

Modern Slavery Statement for the 2023 Fiscal Year

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INTRODUCTION

This report is submitted pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the “**Act**”). This statement outlines the approach of the Canadian entities controlled by US-based Prolamina Corporation (“**Prolamina**”) to identify and address the risks of forced labour and child labour in its business operations and supply chains during its 2023 fiscal year which commenced on January 1, 2023 and ended on December 31, 2023 (“**FY2023**”). This statement is being submitted by Prolamina on behalf of its various subsidiaries indicated in the next section (the “**Subsidiaries**”).

Prolamina and its Subsidiaries are collectively committed to sustainable and equitable business practices that model social responsibility and positive values. As the entity exercising control over the Subsidiaries indicated in this report, Prolamina is committed to respecting human rights and labour standards that allow all to participate meaningfully in society and/or employment. With respect to its supply chain and procurement processes, Prolamina is committed to ensuring that forced and/or child labour is not involved in the supply chain. This report adopts the Act’s definitions of child labour, entity and forced labour.

ENTITY PROFILES

Prolamina is a corporation incorporated pursuant to the laws of Delaware, USA, with a principal place of business at 12025 Tricon Road, Cincinnati, Ohio 45246. ProAmpac Packaging Canada, Inc. Prolamina is in the business of providing flexible packaging solutions. (“**ProAmpac Canada**”), ProAmpac Bellepak Ltd. (“**ProAmpac Bellepak**”), and ProAmpac Gelpac Ltd (“**ProAmpac Gelpac**”) are direct Subsidiaries of Prolamina (collectively, the “**ProAmpac Subsidiaries**”).

ProAmpac Canada is a corporation incorporated pursuant to the laws of Canada and its Subsidiaries include Hymnopack Ltd./Ltee (“**Hymnopack**”), Rosenbloom Group Inc. (“**Rosenbloom**”), and Dyne-a-Pak Inc. (“**Dyne-a-Pak**”). ProAmpac Canada’s Subsidiaries are provincially incorporated.

ProAmpac Bellepak is a corporation incorporated pursuant to the laws of Canada and Belle-Pak Packaging Inc. (“**Belle-pak**”) is its Subsidiary.

ProAmpac Gelpac is a corporation incorporated pursuant to the laws of Canada and Gelpac Inc., Gelpac Poly Inc., Gelpac Sacs Inc. and Meca-Services Inc. are its Subsidiaries.

All but one of the Subsidiaries manufacture packaging products such as plastic bags and covers, and the ProAmpac Subsidiaries largely function as a holding company for the Subsidiaries these entities control, such that ProAmpac Subsidiaries themselves only operate in the manufacturing of packaging products occasionally.

Of the indicated Subsidiaries, Prolamina recently acquired ProAmpac Gelpac, Gelpac Inc., Gelpac Poly Inc., Gelpac Sacs Inc. and Meca-Services Inc. (collectively, the “**Gelpac Subsidiaries**”). ProAmpac is still in the process of integrating the Gelpac Subsidiaries into its operations, and Prolamina is therefore providing its best knowledge of the Gelpac Subsidiaries’ business activities in this report.

Prolamina’s business activities are conducted across Canada as follows:

Subsidiary Entity	Business Activity	Location
Belle-Pak Packaging Inc.	plastic bag manufacturer	Markham, Ontario
Hymnopack Ltd./Ltee	plastic bag manufacturer	Etobicoke, Ontario
Dyne-a-Pak Inc.	raw plastic manufacturer	Laval, Quebec
Rosenbloom Group Inc.	flexible packaging manufacturer	Montreal, Quebec
Gelpac Inc.	holding company without business activities	Marieville, Quebec
Gelpac Poly Inc.	plastic bag manufacturer	Farnham, Quebec, and Brampton, Ontario
Gelpac Sacs Inc.	paper and flexible packaging manufacturer	Marieville, Quebec
Meca-Services Inc.	maintenance services for Gelpac Inc., Gelpac Poly Inc., and Gelpac Sacs Inc.	Farnham, Quebec

Governing Body

Each of the entities covered in this statement is governed by a Board of Directors. Each of the entities’ Board of Directors is led by a single Director, with the exception of Hymnopack where two (2) directors lead the board.

SUPPLY CHAIN ASSESSMENT

Prolamina and its Subsidiaries share a supply chain in which the entities purchase materials for the production of packaging products. Materials arrive into the Subsidiaries’ external warehouses and are brought into the Subsidiaries’ manufacturing plants on an as-required basis. A large majority of suppliers are based in North America, and some suppliers are based in South America, Europe and Asia.

The Gelpac Subsidiaries are in the process of being integrated into the larger supply chain shared between Prolamina and its pre-existing Subsidiaries given that the Gelpac Subsidiaries were acquired in 2024. Prolamina’s best knowledge at this time is that of the Gelpac Subsidiaries,

Meca-Services Inc. does not have a bona fide supply chain given that it is a maintenance and repair services provider. Prolamina understands that the other Gelpac Subsidiaries besides Meca-Services purchase similar materials for the production of packaging products from suppliers in North America and Asia.

Prolamina understands that the manufacturing sector does have a live risk of the presence of forced and/or child labour. However, given that Prolamina is not involved in textile or electronic manufacturing, which Prolamina believes to be the sections of the manufacturing industry with the highest risk, Prolamina and its Subsidiaries consider that the risk of forced or child labour in their respective supply chains would likely only be live in indirect suppliers and/or suppliers based in locations outside of North America and Western Europe .

DUE DILIGENCE MEASURES

In the last year, Prolamina and its Subsidiaries (with the exception of the Gelpac Subsidiaries) have undertaken the following steps to prevent and reduce the risk of forced or child labour being involved in its supply chain:

- 1. Conducting an internal assessment of risks of forced labour and/or child labour in the organization’s activities and supply chains, and conducting audits of suppliers**

Prolamina conducts *ad hoc* risk assessments of its own business and that of its Subsidiaries. Internal assessments are ad hoc because the Subsidiaries are all based in Canada, comply with applicable federal and provincial labour, health and safety and human rights laws, and are based in jurisdictions with relatively strong enforcement mechanisms. Prolamina’s individual Subsidiaries have also not received any reports of suspicions or actual incidents of forced labour or child labour on their own worksites.

Hymnopack specifically was audited using the SMETA (Sedex Members Ethical Trade Audit) methodology which specifically assesses for risks of forced labour or child labour in Jempak’s activities and organizational structure.

ProAmpac Canada conducts an annual risk assessment of suppliers for all the Subsidiaries indicated in the foregoing table on behalf of Prolamina except for the Gelpac Subsidiaries (the “Assessment”), and this Assessment includes numerous segments that are responsive to assessing for the presence of forced and/or child labour. One segment specifically evaluates for the risk of human trafficking and child labour based on the geographic location of the supplier. The evaluation is not piecemeal but highly contextual and also takes into account other factors consistently cited by studies on forced and/or child labour such as the presence of geopolitical unrest, political challenges and extreme weather events. Another segment requires the supplier to confirm it has a sustainability policy in line with responsible business practices and applicable environmental, social and

governance criteria. Any new suppliers are automatically flagged as high-risk and prioritized for Assessment, and given that ProAmpac Canada and the other Prolamina Subsidiaries often share suppliers, ProAmpac Canada's Subsidiary entities also participate in this Assessment by providing data and feedback on suppliers. In 2023, this Assessment occurred in April.

An Assessment includes a scoring system where higher scores indicate a higher risk of non-compliance with the business practices and standards of ProAmpac Canada (and by extension its Subsidiaries). Suppliers who receive poor and/or increasing scores are identified as high-risk and are required to undergo a detailed evaluation through a scorecard. The scorecard provides an in-depth analysis of the reasons behind the high-risk designation. Suppliers that score below 60% on their scorecard are required to follow an action plan for improvement, which action plan is imposed on the supplier by ProAmpac Canada. ProAmpac Canada follows up on the action plan on a quarterly basis to ensure that the supplier is making progress towards compliance. Consistent poor scoring typically results in ProAmpac Canada deciding to transition away from the supplier if action plan(s) do not lead to improvement.

Separate from Assessments, ProAmpac Canada also conducts regular audits and site verifications of its suppliers on a rolling basis. The ISO 9001 standard of the International Organization for Standardization is part of ProAmpac Canada's audit standards and contains the following relevant clauses:

Clause 4.1 - Understanding the Organization and its Context: Requires organizations to consider relevant external and internal issues, including compliance with labor laws.

Clause 4.2 - Understanding the Needs and Expectations of Interested Parties: Involves identifying the needs and expectations of regulatory bodies that enforce labor laws as well as the communities these laws aim to protect.

Clause 8.4 - Control of Externally Provided Processes, Products, and Services: Mandates evaluation and selection of suppliers based on their compliance with quality and labor standards.

ProAmpac Canada employs the ISO 9001 standard as the foundation for its Quality Management System (QMS) when auditing suppliers. While suppliers do not receive a specific score at the conclusion of an audit, any non-conformances are recorded in the audit report. The supplier is then required to provide a Root Cause and Corrective Action (RCCA) for each identified non-conformance. Any deviations from the ISO 9001 standard are noted as non-conformances that the supplier must address

Subsidiaries participate in the supplier audits indirectly. While they may not attend the audits unless they are in the same area and specifically invited, they contribute by providing relevant data and feedback on supplier performance, which is utilized during the audit process. This collaborative approach ensures that ProAmpac Canada maintains consistent and thorough oversight of its supply chain across all its Subsidiary entities.

The Gelpac Subsidiaries have only been acquired by Prolamina in 2024 and therefore did not participate in the foregoing processes in the 2023 fiscal year. However, it is Prolamina's understanding that some of the Gelpac Subsidiaries' suppliers are pre-existing suppliers of ProAmpac Canada and/or its Subsidiaries such that some elements of the Gelpac Subsidiaries' supply chains have already been subjected to ProAmpac's supply chain assessments and audits.

2. Internal policies

As relates to the internal employment policies of the entities addressed in this report, Prolamina and its Subsidiaries comply with the labour standards established by the applicable provincial laws. Prolamina and its subsidiaries do not hold any work authorization documents (ID's, passports, visa documents, etc.) of any employees or hire individuals under the legal working age.

ProAmpac Canada also has a strict Code of Ethics which was implemented in 2023 and which specifically prohibits the use of forced labour and child labour. All ProAmpac Canada Subsidiaries are bound to the Code of Ethics. Training on the Code of Ethics commenced towards the end of 2023.

WE CARE ABOUT OUR COMMUNITIES AND ENVIRONMENT



ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE COMMUNITY AND POLITICAL INVOLVEMENT **HUMAN RIGHTS** ENVIRONMENT

HUMAN RIGHTS

WE PROTECT HUMAN RIGHTS within our company and demand the same from all of our business partners.

WE ARE COMMITTED

- We do not use forced, indentured or involuntary labor.
- We do not illegally employ children.
- We follow all applicable laws regarding age standards for employment.
- We pay fair and equitable wages.
- We expect our suppliers and other business partners to comply with applicable labor and human rights laws.
- We do not tolerate human trafficking.
- We do not engage in any practices which would allow the collection and retention of any work documentation that would prevent an employee from leaving. i.e. we would not collect and retain employee passports.

Q. I SUSPECT THAT ONE OF OUR SUPPLIERS MAY BE USING UNDERAGE WORKERS. WHAT SHOULD I DO?

A. If you suspect that one of our suppliers is using illegal child labor, you must promptly report it to your manager or Compliance.



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Exhibit 1: Copy of slide from Code of Ethics prohibiting use of forced labour and child labour.

REMEDIATION

Prolamina and its Subsidiaries have not taken any measures to remediate forced labour or child labour in its activities and supply chains, because based on Prolamina and its Subsidiaries' supply chain due diligence there have been no discoveries of instances of forced labour or child labour being used. As Prolamina and its Subsidiaries have not taken any remediation measures due to not being aware of any instances of forced labour or child labour to respond to, these entities have also not had any occasion to address the remediation of any potential lost income.

SELF-ASSESSMENT OF EFFECTIVENESS

Prolamina and its Subsidiaries (with the exception of the Gelpac Subsidiaries) assess that their efforts to ensure that forced labour and/or child labour is not being used in their business and/or supply chains are effective.

ProAmpac Canada's approach is systematic and programmatic. ProAmpac Canada is aware that the industry standard is often to evaluate and select suppliers for audits based on spend thresholds, but ProAmpac Canada also conducts audits based on the performance of its suppliers, with the understanding that quality issues in the performance of supplier contracts can often be indicative of process issues or regulatory non-compliance within the supplier's processes. Suppliers with quality issues are required to plan and implement corrective action which ProAmpac Canada follows up on in a dedicate fashion. In other words, ProAmpac Canada

supplements the industry standard of audit based on spend by actioning audits on an *ad hoc* basis as triggered by supplier/vendor performance, and in that respect ProAmpac Canada believes its audit and follow up system to be effective in properly investigating and addressing supply chain issues.

Prolamina's belief is that its Subsidiaries' internal checks and balances, risk assessment and corrective action processes are effective, largely because the assessments and audits have not revealed instances of forced and/or child labour being present in existing supply chains. The Subsidiaries are expected to take steps to cease contracts with suppliers who regularly present with quality or non-compliance issues. All Subsidiaries believes their suppliers are fully aware of Prolamina's emphasis and commitment to responsible business practices that do not harm communities or employees and Prolamina believes its suppliers fully appreciate that breaching Prolamina's commitment(s) risks the termination of the business relationship between the relevant Subsidiary and the breaching party.

Prolamina acknowledges that its recently acquired Gelpac Subsidiaries did not conduct supply chain due diligence in the 2023 fiscal year and/or that Prolamina has been unable to confirm the extent of any such processes, however, given that Prolamina and the Gelpac Subsidiaries share numerous suppliers, at least some of the Gelpac Subsidiaries' suppliers have undergone audits and/or been involved in ProAmpac Canada's Assessment. Prolamina acknowledges that the Gelpac Subsidiaries will also need to participate in the foregoing due diligence processes fulsomely as part of Prolamina's overall efforts to ensure that no forced and/or child labour is present in the supply chain of any Subsidiary. The Gelpac Subsidiaries are actively being integrated into the ProAmpac Subsidiaries' due diligence processes for the ongoing fiscal year.

Prolamina appreciates that its current processes can be made more effective and is currently considering partnering with a dedicated supply chain due diligence entity moving forward. Prolamina is also looking to build capacity to potentially undertake more due diligence measures.

ATTESTATION

This statement is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains* for the fiscal year ending on December 31, 2023. This statement has been reviewed by Paul Schabow, SVP of Global Sourcing who confirms that it is true to the best of their knowledge. This statement is being submitted on behalf of all the entities indicated herein.

The undersigned attests to the following:

This report has been reviewed and approved via resolution of the Board of Directors of Prolamina Corporation.

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.

I have the authority to bind Prolamina Corporation.

Signature



Full Name: Eric Bradford

Title: Chief Financial Officer and Secretary, Prolamina Corporation

Date: July 30, 2024