



Elopak Canada Inc.
& Elopak Inc.

Annual Report 2023* on Forced and Child Labour in Supply Chains

*Fiscal year ended december 31, 2023

Introduction

This Report published pursuant to the 2023 Federal Government of Canada's *"Fighting Against Forced Labour and Child Labour in Supply Chains Act"* (the "Act"), provides an overview of the measures and governance Elopak Canada Inc. ("Elopak Canada"), Business Number: 967856981 and Elopak Inc. ("Elopak USA"), Business Number: 873016398, have taken to understand and address forced and child labour in our businesses and supply chains. Elopak Canada and Elopak USA are subsidiaries of Elopak ASA ("Elopak"). Elopak has a zero-tolerance policy for any form of forced or child labour in our operations and supply chains. This Report outlines the activities of Elopak Canada and Elopak USA during the previous financial year of each entity, ending December 31, 2023, in consideration of the issue of forced labour and child labour.





Our business and supply chains

Elopak is a leading global supplier of carton packaging and filling equipment, and technical services. Founded in Norway in 1957, we employ approximately 2 700 people and operate 11 manufacturing units globally. Each year, we sell approximately 14 billion cartons across more than 70 markets. Elopak is listed on the Oslo Stock Exchange (Oslo Børs).

We develop and supply fiber-based packaging under the following product brands:

- Pure-Pak® cartons for fresh and aseptic liquid food
- Roll Fed packaging for aseptic liquid food
- D-PAK™ cartons for non-food products for personal and home care

All our product brands are made using renewable, recyclable and sustainably sourced materials, providing natural and convenient alternatives to plastic bottles that fit within a low carbon, circular economy.

Elopak Canada's principal activities are the manufacturing and selling of carton packaging, as well as selling and installing filling machines in Canada. Elopak Canada operates a state-of-the-art production facility in Boisbriand (Québec), which produces more than 2 billion carton packaging per year for various liquid food, such as liquid dairy products, liquid eggs, juices, plant-based beverages, and water. Elopak Canada Inc also sell closures and filling machines in Canada.

Elopak USA's principal activities are the distribution of carton packaging, closures, and filling machines in the USA. They also provide customer service (i.e., installing & supporting equipment in the field for customers) and spare parts for filling machines in Canada and USA.

Elopak supply chains are global. Key raw materials are mainly sourced from Sweden, Finland, Germany, the Netherlands, Switzerland, Luxembourg, France, Belgium, China, and USA. Closures are sourced from third party suppliers based in Germany, Luxembourg, Hunga-

ry, Spain, Canada, USA, Mexico, and the UK. Equipment is produced or sourced via a German-based Elopak company, and suppliers based in Japan, China or Italy.

Our Group Procurement function comprises both central and local teams. Our key raw materials are sourced centrally while the sourcing of equipment, components, parts, and services to our customers in addition to goods and services to our own production sites are sourced both centrally and locally. For both Elopak Canada and Elopak USA, key suppliers are managed by Group Procurement (majority of procurement spend), and small-spend suppliers are managed by local procurement teams.

Our Group Procurement function has the overall responsibility to ensure an adequate sourcing process which includes expectations and requirements towards suppliers related to anti-corruption and business ethics, human and labour rights, health and safety, and the environment. Elopak Category Managers and Local Purchasing Managers are responsible for continuously ensuring that our [Responsible Supply Chain principles](#) as well as Supplier Qualification and Integrity Due Diligence (IDD) process requirements are followed and implemented.





Policies and due diligence processes

Respecting universal human and labor rights standards in line with human rights as defined by the United Nations, we work systematically to identify and address risks and potential breaches throughout our operations, supply chain and business partners. Decent labor and working conditions are safeguarded by various policies, procedures, guidelines, and training available to all employees.

61% of Elopak workforce (70% for Elopak Canada & Elopak USA) is covered by local work councils and/or national collective bargaining agreements. Through frequent formal and informal dialogues, we maintain a strong working relationship with unions

Elopak is committed to conducting business in a responsible manner and accounts for social and environmental aspects in our value chain. Making sure that we work with responsible and sustainable suppliers and business partners who share our values and commitment regarding responsible business conduct is crucial to reducing risk and avoiding negative impact on people, the environment and society throughout our supply chains.

Performing due diligence is a key part of Elopak's efforts to respect fundamental human rights. Due diligence is a process implemented to identify, prevent, reduce, and document our handling of any negative impact on fundamental human rights and decent working conditions. We have implemented a due diligence process in line

with the expectations under the Norwegian Transparency Act and the [OECD \(Organization for Economic Cooperation and Development\) framework](#).

IDD is conducted for new and existing customers, suppliers, and other business partners, such as joint venture partners or third-party representatives. In line with our risk-based approach, we have initiated more thorough assessments for prioritized areas with mitigating actions and follow-up plans where there is a higher risk for adverse human rights impacts. The risk profile of the business partner determines the appropriate level of due diligence.

Screening of the business partner through an external compliance database, self-assessment questionnaires and external due diligence are measures implemented to better understand existing and potential business partners. Significant and/or critical suppliers undergo an in-depth assessment at least every two years through self-assessments and/or third-party assessments such as [EcoVadis](#), follow-up meetings and on-site audits for high-risk suppliers.

Elopak develops policies that formalize our commitments to human rights, which includes issues of forced and child labour. All subsidiaries are responsible for adopting and implementing Elopak policies.

These policies include:

1. Business Code of Conduct

All employees must comply with our [Code of Conduct](#) which outlines our commitment to behave with integrity towards employees, communities, and other business partners of Elopak. The Code is our commitment to always act in accordance with acceptable ethical standards, take responsibility for our actions and ensure that the entire company complies with local laws and regulations in the countries we operate.



2. Supplier Code of Conduct

Elopak has established a global [Supplier Code of Conduct](#) (“SCoC”), which sets expectations for business ethics, human rights, labour practices, health and safety and the environment. It is based on the ten principles of the [UN Global Compact](#), the [UN Declaration of Human Rights](#) and core [ILO \(International Labour Organization\)](#) conventions and compliance with applicable laws.

The SCoC clearly outlines that a supplier must respect basic human rights in its business and supply chain and must adhere to the SCoC principles with regards to forced labour, freedom of association, the right to collective bargaining, child labour, fair and equal treatment, working hours, wages and benefits and regular employment.

Elopak requires its suppliers to comply with SCoC and to implement and promote corresponding measures in their own supply chains. The SCoC forms an integral part of all contracts and agreements with suppliers and functions as an integral part of the Supplier Qualification and Integrity Due Diligence (IDD) process.



3. Human Rights Policy

Our [Human Rights Policy](#) is anchored in our commitment to respecting human rights as set out in our Code of Conduct, which all employees are expected to comply with. The policy outlines our commitment to respecting and supporting internationally recognized human and labour rights as set out in the Code which also includes a zero-tolerance approach against harassment, corruption and other illegal or unethical business conduct.

Our approach for working with human rights is based on the [UN Guiding Principles on Business and Human Rights](#) and [the OECD Guidelines for Multinational Enterprises](#).

4. Whistleblower and Speak up Policy

At Elopak, we have established a Speak Up Policy, and concerns or grievances can be reported in several ways. Our whistleblower helpline allows anyone involved in or affected by our activities to raise a concern. The whistleblower helpline also includes concerns related to respecting human rights which includes issues of forced and child labour.

Employees and external stakeholders are encouraged to report suspected or actual breaches of laws and regulations or cases of misconduct and unethical business conduct, which includes incidents involving or potentially involving forced and child labour. Such reporting can be done through the line management or through Elopak's whistleblowing helpline which permits a secure and confidential reporting option managed by an external professional service provider. Elopak has zero tolerance for retaliation against individuals who raise concerns in good faith.

The Speak Up Policy outlines the types of concerns to be reported. Some of which includes human right violations, bullying and harassment, sexual harassment, discrimination based on race, religion, sexual orientation, work safety and health violations etc. The Speak Up Policy also describes the process for Elopak employees to report actual or suspected misconduct and/or violations related to laws, the Code of Conduct, internal policies and procedures, or illegal/unethical behavior. All employees have a duty to raise compliance and ethical concerns.

There were five concerns reported through the Elopak whistleblower helpline and through other channels in 2023. Of these reported concerns, three cases were related to human resource issues. In 2022, there were six cases reported through the whistleblower helpline. Based on the training efforts on speaking up in 2023, we would expect to see more reports of misconduct. In Elopak, we had 0.19 reports per 100 employees.

Risk assessments

In line with the regulatory expectations and standards, the focus of our risk assessment is outwards facing. The assessment focuses on the probability of Elopak causing, contributing, and being linked to adverse impacts in our own operations, through our business partners and suppliers.

At the Group level, Elopak collects human rights data and considerations from our legal entities through a suitable questionnaire for our industry. Through the data collection we also seek to identify the rights holders and vulnerable populations impacted. Based on the input, we assess severity (scale, scope, and irremediability) and likelihood of occurrence. The assessment focuses on the probability of Elopak causing, contributing, and being linked to adverse impacts in our own operations, through our business partners and suppliers. The risk score constitutes the foundation for further due diligence and the identification of mitigating measures. As part of the abovementioned human rights due diligence approach, we include global human rights sources and indexes which evaluate risks of human rights violations on a country level.

Human rights risk workshops are facilitated by Group functions, allowing stakeholders representing the legal entities to assess, consolidate and align on the risks. The risk score helps set our priorities for defining mitigating actions, monitoring, and reporting requirements.

Elopak Canada conducts [Sedex Members Ethical Trade Audit \(SMETA\)](#) audit covering health and safety and human rights, including forced and child labour, discrimination, harassment, and abuse.

Going forward, we will include our relevant stakeholders in further detail when assessing risk. For additional details regarding our completed human rights risk assessments, see our [2022 human and labour rights transparency statement](#). Elopak 2023 statement will be released in June 2024.

Remediation

Assessments have been conducted with Elopak Canada and Elopak USA, and to date, no incidents of forced or child labour have been identified. However, if any incidents do arise, this will be escalated to our compliance team composed of senior management to assess and determine the appropriate course of action. Where we detect any breaches of human rights, we will follow the same process as above and provide remediation as required.

Reported concerns of misconduct were discussed above with the Whistleblower and Speak Up Policies.

Given that no incidents of forced or child labour have been identified in Elopak Canada and Elopak USA activities and supply chains, these entities have not taken measures to remediate the loss of income to the most vulnerable families.



Training

Training, communication, and awareness-raising programs are continuously ongoing as a further element in our preventive measures to mitigate human rights, including forced and child labour, violations.

In 2023, 94% of Elopak's employees conducted the annual mandatory Code of Conduct training, either through an e-learning course or in person training. The training covers key topics in the Code of Conduct, including anti-corruption, business partner integrity and human rights. In the training, our employees confirmed to have read and understood Elopak's Code of Conduct.

We also conducted a campaign at Group level, where the objective was to strengthen our speak up culture by creating more awareness on what to speak up about and how to speak up. During the campaign, 82% of our employees conducted the training on speaking up, and 75% of our managers completed specific training on handling concerns.

Employees in exposed positions received training on how Elopak works with business partners, focusing on our Supplier Qualification and Integrity Due Diligence (IDD) process. 98% of the target group (total of 309 employees)

conducted the e-learning on awareness of business partner risk and 67% of the same target group completed the e-learning for our internal procedures.

Human and labor rights is a dedicated section of the annual and mandatory Code of Conduct training provided to all employees. In 2023, we introduced a new human rights e-learning course which was made available to employees. Further e-learning courses covering topics on responsible business practices, speaking up and reporting concerns were also made accessible to employees. In December, we celebrated the UN's Human Rights Day by sharing news and insights on our intranet and providing human rights training for employees.

Our global procurement network is continuously trained in responsible supply chain considerations and practices. Key procurement team members have completed specific training on risk assessment and management of key human rights risks.

In addition, Elopak Canada engaged a third party to conduct a one-hour information session with the Procurement, Finance and HR teams (100% attendance record) on the Act. We have also conducted an awareness session on forced and child labour for key stakeholders in both Elopak Canada and Elopak USA.



Plans for the future

We acknowledge the need to regularly assess our operations and supply chain for any cases of forced and child labour. Our Elopak's 2023 Human and Labour Rights Transparency Statement will be published in June 2024, which will detail our future plans for the Group and subsidiaries to advance our human rights (which includes forced and child labour) program.

Assessing effectiveness

Group Legal & Compliance coordinates the internal follow-up of preventive and risk reducing measures with the designated risk owners to ensure progress and allow for evaluation of the effectiveness of the proposed measures. Third party ethical audits are conducted where deemed necessary. Our activities are outlined in written work plans and will be monitored going forward. It is our aim that our activities to reduce negative impact have an effect.

Human rights (including forced and child labour), together with other ethics and compliance topics, are discussed frequently with the executive management team. The Chief Legal & Compliance Officer reports regularly to the Board Audit and Sustainability Committee and Board of Directors of Elopak on compliance and business integrity matters, including human rights. Elopak reports annually on our approach, performance and due diligence related to human rights. This is included in Elopak's Sustainability Report, which is approved by the Board of Directors.

Certificate

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 Elopak Canada and Elopak USA. 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.

I have the authority to bind Elopak Canada and Elopak USA

L. Ettegui

Lionel Ettegui
Executive Vice-President,
Elopak Region Americas
May 29, 2024