

## **Max Solutions Canada (PKG):**

**Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act**

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May 30<sup>th</sup>, 2025

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### **1. Introduction**

This report outlines the measures taken by Max Solutions Canada (PKG) (collectively referred to as “MAX”) to identify, assess, and address the risks of forced labour and child labour within our business operations and supply chains for the financial year beginning January 1, 2024, and ending December 31, 2024. This report is prepared in accordance with the requirements of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211).

#### **1.1. Our Structure & Business**

Max Solutions Canada (PKG) is a Canadian manufacturer specializing in the production of folding cartons, with a focus on premium and healthcare packaging, including printed labels. We operate six production facilities across Canada and employ approximately 496 individuals nationwide.

Max Solutions Canada is a wholly owned subsidiary of Max Solutions, Inc., a privately held a Delaware Corporation based in the United States, which owns and operates additional facilities across the U.S. Our products are primarily distributed within the North American market.

As part of our operations, we engage with a range of suppliers and partners across our supply chain, and we are committed to ensuring that all aspects of our sourcing and manufacturing are conducted in a manner that upholds human rights and complies with applicable labour standards.

#### **1.2. Our Supply Chains**

Our supply chain operations source goods and services primarily from large, reputable corporations based in Canada and the United States. The scope of procurement includes raw materials, packaging components, production machinery, maintenance parts, and printing consumables such as inks, adhesives, coatings, films, solvents, and paperboard.

The key spend categories are paperboard, specialty board, inks, coatings, and label stock. These materials are primarily procured from suppliers in Canada and the United States, with some paperboard sourced from mills in Sweden. Our paperboard is also supplied by converters located in Canada. Many goods are sourced through long-term supplier relationships, governed by negotiated contracts or standard terms and conditions associated with purchase orders. We also engage in spot purchases with local suppliers when required.

The procurement structure is as follows:

- **Senior Vice President of Supply Chain** has overall responsibility for MAX’s supply chain strategy and oversight.
- **Director of Supply Chain, Canada** oversees procurement operations at our Canadian facilities.

- **Purchasing Managers or Specialists** at each production site are responsible for issuing purchase orders to approved suppliers, based on price, quality, service, and compliance with MAX's Supplier Code of Conduct.

All procurement decisions are guided by our Supplier Code of Conduct, which outlines clear expectations regarding ethical practices, human rights, and the prohibition of forced and child labour.

Currently, MAX monitors and engages with Tier 1 suppliers only and does not yet have full visibility into lower-tier suppliers. We acknowledge the importance of deeper supply chain transparency and are evaluating mechanisms to improve our insight into the extended supply chain in the future.

## 2. Our Policies and Due Diligence Processes

MAX is committed to upholding the principles of equality, fairness, and human rights in all aspects of our business. We prohibit all forms of forced labour, child labour, slavery, and human trafficking in our operations and expect the same of our business partners.

Our core policies, including our Supplier Code of Conduct, Illegal Labour Policy and Human Rights Policy—reflect our commitment to conducting business in a lawful and ethical manner. These policies are aligned with applicable Canadian, U.S., and international labour and human rights laws, and are reviewed periodically to ensure continued relevance.

### 2.1. Due Diligence Process

We have implemented the following due diligence processes to assess and mitigate the risk of forced and child labour within our Tier 1 supply chain:

- **Supplier Onboarding:** All new suppliers must meet our pre-qualification criteria, which includes acknowledgment of our Supplier Code of Conduct that prohibits forced and child labour.
- **Ongoing Monitoring:** While formal audits are not yet in place, our procurement team continuously monitors supplier performance through regular interactions and issue tracking.
- **Remediation:** If a supplier is found to be in violation of applicable labour laws or our policies, we reserve the right to terminate the business relationship.

We are currently exploring ways to enhance our due diligence framework, including the possibility of adopting risk-based assessments, third-party screening tools, and compliance audits in the future.

## 3. Risks Assessment & Management

MAX has undertaken an initial assessment of the risk of forced labour and child labour within our operations and Tier 1 supply chain. As of the end of the 2024 financial year, we have not identified any indicators of forced labour or child labour in our business activities or the operations of our direct suppliers.

### 3.1. Risk Assessment Methodology

In 2024, we conducted a country-level risk assessment using the Labor Rights Index, which evaluates nations based on dimensions such as access to work, fair treatment, safe working conditions, and freedom from child and forced labour.

The results of this analysis for our supplier base are summarized below:

- Canada, United States, and Sweden—the countries from which we procure the majority of our goods—all scored 100% for Safe Work, Fair Treatment, and Child and Forced Labour protection.
- The United States received a lower score (63.5) for “Access to Work,” but further analysis did not indicate elevated risk specific to our industry or supplier relationships.

We also cross-referenced our sourcing countries against:

- The U.S. Department of Labor’s 2024 List of Goods Produced by Child Labor or Forced Labor
- The Global Slavery Index

No high-risk goods or supplier country indicators were found in relation to Canada, the United States, or Sweden.

### 3.2. Risk Management Approach

While current indicators suggest a low risk of forced or child labour, MAX remains vigilant and committed to maintaining responsible sourcing practices. Our Supplier Code of Conduct explicitly prohibits the use of forced and child labour, and suppliers are expected to comply with all applicable labour laws.

MAX will continue to monitor risk using internationally recognized indices and government publications and may expand its risk assessment scope to include product-level and sector-specific risks in the future.

## 4. Remediation Measures

As of the end of the 2024 reporting period, MAX has not identified any instances of forced labour or child labour within its operations or its Tier 1 supply chain. We have also not identified any measures taken that may have resulted in loss of income to vulnerable families.

As no such cases have arisen, no remediation measures have been implemented to date.

However, if an incident of forced or child labour is identified, MAX is committed to taking immediate and appropriate remediation steps. These may include:

- Suspending or terminating the supplier relationship
- Working with the supplier to develop and implement a corrective action plan
- Engaging relevant stakeholders or NGOs to support remediation, including victim support if applicable

- Reporting to authorities where required by law

We continue to monitor our supply chain and internal operations for any signs of unethical labour practices and will act promptly should any concerns arise.

## 5. Training

MAX recognizes the importance of awareness and education in preventing forced and child labour within our operations and supply chains.

As of the 2024 reporting period, members of our procurement and supply chain teams have received training on our Supplier Code of Conduct, Human Rights Policy, and our Illegal Labour Policy, which include strict prohibitions on forced and child labour. These policies form the foundation of our responsible sourcing program and are embedded in our day-to-day purchasing practices.

To strengthen our compliance with Bill S-211 and enhance internal understanding of the risks related to modern slavery, MAX is in the process of developing and rolling out tailored training that will address:

- The specific requirements of Bill S-211
- Identifying and reporting red flags related to forced and child labour
- Ethical sourcing expectations and responsibilities
- Escalation and remediation procedures

This enhanced training will be extended to additional personnel beyond the procurement function, including quality assurance, compliance, and site management teams, to ensure broad awareness across the organization. We view this training as a critical component of our ongoing commitment to ethical business practices and responsible supply chain management.

## 6. Assessing Effectiveness

MAX is committed to continuous improvement in our approach to preventing and mitigating the risks of forced and child labour. While our current risk level is assessed as low based on supplier geography and available indices, we recognize the importance of periodically evaluating the effectiveness of our actions and controls.

### 6.1. Current Effectiveness Measures

To date, MAX has taken the following steps to monitor the impact and strength of our compliance efforts:

- **Policy Integration:** Ensuring that our Human Rights Policy, Illegal Labour Policy and Supplier Code of Conduct are integrated into supplier onboarding, and procurement practices.
- **Tier 1 Risk Screening:** Conducting a 2024 country-level risk assessment using sources such as the Labor Rights Index, U.S. Department of Labor List, and the Global Slavery Index.

- **Internal Oversight:** Procurement and compliance teams regularly review sourcing practices and supplier relationships for any red flags or deviations from our standards.
- **Incident Reporting Mechanism:** Our Code of Conduct includes a reporting channel for ethical concerns, including those related to labour practices.

## 6.2. Areas for Improvement

Recognizing that formal metrics and audits are essential to measuring impact, we plan to:

- Develop KPIs (e.g., % of supplier's acknowledgement to the Supplier Code of Conduct, % of trained staff, # of risk assessments conducted).
- Expand training reach and track completion rates.
- Evaluate third-party audit programs or supplier self-assessment tools to introduce more robust verification mechanisms.
- Schedule periodic reviews of our policies and risk exposure, aligned with regulatory expectations and evolving global labour risks.

These steps will help us strengthen oversight and ensure our actions are both effective and accountable. MAX is committed to reporting transparently on progress in future disclosures.

## 7. Approval & Attestation

This Report covers the activities of Max Solutions Canada (PKG), a subsidiary of Max Solutions Inc., for the financial year ending December 31, 2024.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity of CFO, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

Signed,



Lenny Colangelo  
CFO  
Max Solutions, Inc

**Date:** May 30, 2025