

ANNUAL REPORT

Bill S-211

PURPOSE

This report is submitted by VPET USA, LLC (“VPET” or the “Company”) pursuant to the requirements of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the reporting period beginning January 1, 2025, and ending December 31, 2025.

OUR COMMITMENT

VPET is committed to conducting business in an ethical, lawful, and socially responsible manner. The Company recognizes the importance of preventing and reducing the risk of forced labour and child labour within its operations and supply chains and is committed to maintaining responsible sourcing practices throughout its business activities.

This report outlines the steps taken by VPET during the reporting period to identify, assess, and mitigate risks related to forced labour and child labour.

1. Structure, Activities, and Supply Chains

VPET USA, LLC manufactures plastic bottles, jars, and preforms for commercial and industrial applications.

VPET’s operations include:

- Manufacturing plastic bottles, jars, and preforms
- Procurement of raw materials and packaging components
- Importation of plastic resin and preforms
- Supply chain management and logistics activities
- Distribution and customer fulfillment operations

As of the reporting period, VPET employed approximately 323 employees.

The Company sources materials and products from suppliers located in several countries, including:

- Taiwan

- Vietnam
- South Korea

VPET's supply chain includes:

- Plastic resin suppliers
- Preform manufacturers
- Packaging suppliers
- Transportation and logistics providers
- Warehousing and distribution partners

VPET USA is not the importer of record into Canada. Products are sold to a Canadian entity, which picks them up from our facility and serves as the importer of record.

2. Policies and Due Diligence Processes

VPET maintains policies, procedures, and supplier management processes intended to support ethical business conduct and responsible sourcing practices.

The Company has implemented:

- A Supplier Code of Conduct
- Vendor compliance requirements
- Supplier qualification documentation and review procedures
- An Ethical Code of Conduct applicable to business operations and supplier relationships

These policies and procedures communicate VPET's expectations regarding compliance with applicable labour laws, ethical business conduct, and prohibitions against forced labour and child labour.

As part of its supplier management and procurement activities, VPET may:

- Evaluate suppliers during onboarding and qualification processes
- Review supplier documentation and certifications
- Assess supplier capabilities and compliance expectations
- Monitor supplier performance
- Review sourcing regions and supply chain risks

- Escalate identified concerns through internal management and compliance processes

The Company continues to evaluate opportunities to further strengthen its due diligence procedures and supplier oversight practices.

3. Risks of Forced Labour and Child Labour

VPET recognizes that risks related to forced labour and child labour may exist in global supply chains, particularly within manufacturing, raw material sourcing, and international procurement activities.

Potential areas of risk may include:

- International sourcing of plastic resin and preforms
- Suppliers operating in higher-risk geographic regions
- Third-party manufacturing and subcontracting arrangements
- Transportation and logistics activities involving multiple tiers of suppliers

VPET evaluates potential supply chain risks through:

- Supplier qualification and review procedures
- Procurement oversight and supplier engagement
- Review of sourcing regions and operational considerations
- Cross-functional collaboration among procurement, logistics, operations, and compliance personnel

During the reporting period, VPET did not identify any confirmed instances of forced labour or child labour within its direct operations or known supply chain activities.

4. Measures Taken to Assess and Manage Risks

During the reporting period, VPET undertook measures intended to assess and mitigate risks associated with forced labour and child labour, including:

- Maintaining supplier qualification and onboarding procedures
- Communicating supplier expectations through supplier compliance requirements and codes of conduct

- Reviewing supplier relationships and sourcing activities
- Monitoring procurement and supply chain operations
- Evaluating opportunities to enhance supplier due diligence and compliance oversight

Where appropriate, the Company may work collaboratively with suppliers to address identified concerns and implement corrective actions.

5. Remediation Measures

During the reporting period, VPET did not identify any instances requiring remediation related to forced labour or child labour within its operations or supply chains.

Should issues be identified in the future, the Company intends to evaluate appropriate corrective actions, which may include:

- Supplier engagement and corrective action plans
 - Enhanced monitoring and oversight
 - Additional supplier due diligence measures
 - Suspension or termination of supplier relationships where appropriate
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6. Measures to Remediate Loss of Income to Vulnerable Families

VPET did not identify any circumstances during the reporting period that required measures to remediate the loss of income to vulnerable families resulting from efforts to eliminate forced labour or child labour within its business or supply chains.

7. Employee Training

VPET recognizes the importance of employee awareness and training related to ethical sourcing and supply chain compliance.

During the reporting period, the Company continued developing formalized training initiatives related to forced labour and child labour risk awareness for employees involved in procurement, supply chain management, logistics, supplier management, and compliance activities.

Training initiatives under development may include:

- Awareness of forced labour and child labour risks
- Ethical sourcing expectations
- Supplier compliance requirements
- Identification of supply chain risk indicators
- Escalation and reporting procedures for compliance concerns
- Applicable legal and regulatory obligations

VPET intends to continue enhancing employee awareness and training efforts as part of its ongoing commitment to responsible business practices and continuous improvement.

8. Assessing Effectiveness

VPET continues to evaluate the effectiveness of its policies, procedures, and risk mitigation efforts related to forced labour and child labour.

Methods used to assess effectiveness may include:

- Supplier qualification and performance reviews
- Internal procurement and compliance oversight
- Monitoring supplier relationships and sourcing activities
- Review of reported concerns or compliance matters
- Cross-functional management review processes

The Company remains committed to continuous improvement of its supply chain due diligence and compliance practices.

RESOLUTIONS OF THE BOARD OF DIRECTORS

OF

VPET USA, LLC

(the “**Corporation**”)

May 22, 2025.

FIGHT AGAINST FORCED LABOUR AND CHILD LABOUR REPORT

WHEREAS:

- A. Reference is made to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).
- B. Pursuant to section 11 of the Act, certain entities are required to submit an annual report regarding the measures taken to combat forced labour and child labour in their supply chain (a “**Report**”) and a questionnaire (the “**Questionnaire**”).
- C. The Corporation is required to submit the Report and the Questionnaire.
- D. Pursuant to section 11 paragraph (4)(a) of the Act, the Corporation wishes to approve the Report for the fiscal year ended December 31, 2025, substantially in the form circulated to the board of directors of the Corporation, which is annexed to these resolutions as Appendix “A”, and the Questionnaire.

BE IT RESOLVED THAT:

1. The Report is approved and any officer or director of the Corporation is authorized and directed, for and on behalf of the Corporation, to sign the Report with such amendments or variations thereto as he or she may approve, his or her execution of the Report is conclusive evidence of such approval, and the Report so executed is authorized by this resolution.
2. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and execute, deliver and file any and all documents and agreements as such director or officer may, in his or her sole discretion, determine to be necessary or useful in connection with the foregoing, such determination to be conclusively evidenced by the doing of any such act or thing or the execution, delivery and/or filing by such director or officer of any such document or agreement, including filing of the Report and the Questionnaire.
3. These resolutions may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same document. Delivery of an executed counterpart of these resolutions by facsimile, portable document format or other means of electronic communication (PDF) shall be equally effective as delivery of an original executed counterpart of these resolutions.

[SIGNATURE PAGE FOLLOWS]

THE UNDERSIGNED, being one of the directors of the Corporation, sign the foregoing resolutions in accordance with the *Business Corporations Act* (Ontario) as at the date first written above.

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