

# SupremeX, Inc. Report on Forced Labour in Canadian Supply Chains

Published: March 28, 2024

## INTRODUCTION

We are pleased to provide this report outlining the on-going actions of SupremeX, Inc. in our financial reporting year 2023 to support the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“The Act”).

Headquartered in LaSalle, Quebec, Canada, SupremeX, Inc. is a leading manufacturer of envelopes and packaging products with locations across North America. As an organization we are committed to upholding our core values of Teamwork, Communication, Excellence, Respect, and Integrity.

SupremeX is fully committed that its business practices, human resources procedures and the selection of its staff and those with whom it does business are aligned with good faith efforts to ensure that exploitative practices are addressed and eradicated from our supply chain.

## KEY ACTIONS IN 2023

In our 2023 financial year, we gained a better understanding of the risks associated with forced labour and child labour and how such risks may be present in our operations and supply chains. Through our Forestry Stewardship Council (FSC) certification process, we initiated a supply chain mapping process to understand the source of supply for our key raw materials.

In addition, we remain committed to maintaining high standards of integrity and accountability in conducting our business while at the same time seeking to grow the business and value. While no specific training related to forced labour and child labour was provided to employees, we updated our Code of Business Ethics, Employee Code of Ethics, and Whistleblower policy to ensure alignment and compliance across our organization. These policies ensure all employees conduct business with maximum integrity and commit to fully comply with all applicable laws, rules and regulations.

## OUR STRUCTURE

SupremeX Inc. is governed by the Canada Business Corporations Act (the “CBCA”) pursuant to articles of arrangement dated January 1, 2011. SupremeX is a reporting issuer in all the provinces and territories of Canada and its common shares are publicly traded on the Toronto Stock Exchange (“TSX”) under the symbol (“SXP”). The Company’s registered office is located at 7213 Cordner, LaSalle (QC), H8N 2J7.

## OUR OPERATIONS

SupremeX is a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions. SupremeX operates ten manufacturing facilities across four provinces in Canada and six manufacturing facilities in four states in the United States, employing approximately 1,000 people. SupremeX’ growing footprint allows it to efficiently manufacture and distribute envelope

and packaging solutions designed to the specifications of major national and multinational corporations, direct mailers, resellers, government entities, SMEs and solutions providers.

### OUR SUPPLY CHAIN

SupremeX sources the vast majority of the goods and services required for operations from large corporations operating in Canada and the United States. Local operations may engage services like maintenance and cleaning from smaller locally based suppliers in close geographic proximity to our manufacturing plants.

Our largest purchase is primary raw materials made up of paper and paperboard and is purchased from major mills and national distributors with operations located in Canada and the United States. Secondary materials consist of adhesives, inks, films, and packaging materials sourced from suppliers located in Canada and the United States, typically in close geographic proximity to our manufacturing locations.

### RISK ASSESSMENT AND IDENTIFICATION

SupremeX operates in Canada and the United States, with our primary suppliers based in Canada and the United States, using raw materials sourced primarily from Canada and the United States. We conducted a risk assessment of our supply chain to identify industries, products, and countries considered to have a high risk of forced labour and child labour practices. Published indexes, such as the Global Slavery Index and the Corruption Perceptions Index, were used for this exercise. Both Canada and the United States, at a country level, have a low inherent risk of forced labour, modern slavery, and child labour (see references).

Our risk assessment concluded that the majority of products and services in our supply chain are considered low-risk.

### OUR POLICIES, RISK MITIGATION AND REMEDIATION

With the majority of our supply chain in a low risk environment, we rely on our code of ethics and use of reputable suppliers to mitigate any risk with forced labour or child labour.

Following our core company values of excellence and integrity, we recognize that a small portion of our supply chain may contain paper sourced from Asian countries that carry a risk of forced labour or child labour being used. To mitigate this risk, we continually evaluate our supply base and rely on any imported material to comply with all Canadian law. Canadian law prohibits the importation of goods produced with forced or child labour and provides assurance that our suppliers are not using any inputs that may have been produced using child labour or forced labour.

At this time, we have not identified any forced labour or child labour in our activities and supply chain that require remediation.

## MONITORING EFFECTIVENESS

We remain committed to further developing and continuously refining our policies, procedures, and programs as we learn more about the risks in our supply chain and ways to mitigate them.

To assess the effectiveness of actions related to ensuring that forced labour and child labour are not being used in our business and supply chains, we commit to:

- Monitor and annually review compliance with the Act and report the results internally to the SupremeX leadership team
- Regularly review the content of the Code of Business Ethics and Employee Code of Ethics to ensure it is current and fit for purpose

## FUTURE ACTIONS

Our focus for the coming year includes a review of our policies and procedures with a special attention related to forced labour and child labour. We also plan engagement with our key vendors to understand their actions to address forced labour and child labour.

We welcome feedback and engagement with all of our stakeholders as we continue our pursuit of excellence and continuous improvement across our organization.

## FORWARD-LOOKING INFORMATION

Certain information in this report may constitute forward-looking information within the meaning of applicable securities legislation, including information regarding our plans or objectives or other information that is not comprised of historical fact and includes statements that contain words such as “could”, “should”, “will”, “may”, and similar expressions suggesting future outcomes or events. Any such forward-looking information is based on information currently available to us and is based on assumptions we believe are appropriate in the circumstances. However, such forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking information. These risks and others are more fully discussed in our most recent management’s discussion and analysis which is available on our SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). We caution readers not to place undue reliance on any such forward-looking information. Such information is current only as of the date on which it was made. Unless otherwise required by applicable laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained in this report.

## STATEMENT APPROVAL

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of SupremeX, Inc.

In my capacity as Director, President & CEO of SupremeX, Inc., and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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.

Signature

*(signed) Stewart Emerson* \_\_\_\_\_

I have the authority to bind SupremeX, Inc.

Stewart Emerson

Director, President & CEO

SupremeX, Inc.

Date: March 28, 2024

## REFERENCES

[Modern slavery in United States | Walk Free](#)

[Canada | The Global Slavery Index \(walkfree.org\)](#)