



Monoflo International, Inc.

Report: Forced Labour in Canadian Supply Chains

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Introduction

This report is filed by Monoflo International Inc. (known as “Monoflo”) in response to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

Monoflo is North America’s premier manufacturer of superior quality, injection moulded plastic products. We believe in investing in the best people and the best technology to drive innovation, supporting lower manufacturing costs for over fifty years. This foundational philosophy has led us to be the market leader in designing and manufacturing reusable plastic transport packaging for distribution, automotive and durable manufacturing, food and beverage and system integration and intralogistics products in North America. Monoflo’s breadth of product includes attached lid distribution containers, bulk or knockdown containers, plastic pallets, trays and containers.

Monoflo satisfies the definition of an Entity within the Act by doing business in Canada and meeting all of the revenue, asset, and employee thresholds.

This report covers Monoflo’s financial reporting year from January 1, 2024, to December 31, 2024.

Structure, Activities & Supply Chain

Structure

Monoflo operates as a private corporation headquartered in Winchester, Virginia, United States. Production and warehousing of Monoflo products sold in Canada are done in Virginia or Kansas. All of Monoflo’s employees are located in the United States.

Monoflo products are sold internationally. For products sold in Latin America, production and distribution of those products are performed by a separate legal entity located in Mexico. No products produced outside of the United States are distributed to Canada.

Activities

Monoflo products are sold into Canada through direct sales. Company representatives sell products to end-user consumers or distributors in Canada.

Monoflo sources raw materials, other components, and supplies used in the production of plastic products from several suppliers located principally in the United States. The moulding machines and other equipment used to manufacture Monoflo products come from the United States as well as outside of the United States.

Supply Chain

Monoflo’s supply chain includes upstream components of the plastic goods industry. Upstream components include material and equipment sourcing, production, R&D, supplier relationships, logistics and distribution.

To focus on the most specific aspects of Monoflo’s supply chain, vendors responsible for supplying goods which make up 1% or more of annual procurement were evaluated. Included in the material vendors list are vendors supplying goods such as resin, mould, and machinery and equipment.

Tier 1 Procurement Spend by Region

Of the material vendors, Monoflo spends 89% of its procurement on vendors located in the United States. European vendors are responsible for 8.5% of Monoflo’s procurement spend. Monoflo spends 3% of its procurement from vendors in Mexico.

Of the material vendors, Monoflo sources goods from Tier 1 vendors located in the United States, Austria, Italy, and Mexico. As seen in Figure 1, Monoflo’s vendor network is relatively concentrated.

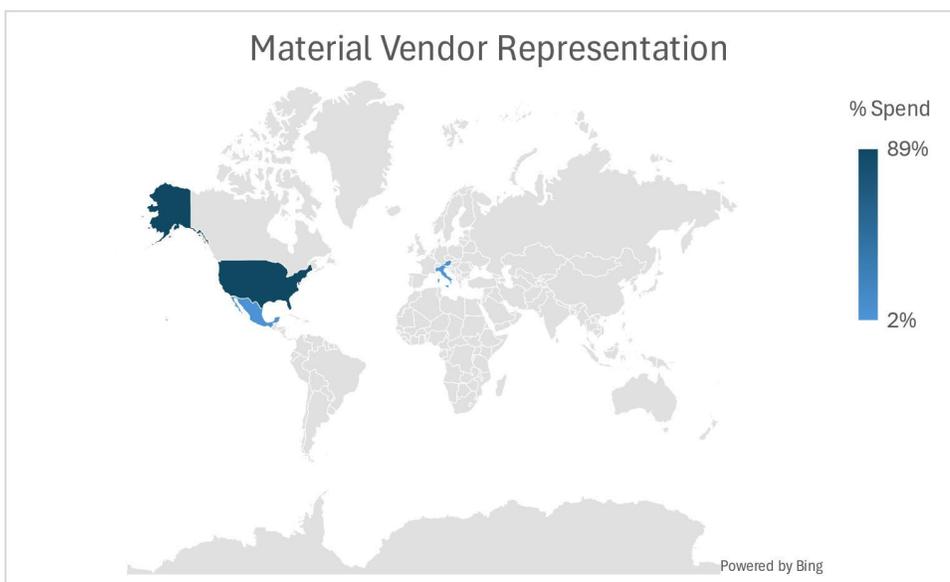


Figure 1

Policies & Due Diligence Processes

Policies

Monoflo has an *Employee Handbook* that outlines all the policies applicable to its employees. The handbook outlines core policies and company norms as they relate to the expected behaviours of employees.

Within the handbook are policies such as Monoflo Human Rights, Ethical Conduct, and Code of Conduct. All policies are supported by prohibited retaliation against whistleblowers.

The descriptions below display internal policies that can be linked to the Act and describe how they support Monoflo’s organizational ethics.

Monoflo Human Rights Policies

Human Trafficking: Monoflo's policy demonstrates a commitment to mitigating forced and child labour by ensuring that all operational labour complies with applicable federal and state laws, including those related to human trafficking and slavery. Furthermore, this policy underscores Monoflo's dedication to ethical labour practices.

Child Labour Restrictions: Monoflo prohibits the hiring or employment of any person under the age of 18.

By setting a clear age threshold, Monoflo ensures that it does not engage in child labour practices, helping protect young individuals from exploitation and abuse in the workforce.

Forced Labour: This policy ensures that wages are paid according to all applicable federal and state laws and regulations and prohibits any employee from not receiving compensation for time worked. Since all employees are in the United States, the policy aligns with United States legislation. This demonstrates a commitment to mitigating forced and child labour in alignment with the Act. By adhering to legal wage standards, Monoflo ensures fair compensation for all employees and supports that working at Monoflo is a choice.

Ethical Conduct

Avoid Conflicts of Interest: The company's policy on avoiding conflicts of interest demonstrates its commitment to ensuring that all employees observe high ethical standards and treat both customers and fellow employees fairly. By prohibiting personal or financial relationships with vendors or customers that could interfere with the company's best interests. The policy helps prevent unethical practices that could lead to exploitative scenarios.

Anti-Bribery & Anti-Corruption: Monoflo's Anti-Bribery & Anti-Corruption Policy demonstrates a commitment to ensuring business operations are conducted ethically and honestly. The policy mandates adherence to all relevant laws, both domestically and internationally, reinforcing the company's dedication to legal compliance and ethical conduct.

Code of Conduct

Monoflo's Standards of Conduct: This policy demonstrates and establishes clear guidelines and consequences for major offences deemed inappropriate conduct or breaches of ethical practices. By outlining specific prohibited behaviours, such as unsatisfactory work performance, threats or acts of violence, breaching safety and security rules, and violating any other company policies, Monoflo ensures that all employees are held to company standards. A Code of Conduct creates transparency around the consequences of any form of exploitation or abuse within the workplace. By maintaining these standards, Monoflo aims to establish a culture of high performance, respect, and accountability.

Prohibited Retaliation Against Whistleblowers

Retaliation Against Whistleblowers Prohibited: Monoflo's policy for prohibiting retaliation against whistleblowers demonstrates its commitment to fostering a safe and transparent environment where employees can report unethical practices without fear of retribution. By explicitly stating that no officer, director, employee, or agent of the company shall take harmful action against individuals who report in good faith any alleged violations of law or regulation, the policy ensures that any potential instances of forced labour or child labour can be reported and addressed promptly. This protection encourages employees to come forward with information about any unethical practices, thereby supporting the company's efforts to maintain compliance with legal standards and uphold ethical labour practices. By safeguarding whistleblowers, Monoflo ensures transparency and accountability within the organization.

Due Diligence Processes

Recruiting and Hiring

Monoflo strictly adheres to jurisdictional employment standards. As a condition of employment, new employees must present documentation establishing their identity and their legal right to work. Before an employee is hired, the candidate follows a recruitment process consisting of multiple steps which often include applying to a job posting, resume screening, interview(s), background checks and onboarding process. A selected candidate must submit a government-issued ID as a condition for employment. Information on the ID is used to verify that the candidate meets the legal requirements to work. Monoflo uses the US Government's E-Verify system to confirm employee eligibility and will not employ anyone who does not meet a jurisdiction's employment regulations.

Vendor Focus

Monoflo's relations with customers and vendors emphasize fair and open competition, building trusting relationships, and establishing reliable delivery.

Vendors are expected to meet the terms and conditions as stated on Monoflo purchase orders. One of the terms states that by accepting the order, the seller represents that the materials or goods ordered are produced in compliance with all applicable requirements of Federal, State, or local laws, rules, regulations, or ordinances, including, but not limited to, the Fair Labor Standard Act of 1938, as amended. This implies that if the vendor fails to comply with these laws and regulations, which include ethical standards related to labour practices, Monoflo has grounds to cancel the agreement.

To evaluate new vendors, Monoflo collects information from new vendors via a *New Vendor Set Up* document. This process helps Monoflo understand basic information about its vendors including company address, products supplied, ISO certification number, minority or woman-owned business, and presence of inspection processes or quality control plans. Monoflo is considering adding a field to the vendor set-up form that captures information related to a vendor's labour practices, specifically as they relate to modern slavery.

Vendor performance of existing vendors evaluates their ability to deliver goods on time and in the quality expected. Regular vendor reporting analyzes vendor delivery lateness.

Monoflo's engineering teams may occasionally visit processing plants to review the facilities and the supplier's ability to perform according to the specifications desired.

In an effort to improve the knowledge of its vendor network, Monoflo is in the process of deploying a questionnaire to obtain data that would support the management of supply chain risks, such as modern slavery.

Supply Chain Risk Assessment

Industry of Operation

According to a 2022 report jointly published by the International Labour Organization, Walk Free, and the International Organization for Migration there is an inherent risk of forced labour in industries involving manufacturing ([Global Estimates of Modern Slavery Forced Labour and Forced Marriage, 2022](#)). Monoflo is aware that global manufacturers can be exposed to cases of forced labour or child labour.

Monoflo mitigates certain labour-related risks and modern slavery known to the industry since company

production facilities are all located in the United States and abide by United States labour laws.

Risk Assessment

A risk assessment of Monoflo’s goods procured, and the countries Monoflo procures goods from has been performed. The risk assessment used two different indices to assess the inherent risk of forced labour and/or child labour related to countries and goods — (1) Walk Free’s Global Slavery Index ([The Global Slavery Index, 2023](#)) and (2) the US Department of Labour’s List of Goods Produced by Child Labor or Forced Labor ([The Bureau of International Labor Affairs, 2024](#)).

Country Risk

Monoflo’s Tier 1 goods suppliers responsible for at least 1% of annual procurement are located in the United States, Austria, Mexico, and Italy. According to the Walk Free Global Slavery Index, Mexico has a moderate prevalence of modern slavery among its population with an estimated 6.6 people per 1000. The United States, Austria and Italy have a low prevalence among their population, and their nations are considered to have a low vulnerability to conditions that lead to modern slavery (see table below).

Tier 1 Supplier Country	Prevalence (per 1,000 people)	Vulnerability (score out of 100)	Share of Annual Procurement FY'2024
Austria	1.9 (Low)	8	7%
Italy	3.3 (Low)	22	2%
Mexico	6.6 (Moderate)	58	3%
United States	3.3 (Low)	25	89%
<i>According to Walk Free Global Slavery Index released in 2023</i>			

Goods Risk

Monoflo produces plastic products. The raw materials associated with plastic production include crude oil, natural gas, and coal. Of the materials, only coal is known to carry inherent risks of forced labour and/or child labour in its supply chains. According to the US Department of Labour, coal from Afghanistan, China, Colombia, Mongolia, North Korea, Pakistan, and Ukraine, has inherent risks of forced labour or child labour. While Monoflo does not necessarily procure all its products’ materials in raw form, it cannot be known if Tier 1 vendors purchase goods that are deemed to carry labour-related risks.

Overall, Monoflo's risk assessment highlights the importance of monitoring and mitigating the risks associated with forced labour and child labour in its supply chains beyond its Tier 1 vendors. By leveraging reliable indices and maintaining vigilance, Monoflo can identify risk associated with ethical procurement practices and inform its efforts to uphold its commitment to social responsibility.

Remediation and Loss of Income

To date, Monoflo has not identified instances of the use of child labour or forced labour within our operations or those of our suppliers. Monoflo is continuing to review its procurement practices to

enhance the rigor of its due diligence processes including raising awareness with its suppliers. During this reporting year, we received zero (0) complaints about Human Rights contraventions. We will continue to monitor processes to ensure we do not conduct business with entities that violate human rights or labour rights, and we will immediately review the nature of our relationship with a business if evidence of forced labour or child labour is found.

Awareness Training

Monoflo launched an initiative to train 27 employees on Canada's Law to Fight Child & Forced Labour. Employees identified to complete the training are employees that directly work with suppliers and members of the Senior Leadership team. The training was designated as mandatory for all employees selected to complete it. All 27 members completed the training and answered questions associated with the course content. Participants who completed the e-learning session are able to:

- Define modern slavery
- Explain child labour and forced labour
- Understand key reporting requirements in Canada under Canada's law *Fighting Against Forced Labour & Child Labour in Supply Chains*
- Identify goods and countries at risk of forced or child labour in their supply chains
- Recognize ways to identify risks of forced or child labour
- Implement mechanisms, such as due diligence strategies, to combat forced and child labour
- Recognize the warning signs of child or forced labour

The course is delivered online in an interactive format where participants validate their learning by answers questions and reviewing case studies. It takes approximately 60 minutes to complete.

Monoflo acknowledges the importance of improving employee training relating to modern slavery. As part of the company's commitment to ethical practices, Monoflo will assess any additional, relevant training programs for its staff in the foreseeable future.

Assessing Effectiveness and Next Steps

To track Monoflo's effectiveness of procedures to mitigate the risk of forced labour and child labour, the following mechanisms are currently being reviewed:

Monoflo Activities

1. **Employee training:** Monoflo has begun employee training on the issue of modern slavery in global supply chains. Monoflo will continue to assess the audience required to complete modern slavery-related training and track completion metrics to ensure training needs are met.
2. **Harassment incidents:** Monoflo has zero tolerance for workplace harassment. All claims made regarding harassment will be reported to the direct Supervisor, Manager, Human Resources representative, or President including a thorough investigation and action plan to resolve the issue in a timely manner.

3. **Policy Governance:** Monoflo has implemented Human Rights policies into its employee Handbook. Monoflo will continue to monitor the contents of and employee compliance with the Handbook and review relevant policies on an as-needed basis.

Supplier Activities

1. **Purchase Orders:** Monoflo has identified the opportunity to review the clauses put on POs regarding zero tolerance for forced labour and child labour. The clause's wording may be designed to specify the outcomes or disciplinary actions should an instance of forced labour or child labour be reported or discovered by Monoflo.
2. **Vendor Evaluation:** Monoflo has begun collecting responses to a questionnaire asking suppliers about their labour practices. This initiative helps Monoflo improve its knowledge of its vendors' stated business practices. Data collected via vendor questionnaires will allow Monoflo to evaluate its vendor performance across an additional dimension.
3. **Vendor Governance:** Elements of Monoflo's procurement processes and vendor operations will be assessed as required.

Monoflo is committed to increasing awareness of modern slavery as a human rights violation and refining internal processes to ensure greater global consistency and alignment with best practices.

As part of this effort, Monoflo will begin evaluating processes to enhance vendor visibility, complete training for select Monoflo roles, and seek closer collaboration with both vendors and clients to improve transparency in all tiers of the industry's supply chain.

Attestation

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 the entity or entities 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 above.

Christian LeMaster



Full Name

Signature

CFO

May 12, 2025

Title

Date

I have the authority to bind by Monoflo International, Inc. and this report covers the financial year 2024 and applies to Monoflo International, Inc. and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of Monoflo International, Inc. if they apply.