

Tekni Plex, Inc. S-211 Compliance Report

About this Report

The enclosed report is intended to represent Tekni-Plex's response to the S-211 Forced Labor in Canadian Supply Chains Act for the 2023 reporting period.

Disclaimer/Cautionary Statement

When we use the terms such as "Tekni-Plex," "company," "enterprise," "we," "us," or "our," in this report, we mean Tekni-Plex, Inc., and its majority-owned and consolidated subsidiaries, unless noted otherwise.

In this report, the use of the term "material" and other similar terms is intended to reflect our forced and child labor-related risks. We are not using such terms as they are used under securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

Therefore, the inclusion of information or the absence of information in this report should not be construed to represent Tekni-Plex Inc.'s belief regarding the financial impact of that information or its importance to shareholders and other stakeholder groups. This report includes estimates, projections and statements relating to our business plans, objectives and expected results regarding labor-related efforts that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "potential," "strategy," "future," "opportunity," "commit," "plan," "goal," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result" and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially.

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Information about the Entity

The following section includes the required information regarding Tekni-Plex Inc.'s company structure. As listed in the regulation's guidance section titled "Components of the Report", we have listed the required information regarding the entity and report below:

Reporting entity's legal name

Tekni-Plex, Inc. is a registered corporate in the state of Delaware, US.

Financial reporting year

Financial Year end is June 30, 20XX

Identification of a revised report

N/A

Business number(s), if applicable

04-202-3333

Identification of a joint report, if applicable

N/A

Identification of reporting obligations in other jurisdictions

N/A

Entity categorization according to the Act

Tekni-Plex, Inc. is a US-based consolidated entity with operations in Canada under a wholly owned subsidiary. For the two most recent financial years (i.e., years ending June 30, 2023, and June 30, 2024), Tekni-Plex, Inc.'s revenue and assets exceed the scoping thresholds of \$40M annual revenue and \$20M assets on the balance sheet, respectively. Therefore, Tekni-Plex, Inc. is considered in-scope for SB211.

Sector/industry

Industrial and medical equipment manufacturing

Location

Tekni-Plex Inc. is headquartered in Wayne, PA. The wholly owned Canadian subsidiary includes two manufacturing locations in Laval, Quebec.

Company Structure, Activities, and Supply Chains

Legal structure, including legal classification (i.e., corporation, trust, partnership, unincorporated organization, etc.)

Please see the attached entity chart, outlining Tekni-Plex, Inc.'s legal structure. Tekni-Plex, Inc. is a corporation.

Organizational structure (i.e., departmentation, chain of command, etc.)

Tekni-Plex, Inc. has two divisions (Healthcare and Consumer Products) that sit adjacent to a central corporate function. Healthcare and Consumer Products each have their own CEO, that reports to the corporate CEO.

Organizational mandate or role

Tekni-Plex, Inc. deploys world class expertise in the formulation, processing and manufacturing of materials-based solutions to deliver better patient outcomes, protect products and strengthen brands, and promote sustainable business decisions for Healthcare and Consumer markets.

Number of employees, both in Canada and outside Canada

Tekni-Plex has 40 employees in Canada and 9,220 employees outside of Canada.

Partner organizations, or membership in a group

Tekni-Plex is a member of the Flexible Packaging Association, RecyClass, and the Association of Plastic Recyclers.

Control of other entities, including what the controlled entities do and where they are located

Please see the attached entity chart, outlining Tekni-Plex, Inc.'s entity structure.

When reporting on activities, entities may include information on:

Production, manufacturing, growing, extracting, processing, sale or distribution of goods, both in Canada and outside Canada, including the kinds and volumes of goods produced, manufactured, grown, extracted, processed, sold or distributed

MMC is a wholly owned subsidiary of Tekni-Plex based in Quebec and is primarily a manufacturing technology development company with majority of goods exported, particularly in the United States 80%, Latin America 10%, and Europe 10%. MMC is specialized in the development of post-molding process automation equipment for the manufacturing industry cap, and particularly in the development of machines for joining, assembly, cutting, folding, closing, and inspecting plastic or metal caps. MMC's core business is design, manufacture, development, installation, and commissioning of this equipment, to which is added a range of after sales services including, spare parts, technical support and training.

MMC is a project base company meaning that all sales are being built and tracked as a project. In terms of volume, +/- 25 machines are being produced and delivered annually which comprise 70% of total sales. Aftersales activities comprise the remaining 30% of sales volumes. Majority of

Aftersales is spare parts (internally produce thru CNC Machine Shop, upgrade for existing equipment at customer facility and employee support/maintenance).

The remaining Tekni-Plex, Inc. entities are primarily focused on supporting the consumer Products and Healthcare industries. Our Healthcare division is primarily focused on medical tubing, sterile barrier packaging, blister packaging, barrier solutions, medical grade compounding, and specialty extrusions. The Consumer Products division is focused on cups, containers, egg cartons, trays, gaskets, dropper bulbs, seals, liners, dip tubes and compounds.

Importation of goods into Canada, including the kinds and volumes of goods imported and the locations from which the goods are imported

Please see the attached document called “Purchasing by Tekni-Plex MMC by Supplier”.

Locations of operation (countries or regions)

Tekni-Plex, Inc. operates within the following countries: USA, United Kingdom, Costa Rica, Belgium, Italy, Mexico, Slovakia, China, India, Colombia, Germany, Brazil.

When describing their supply chains, entities should aim to identify to the greatest extent possible the source countries or regions of origin of each of the goods and services used at each stage of the supply chain.

Specific to Tekni-Plex MMC, for the most recent reporting year, 87% of materials, finished goods, and services were purchased from Canada. 10% of materials, goods, and services were purchased from the USA. The remaining 3% is coming from China (1%) and other countries (Dubai, France, Israel, Mexico, Sweden, and UK).

Policies and Due Diligence related to forced labor and child labor

Due diligence is a process to identify and respond to the real and potential adverse impacts of activities throughout the supply chain. The OECD Due Diligence Guidance for Responsible Business Conduct provides that the due diligence process and its support measures involve the following steps:

Embedding responsible business conduct (RBC) into policies and management systems

The company’s stance on forced labor and child labor is embedded into two main business policies, the Tekni-Plex Code of Conduct & the Tekni-Plex Supplier Code of Conduct. “Tekni-Plex will not tolerate the use of child or forced labor in any of its global operations and facilities. We will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, and the physical punishment, abuse, or involuntary servitude of any worker and we expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to Tekni-Plex and not be corrected, we shall discontinue the business relationship. For purposes of these Principles, a "child" is anyone who is less than 16 years of age. It is the responsibility of local management to implement and ensure compliance with these principles at Tekni-Plex facilities in each region around the world. Tekni-Plex Procurement has responsibility for ensuring the implementation and compliance with the principles on a global basis by Tekni-Plex and its suppliers.”

Identifying and assessing adverse impacts in operations, supply chains and business relationships

Tekni-Plex, Inc. performs supplier site visit on an as needed basis for new suppliers. Risks such as supplier continuity, quality, and working conditions are observed during these supplier site visits. Tekni-Plex procurement has responsibility for ensuring the implementation and compliance with the principles outlined in our code of conduct and supplier code of conduct on a global basis by Tekni-Plex and its suppliers.

Ceasing, preventing or mitigating adverse impacts

Tekni-Plex will not tolerate the use of child or forced labor in any of its global operations and facilities. We will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, and the physical punishment, abuse, or involuntary servitude of any worker and we expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to Tekni-Plex and not be corrected, we shall discontinue the business relationship. For purposes of these Principles, a "child" is anyone who is less than 16 years of age. It is the responsibility of local management to implement and ensure compliance with these principles at Tekni-Plex facilities in each region around the world. Tekni-Plex Procurement has responsibility for ensuring the implementation and compliance with the principles on a global basis by Tekni-Plex and its suppliers.

Tracking implementation and results

When a new supplier is on-boarded to Tekni-Plex, the procurement team schedules a site visit to maintain the relationship with the supplier. Risks are reviewed during these supplier site visits. Tekni-Plex procurement has responsibility for ensuring the implementation and compliance with the principles outlined in our code of conduct and supplier code of conduct on a global basis by Tekni-Plex and its suppliers.

Tekni-Plex, Inc. has no tolerance for forced or child labor, as stated in our code of conduct.

Communicating how impacts are addressed

Tekni-Plex, Inc. has a no tolerance attitude towards forced or child labor. If such activities were discovered, the supplier relationship would be terminated.

Providing for or cooperating in remediation when appropriate

Tekni-Plex, Inc. has a no tolerance attitude towards forced or child labor, thus remediation is not applicable.

Forced Labor and Child Labor Risks

Entities are asked to show that they have considered the ways in which their activities and supply chains could potentially cause, contribute to or be directly or indirectly linked to actual or potential risk that forced labor or child labor is used by them or in their supply chains.

Tekni-Plex, Inc. has hiring practices that comply with all applicable laws and regulations, in addition to our codes of conduct (supplier and internal). In addition, we conduct site visits for new suppliers to assess a variety of risks, including working conditions.

Forced Labor and Child Labor Risk Remediation Measures

Remediation and remedy refer to both the processes of providing remedy for an adverse impact and to the substantive outcomes (i.e., remedy) that can counteract, or “make good,” the adverse impact. In the case of business and human rights, which includes forced labor and child labor, remedies provided may take a range of forms, the aim of which will be to counteract or address any human rights harms that have occurred.

The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labor or child labor is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity

Tekni-Plex, Inc. has hiring practices that comply with all applicable laws and regulations, in addition to our codes of conduct (supplier and internal). In addition, we conduct site visits for new suppliers to assess a variety of risks, including working conditions.

Remediation of Loss of Income

Efforts to prevent and reduce the risk of forced labor and child labor can have the unintended consequence of contributing to a loss of income for vulnerable families. Requirement (e) refers to any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in the entity’s activities and supply chains.

First, Tekni-Plex has a zero tolerance for any form of forced labor and child labor. As such, we terminate any supplier contract when a site visit evidences potential or actual forced labor and child labor practices.

Currently, Tekni-Plex, Inc. does not have any specific actions dedicated to remediating potential loss of income to the most vulnerable families that may be affected by measures to eliminate the use of forced labor or child labor in our supply chain. We do have a philanthropy arm, TekniGives, which is active in our working communities to assist our employees and communities with hardships.

Training

Training on forced labor and child labor may take a range of forms, from formal training courses to awareness-raising activities. When reporting on the training that entities may provide to employees, they may choose to provide the following details:

Whether the training is mandatory or optional

Tekni-Plex, Inc.’s training on forced labor and child labor is not optional and is a requirement of all new hires to complete during the employment onboarding process.

Whether the training is entity-wide or only covers employees in specific areas of the entity

All employees are required to complete a training on Tekni-Plex, Inc.’s code of conduct as a part of the employment onboarding process. The code of conduct contains the relevant clauses mentioned above regarding Tekni-Plex Inc.’s stance on forced labor and child labor.

Which groups or levels of employees receive the training (e.g., whether the training covers senior management/executive-level staff)

All levels of employees are required to take the training on Tekni-Plex, Inc.'s code of conduct.

The content of the training, including whether it covers forced labor, child labor or both

The training contains relevant information regarding Tekni-Plex Inc.'s stance on forced labor and child labor, including the following statements:

“Tekni-Plex will not tolerate the use of child or forced labor in any of its global operations and facilities. We will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, and the physical punishment, abuse, or involuntary servitude of any worker and we expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to Tekni-Plex and not be corrected, we shall discontinue the business relationship. For purposes of these Principles, a "child" is anyone who is less than 16 years of age. It is the responsibility of local management to implement and ensure compliance with these principles at Tekni-Plex facilities in each region around the world. Tekni-Plex Procurement has responsibility for ensuring the implementation and compliance with the principles on a global basis by Tekni-Plex and its suppliers.”

How the training was developed, including whether it was developed internally or by an external organization

The training was developed by Tekni-Plex human resources and consists of an internal signed acknowledgement that the employee has seen and read our code of conduct, which contains our forced and child labor policy.

The length of the training

N/A

Any mode(s) of assessment included in the training

N/A

How many employees have received or will receive the training

100% of active Tekni-Plex, Inc. employees have received the training and 100% of future employees will receive the training.

Assessing Effectiveness

Entities are required to report on how they assess their effectiveness, not to give the results of that assessment. In other words, entities should describe the policies, processes and other actions they have implemented to measure and track their success in preventing and reducing risks of forced labor and child labor in their activities and supply chains.

Tekni-Plex, Inc. ensures that all employees are trained in the contents of the code of conduct. Additionally, new suppliers are subject to a site visit by Tekni-Plex as a part of an overall risk

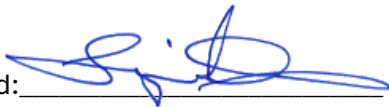
assessment. As stated above, Tekni-Plex, Inc. has a no tolerance attitude towards forced or child labor. If such activities were discovered, the supplier relationship would be terminated.

Company Attestation

Tekni-Plex, Inc.
460 Swedesford Road
Wayne, Pa 19087

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 attest that I have legal authority to bind Tekni-Plex, Inc. to the statements made within the enclosed report.

Signed:  _____

Name: Sujal Mehta _____

Date: 9/25/2024 _____