
- Lorama Sustainable Procurement Policy.

Due Diligence Process

The above policies play a critical role in our due diligence efforts to prevent and eliminate any potential presence of forced or child labour in our business and supply chain. They serve to clearly define expectations for Lorama employees and suppliers. And, given the nature of our operations, we have identified that the highest risk of forced or child labour exists within our supply chain.

Apart from reviewing our internal policies and processes, in 2025, Lorama expanded its supplier engagement program to include all active suppliers. A Supplier Questionnaire was issued to 27 short listed suppliers, as part of a phased approach to engage our full supplier base by 2027, requesting information on human rights, business conduct, forced and child labour, as well as quality, environmental management, and sustainability practices. Suppliers were required to complete the questionnaire, provide supporting documentation, and sign the Lorama Code of Conduct to demonstrate commitment to the objectives outlined therein.

The results of the initial risk assessment are presented in figure 2 below. Supplier identities have been anonymized and are represented using alphabetical labels for confidentiality purposes.

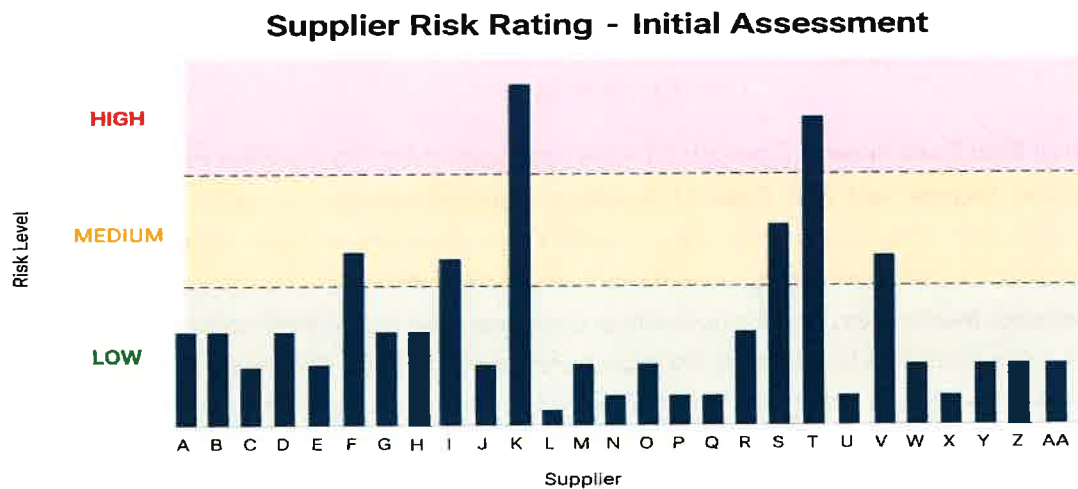


Figure 2: Initial Risk Rating

These steps are part of Lorama’s ongoing efforts to prevent and reduce the risk of forced and child labour. The information collected has improved visibility across the supplier base and supports ongoing risk assessment, monitoring, and corrective actions where needed, in line with legal and ethical requirements.

Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

Lorama Group Inc. has implemented a structured and proactive approach to identify, assess, and mitigate the risks of forced and child labour within its operations and across its supply chain. The following steps were taken in the reporting period:

- **Mapping and Risk Identification:** Identified forced and child labour risks across operations and the supply chain.
- **Internal Risk Assessment:** Assessed suppliers using documentation and scoring to classify risk levels. Any non-responsive suppliers were conservatively classified as higher risk due to lack of transparency. Based on the initial risk assessment for the identified suppliers, 77% were classified as low risk, while 8% were categorised as falling in the high-risk category as shown in Figure 3.

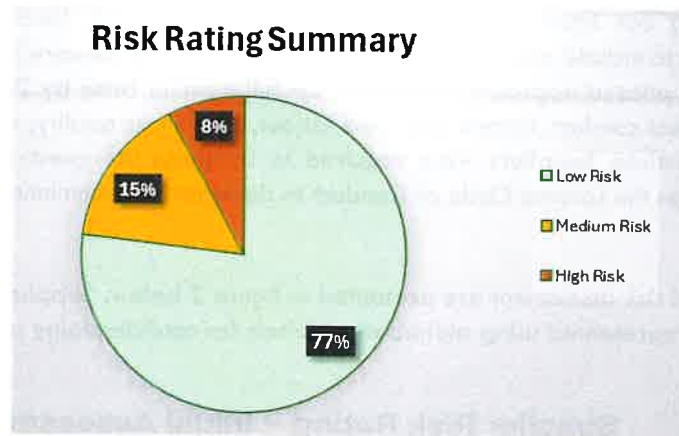


Figure 3: Risk Rating Summary

- **Action Plan Development:** Conducted further investigation for any suppliers rated as high risk.
- **Supplier Engagement and Code of Conduct:** Required suppliers to follow Lorama’s Code of Conduct and meet labour standards. Suppliers are expected to have their own policies and procedures in place, in compliance with international conventions and local laws.
- **Grievance Mechanisms and Transparency:** Grievance mechanisms have already been developed and made accessible to employees to report any concerns without fear of retaliation. Lorama also requires suppliers to maintain transparency in operations and provide necessary information to verify compliance with labour standards.
- **Training and Awareness:** All Lorama employees received training on forced and child labour, covering applicable laws, risks in the supply chain, and reporting mechanisms. Training sessions on sustainable procurement were also provided for the procurement team members at Lorama. Additionally, awareness efforts extended to suppliers through questionnaires, and policy clauses.
- **Continuous Monitoring:** Lorama is committed to continuously review and update its policies, assessments, and risk evaluation methods to improve effectiveness and keep pace with evolving risks. Future actions include enhanced supplier onboarding checks and procurement-specific training on responsible sourcing.

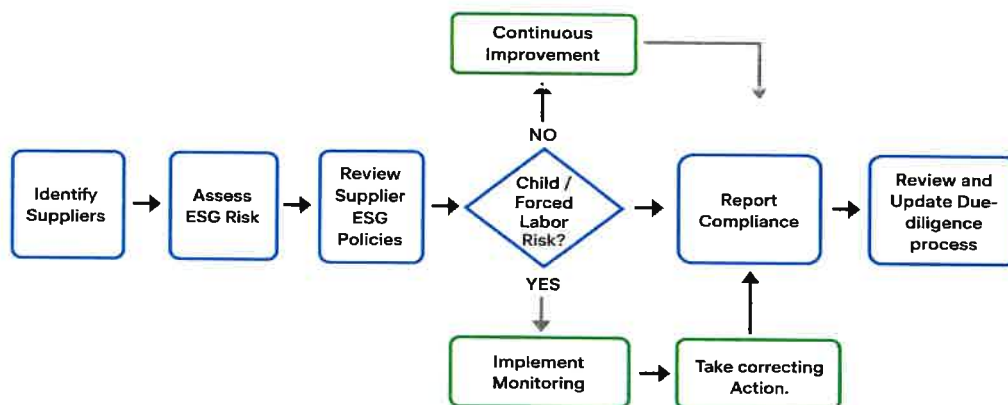


Figure 4: Flowchart for risk assessment process

Remediation Measures

To date, no instances of forced or child labour have been detected in our operations or supply chain. As a result, there has been no need to implement remediation measures. However, if any such incidents are identified, Lorama is committed to exploring appropriate remedial actions in accordance with international standards and best practices.

Remediation of Loss of Income

Since no cases of forced or child labour were reported during this period, no loss of income has occurred, and therefore, no compensation or restorative measures were required. Should a situation arise in the future, Lorama will consider measures consistent with international labour standards, including those aimed at restoring lost income or livelihood to affected individuals.

Assessing Effectiveness

Lorama has policies and processes in place to regularly assess the effectiveness of our efforts to prevent forced and child labour. These include:

- Annual review of relevant policies and procedures by the regulatory team.
- Tracking of key performance indicators such as:
 - Employee training completion rates.
 - Number of grievances reported and resolved.
 - Number of signed Supplier Codes of Conduct and completed Supplier Questionnaires.
- Supplier evaluation through the Supplier Scorecard for critical suppliers, conducted at least once a year by the procurement and regulatory teams to assess compliance with our policies with the aim to engage with all active suppliers by December 2027.

Approval and Attestation

In accordance with the requirements of the Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, in particular section 11 thereof, I attest that the Board of Directors of Lorama Group Inc. has reviewed the information contained in this report. 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.



Representative of Lorama Board of Directors

May 13, 2026