

# BILL S-211 - MASSILLY NORTH AMERICA INC.

This report is made by Massilly North America Inc (“Massilly”) in response to the reporting requirements under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for our financial reporting period ending December 31, 2023. Massilly meets the reporting requirements based on dollar value of assets, and dollar value of revenues.

Massilly is committed to respecting the human rights of people impacted by our operations and supply chain, consistent with the International Bill of Human Rights, ILO Core Conventions, and the UN Guiding Principles on Business and Human Rights.

## Organizational structure, activities, and supply chain

### Structure

Massilly was established as a Canadian corporation in Ontario Canada in 1996 to import, manufacture, and sell metal twist closures and related machinery and services to companies in Canada, the United States, Central and South America.

Massilly is a subsidiary of Massilly Holding SA, a privately held group incorporated in France with approximately 2,000 employees globally. Massilly has approximately 200 employees in Canada and is headquartered in Brantford, Ontario.

### Activities

Massilly manufactures metal twist closures that are used to seal glass jars containing food items such as pickles and sauces. The process involves coating and printing on sheets of tinplated steel, and punching, forming, and lining the closures. Massilly also imports, installs, and services the ‘steam sealing’ machinery that applies the caps to the filled jars as part of our customers’ production process.

Massilly is a primarily autonomous organisation with control over its own procurement, business development, sales, and general operations.

## Supply Chain Overview

Massilly buys a variety of raw materials to support the manufacturing of metal closures in Brantford Ontario. Most of our suppliers have a presence in North America, although some of the manufacturing may be done in other countries. We primarily deal with steel mills in Western Europe, Canada and the United States, but we have purchased smaller amounts from mills in Asia. Other than steel our primary raw materials are all sourced from North America. Our primary inputs are as follows:

- **Tinplate:** Tinplate or tinplated steel is steel that has been coated with a thin layer of tin and some other trace metals to help promote resistance to corrosion. Tinplate is produced in coils by various steel mills around the world and then subsequently cut into sheets approx 1 metre square. We buy directly from various mills in Europe, North America, and Asia, as well as through secondary resellers (traders) in North America who represent other mills.
- **Coatings:** Coatings are applied to both sides of the steel sheet to provide protection against corrosion and to add to the shelf stability of the food package. Our coatings are sourced from North America. Most of our coatings are considered standard in the industry and are also widely used by other metal packaging manufacturers.
- **Compound or plastisol:** There is a thin layer of plastic seal in the ring or channel of the cap where the glass meets the cap. This is applied to help seal the jar and maintain its integrity. Our compound is formulated by various contract manufacturers who use the formula we give them to buy and make the compound in North America and ship it to us
- **Inks:** We use offset printing to apply inks to the coated metal to achieve the desired image/colour requested by the end users. The inks are all sourced from Canada.
- **General packaging:** Our finished goods are packed in plastic lined corrugated boxes, which are placed on a wood heat treated pallet and then stretch-wrapped with plastic again. All of the packaging materials we use are sourced in Canada

## Risks in Supply Chain

Using voluntary standards and principles, Massilly has integrated human rights measures into our business activities, including social and environmental management, health and safety, procurement, and human resources.

As a food packaging company, we are expected to maintain excellent traceability and supplier standards in our production process. We only purchase from a list of approved suppliers, we conduct audits and visits to suppliers where possible, and maintain records of any issues we have with materials. However, some risks are still present in our supply chain:

- Forced Labor
  - Risk: Suppliers in countries with weaker labor regulations might employ forced labor.

- Child Labor
  - Risk: Use of child labor in the supply chain, particularly in developing countries where labor laws may not be strictly enforced.
- Lack of Transparency
  - Risk: Difficulty in tracing the origins of raw materials within our products such as tinplate, coatings, and compounds, leading to potential violations going undetected.
- Subcontracting Risks
  - Risk: Suppliers subcontracting work to smaller, less regulated entities without informing Massilly.
- Inadequate Supplier Compliance
  - Risk: Suppliers may not fully comply with our ethical standards, either due to lack of resources, understanding, or commitment.
- Technological and Operational Challenges
  - Risk: Suppliers may lack the technological and operational capabilities to implement effective labor standards monitoring.

While Massilly knows the countries of direct suppliers and the country of origin of materials purchased, it is possible that suppliers could source their raw materials from different countries.

## Risk Assessment and Mitigation

Massilly has implemented risk assessment and due diligence processes to evaluate, prevent, and mitigate human rights risks within our supply chain.

All Massilly suppliers must complete the *CSR Supplier Questionnaire* certifying compliance of their organization and their suppliers with the International Labour Organization.

Massilly Holding has engaged ECOVADIS, an independent third-party firm to evaluate and rank the Massilly Group (including Massilly North America and the entire global Massilly Supply Chain) CSR performance. Massilly Group Highlights from the latest 2023 report:

- Labour and Human Rights: **Top 8%** of companies rated by EcoVadis in the Manufacture of other fabricated metal products
- Sustainable Procurement : **Top 1%** of companies rated by EcoVadis in the Manufacture of other fabricated metal products

## Remediation and Loss of Income

To date, Massilly has not received any complaints relating to force labour or child labour in our operations or supply chain. As such, Massilly has not taken any remediation measures or compensated loss of income to vulnerable individuals or family as a result of forced labour or child labour.

## Employee Training

In 2023 100% of Massilly Employees have been trained on the *Ethical Charter and Code of Conduct*. The training is mandatory for all new employees, along with additional ethics training for employees in procurement and supply chain roles. Employees involved in procurement and supply chain have been trained on the *CSR Supplier Questionnaire* and *CSR Commitment and Supplier Commitment*. We have the ability to track completion and followup with employees and their supervisors/managers if training is not completed.

## Effectiveness Assessment

Massilly obtains independent assurance on its CSR programs related to, among other things, human rights and supply chain due diligence through engagement of ECOVADIS. Massilly uses the results to inform future actions and opportunities for continuous improvement.

The CSR Department of the Massilly Group (reporting directly to the CEO) regularly reviews the Group's policies and procedures related to risks of forced labour/child labour within our supply chain, and Group policies are implemented at Massilly.

All of our raw material suppliers are obligated to comply with our *CSR Commitment and Supplier Commitment*, and to complete and certify compliance with our *CSR Supplier Questionnaire*.

# Due Diligence

## Policies

Massilly has developed and is implementing policies that specifically address the prevention and mitigation of forced and child labour.

Ethical Charter and Code of Conduct : affirms our commitment to uphold high moral and ethical principles and specifies the basic norms and behaviours for other conducting business with or on behalf of Massilly; it includes adherence to all applicable labour laws and Conventions published by the International Labour Organization and contains a confidential Whistle-Blowing System.

CSR Commitment and Supplier Commitment : explicitly states Massilly suppliers comply with the principles and rights outlined in the International Labour Organization's fundamental conventions. If forced or child labour is identified within a supplier or their supply chain the CSR and Supplier commitment allows Massilly to terminate any ongoing business relationship.

CSR Supplier Questionnaire : All raw material suppliers are required to complete the questionnaire and certify compliance with the *CSR Commitment and Supplier Commitment*

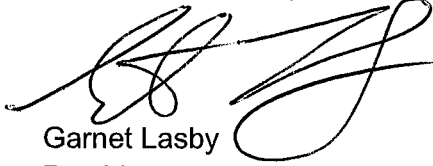
## Additional due diligence/steps taken

- Massilly has mapped our supply chains and conducted internal assessments to identify geographies, activities, and materials where a potential risk of forced/child labour may exist
- Where we identify higher potential risks of forced/child labour in the materials or activities of our suppliers, or the location of their suppliers (for example, the mining of tin, a raw material in the production of tinplate) we require our suppliers to certify they have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- If Human Rights issues, or forced/child labour is identified within a supplier, procurement from that supplier is stopped for an investigation to be conducted. Based on the results of the investigation, Massilly will formulate a corrective action plan for the supplier. If the corrective action plan is implemented by the supplier, supply can resume. If not, the contract may be terminated by Massilly, as appropriate.
- Massilly has established a Whistle-Blowing System as part of its *Ethical Charter and Code of Conduct*.

## Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information in the report for Massilly. 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 Massilly North America Inc."

A handwritten signature in black ink, appearing to read 'Garnet Lasby', written over a horizontal line.

Garnet Lasby  
President  
May 31, 2024