

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

Annual Statement

Statement adopted: 2024-04  
Last update: 2024-04  
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# 1. Introduction

This statement is made in accordance with the Canadian Bill S-211, "Fighting Against Forced Labour and Child Labour in Supply Chains Act".

The statement outlines the steps taken by Trioworld Industrier AB ("Trioworld") to prevent forced labour and child labour in its supply chain for the financial year January 1<sup>st</sup> to December 31<sup>st</sup> 2023.

This statement covers Trioworld and its North America division.

Trioworld is a leading producer of packaging solutions. Since our inception in 1965 in Smålandsstenar, Sweden, we have been at the forefront of producing high-quality polyethylene (PE) and polypropylene (PP) film. Our commitment extends beyond traditional packaging solutions, as we consistently strive to offer products with a reduced environmental impact. This includes our range of recycled content films, thinner films that utilize less material, and our pioneering bio-based content films, all while maintaining the high-performance standards our customers expect from us.

Our presence is global, with production and sales facilities in Sweden, Denmark, France, the Netherlands, the United Kingdom, and, as of 2023, Canada. We also operate recycling sites for external waste in Sweden, Denmark, and France, along with sales offices in Norway, Finland, Germany, and the United States. The expansion of Trioworld continued in 2022 with the acquisition of two companies in the United Kingdom, now unified under Trioworld UK Ltd. In early 2023, we marked a significant milestone by establishing our North America division through the acquisition of Malpack Ltd. in Canada and Malpack Corp. in the United States.

The North America division, headquartered in Ajax, Ontario, is a testament to our commitment to delivering high-performance stretch film solutions, especially in the transit packaging sector. Serving a diverse range of industries including distribution, beverage, food, consumer goods, e-commerce, and other industrial packaging needs, we are supported by extensive distribution networks across the US and Canada.

As well as serving our customers, we recognize our responsibility to protect the environment and respect the human rights of all workers throughout our operations and supply chain. We have made significant progress in reducing our environmental impact through measures such as the use of recycled plastics for our products and waste reduction.

Trioworld and Malpack Ltd. share the same 'direct suppliers' for raw materials, large multinational companies that provide polyethylene and polypropylene. Alongside these, our key indirect tier 1 suppliers encompass entities responsible for freight services and recyclers. In our North America division, the tier 1 suppliers, predominantly based in North America and Europe, include not only raw material suppliers but also providers of utilities, transport services and machinery.

In 2022, we launched our enhanced Human Rights Due Diligence program to ensure our processes are in line with best practices. In 2023 we conducted a human rights risk assessment of our supply chain, including the risk of forced and child labour, and began onboarding raw materials suppliers onto the

program. Moving forward into 2024, we will continue to onboard suppliers and implement third-party social compliance audits.

## 2. Overview of Bill S-211

Bill S-211 is a crucial piece of legislation in the global fight against forced and child labour. In summary it requires that key human rights issues are considered within:

- Corporate governance structure and policies
- Risk assessment, management and remediation
- Procurement policies and procedures
- Training and awareness

Our adherence to Bill S-211 is not just about legal compliance; it is a testament to our commitment to ethical business practices and human rights. We recognize the importance of this legislation in creating a more just and equitable global economy, and we are dedicated to continuously improving our efforts in this crucial area.

## 3. Our Commitment

At Trioworld, we are aware of the environmental impact and inherent social risks associated with our industry, including the most serious human rights violations such as forced and child labour. We are committed to proactively take steps to prevent and mitigate these risks.

We are dedicated to sustainable innovation and excellence in packaging solutions, continuously evolving to meet the needs of our global clients while maintaining our commitment to environmental and social responsibility. Our policies and practices incorporate principles from Agenda 2030, the UN Global Compact and its Sustainable Development Goals (SDGs). We are in the process of reviewing our policies and processes to ensure alignment with the OECD Guidelines for Multinational Enterprises framework. By integrating these global standards into our policies, we will ensure adherence to internationally recognized sustainability benchmarks, setting clear methods of operation recognized by all our stakeholders.

Each year, as part of our strategic planning, we update and refine our organizational sustainability policies and objectives, with the approval of the Global Management Team (GMT). The process of continuous review and updating of these policies is overseen by the Sustainability Development Director. This role also includes the responsibility of monthly reporting of key sustainability performance indicators to the GMT. Additionally, the Division Presidents hold the responsibility for implementing these sustainability policies, goals, and initiatives within their respective divisions, working towards a cohesive and comprehensive approach to sustainability across Trioworld.

Trioworld has a zero-tolerance policy regarding all forms of forced labour and child labour including human trafficking and modern slavery. See [risk management section](#) for details of how we will monitor compliance with our Supplier Code of Conduct.

## 4. Policies and Statements

These policies include commitments for our suppliers and colleagues on the prevention and risk management of human rights risks, such as forced and child labour. Further policies specific to these topics are under discussion and development.

### Company policies

- [Trioworld "We are Responsible" Our Code of Conduct 2020](#)
- [Policy for Equal Opportunities 2021](#)
- Labour and Human Rights Policy 2023
- Sourcing Guideline 2023
- Sourcing Policy 2023
- To be finalized in 2024: Supplier Code of Conduct 2024

### Disclosures

- [Trioworld 2023 UK Modern Slavery Annual Statement](#) in compliance with the Modern Slavery Act 2015
- [Trioworld Sustainability Report 2022](#)

### 4.1 Value Chain Focus

At the time of drafting this statement, our human rights due diligence and risk management efforts have primarily centered around our upstream business partners (i.e., our suppliers). This focus is due to prioritizing the higher risks associated with this segment of the value chain for businesses.

Trioworld has taken a comprehensive approach to sustainability by considering stakeholder and risk analyses. Our Materiality Assessment conducted in 2021 identified 41 sustainability topics, out of which nine, including occupational health and safety, were recognized as material to both the organization and our stakeholders. These form the foundation of our sustainability strategy and policies. The policies address various topics, including forced and child labour, and cover aspects such as age and identity verification, payroll, and working hours monitoring. They set sustainability targets and establish key performance indicators (KPIs) that are in line with our commitment to industry leadership, compliance with laws and regulations, and fulfilling stakeholder expectations.

Moving forward into 2024, we plan to extend our due diligence efforts to encompass our downstream value chain.

### 4.2 Risk Assessment

In 2022, we launched our enhanced human rights due diligence process starting with a human rights risk assessment. This process enables us to gain insight into risks in our operations and supply chain, so that we can focus our mitigation efforts and ensure that our high standards for ethical labour practices are upheld by our suppliers. In 2022, an initial screening of suppliers was performed, assessing risk factors based on the country of operation and industry type. The scope of issues we assess is

guided by international frameworks on business and human rights and includes forced labour and child labour. Throughout the year, Trioworld evaluated 102 suppliers, prioritizing strategic suppliers. We are aware of the labour risks that workers in factories can be exposed to, such as excessive working hours and unfair treatment. We also recognize the risks associated with the employment of young workers. We are actively implementing measures to mitigate significant potential impacts. At Trioworld, we maintain a strict policy of zero tolerance towards child labour, forced labour, or compulsory labour. Twelve of our factories are ISO 14001 certified, and two of them are ISO 45001 certified, which includes components of occupational health and safety with clauses related to forced labour.

Our due diligence process encompasses a human rights risk assessment for both new and existing suppliers. Furthermore, it will be mandatory for all our strategic suppliers to adhere to our Supplier Code of Conduct which requires suppliers to address and mitigate human rights risks.

### 4.3 Risk Management

Our risk management process is an ongoing operation aimed at upholding the ethical standards of our supply chain. Suppliers are required to demonstrate implementation of timebound action plans to address potential or actual violations. Suppliers are made aware of the consequences of non-compliance which may include termination of contract if suppliers repeatedly fail to comply. Additionally, the ongoing risk level of suppliers is continually monitored to ensure compliance and maintain standards.

As members of Sedex, one of the world's leading sustainable supply chain service providers, we at Trioworld are committed to improving working conditions in our global supply chains. Utilizing this platform since 2013, we have submitted site-specific information for five Trioworld sites, enhancing transparency and accountability.

We have begun the process of onboarding suppliers onto the Sedex platform which is to be rolled out in 2024 and 2025, prioritizing high-risk suppliers who will be required to undergo a SMETA audit. SMETA (Sedex Members Ethical Trade Audit) is Sedex's social auditing standard that businesses utilize to evaluate a site's working conditions. SMETA employs a comprehensive four-pillar approach, typically: labour Standards, Health and Safety, Environment, and Business Ethics, each addressing critical aspects of responsible business practice. Through this structured framework, SMETA provides a thorough and reliable assessment of suppliers' ethical performance, fostering transparency and responsibility in global supply chains.

Suppliers that are not on the Sedex platform will be required to provide evidence of due diligence such as an alternative third-party audit. This audit is critical for us to monitor performance and ensure the remediation of any violations of our Supplier Code of Conduct.

If any instance of forced labour or child labour is detected then the supplier must immediately cease these practices, ensuring victims are safely removed without losing promised wages, and provided remediation or compensation. Failure to comply will result in the termination of the relationship with the supplier.

## 4.4 Our supply chain

At Trioworld, we set stringent expectations for our suppliers regarding human rights, particularly focusing on the eradication of forced and child labour within their operations and supply chains. Suppliers are expected to maintain and implement their own risk-based due diligence processes, reflecting Trioworld's standards at a minimum. Our Supplier Code of Conduct, rooted in international standards such as the Universal Declaration of Human Rights and the ILO's declarations, mandates suppliers to comply with laws on labour rights, including prohibiting any form of forced, bonded, or child labour.

Our Supplier Code of Conduct, which will be implemented in 2024, also stipulates continuous improvement and transparency. Suppliers are expected to engage in regular self-assessments and audits and connect with Trioworld on the Sedex platform to demonstrate adherence and support risk management. We are rolling out a monitoring program as part of our enhanced human rights due diligence, starting with strategic suppliers who will be required to provide a statement of conformity with the standards within the Supplier Code of Conduct.

Suppliers are also expected to support the implementation of robust management systems to support and demonstrate compliance. Through these processes, we aim to foster a supply chain that is actively engaged in respecting and promoting human rights and labour standards.

We pride ourselves on the long-standing relationships we have built with our suppliers. These relationships are not just transactional; they are partnerships grounded in mutual respect and shared values. We believe that by engaging closely with our suppliers and supporting them through this journey, we can collectively enhance our practices.

## 5. Continuous improvement – Future Plans

We are committed to continually refining and enhancing our standard operating procedures. In 2024, we will roll out our Supplier Code of Conduct to ensure that requirements align with our legal obligations, international standards, and are effectively communicated to our stakeholders.

In 2024 we will also be onboarding more suppliers onto our human rights due diligence program. Strategic suppliers will be required to join Sedex, receive a SMETA audit or provide an alternative third-party audit. Suppliers must demonstrate actions to mitigate risks or actual violations identified. By the end of 2024, strategic suppliers will be required to comply with the Supplier Code of Conduct, and strategic suppliers will be required to provide a statement of conformity in order to monitor compliance.

In 2024 we will also reassess our engagement and contracts with suppliers to ensure they can demonstrate that supplied goods have no links to Xinjiang, as required by the Canada Customs Tariff Act and the Uyghur Forced Labour Prevention Act (UFLPA).

Looking further to the future, we plan to extend our focus to include tier 2 suppliers. Recognizing the challenge in engaging suppliers with whom we have no direct relationship, our tier 1 suppliers will be crucial in this endeavour.

## Grievance and Remediation

In 2024, our policy updates will include our commitment to ensuring remediation is provided to victims of human rights violations that arise from our business activities. We are committed to cooperating with stakeholders where required, should violations occur in our supply chain. Our focus will be on strengthening our approach to address any adverse impacts effectively, reflecting our ongoing dedication to responsible and ethical business practices.

We have a whistleblowing system in place for individuals who wish to report violations of our policies, including Code of Conduct violations. We aim for this channel to also be used as a grievance mechanism for workers in our operations and supply chain and local communities' members to report concerns related to labour rights and human rights. In 2024, we aim to implement a grievance policy aligned with the UNGPs criteria for effective nonjudicial grievance mechanism.

## 6. Employee Training and Awareness

In order to embed our standards and ensure implementation of our policies we are prioritizing training for targeted teams. Our procurement category managers of raw materials received training on sustainability and responsible sourcing. Additionally, for our recent North America division, we offered training to our employees focusing on our Code of Conduct. In 2024, we will be rolling out specialized training to our procurement team, raising awareness of ethical practices and how to implement our responsible sourcing program, including forced labour and child labour risks in the supply chain.

## 7. Monitoring and Evaluation

In 2024, we plan to implement an internal monitoring and evaluation framework. This framework is designed to measure the performance and effectiveness of our due diligence activities, aligning with our defined targets. It will include specific Key Performance Indicators (KPIs) tailored for our senior leadership and procurement teams. Through this comprehensive approach, we aim to continuously assess and enhance our practices, ensuring they meet the highest standards of ethical conduct and efficiency.

## 8. Conclusion

At Trioworld, we will continue to roll out and enhance our policies and practices to prevent child and forced labour, in compliance with Bill S-211. This commitment is part of our ongoing effort to uphold ethical standards.

## Certification of compliance

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

CEO's signature:



CEO's name: Andreas Malmberg

Date: 13/5 2024

Place: Smålandsstenar

I have the authority to bind Trioworld

