



## **MODERN SLAVERY REPORT**

**Fighting Against Forced Labor and Child Labor in Supply Chains Act of Canada, effective January 1, 2024**

Developed by:

Paramount Pallet General Partner Corp. General Counsel, Matthew Hunt  
on behalf of:

Paramount Pallet, L.P. & Palette Paramount (Quebec), Inc.

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## INTRODUCTION

This report has been prepared pursuant to the Fighting Against Forced Labor and Child Labor in Supply Chains Act (“Act”), effective January 1, 2024. This report is being filed on behalf of Paramount Pallet L.P. and Palette Paramount (Quebec), Inc. (collectively, referred to herein as “Paramount”, “we” or “us”, and is representative of our operations in fiscal year 2023 (“FY23”).<sup>1</sup>

Paramount is committed to consistently operating in a responsible manner, which includes treating everyone equally and with dignity. In keeping with this commitment, we maintain a zero-tolerance approach to violations of human rights, inclusive of any form of harassment, intimidation, or retaliation, as well as acts of human trafficking and other forms of forced or coerced labor<sup>2</sup> and recruitment practices.

We will not support or work with any business that is knowingly involved in any form of human trafficking or modern slavery and will take steps to maintain transparency within our business and supply chain, including compliance with the Act.

## STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

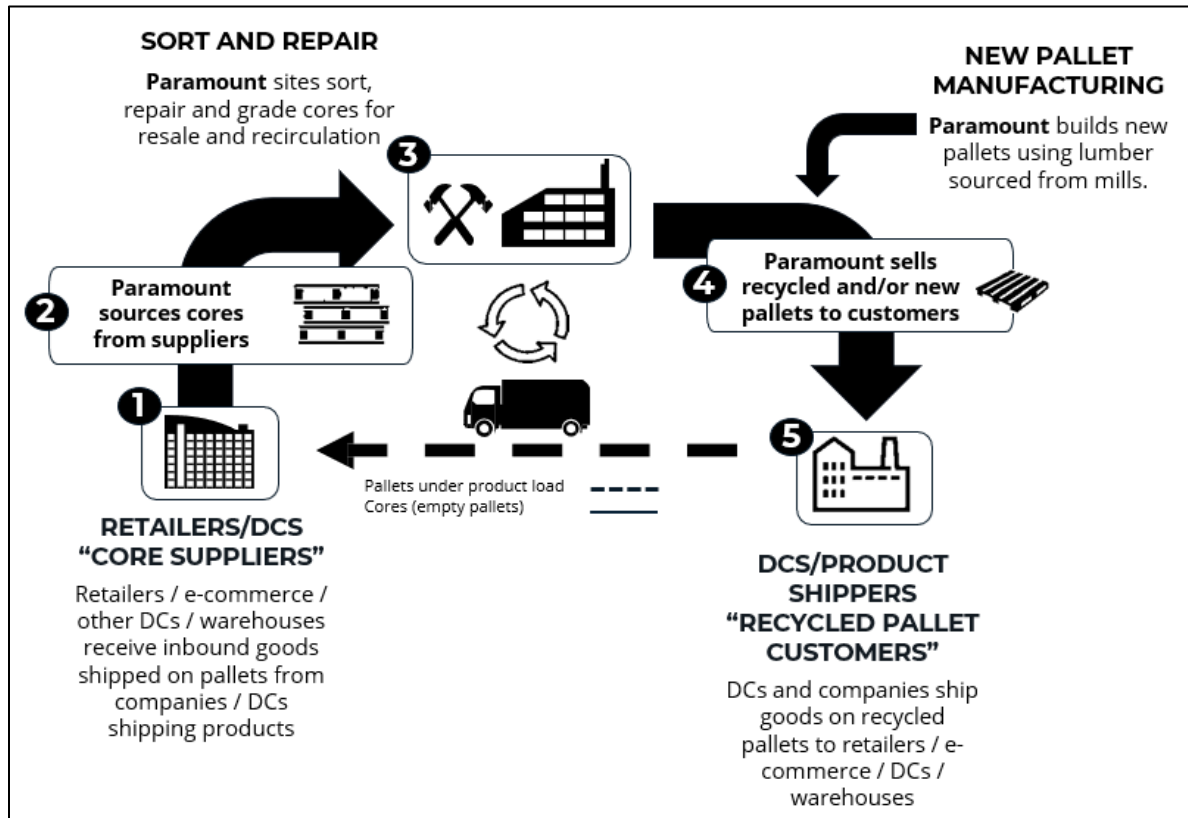
Paramount’s headquarter offices are located at 1672 Tricont Avenue, Whitby, ON. Paramount is the one of the largest providers of pallet services in Canada, serving customers from our six facilities located in Vancouver, Calgary, Edmonton, Toronto, and Montreal. Our services include pallet repair, pallet sales, pallet retrieval, pallet logistics support, and pallet recycling. Paramount’s operational model is illustrated in Figure 1 below.

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<sup>1</sup> FY23 represents Company operations from July 1, 2022, through June 30, 2023.

<sup>2</sup> The terms “human trafficking” and “forced labor”, as used in this report, include various forms of coerced labor, including forced labor, forced child labor, domestic and indentured servitude, sex trafficking, bonded labor, debt bondage, and workplace abuse.

FIGURE 1: PARAMOUNT OPERATIONAL OVERVIEW



We strive for transparency throughout our supply chain, recognizing that there are limits to visibility beyond our first tier of suppliers. As such, Paramount has established supply chain due diligence processes and requires that all suppliers agree to comply with applicable laws and regulations as a condition of business engagement.

**POLICIES**

Paramount has established the following relevant policies to address modern slavery and human trafficking:

1. **Antibribery and Anticorruption Policy:** Describes our commitment to conducting business in accordance with applicable anti-bribery and anti-corruption laws, rules, and regulations and providing guidelines for our standard of compliance.
2. **Corporate Social Responsibility Policy:** Defines our philosophy and approach to integrating sustainability-related considerations into our day-to-day operations. This policy is influenced by the United Nation’s (“UN”) Global Compact and the Organization for Economic Cooperation and Development (“OECD”) guidance for corporate responsibility and applies to all of our employees and contract workers.

3. **Workforce Culture Policy:** Establishes our philosophy on topics related to diversity, equity, inclusion, and belonging (“DEI&B”) as a function of supporting our growth, engagement, and respect for human rights.
4. **Modern Slavery and Human Trafficking Training:** Explains what modern slavery and human trafficking is, provides examples of modern slavery and human trafficking practices, and outlines resources to support employees with identifying and reporting incidences of human rights violations within our operations, our supply chain, and our communities.
5. **Supplier Code of Conduct:** Requires our suppliers to adhere to our expectations for ethical business practices and good governance, inclusive of adopting processes to identify human rights issues in the supply chain through compliance with all applicable anti-slavery and human trafficking laws, statutes, regulations, and codes across their operations and supply chains to eliminate and prevent violations of human rights.
6. **Employee Handbook:** Outlines our policies, practices, expectations for employee conduct, inclusive of human rights and modern slavery subjects.

We reserve the right to terminate our relationship with any person or organization that does not comply with the policies referenced above.

## DUE DILIGENCE PROCEDURES

The following practices have been implemented to support mitigating the risk of modern slavery and human trafficking practices within our operations and our supply chain:

**Internal Leadership:** In conjunction with our Sustainability team, our Legal, Human Resources, and Supply Chain departments oversee the development and implementation of policies, procedures, and trainings designed to educate and empower our workforce and our supply chain partners to prevent instances of modern slavery and human trafficking. Representatives from these respective departments are appointed to the Company’s ESG Committee, established to proactively monitor sustainability best practices, inclusive of modern slavery and human trafficking topics.

**Risk Assessment:** We periodically undertake a risk assessment of our business practices, inclusive of our supply chain resources, to better understand risks which have the potential to impact our business operations.

**Driver Training:** All Paramount-employed truck drivers are required to participate in human trafficking training provided by Truckers Against Trafficking (“TAT”).<sup>3</sup> TAT is a non-profit organization formed by truck drivers whose core mission is to equip drivers

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<sup>3</sup> Information about TAT and TAT’s driver training program are available at: <https://education.truckersagainsttrafficking.org/>

with the tools and knowledge to recognize the report instances of human trafficking and modern slavery.

**Employee Training:** Modern slavery and human trafficking are addressed in our Employee Handbook, which every employee is required to review and acknowledge upon hiring. We also offer modern slavery and human trafficking training refresher courses annually. This training is hosted through an online system, allowing us to track training deployment across our workforce.

**Employee Hotline:** We maintain whistleblowing procedures which are supported by anonymous phone- and web-enabled incident reporting hotlines, established to empower employees to report any suspected violations of human rights and workplace conduct, inclusive of modern slavery and human trafficking behaviors, without fear of reprisal or retaliation of any kind.

## FORCED OR CHILD LABOR RISKS IN OUR BUSINESS

We use a risk-based approach to assess and manage risks associated with our business practices, inclusive of supply chain risks, such as human trafficking and modern slavery practices. Contextual risks examined in our business risk assessment include forced labor risk factors identified by the UN.<sup>4</sup> This approach supports prioritization of risk mitigation efforts and allows us to reassess our supporting policies and procedures accordingly.

**Geographic Risk:** We (and our affiliates) operate in Canada and the United States (“U.S.”), countries which are considered as relatively low risk geographies for modern slavery and human trafficking practices.<sup>5</sup> Furthermore, we do not import goods or services from countries considered to be high risk geographies for modern slavery and human trafficking practices.

Note that we recognize that while the U.S. is considered a to be a low-risk geography for modern slavery and human trafficking practices, forced labor occurs in all countries, such that the geographical location of a business’ operations alone may be considered a mitigating factor with respect to modern slavery and human trafficking risks.

**Industry-specific Risk:** We manufacture new and recycled wood pallets and provide local transportation for pallet delivery and retrieval services. New pallet manufacturing processes rely on lumber sourced from mills, and transportation services utilize third-party services to deliver and retrieve pallets. While neither of these industries are considered high-risk industries for modern slavery and human trafficking practices<sup>6</sup>, we

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<sup>4</sup> UN Global Compact Business & Human Rights Navigator: Forced Labor. Available at: <https://bhr-navigator.unglobalcompact.org/issues/forced-labour/contextual-risk-factors/>

<sup>5</sup> The Global Slavery Index. 2023. Available at:

<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

<sup>6</sup> CSR Risk Check. Available at: <https://www.mvorisicochecker.nl/en>

recognize the important role that truck drivers can play in recognizing and reporting instances of human trafficking and modern slavery, and notes that all businesses are responsible for empowering their workers to identify and report human rights violations.

### **REMEDIATION MEASURES**

As of the date of publication of this report, we believe that our operations and supply chain activities carry a low risk of modern slavery and human trafficking practices and we have not identified any instances of forced or child labor in our operations or supply chain. We are committed to acting swiftly should instances of modern slavery and/or human trafficking practices be identified. As such, through our Supplier Code of Conduct and our supplier contractual agreements, we reserve the right to monitor, assess, and audit supplier practices to ensure compliance with the Supplier Code of Conduct and applicable laws and regulations addressing human rights, and may immediately terminate our relationship with any person or organization found to be participating in modern slavery and/or human trafficking practices.

As of the date of the publication of this report, we have not deemed it necessary to undertake any measures to remediate the loss of income or specific activities for vulnerable families due to modern slavery or human trafficking practices within Company operations or our supply chain.

### **ASSESSING EFFECTIVENESS**

Given the low risk of our supply chains, we do not currently have processes in place to assess the effectiveness of our measures.

**APPROVAL AND ATTESTATION**

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act.

In my capacity as a Director of Paramount Pallet General Partner Corp, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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.

**Paramount Pallet General Partner Corp.**

By:  \_\_\_\_\_

Printed Name: Stephen Nolan

Its: Director & CFO

Date: May 30, 2024

*I have the authority to bind Paramount Pallet General Partner Corp.*






# Paramount Modern Slavery Report 05.30.24

Final Audit Report

2024-05-30

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