



Montebello Packaging
Modern Slavery Report 2023

This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the “Act”).

This initial Report is made on behalf of **Montebello Packaging Ltd., a division of Great Pacific Enterprises LP (“MONTEBELLO”)** and is not a joint report.

I. INTRODUCTION

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading business in the manufacturing of collapsible aluminum tubes, laminate tubes and small aerosol cans, MONTEBELLO recognizes the important role that we have in ensuring that the supply chains that support our operations and products adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during the 2023 fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by MONTEBELLO or of goods imported into Canada by MONTEBELLO.

II. CORPORATE OVERVIEW AND SUPPLY CHAINS

Established in 1952 in Montebello Quebec, MONTEBELLO moved to 1036 Aberdeen Street, Hawkesbury Ontario in 1959 and remains the head office to this date. MONTEBELLO was eventually acquired by Jim Pattison in 1989.

MONTEBELLO has grown into a well know North American packaging company serving Pharmaceutical, Personal Care, Cosmetic and Industrial markets with high quality aluminum tubes and aerosol cans as well as laminate tubes. MONTEBELLO has a manufacturing plant in Hawkesbury Ontario and Montreal Quebec as well as 2 additional plants in the United States. MONTEBELLO manufactures a limited number of products that can be found in any typical pharmacy, grocery or hardware store as a primary package for multiple well-known brands.

MONTEBELLO has always sourced its raw materials from reputable industry leaders. Raw materials are usually sourced from Canadian and US suppliers when available. However, industry specific aluminum slugs and laminate films do not have their origins in North America. As always, we expect that our suppliers and partners will act with integrity and comply with all local laws and international agreements at every step of the supply chain. The fact that issues such as forced labour and child labour exist and may be part of the production of goods that make their way to Canadians means that we, like every company in Canada, must move beyond these assumptions.

MONTEBELLO spent \$22 million dollars in 2022 and \$17 million dollars in 2022 for raw materials.

MONTEBELLO has over 400 suppliers. In 2023, the top 25 suppliers represent 78% of all raw materials purchases.

As a manufacturer, MONTEBELLO orders raw materials and uses complex operations to transform them into primary packaging solutions for our customers. The materials needed to manufacture our products that are currently not available and therefore sourced outside Canada and the United States are:

- Aluminum slugs;
- Laminate film; and
- Manufacturing equipment.

III. POLICIES AND DUE DILIGENCE PROCESSES

Policies

MONTEBELLO has a list of policies in place that address sustainability, human rights, labor rights and environmental concerns when dealing with our suppliers.

- Sustainable Procurement Policy (Dec. 2021)
 - o Created to address risks related to responsible sourcing materials, including with respect to human & labor rights, environmental impacts and transparency.
- Quality Agreement for Materials Supply (last updated Jan 2021)
 - o Includes a Code of Conduct in section 2 and covers Labor, Health and Safety, Environment and Ethics.
 - o This agreement is reviewed every three (3) years.
- Supplier Management SOP (last updated Nov. 2023)
- Whistle Blower Policy (JPG issued 2004)

Although MONTEBELLO sources raw materials internationally, it only does so via a select few suppliers, reducing the risk of child or forced labour from an indirect source. Additionally, from the list of international suppliers, only two (2) are outside of the European Union; one in Thailand and one in China. Nonetheless, MONTEBELLO has a Quality Agreement in place with most major Raw Material suppliers including the two (2) in Asia.

Further, MONTEBELLO has been maintaining its silver rating with Ecovadis and continues to work on improving its score. EcoVadis is a globally recognized assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labor, and human rights standards, ethics, and procurement practices.

Due Diligence

Based on the Supplier Management SOP and Quality Agreement,

- MONTEBELLO uses different audit levels periodically;
- MONTEBELLO requests proof of license, qualifications and/or compliance; and
- MONTEBELLO reviews and updates Quality Agreements every three (3) years.

With clear and timely communication with suppliers, MONTEBELLO can review performance and adherence to code of conducts and evaluate different risks including compliance to labor and human rights.

IV. RISK ASSESSMENT AND MANAGEMENT

We understand that the metal production supply chains can have instances of forced labour or child labour and different regions, like Thailand and China, can have a higher likelihood of this risk in its supply chain. Much of this risk lies at the commodity production level. MONTEBELLO has dual source for most of its materials including aluminum and laminate films.

V. MODERN SLAVERY REMEDIATION MEASURES

MONTEBELLO hasn't been informed of any instances of suspected forced labour associated with one of the materials it purchases. If through our risk assessment and vendor inquiry we find any unethical business practices or use of forced or child labour, we insist the entity take all reasonable action to address or remove these practices, including where relevant addressing any practices of other entities in its supply chains. If they are unable to remediate the practices, we make a business decision on the continuation of the relationship.

VI. LOSS OF INCOME – REMEDIATION MEASURES

There are currently no measures in place to remediate any forced or child labour in our supply chain. As of the writing of this Report we have no knowledge of forced or child labour being used in our supply chain, but we are committed to the addition of processes to help identify these instances and support the development of an appropriate remediation approach.

VII. TRAINING

In 2023, we did not have specific, formalized training in place to understand and mitigate the risk of forced labour or child labour. As awareness of this issue grows, we are seeing an increase in interest and discussion on the topic. We are reviewing how to improve procurement decisions and avoid potential human rights violations in the supply chain.

VIII. ASSESSING EFFECTIVENESS

Due to the complex nature of the base metals and resin supply chain, comprehensive traceability solutions and/or standards will ultimately be key for not only our business but also any that rely on a complex and far-reaching upstream supply chain. The current traceability and certification solutions range significantly, and we are actively participating in the industry-driven development of solutions, as well as looking to our associations and various resources to help inform best practices and policies going forward.

IX. APPROVAL AND ATTESTATION

This Report was approved pursuant to paragraph 4(a) of the Act by Montebello's President Jean Francois Leclerc on May 31, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.montebellopkg.com.

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



Jean Francois Leclerc on behalf of Montebello Packaging Ltd.

President, May 31, 2024

I have the authority to bind Montebello