

Modern Slavery Statement for the 2023 Fiscal Year



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INTRODUCTION

This report is submitted pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the “**Act**”). This statement outlines the approach of Jempak Corporation (“**Jempak**”), an indirect subsidiary of Henkel AG & Co KGaA, to identify and address the risks of forced labour and child labour in its business operations and supply chains during its 2023 fiscal year which commenced on January 1, 2023 and ended on December 31, 2023 (“**FY2023**”).

Jempak is committed to sustainable and equitable business practices that model social responsibility and positive values. Jempak is committed to respecting human rights and labour standards that allow all to participate meaningfully in society and/or employment. With respect to its supply chain and procurement processes, Jempak is committed to ensuring that forced and/or child labour is not involved in Jempak’s supply chain.

This report adopts the Act’s definitions of child labour, entity and forced labour. As is explored and relied on in this report, the Act’s definition of child labour and forced labour largely subsume the substantive definition of child labour and forced labour as articulated by the International Labour Organization (the “**ILO**”) and as included in the internationally acknowledged Ethical Trading Initiative (“**ETI**”).

ENTITY PROFILE

Jempak is an indirect subsidiary of its ultimate parent company Henkel AG & Co. KGaA (“**Henkel KGaA**”), a German multinational chemical and consumer goods company. Jempak has a single manufacturing plant and principal place of business located at 80 Doney Crescent, Concord, Ontario (the “**Plant**”). Jempak’s head office is located at 2515 Meadowpine Blvd, Mississauga, Ontario. Jempak operates in the manufacturing and retail industries.

Governing Body

Jempak is an Ontario corporation incorporated pursuant to the laws of Canada. Jempak ultimately is governed by its Board of Directors, which include four (4) directors. Jempak’s Board of Directors are employees of different affiliate companies of Henkel KGaA, including Henkel Canada Corporation (“**HCC**”).

ACTIVITIES

Jempak manufactures “dish pacs” of automatic dish detergents to be used in various dishwashing appliances. The dish pacs are ultimately sold to consumers by other companies (known as private label clients). Jempak sources the raw materials for dish pac production worldwide. Inventory of the various materials is stored in an external warehouse and brought into the Plant on an as needed basis. The raw materials are blended into a formulation for each customer and then run into pac-making machines called hydroformas where the blended powder is filled into PVA film

packs. These packs are then transferred to the packaging stations where they are counted and put into consumer packages either tubs or doy bags. Along the way, quality control tests are done to ensure product quality according to published specifications. The finished packages are palletized and sent to warehousing for distribution, or directly to customers.

SUPPLY CHAIN ASSESSMENT

Jempak purchases materials that have been pre-qualified by Henkel KGaA R&D to ensure quality and efficacy within the product formulation. Materials arrive into Jempak's external warehouses and are brought into the manufacturing Plant on an as required basis. Jempak has 8 packaging suppliers and they are all based in Canada. Jempak has approximately 67 suppliers of raw chemicals and materials which are based in Japan, USA, Canada, China, Finland, Turkey, the UK and France.

Based on the below, and especially due to Jempak's strong performance in successive years of externally conducted audits, Jempak assesses that the risk of forced labour or child labour being involved in any of its internal activities is extremely remote. In Jempak's assessment, the possible risk of forced labour or child labour involvement is in the parts of its external supply chain which include geographic regions where there is a history of violations of international labour standards and human rights principles, such as Turkey and/or China. The steps Jempak takes to assess such risks are indicated below. Essentially, Jempak requires its vendors and suppliers to confirm compliance with labour standards and participate in audits run by a third party, and Jempak's employees are trained to report to Jempak if there is any suspicion of violation of any labour standards.

DUE DILIGENCE MEASURES

In the last year, Jempak has undertaken the following steps to prevent and reduce the risk of forced or child labour being involved in its supply chain:

- 1. Contracting of external audits by suppliers, which include assessments of risks of forced labour and/or child labour in the organization's activities and supply chain**

Jempak's private label clients require Jempak to participate in regular social responsibility audits and quality audits. Jempak was most recently audited in 2023, and before this most recent occasion Jempak has been audited at least once a year since 2021.

Audits are conducted by representatives from third party organizations chosen by the private label clients themselves. Each audit normally lasts between 1 – 2 days in length. Auditors privately meet with associates to assess the social responsibility, compliance and ethical sourcing factors of their audits, and to gain a perspective on the employment standards and treatment of Jempak's employees in Jempak's facilities. Jempak's understanding is that auditors confirm that Jempak's associates are paid in accordance

with payroll records and that they understand the company's policies and procedures which are meant to protect employee rights and dignities. Jempak's management is not present during these meetings to allow for honest disclosure from Jempak's associates and employees to the auditing body.

Some Jempak clients choose to initiate audits on an annual basis, whereas other clients initiate audits based on the results of previous years. For example, Jempak's audit results with a particular direct-to-customer wholesale retailer in 2023 revealed zero instances of non-compliance in 2023, and therefore the client has indicated that the next audit occasion is scheduled for 2026. Jempak has a strong record of near-complete compliance in past social responsibility audits. Over the past five (5) years, Jempak has received a single non-compliance note in its 2022 social responsibility audit: that non-compliance was related to safety attire and Jempak introduced a policy directly responsive to the incident of non-compliance to prevent reoccurrence.

After any onsite audit, Jempak's Human Resources Director will gather the relevant department heads together (i.e. Payroll, Safety, etc) to discuss who is responsible for correcting any non-compliance as well as the timeline for remediation.

Private label clients can choose to use the SMETA methodology system or use their own standards for social responsibility audits. SMETA (Sedex Members Ethical Trade Audit) is a format used for social audits enabling businesses to assess their sites and suppliers to understand working conditions in their supply chain. Based on the ETI base code, ILO conventions and local country laws, SMETA audits include assessments of labor standards, human rights, worker health and safety, environmental compliance, and business ethics performance. SMETA audits specifically assess for risks of forced labour or child labour in Jempak's activities and organizational structure.

In addition, Jempak also audits its vendors and/or suppliers using a company called Ecovadis. Henkel KGaA or its affiliates initiate Ecovadis audits for Jempak's vendors/suppliers. Full Ecovadis audits are mandatory for all direct material suppliers with a spend of more than €100,000 a year. All responses provided by the vendor/supplier are stored by Ecovadis, and Ecovadis generates an assessment of the vendor's/supplier's environmental, social and governance performance which includes a consideration of whether forced labour or child labour is involved. Jempak's understanding is that Ecovadis is a subject matter expert that conducts holistic assessments of Jempak's vendors which includes an assessment of overall environmental impact, whereas the SMETA audit system relied on by Jempak's customers is specific to ethical trade, supply chain assessment and responsible sourcing. Ecovadis audits do not happen every year: Jempak conducted a round of Ecovadis audits in 2022 and has already conducted its Ecovadis audit for 2024.

Where suppliers do not score well on Ecovadis, they are asked to make improvements and provided time to do so and they are eventually reassessed.

Suppliers with a spend of between €100,000 – €50,000 are assessed using a system called IntegrityNext, which is a supply chain due diligence specialist. IntegrityNext assesses supply chains of Jempak’s suppliers and vendors to ensure that forced labour or child labour is not involved.

Suppliers with a spend of under €50,000 are not routinely assessed, but can be invited to participate in an Ecovadis assessment if there is any suspicion of risk of any forced labour or child labour used in their processes.

2. Requiring suppliers to 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

Given that Jempak’s parent corporation is based in Germany, Jempak is also bound to the standards established by the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (“BME”) i.e. the Association for Supply Chain Management, Procurement and Logistics which is based in Germany. The BME requires all bound corporations to require that their vendors and suppliers are compliant with the BME’s principles and code of conduct, which specifically rely on the ILO’s labour standards and require the elimination of forced labour and the abolition of child labour. Jempak requires its vendors and suppliers to confirm compliance with BME’s principles and code of conduct, which was most recently done in 2023.

APPENDIX

United Nations Global Compact

The ten principles

The principles of the Global Compact are based on a worldwide consensus derived from

- the Universal Declaration of Human Rights
- the International Labor Organization Declaration on Fundamental Principles and Rights at Work
- the Rio Declaration on Environment and Development and
- the United Nations Convention against Corruption

The Global Compact requires companies to recognize, support and put into practice within their sphere of influence a set of core values in the areas of human rights, labor standards, environmental protection and anti-corruption:

Human Rights

- 1: Businesses should support and respect the protection of international human rights within their sphere of influence and
- 2: ensure that they are not complicit in human rights abuses

Labor standards

- 3: Businesses shall uphold the freedom of association and the effective recognition of the right to collective bargaining, and shall also provide for
- 4: the elimination of all forms of forced labor,
- 5: the abolition of child labor and
- 6: advocate the elimination of discrimination in employment and occupation.

Environmental protection

- 7: Companies should support a precautionary approach in dealing with environmental problems,
- 8: Take initiatives to create a greater sense of environmental responsibility; and
- 9: Promote the development and diffusion of environmentally friendly technologies.

Fighting corruption

- 10: Businesses should work against all forms of corruption, including extortion and bribery.

I _____ (print name), a representative of _____ (Company Name), am legally able to warrant that, at a minimum _____ (Company Name) complies with the Code of Conduct Social Responsibilities listed above.	
Signature _____	Date _____

Exhibit 1: A copy of the form that is sent to Jempak’s vendors and suppliers to seek confirmation of compliance with BME’s principles and code of conduct.

3. Conducting training of employees regarding awareness and reporting of suspicions of use of forced labour and/or child labour in the organization’s activities

Jempak provides training to employees on many topics, which involve training about employees’ legal rights and obligations under both Jempak’s policies and Canadian laws, as well as training about Jempak’s practices, values and goals as an entity. Specific to the prevention of forced labour/child labour involvement in Jempak’s activities, Jempak

provides all its employees with Social Standards and Code of Conduct training which strongly emphasizes Jempak’s prohibition of and opposition to forced labour and/or child labour being used in its supply chain or activities. Training includes not only highlighting Jempak’s principled opposition to forced and/or child labour but also going through *ad hoc* scenarios to help employees identify when they should be suspicious of the use of forced labour and/or child labour in Jempak’s processes. Jempak’s Social Standards absolutely prohibit the involvement of forced labour and child labour in Jempak’s activities, whereas Jempak’s Code of Conduct requires employees report to their supervisor, the Purchasing or Legal departments regarding any suspicions of breaches of the Social Standards, which would include any suspicions of the presence or involvement of forced labour and/or child labour in any of Jempak’s activities.

Social Standards Key requirements (2/3)

Child Labor	Child Labor	Forced Labor
<ul style="list-style-type: none"> Employment of children under 15 years of age ("child") shall not be accepted. Young workers (15-18 yrs. old) shall not be engaged in hazardous work. 	<ul style="list-style-type: none"> Any young worker’s school, work and transportation time shall not exceed a combined total of 10 hours per day. In no case shall young workers work more than 8 hours a day. 	<ul style="list-style-type: none"> Extraction of labor from any person under the menace of any penalty and for which the said person has not offered himself voluntarily will not be tolerated.
		
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Exhibit 2: A slide from Jempak’s Social Standards Training.

EXAMPLES & FURTHER READINGS

HUMAN RIGHTS, LAWS & SOCIAL NORMS

HUMAN RIGHTS

Imagine... An employee of one of our major suppliers told us that she is required to work very long hours. She wants to quit her job but says that the employer is holding her work visa and has threatened to deport her if she doesn't comply with the company's requirements. Should I report this?

Yes, please report immediately to Purchasing, the Compliance Office or Global Sustainability/HGS. The employee cannot be forced to remain at the company against her will, nor does the employer have the right to hold her personal documents. This appears to be a serious labor trafficking violation and should be investigated further immediately. Henkel has a zero-tolerance approach regarding any kind of violation of Human Rights.

→ [Henkel Social Standards](#)

Imagine... On a visit to one contract manufacturing facility, I noticed children working alongside adults. When I asked the manager about it, she told me that the only way the parents can work is if the children work with them, since they have neither funds nor opportunities for day care. Besides, she said, the children only work part-time after school, mostly to have something to do. Should I pursue this?

Yes. Tell the supplier that Henkel's Supplier Code specifically prohibits child labor, and that Henkel will follow-up through its Purchasing or Legal departments.

Exhibit 3: A slide from Jempak’s Code of Conduct Training with an interactive scenario for employee training purposes.

Jempak realizes that its employees are its best asset to assess potential indicators of forced labour or child labour on the “frontlines,” and that is why as part of its training Jempak reminds its employees of their ability to anonymously report any violation or perceived violation of the Social Standards through a hotline which is operated by a third-party service provider to protect the privacy of any caller. The number for this hotline is posted on bulletin boards on Jempak’s premises. Any reports received through this hotline are to be relayed to Jempak, and Jempak has never been contacted about any employee report submitted through this hotline which relates to child labor or forced labor.

| Compliance Hotline for Exceptional Circumstances

- If you observe serious violations of laws, Henkel’s Code of Conduct or other policies and standards...
- The compliance hotline is operated by an **independent service provider** (People Intouch).
- If you cannot address your concern to your supervisor, HR, Compliance Representative, Law Group member...
- The compliance hotline is **anonymous** (available via phone or online).
- Number is posted on bulletin boards within the office and plant



| Hotline: [REDACTED] or www.henkeethics.com

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Exhibit 4: a slide from Jempak’s training providing details about the employee reporting hotline. The hotline’s number has been redacted.

Jempak has provided its employees with the following subject matter training on the following dates:

- Henkel’s Code of Conduct: August 2023
- Employee Handbook: April 2023
- Ethical Trading Initiative: April 2023
- Social Standards: November 2023

REMEDIATION

Jempak has not needed to take any measures to remediate forced labour or child labour in its activities and supply chains, because, based on audit results and lack of reports of forced labour or child labour from its employees, Jempak has not found any instances of forced labour or child labour being used. As Jempak has not taken any remediation measures due to not being aware of any instances of forced labour or child labour to respond to, Jempak has also not had any occasion to address the remediation of any potential lost income.

SELF-ASSESSMENT OF EFFECTIVENESS

Jempak assesses that its efforts to ensure that forced labour and/or child labour is not being used in its business and/or supply chains are effective based on:

- Jempak's strong audit record when it is internally audited by its customers;
- The audit scores of Jempak's suppliers and vendors when they are audited by Ecovadis, which are normally in the range of strong audit performance;
- The training Jempak provides to its employees regarding Jempak's Social Standards and Code of Conduct which specifically address that neither forced labour nor child labour is allowed in Jempak's activities; and,
- The lack of reports from Jempak's employees regarding any suspicion of forced labour and/or child labour being involved in Jempak's activities or supply chain.

In other words, Jempak assesses that its efforts to ensure that forced labour and/or child labour is not being used in its business and/or supply chains are effective based on audit results and the lack of reports of forced labour and/or child labour through Jempak's established policies and processes.

With respect to Jempak's activities and operations in Canada, there is a history of audits confirming that forced labour and child labour is not involved in same. Jempak's human resources and legal departments have policies and processes in place that teach employees about their rights and Jempak's procedures, and Jempak complies with applicable laws in administering the employment of its employees. In Jempak's assessment, given Jempak's supervision of its plant and warehouses and its history of strong compliance demonstrated through successive audits, Jempak considers itself effective in ensuring that no forced labour or child labour is involved in any of its business operations within Canada.

Jempak is most often audited on the SMETA standard which specifically includes definitions of and prohibitions against child labour and forced labour as derived from the ILO or the ETI, and therefore Jempak considers itself effective in ensuring that forced labour and/or child labour is not a feature of its business operations. Jempak has also not been contacted regarding any reports submitted through the employee-reporting hotline.

With respect to Jempak's vendors and suppliers who are based in different parts of Canada and the world, Jempak relies on the Ecovadis scores and audit performances of Jempak's suppliers and vendors and believes that based on these scores, its efforts to ensure that its supply chain is free of forced and/or child labour is effective. Jempak contracts with Ecovadis and IntegrityNext, who are both impartial third parties and subject matter experts on environmental, social and governance ("ESG") aspects, to conduct audits, and Jempak trusts the results of those audits. Jempak defers to the expertise of its due diligence partners in identifying such issues in its suppliers' self-reported results given Ecovadis' subject matter expertise.

In Jempak’s assessment, outsourcing audits of its suppliers to Ecovadis is an effective mode of ensuring that forced labour and child labour is not a feature in its supply chain: whereas SMETA audits focus primarily on supply chain transparency and reporting, Ecovadis assessments also consider the environmental impact and human rights performance of the entity being assessed, therefore allowing for a more holistic review of the true “on-the-ground” characteristics of employment for any of Jempak’s vendors or suppliers.

Jempak’s understanding is that Ecovadis’s lengthy tenure with performing ESG assessments has led to a large Ecovadis database that allows it to benchmark Jempak’s ESG performance against industry standards and/or peers. Ecovadis also provides reports to Jempak that allows Jempak to identify areas of strength and improvement. Jempak assesses that its use of Ecovadis for supplier and vendor audits, combined with its regular practice of requiring vendors and suppliers to confirm compliance with BME’s principles and code of conduct, is an effective system in ensuring that forced labour and/or child labour are not a feature of its supply chain.

ATTESTATION

This statement is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains* for the fiscal year ending on December 31, 2023. This statement has been reviewed by Jempak’s Head of Operations and Supply Chain who confirms that it is true to the best of their knowledge.

The undersigned attests to the following:

This report has been reviewed and approved via resolution of the Board of Directors of Jempak Corporation.

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.

I have the authority to bind Jempak Corporation.

Full Name: Carolyn Newson



Title: Director, Jempak Corporation, and Benefits Director and Pension Plan Administrator, Jempak Corporation

Date: May 31, 2024

