



## **Introduction**

As a leading North American full-service provider of recycled paperboard and specialized folding cartons for packaging applications, PaperWorks Industries, Inc., including its subsidiaries Boehmer Box LP and Strathcona Paper LP (collectively referred hereto as the “Entities”) play a role in promoting human rights and responsible business practices. The Entities recognize that risks of forced labour and child labour (also referred to as modern slavery) exist and acknowledge that understanding and managing these risks requires a collaborative approach with their suppliers, their workforce, and other external stakeholders.

This report outlines the Entities’ governance processes, existing measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of modern slavery across the supply chain they utilize.

## **Reporting Context**

PaperWorks is a corporation incorporated pursuant to the laws of the state of Delaware and is headquartered in the United States of America. Boehmer Box LP and Strathcona Paper LP are partnerships registered pursuant to the laws of Canada. Their places of business are located in Kitchener, Ontario (Boehmer Box LP) and Napanee, Ontario (Strathcona Paper LP).

The Entities are subject to the legal requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). This report is made pursuant to the Act and was approved by a member of the governing body of PaperWorks.

For purposes of the Act, the reporting entities covered by this report include PaperWorks, Boehmer Box LP, and Strathcona Paper LP. The terms “PaperWorks”, “Boehmer”, “Strathcona”, “we”, “our”, and “the Company” refer to the Entities as a whole. This report is a joint report filed by PaperWorks on behalf of itself, Boehmer Box LP, and Strathcona Paper LP.

## **Our Structure, Business, and Supply Chain**

In our core business, the Entities are full-service providers of recycled paperboard and specialized folding cartons for packaging applications. The Entities specialise in providing innovative folding carton solutions for a wide variety of market sectors including food, beverage, personal care, pharmaceuticals, nutraceuticals and medical devices, and are also known for



their market differentiating sustainable paperboard products and state-of-the art, extended color gamut printing capabilities.

The Entities produce, sell, and distribute paper and packaging products both within and outside of Canada. In addition, the Entities import into Canada goods produced outside of Canada. To ensure that our products are ethically sourced and produced, we have implemented rigorous measures to prevent and eradicate forced labour and child labour from our supply chain. These measures include:

1. **Codes of Conduct:** We have established a comprehensive Code of Conduct applicable to our employees that outlines our expectations regarding labour practices, including a zero-tolerance policy towards forced labour and child labour. In addition, we have established a comprehensive Supplier Code of Conduct that lays out our policies with respect to screening and monitoring suppliers in our global supply chain.
2. **Supplier Audits:** We conduct regular audits of our suppliers to assess compliance with the Supplier Code of Conduct. These audits include thorough assessments of their practices and ensure that our suppliers uphold the highest standards of ethical conduct. These audits also help us identify and mitigate any potential risk exposure to forced labour and child labour within our supply chain.
3. **Supplier Engagement and Workforce Training:** We work closely with our suppliers to foster a culture of respect for human rights and labour rights. This includes providing resources to help our suppliers understand and comply with our ethical standards, as well as identifying and addressing any areas of potential risk exposure. We require that our employees read, acknowledge, and comply with our Code of Conduct. We also require that our suppliers read, acknowledge, and comply with our Supplier Code of Conduct.
4. **Transparency and Accountability:** We are committed to transparency and accountability in our supply chain practices. We openly communicate with stakeholders about our efforts to combat forced labour and child labour and hold ourselves accountable for any shortcomings. We also encourage transparency from our suppliers and collaborate with them to address any issues or challenges related to their practices.
5. **Continuous Improvement:** We continuously strive to improve our supply chain practices and address any issues or challenges that may arise. We are committed to learning from



our experiences and implementing meaningful changes to prevent and eliminate forced labour and child labour from our supply chain, as well as to reduce our overall risk exposure to these practices.

## Policies and Standards

### Codes of Conduct

The Code of Conduct reinforces the Entities' requirements and expectations for conducting business and expected behaviours, and includes statements on the Entities' commitment to fostering fair labour market practices and upholding human rights.

In the supply chain of the Entities, the Supplier Code of Conduct is integrated into the electronic ordering systems and contracts. The Entities expect its suppliers to agree to the Supplier Code of Conduct and requires that each supplier has signed off acknowledging same. The Entities also have in place policies and programs to disqualify suppliers who do not meet the Entities standards as they pertain to reducing the risk of child and forced labour.

In addition to the Code of Conduct and Supplier Code of Conduct, the Entities have procedures in place to ensure that they uphold and remain compliant with provincial employment standards legislation such as the *Employment Standards Act, 2000* and *Occupational Health and Safety Act, 1990*.

### Ensuring Compliance with Applicable Supply Chain Legislation in the United States

The Entities are required to comply with California's *Transparency in Supply Chains Act* which requires companies to disclose information regarding their efforts to eradicate human trafficking and slavery. Companies subject to this law must disclose the extent of their efforts in five areas: verification, audits, certification, internal accountability, and training.

### Training

Upholding human rights, including both forced labour and child labour, is explicitly addressed in the Code of Conduct. Every employee of the Entities is expected to read, acknowledge, and comply with the Code of Conduct, and must complete a re-attestation process annually.



### Reporting Violations

The Entities also provide a framework for asking questions and highlight resources in place to report concerns. The Entities report (and encourage the reporting of) actual or potential non-compliances with our legal requirements, including those in relation to forced labour and child labour, so they can be addressed appropriately. The Entities have established an external third-party hotline where complaints can be made by employees of the Entities. In addition, suppliers also have a direct contact with someone at the Entities with whom they can address any concerns.

### Assessing and Managing Risk

The Entities recognize that their greatest risk exposure to forced labour and child labour is through suppliers, and the primary sources of these risks come from procuring goods in higher-risk geographies and sectors. The Entities acknowledge the risk that forced labour and/or child labour may be used in their extended supply chain.

The Entities understand the importance of risk mitigation and relationship management throughout the procurement process, including complying with the Act. To accomplish this, the Entities have adopted a multi-pronged approach to managing opportunities and risks in their supply chain, starting with how they select their suppliers. In addition, the Entities ensure that they complete regular audits, and that its suppliers, employees, and other stakeholders are aware of the Code of Conduct and Supplier Code of Conduct and the Entities' expectations with respect to same (i.e. by ensuring that the Code of Conduct and Supplier Code of Conduct are signed off on). Our employees are aware of our Code of Conduct and similarly our suppliers are aware of our Supplier Code of Conduct.

### Supply Chain Analysis

The Entities utilize a risk-based model to manage modern slavery risks in their supply chain. They leverage various processes to screen and monitor suppliers and their global supply chain for human rights risks, including forced labour and child labour. Suppliers are required to read the Supplier Code of Conduct and return a signed copy back to the Entities. The Entities have adopted procedures for auditing, monitoring, and disqualifying suppliers that do not uphold its standards.



### Third-Party Risk Assessment

The Entities utilize the services of SEDEX, which is a third party organization specializing in helping companies build socially and environmentally sustainable businesses and supply chains. Through SEDEX, the Entities use SMETA (SEDEX Members Ethical Trade Audit) which is an audit that helps the Entities understand standards of labour, health and safety, environmental performance, and ethics within their operations.

### Remediation Measures

As the Entities have not identified any forced labour or child labour in their business or supply chain, we have not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

### **Assessing Effectiveness**

The Entities are committed to developing a resilient and transparent supply chain where the human rights of every worker involved are respected. As a responsible global citizen and business leader, the Entities recognize their responsibility to respect and uphold the rights of all individuals throughout the supply chain. The Entities are unwavering in their commitment to combat forced labour and child labour, and will continue to work tirelessly to ensure that products are produced ethically and responsibly.

The Entities ensure that all employees adhere to the Code of Conduct and similarly all suppliers adhere to the Supplier Code of Conduct. In addition, the Entities ensure that they conduct regular audits and remain compliant with supply chain legislation in other jurisdictions. As a part of ongoing enhancements, the Entities will strive to continue to identify emerging risks. The Entities also intend to continue developing and implementing additional due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and child labour in our activities and supply chain.

### **Report 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.

I have authority to bind PaperWorks Industries, Inc., Boehmer Box LP, and Strathcona Paper LP.

James Keglovits  
Senior Vice President

Date: May 31, 2024