



CuBE Packaging Solutions Inc.

Report on Forced Labour and Child Labour Risks



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1. Application

The following is a report prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") that pertains to CuBE Packaging Solutions Inc. ("**Cube**"), and Cube's controlling shareholder KRC Cube Acquisition GP Inc.

As required by the Act, Cube hereby reports to the Minister of Public Safety and Emergency Preparedness on the various measures taken during its previous financial year ended September 30, 2023 to prevent and reduce the risks that forced labour or child labour is used at any step of the production of its goods in Canada or elsewhere.

2. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

Cube is committed to operating in a safe, ethical, transparent, and socially and environmentally responsible manner and has taken the following steps to prevent and reduce the risk of forced labour and child labour occurring in its activities and supply chains during its previous financial year:

- Drafted a standard compliance provision to be included in all future supplier contracts, pursuant to which suppliers must read Cube's Supplier Code of Conduct and undertake to comply with its terms and all applicable laws and regulations regarding child labour and forced labour in Canada;
- Formally adopted a Supplier Code of Conduct in light of the introduction of the Act in order to comply with its reporting requirements and to reflect Cube's engagement to further monitor and prevent forced labour or child labour risks in its supply chains; and
- Developed and implemented training and awareness materials on the new requirements imposed by the Act for the Board of Directors, Executives, and Managers heading the Supply Chain and Procurement functions.

As of January 1, 2024, Cube started taking the following steps:

- Mapping supply chains;
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
- Developing an action plan for addressing forced labour and/or child labour;
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour;



- Developing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
- Developing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists;
- Auditing suppliers;
- Monitoring suppliers;
- Developing grievance mechanisms;
- Developing awareness materials on forced labour and/or child labour;
- Developing procedures to track performance in addressing forced labour and/or child labour; and
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.

3. Structure, Activities and Supply Chains

Structure

Cube is a corporation incorporated under the *Business Corporation Act (Ontario)*, headquartered in Aurora, Ontario, and Cube is controlled by KRC Cube Acquisition GP Inc.

Activities

Cube is a leading manufacturer of sustainable food packaging solutions for restaurant and retail customers. Cube provides high-quality, customizable, reusable, and recyclable injection molded containers.

For the financial year ended on September 30, 2023, Cube's sales were in an amount of \$127 million and were geographically broken down as follows: approximately 92% in the United States and 8% in Canada. Product sales are carried out by Cube's sales team and food brokers. Cube is active in the retail market segment where it makes sales to retailers such as warehouse clubs, supermarket chains, independent grocers, superstores, and major pharmacy chains. Cube also operates in the food service sales market segment which includes sales to restaurants, hotels, hospitals, schools, and wholesalers serving these institutions. The retail market accounts for approximately 21% of Cube's sales while the food service market represents 79% of sales.

Cube operates a single factory at its head office location in Aurora, Ontario, Canada and produces its products through over 200 full-time equivalent employees, of which approximately 195 work in Canada.



Mission, Vision, and ESG Roadmap

Cube is committed to its vision of putting more of its great products in more consumers' hands, that serve more needs, across more occasions, every day, and by continuing its focus on high quality products that consumers love, clients value, employees are proud of, and that demonstrate care for our planet.

Cube aims to build a sustainable supply chain that reflects Cube's corporate culture and the values and behaviours that Cube promotes. Cube is guided by a core set of values that reinforce its beliefs, which include accountability, integrity, respect, and community. Cube is also guided by a set of behaviours that inform its actions, including: agility, performance, team, purpose, and care.

Cube believes that aiming at reducing the risks that forced labour or child labour is used in its activities or supply chains is in line with the values and behaviours it promotes as well as with Cube's intention of building a sustainable supply chain. This report details the governance, processes, and policies in place to prevent and reduce the risks that forced labour and child labour are used in Cube's supply chains.

Supply Chains

Cube's supply chains are mainly composed of suppliers of polypropylene resin ("PP"), colour additives, small tools, large molds and tools and packaging materials which it uses at its factory described above.

Materials Used in Production

Cube produces containers from PP plastic pellets and colour additives. Most of Cube's materials come from Canada and the United States.

Containers and Packaging Materials

Cube mainly uses containers made of multilayered cardboard sourced from Canada and the United States.

4. Policies and Due Diligence Processes

The following are the policies and due diligence processes that Cube put in place aimed at preventing and mitigating the risks relating to the use of forced labour or child labour in its supply chains. They demonstrate Cube's commitment to sustainable performance and to protecting human rights as well as its strong desire to create a safe and inclusive experience for all colleagues and workers across its operations and supply chains. Cube is similarly committed to driving sustainable performance, holding high ethical and governance standards and to respecting and enforcing human rights.

Cube strives to work with its suppliers, agents, contractors, consultants and other third parties and business partners and their respective employees, directors, and officers (each a "**Supplier**" and collectively, "**Suppliers**") who share its commitment to social, ethical, and environmental responsibility.

Code of Ethics

The Code of Ethics provides for the absolute prohibition of any form of forced labour, child labour, human trafficking, harassment, or discrimination. The Code of Ethics specifies that Cube expects its business



partners to adhere to ethical business conduct consistent with its own and that Cube is committed to working with them to fulfill this common goal.

Code of Conduct

The Supplier Code of Conduct, which sets out Cube's values and expectations of itself and of its Suppliers, has been adopted in light of the introduction of the Act and to take into account its new reporting obligations. It reflects Cube's engagement to further monitor and prevent forced labour or child labour risks in its supply chains. Cube will require its Suppliers to adhere to the Supplier Code of Conduct to implement its requirements in a manner that is appropriate and proportional to the nature and scale of their activities, the goods that they supply and the services that they perform. Specifically, the Supplier Code of Conduct prohibits the use of forced or child labour by a Supplier and provides that Suppliers must conduct reasonable due diligence on their own supply chains and operations to ensure that there is no use of forced labour or child labour. The Supplier Code of Conduct further specifies that Suppliers must notify Cube immediately if they become aware or suspect the use of forced labour or child labour in their business operations or supply chains, including the scope and impact of such forced labour or child labour occurrence on their business relationship and contract(s).

Whistleblowing Reporting Procedures

A whistleblowing procedure has been put in place by Cube for anyone who believes that a Supplier has engaged in illegal, unethical, or otherwise wrongful conduct, or conducted any other activity in violation of the Supplier Code of Conduct. Also, a whistleblowing procedure has been put in place for any person wishing to make a disclosure or denunciation in accordance with the Code of Ethics.

5. Forced Labour and Child Labour Risks

Cube considers the risk of forced labour or child labour to be low in its operations in Canada and the United States. In fact, all employees in Canada and the United States are hired in accordance with, at a minimum, the applicable laws and regulations and Cube conducts checks to ensure that individuals have the right to work and are choosing to work at their own free will.

In 2024, Cube began a preliminary mapping of its supply chains to identify any risk of forced labour and child labour that might be occurring. Given the preliminary nature of the supply chains mapping and the fact that Cube relies on global supply chains which present visibility challenges, no definitive risk areas have been identified yet, but supply chain risks will be further analyzed as the assessment process will continue in 2024 and beyond.

Cube intends to assess the risks of forced labour and child labour in its activities and supply chains by providing Suppliers with a supplier assessment questionnaire to identify the actions they have taken to prevent and reduce the risk that forced or child labour is used at any step of the production of goods or materials.

6. Remediation Measures

Cube has not identified risks related to forced or child labour in its supply chains at the moment as Cube is currently in the process of conducting a preliminary mapping of forced labour or child labour risks.



Further, Cube has not identified forced labour or child labour in its own direct operations. As a result, no remediation measures have been taken.

7. Remediation of Loss of Income

As Cube has not yet identified any instances of forced labour or child labour in its activities and supply chains, no measures were taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour and child labour.

8. Training

During the reporting period, Cube developed and implemented training and awareness material regarding the new requirements imposed by the Act for the following groups/persons:

- Board of Directors;
- Executives; and
- Managers heading the Supply Chain and Procurement functions.

9. Assessing Effectiveness

Cube has introduced certain measures over its last financial year aimed at reducing the risk that forced labour or child labour will be used in its activities and supply chains. It has not yet taken any measure to assess the efficiency of such measures.

10. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Cube for its previous financial year ended September 30, 2023, and acknowledged by Cube's controlling shareholder KRC Cube Acquisition GP Inc.

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 the entities listed above. Based on my 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.

I have the authority to bind Cube:

Philippe Erhart
Chief Executive Officer of CuBE Packaging Inc.

Date: May [21], 2024

I have the authority to bind KRC Cube Acquisition GP Inc:

David Mansell
Director of KRC Cube Acquisition GP Inc.

Date: May [21], 2024