



# **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, 2024, 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:

- Reviewed and maintained the Supplier Code of Conduct to reflect Cube's engagement to further monitor and prevent forced labour and child labour risks in its supply chains;
- Developed awareness materials on the requirements imposed by the Act for the Board of Directors, Executives, and Managers heading the Supply Chain and Procurement functions;
- Mapped its supply chains and conducted an internal assessment of the risks of forced labour and child labour within its operations and supply chains;
- Developed an action plan to address the risks of forced labour and child labour;
- Developed due diligence policies and processes to identify, address, and prohibit the use of forced labour and child labour;
- Developed anti-forced labour and child labour standards and codes of conduct;
- Developed grievance mechanisms, including a confidential compliance hotline accessible to all employees and workers; and
- Implemented periodic reviews and audits of policies and procedures related to forced labour and child labour.

Cube will take the following steps to prevent and reduce the risk of forced labour and child labour occurring in its activities and supply chains during its financial year ended September 30, 2025:

- Include a standard compliance provision within 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;



- Gather information on worker recruitment and establish further internal controls to ensure that all workers are recruited voluntarily, including conducting background checks, reference checks, and interviews;
- Collaborate with temporary employment agencies by distributing recruitment agency compliance questionnaires and performing audits to ensure compliance with Cube's labour standards;
- Track performance and compliance relating to forced labour and child labour policies, including through the use of human resource information system alerts for age verification; and
- Implement training on the requirements imposed by the Act for the Board of Directors, Executives, and Managers heading the Supply Chain and Procurement functions.

### 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, 2024, Cube's sales were in an amount of \$129 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 179 full-time equivalent employees, of which approximately 174 work in Canada and 5 work in the United States.

#### **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 informs its actions, including; agility, performance, team, purpose, and care.



Cube believes that aiming at reducing the risks that forced labour and 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 and 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.

### **Forced Labour and Child Labour Policy**

The Forced Labour and Child Labour Policy strictly prohibits the use of forced labour and child labour in any part of Cube's operations and supply chains. All employees and Suppliers must comply with applicable labour laws and international labour standards, including those prohibiting coercion, exploitation, and employment of individuals below the legal working age. Cube is committed to ensuring that work is freely chosen and that all workers are treated with dignity, respect, and fairness. Non-compliance with this policy may result in disciplinary action, termination of contracts, or legal consequences.

### **Supplier Code of Conduct**

The Supplier Code of Conduct sets out Cube's values and expectations of itself and of its Suppliers. It reflects



Cube's engagement to further monitor and prevent forced labour and 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 and 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 and child labour. The Supplier Code of Conduct further specifies that Suppliers must notify Cube immediately if they become aware of 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).

### **Labour Provider Policy & Compliance Questionnaire**

Cube is committed to maintaining ethical labour practices, full legal compliance, and fair treatment of all workers. The Labour Provider Policy & Compliance Questionnaire sets the minimum standards expected of all external labour providers, including those supplying temporary, contract, or permanent employees. Cube will require external labour providers to agree and sign the Labour Provider Policy and complete a Compliance Questionnaire before engaging with Cube. This policy aligns with Ontario laws, Canadian federal laws, and international labour standards. It supports Cube's values of respect, inclusivity and ethical conduct while promoting a safe and fair workplace for all employees, contractors, and temporary workers. The Labour Provider Policy & Compliance Questionnaire provides that regular assessments and audits will be conducted to ensure compliance, and that non-compliance may result in termination of agreements with Cube.

### **Whistleblowing Reporting Procedures**

A whistleblowing procedure has been put in place by Cube for anyone who believes that an employee, Supplier or stakeholder has engaged in illegal, unethical, or otherwise wrongful conduct, or conducted any other activity in violation of the Supplier Code of Conduct, Labour Provider Policy & Compliance Questionnaire, or the Forced Labour and Child Labour Policy. Additionally, 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. All reports are treated confidentially and retaliation against whistleblowers is strictly prohibited.

## **5. Forced Labour and Child Labour Risks**

Cube considers the risk of forced labour and 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 continues in 2025 and beyond.

Cube assessed 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 labour or child labour is used at any step of the production of goods or materials.

## **6. Remediation Measures**



Cube has not identified forced labour or child labour in its operations and supply chains. 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 distributed awareness materials regarding the requirements imposed by the Act to 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 and child labour will be used in its activities and supply chains. Cube evaluates the effectiveness of such measures primarily through a range of metrics that assess the scope of its forced labour and child labour risk reduction policies, including the:

- Number of suppliers who have reviewed and executed the Supplier Code of Conduct;
- Completion rate of training materials on forced labour and child labour risks;
- Number of suppliers whose risks (including forced labour and child labour) have been assessed; and
- Number of supplier contracts that include standard compliance provisions prohibiting forced labour and child labour.

## **10. Approval and Attestation**

This report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by the Board of Directors of Cube for its previous financial year ended September 30, 2024, 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:

Signed by:

*Philippe Erhart*

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Philippe Erhart

Chief Executive Officer of CuBE Packaging Inc.

Date: 5/8/2025

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

A handwritten signature in black ink, appearing to read "DMansell", written over a horizontal line.

David Mansell

Director of KRC Cube Acquisition GP  
Inc.

Date: 5/9/2025