



Korex Canada

Forced Labour and Child Labour in Supply Chains Company
Assessment

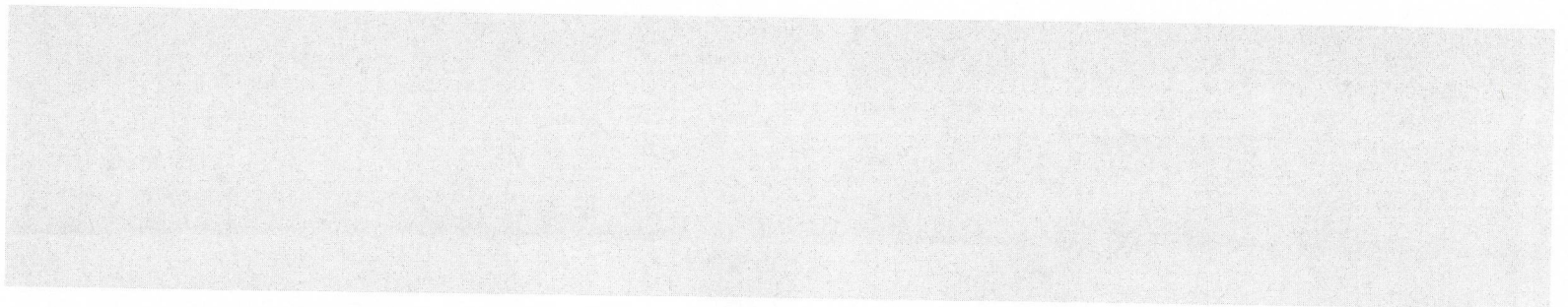


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Introduction

The Korex Companies are Contract Manufacturers and Packagers of a wide variety of consumer, industrial and institutional products. Korex is the largest contract manufacturer of powdered automatic dishwasher detergent in North America.

Korex Canada operates in conjunction with the Korex group of Companies but is a separate legal entity. It has the capability of handling PVA films for liquid laundry and auto dish pods along with other household and industrial cleaning products. The company is owned by Pensler Capital Powder Corp. family and has been running successfully for the last twenty-five years.

Structure, Activities & Supply Chain

Structure:

Korex Canada operates in conjunction with the Korex group of companies. Korex Canada is owned by Pensler Capital Powder Corp. This is an independent legal entity and operates two manufacturing plants in the city of Toronto. It sells its products both inside and outside of Canada. The products are sold through Retailers and National Brand owners.

Activities

Korex Canada is in the business of manufacturing and distributing liquid laundry and auto dish detergents along with a host of other home care and institutional cleaning products. Our finished products are sold predominantly in Canada and the US and also in a few other countries.

Supply Chain

Korex Canada use a wide variety of inputs (mainly chemicals) and packing materials for manufacturing and packaging of the products. The biggest buys in chemicals in terms of dollar value are Alcohol Ethoxylate, Sulfonic Acid, Propylene Glycol, Monoethanolamine, SLES, Soda Ash and various enzymes. Approximately 70% of our entire spend is sourced from Canada and the US. The remaining 30% is sourced from non-North American suppliers. Approximately 5% of purchases are from high risk countries (ie. China and India).

Policies & Due Diligence Processes

Current policies

We have current HR policies regarding hiring and code of conduct in effect at Korex Canada, which specifies minimum legal age for employment both directly as well as through third-party agencies (used for temporary workforce supplementing). We also have policies governing health and safety in and



around the plant for operations and in general. These policies involve general health and safety trainings for all employees and specific trainings for operators and workforce working on machines and confined spaces. Periodic trainings are conducted by the Health Safety & Environment Manager. While we have a strict policy against forced/child labour, it is not fully written and documented as of yet. We are in the process of getting that done.

Due diligence

We plan to include written policies governing forced/child labour at Korex Canada as soon as we assess the risk, impact and its mitigation. These policies will impact Korex Canada workforce and our immediate supply chain for the 5% of high risk suppliers. Regarding our high risk suppliers, we do attempt to visit them and do a visual or virtual inspection. We have sent direct communications to them through email and all of them have responded that they do not employ/use forced/child labor in their respective supply chains. We plan to implement audits in future as we devise a policy around forced/child labor.

Supply Chain Risk Assessment

Korex Canada uses a wide variety of inputs (mainly chemicals) and packing materials for manufacture and packaging of its end products. About 70% of the inputs are domestic sourced from Canada and US whereas 30% comes from non domestic suppliers. The non domestic products are mainly chemicals like PVA (Japan), DDBSA (India), Propylene Glycol (China), Monoethanolamine (India/China), Acid Blue80 (India) and some bottle caps (China). Our finished products are mainly sold in Canada and the US. Korex Canada does sell in a few other countries as well. We will reach out to our non-domestic suppliers and ask them to detail out their policies regarding forced/child labour either directly or through a questionnaire. If we identify any risks, we will reach out to them for clarification and to determine measures to eliminate forced/child labour in our supply chain.

Product Type	Product Risk Rating	Source Country	Source Country Risk Rating	Procurement Spend on Good from Source Country (as a % of total procurement spend) year ending 12/31/2024
Fragrances	Low	USA/Canada	Low	2-3%

Flexible Packaging	Low	USA	Low	3-4%
Kraft packaging	Low	Canada	Low	3.5-4.5%
Bulk Chemicals (Powder)	Low	USA	Low	5-6%
Plastic Packaging	Low	USA/Canada	Low	4-6%
Enzymes	Low	USA/Europe	Low	6-8%
Assorted Chemicals (Distribution)	Low	Canada/USA	Low	12-14%
PVA Films	Low	Japan	Low	15-17%%
Bulk Chemicals	Low	USA/Europe	Low	30-32%

Remediation of Forced & Child Labour

While we have a strict policy against forced/child labour, however it is not fully written and documented as of yet.. Once we devise such a written policy through our HR department then we intend to come up with the remediation measures. We have no instances of forced/child labour in our workforce in Korex Canada, and therefore no remediation is necessary at this time.

Remediation of Vulnerable Family Income Loss

Not applicable at the moment, as we have not identified any forced/child labour at Korex Canada.

Awareness Training

At present, we have awareness trainings on workplace health and safety as well as guidance on general code of conduct at the workplace. These trainings are monthly and are mandatory for all employees. Once we have a policy formulated on forced/child labour we will have periodic awareness trainings driven by the HR department and Hiring managers. These trainings will occur during onboarding and subsequently quarterly.

Assessing Effectiveness

We will assess the potential risks of forced/child labour in our supply chain from the impacted geographies and sensitize them about our policies on forced/child labour.

We will then periodically assess the impact through continuous dialogues/communications with those partners potentially at risk. We will follow some or all of the possible alternates listed below.

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour.
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses.
- Partnering with an external organization to conduct an independent review or audit of the organization's actions.
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including tracking relevant performance indicators.
- Potential vendor visits

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

While we have a strict policy against forced/child labour, it is not fully written and documented as of yet. Korex Canada plans to fully document a policy on forced/child labour. We will send out communications to all partners regarding our position on forced/child labour and how we plan to avoid such labour in our supply chain. In future we will come out with a purchasing policies with standard terms and conditions which will clearly highlight our stand on forced/child labour. We will then send out clear communications of our intention to cut ties with anybody indulging in forced/child labour practices.

Approval and Attestation

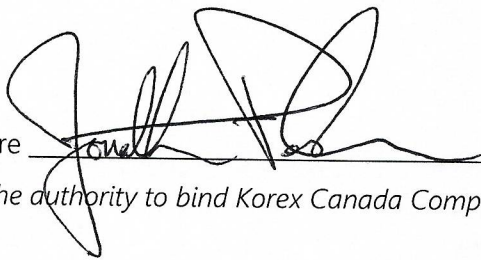
"In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."

Full name

Title

Date

Signature



I have the authority to bind Korex Canada Company