

Interlake Acquisition Corporation Limited

Fighting Against Forced Labour and Child Labour in Supply Chains Act Report

Legislation: *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Reporting Year: 1

Period: January 1, 2023 – December 31, 2023

Accountable Signing Authority: Mill Manager

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Company Overview

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “*Supply Chain Transparency Act*”), this statement outlines the measures implemented or to be implemented by Interlake Acquisition Corporation Limited to address the risks of modern slavery, including but not limited to forced and child labour within our operations and supply chain.

At Interlake Acquisition Corporation Limited, we actively uphold human rights and work to prevent any violation of others’ human rights through the policies and procedures we have established. We are committed to establishing safe, inclusive, and respectful work environments wherever we conduct business. We value the fundamental rights of our employees and all who work within our supply chain, which encompass freedom from slavery and child labour, equal opportunities for all, a safe and healthy workplace, and freedom from discrimination and harassment.

Interlake Acquisition Corporation Limited continues to develop and expand our understanding of the risks associated with the complex issue of modern slavery and to identify areas within our operations and broader supply chain that may be impacted by such challenges. We intend to continue to collaborate across our business and supply chain to implement appropriate practices that mitigate and address potential risks.

Modern slavery is completely unacceptable within our organization and supply chains. Interlake Acquisition Corporation Limited acknowledges our responsibility to uphold the rights of individuals working for our organization. Recognizing that human rights issues require multifaceted approaches, we consider it crucial to engage with various stakeholders to promote awareness and foster understanding.

Part I – Structure, Operations and Supply Chains

Our Structure

Interlake Acquisition Corporation Limited (Registry Number 3017493), business number 89919 0623 RC0002, is a Nova Scotia limited company operating at 45 Merritt Street St. Catharines Ontario L2T 1J4. Interlake Acquisition Corporation Limited has approximately 105 employees, all located inside of Canada. Interlake Acquisition Corporation Limited does not have any subsidiaries. Interlake Acquisition Corporation Limited is an “entity” according to the *Supply Chain Transparency Act* because it has at least \$20 million in assets and it has generated at least \$40 million in revenue in one of the two most recent financial years.

Our Operations

Interlake Acquisition Corporation Limited utilizes domestic and imported raw materials to produce specialty paper products for food services, sanitary and hygiene, retail and grocery, medical, industrial and other applications at its facility in St. Catharines, Ontario.

Our Supply Chains

The supply chain for a paper mill operation in Canada like Interlake Acquisition Corporation Limited is a complex network. The operation relies on a steady supply of pulp, which is primarily

sourced from the Americas and Europe. The direct suppliers are responsible for providing the raw materials necessary for the paper production process, while the indirect suppliers and service providers contribute to the overall functioning of the mill.

The supply chain for the paper mill operation is subject to various risks, including those related to the availability and quality of pulp, transportation delays, and market fluctuations. To mitigate these risks, the operation must maintain a balance between inventory levels and production capacity, as well as have contingency plans in place for potential disruptions.

Sustainable practices and responsible sourcing are becoming increasingly important, and the operation must ensure that its supply chain aligns with these principles, particularly in the sourcing of pulp.

Part II – Policies and Due Diligence Processes

Interlake Acquisition Corporation Limited has a robust set of policies, codes, and procedures addressing its obligations to treat our team members, clients and suppliers with the highest possible level of dignity and respect, as well as our expectations that our contractors, vendors, and suppliers do the same. These documents include but are not limited to a Raw Material Supplier Questionnaire, Raw Material Supplier Approval Policy, Birthdate Verification, Forest Stewardship Counsel Core Labour Requirements and Purchase Order Terms and Conditions.

In addition, Interlake Acquisition Corporation Limited intends to use commercially reasonable efforts consistent with other comparable companies in the market to maintain its reasonable policies, procedures, and due diligence measures specifically to address the complex problems of forced labour and child labour.

For all Suppliers that we contract with through acceptance of our purchase order terms and conditions, Interlake Acquisition Corporation Limited requires these organizations to comply with applicable laws in the relevant jurisdictions including all applicable federal, state and local laws, regulations, guidelines, standards (including OSHA standards) and orders then in effect. Any provision certification or agreement required to be a part of such a purchase order by virtue of any such law, is incorporated therein by reference. Suppliers are additionally required to prepare and execute all documents and do all things or, as the case may be, refrain from any prohibited activities in order that Interlake Acquisition Corporation Limited shall not be deemed in default of its obligations under any contract with the federal or any state or local government or any supplier thereto. Any Supplier's obligations under such a purchase order includes, but is not limited to (a) refraining from discriminating against any employee or applicant because of race, color, religion, national origin, sex, age, handicap, veteran's status, or any other protected category, (b) establishing or maintaining affirmative action plans as required by law or by the terms of any of our or our customer's contracts with any governmental entity, (c) providing certifications of compliance with various laws, and obtaining similar certifications from our suppliers and subcontractors, (d) complying with various pollution control requirements, (e) contracting with minority business concerns, small business concerns, and firms in certain designated areas, and (f) filing various reports or providing information.

Interlake Acquisition Corporation Limited supports the goals of the *Supply Chain Transparency Act* and takes seriously our responsibility to act with due diligence to avoid infringing on the human

rights of others. Interlake Acquisition Corporation Limited asks its suppliers to complete a supplier questionnaire in which they must affirm that all employees are screened prior to hiring and employed legally, and do not engage in any underage or forced labour.

Reporting Process

At Interlake Acquisition Corporation Limited, we stand by our values and responsibilities on respectful, safe and healthy workplaces, a culture of inclusion and diversity, customers, safety, and the environment. Should we be made aware that a supplier is in non-compliance with the *Supply Chain Transparency Act*, or uses, directly or indirectly, forced labour or child labour, we will notify the supplier and take corrective measures where commercially reasonable.

Interlake Acquisition Corporation Limited is committed to healthy, safe, and respectful working conditions throughout Interlake Acquisition Corporation Limited's supply chain. Forced labour and child labour are anathema to Interlake Acquisition Corporation Limited's core values, which is why we have strong practices in place.

Our Due Diligence Processes

Interlake Acquisition Corporation Limited has implemented a number of due diligence measures, to ensure layers of review. As described above, our standard terms of engagement and contracts with suppliers often if not always include clauses that require the suppliers to abide with applicable laws.

Part III – Risks of Forced Labour and Child Labour in Operations and Supply Chains

Our potential exposures to indirect association of modern slavery practices, if any, are limited and would come through our supply chain, as we rely on contracting and subcontracting services.

We expect all suppliers, regardless of the cultural, social and economic context, to meet expectations of fundamental rights for all people. This means treating their employees with fairness, respect and dignity, and following practices that protect health and safety for the people working for them.

We believe there is low to minimal risk of forced labour or child labour in our supply chain. Interlake Acquisition Corporation Limited is not aware of any current or past forced labour or child labour in our supply chain. Both statements are subject to the limitations of Interlake Acquisition Corporation Limited's risk identification activities as described in more detail above and below.

Part IV – Measures to Remedy Forced Labour and Child Labour

Interlake Acquisition Corporation Limited is not aware of any incidents of forced labour or child labour in our activities or supply chain in our past financial year, subject to the limitations of our risk identification activities as described in more detail above and below. Accordingly, Interlake Acquisition Corporation Limited has not had to take any remedial measures in response to incidents of forced labour or child labour.

Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labour and Child Labour

Efforts to prevent and reduce the risk of forced and child labour (as set out at Part IV) can have the unintended consequence of contributing to a loss of income for vulnerable families. Interlake Acquisition Corporation Limited has not as of the date of this report become aware of any loss of income to vulnerable families resulting from our measures to eliminate the use of forced labour and child labour in our activities and supply chains.

Part VI – Training Provided to Employees

Interlake Acquisition Corporation Limited intends to continue to train its employees in relevant departments consistent with its past practices and in line with market standards.


Part VII – Assessing Effectiveness of Actions against Forced Labour and Child Labour

Interlake Acquisition Corporation Limited has not taken additional actions to assess the effectiveness in preventing and reducing risks of forced and child labour in its activities and supply chains in the previous financial year.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains 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.

By signing the below, I hereby confirm I have the authority to bind Interlake Acquisition Corporation Limited.


Yves Simard
Mill Manager

May 23, 2024

Date