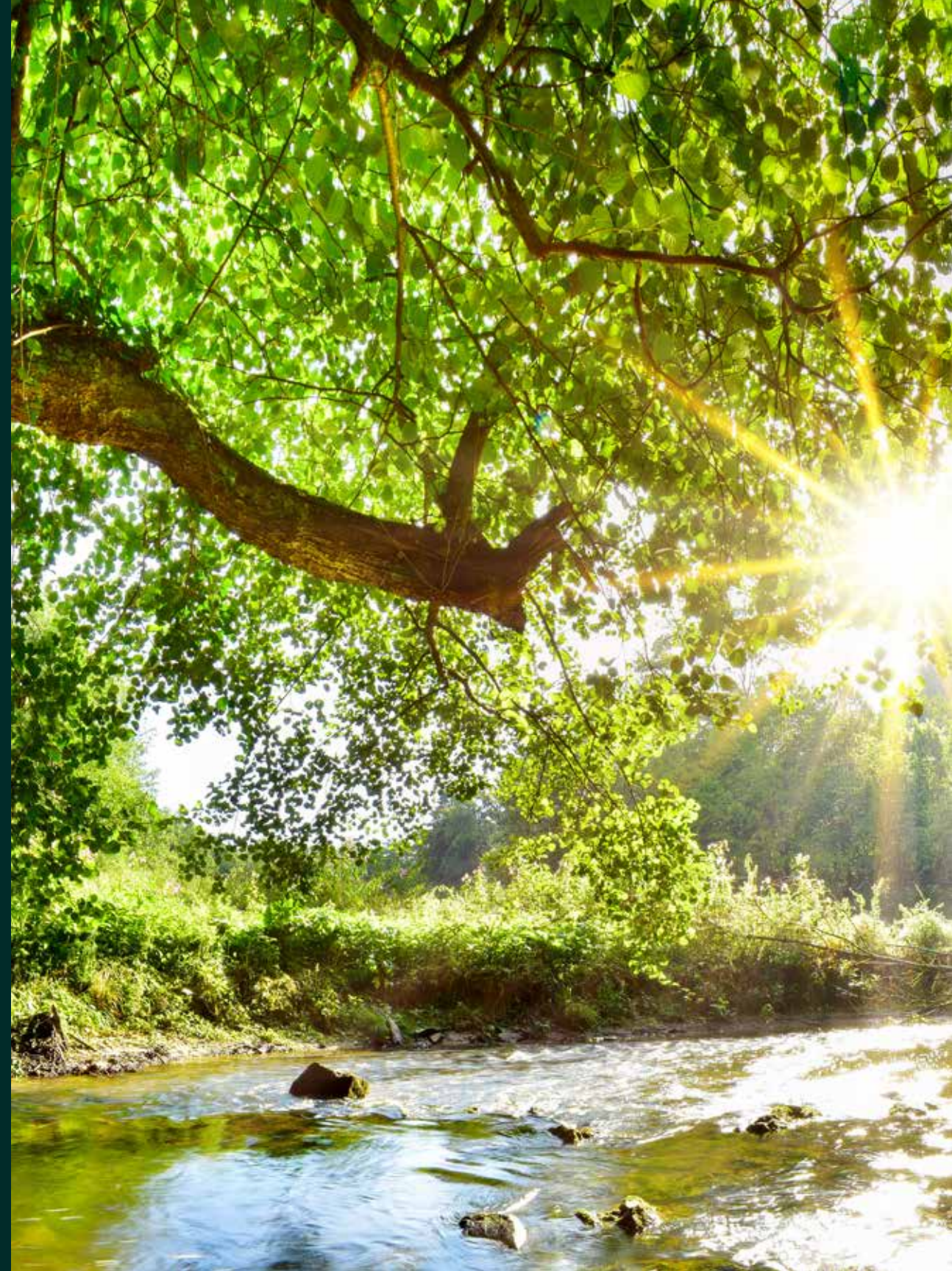


beneco
CUSTOM PRINT PACKAGING

Sustainability Report 2023



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Committed to a Sustainable Future

It is with great pride and responsibility that I reflect on Beneco Packaging's sustainability journey, as detailed in this report. At Beneco, sustainability is not just a corporate responsibility but a core part of our identity. As a trusted manufacturer in the food packaging industry, our commitment to environmentally sound practices shapes our operations, products, and long-term vision.

The year 2023 has been a testament to our dedication. We achieved a 100% training rate in sustainability for all employees, implemented significant measures to enhance energy efficiency, and reinforced our zero-tolerance policy against regulatory and ethical violations. These accomplishments underscore our mission to create value while fostering environmental stewardship and social equity.

Our commitment to progress is matched by the targets we have set. By 2030, we aim to reduce our greenhouse gas emissions in-

tensity by 42% and achieve a 30% reduction in energy utilization. Similarly, our ambition to attain Zero Waste to Landfill reflects our resolve to lead by example in our industry.

None of this would be possible without our incredible team. Every employee plays an integral role in driving our initiatives, from innovation in recyclable materials to excellence in safety standards. We are also grateful to our customers, suppliers, and community partners for their unwavering support and collaboration. Together, we are not only meeting today's challenges but also paving the way for a sustainable future.

I invite you to explore this report and share in our commitment to building a more sustainable world, one package at a time. Your feedback and partnership are vital as we continue on this path.



A handwritten signature in black ink, appearing to read 'Yajun'.

Yajun (Carol) Jiang

President and CEO, Beneco Packaging

About Beneco Packaging

Beneco Packaging is a leading innovator in the packaging industry, delivering premium-quality, custom-printed solutions to clients across diverse sectors such as food, beverage, cosmetics, pharmaceuticals, and retail. Established in 2004 with a modest 6,000-square-foot facility, Beneco Packaging has rapidly grown to encompass over 315,000 square feet of state-of-the-art production capacity, a testament to its unwavering commitment to product quality and sustainability.

Operating from advanced facilities in Scarborough and Cobourg, Ontario, the company offers a full suite of services, including structural design, creative graphic design, offset printing, embossing, die-cutting, foil-stamping, and window patching. Equipped with cutting-edge machinery like the Heidelberg Speedmaster 3 printing presses, Beneco ensures precision, efficiency, and excellence in every project.

Dedicated to sustainability, Beneco Packaging integrates eco-friendly practices throughout its operations. By using recyclable materials, fostering partnerships with ethically certified suppliers, and striving to minimize waste, the company embodies its commitment to environmental responsibility. Ranked in the top 6% of EcoVadis-rated companies in the printing and packaging industry, Beneco is a recognized leader in green initiatives.

Beneco's customer-centric approach ensures fast turnaround times and bespoke solutions tailored to each client's needs. From short-run specialty packaging to high-volume orders, the company excels in delivering products that enhance brand identity while adhering to strict quality standards. By blending creativity, innovation, and sustainability, Beneco Packaging continues to set benchmarks in the packaging industry.



Ethical Compliance: Zero Incidents

The table below highlights Beneco’s commitment to maintaining a high standard of ethical and regulatory compliance. In 2023, no incidents were reported across key areas, including corruption, data privacy, workplace conduct, and supply chain integrity.

Violation Type	2023 Reported Incidents
Corruption	0
Ethical Violation Incidents	0
Data Privacy Breaches	0
Fraud Cases	0
Conflicts of Interest	0
Anti-competitive Behavior	0
Whistle Blower Reports	0
Workplace Violence and Harassment	0
Discrimination	0
Supply Chain Violations	0
Information security incidents	0
Environmental Compliance Violations	0
Child Labor	0
Forced Labor and Human Trafficking	0
Other Legal and Regulatory Actions	0
Employee Suggestions (suggestion box)	6

In 2023, a total of six suggestions were submitted through the suggestion box. We are pleased to report that all of the submitted suggestions were successfully fulfilled.

The following table presents the percentages of various sustainable materials purchased by Beneco in 2023, including recycled wood, paperboard from sustainable sources, recyclable and compostable window films, and paper sourced from 100% clean energy.

Purchasing Initiative	Percentage
Percentage of recycled paperboard purchased	65.57%
Percentage of paperboard purchased for sustainable sources	57.10%
Percentage of window films purchased which is recyclable	100%
Percentage of window film purchased which is compostable	0%
Percentage of paper purchased from 100% clean energy sources	10.61%
Percentage of employees trained for sustainability	100%
Percentage of employees in purchasing trained for sustainability procurement	100%
Suppliers signed code of conduct	100%
Supplier risk assessment performed	100%
Suppliers covered under CSR assessment	100%
Suppliers committed to reducing carbon emissions	Will be evaluated in 2024
Supplier performance evaluated based on environmental impact	Will be evaluated in 2024

Product Recall and Customer Health and Safety Incidents

At Beneco Packaging, the health and safety of our customers are of utmost importance. We have implemented strict quality control measures and follow all relevant industry standards to ensure the safety and reliability of our products.

- **Product Recalls:**

There were no product recalls during the reporting period. This reflects our commitment to maintaining the highest levels of product quality and safety.

- **Customer Health and Safety Reports:**

We are pleased to report that there were no customer health and safety incidents or concerns raised in relation to our products.

Minority and Women Employed

In 2023, women represented 19.12% of the total workforce at Beneco Packaging, and 88.24% of our employees belonged to minority groups. These figures reflect our unwavering commitment to fostering a diverse and inclusive workplace. As a proud WECConnect International-certified women-owned business and CAMSC-certified organization, we actively champion opportunities for underrepresented groups. We prioritize creating an equitable environment where employees from all backgrounds can thrive, contributing to a workforce that mirrors the diversity of the communities we serve.

Career Management and Training

We are committed to fostering the professional development and well-being of our employees through comprehensive training and certification programs. In 2023, we provided a variety of essential trainings to ensure our workforce is equipped with the knowledge and skills to maintain a safe, efficient, and compliant workplace.

- **Certifications / Skilled Trainings:**

- o **Certified Quality Technician (CQT)** certification was achieved by one employee, further enhancing our technical expertise.
- o One employee completed **Ladder Safety Training**, ensuring compliance with workplace safety standards.
- o 4 employees undergone comprehensive training on **Joint Health and Safety Committee Certification**

- **AODA (Accessibility for Ontarians with Disabilities Act) Training:**

A total of 67 employees successfully completed AODA training, demonstrating our commitment to creating an inclusive and accessible work environment.

- **Workplace Wellbeing Training:**

Four employees participated in workplace well-being training, reflecting our dedication to supporting the mental and physical health of our team.

- **Fall Protection Training:**

2 employees are certified in Fall Protection training, reflecting our dedication to ensuring the physical safety and well-being of our team in environments where fall hazards may exist.

Our investment in training programs ensures that employees are well-prepared to maintain high standards of performance, safety, and regulatory compliance, while fostering personal growth and professional development.

Annual Training

Each year, Beneco Packaging ensures all employees, including new hires, receive comprehensive training in various critical areas. The foundational training includes an induction covering Good Manufacturing Practices (GMP), Emergency Preparedness and Response, Handwashing, Good Documentation Practices, WHMIS, HACCP & IFS Pacsecure, Energy Conservation, and FSC certification. Health and Safety Training also forms a core component, emphasizing our Health and Safety Policy, Workplace Violence & Harassment Policy, and Integrity and Ethics topics. New employees additionally receive an Employee Handbook outlining Beneco’s Work Hour Policy, Code of Conduct, AODA requirements, and a general orientation. In 2023, 100% of Beneco employees completed this essential training program, underscoring our dedication to continuous learning and compliance with industry best practices.

Training Type	Percentage / Numbers
Health and Safety Training	100%
Integrity and Ethics	100%
Whistle Blower Training	100%
Good manufacturing Practices (GMP) Training	100%
HACCP and IFS PACsecure Training	100%
Handwashing Training	100%
Emergency Preparedness Training	100%
Energy Conservation Training	100%
Good Documentation Practices Training	100%
WHMIS Training	100%
Lock out and Tag out trainings	100%

Water Consumption

In 2023, Beneco consumed a total of 3,241.17 cubic meters of water while producing 328.41 million units, resulting in a water consumption rate of approximately 9.87 cubic meters per million units produced. As part of our sustainability strategy, we are committed to reducing our water consumption by 20% by 2030, using 2023 as the baseline. This goal aligns with our ongoing efforts to enhance resource efficiency and minimize our environmental impact.

Location	Water Usage	Total units produced in million	cubic meters per million units
Scarborough	1497.17	186.83	8.01
Cobourg	1744	141.58	12.32
For both locations	3241.17	328.41	9.87

Water-Stress Assessment

Using the World Resources Institute’s (WRI) Aqueduct Water Risk Atlas, Beneco Packaging has conducted a water-stress assessment to better understand the water-related risks for our Cobourg and Scarborough manufacturing facilities. According to the WRI Aqueduct data, both sites fall under a “low to medium” (5-25%) risk classification for water depletion. This designation indicates that our locations currently experience low-to-moderate competition for water resources, suggesting that local water availability is relatively stable. However, ongoing monitoring remains crucial to anticipate potential changes in water stress that could arise from environmental or industrial factors.

This risk assessment is part of Beneco’s commitment to sustainable resource management. By understanding and tracking water risk, we can proactively adapt our water conservation strategies to maintain responsible water use and reduce our environmental footprint.

GHG Emissions

In 2023, our company produced a total of 328.41 million units across both locations. During this period, the total greenhouse gas (GHG) emissions amounted to 1,485.01 tons of CO2 equivalent (CO2e). On average, this translates to 4.52 tons of CO2e emitted per million products produced.

Year	Scope	Activity	Emissions (tCO2e)
2023	Scope 1	Natural Gas consumption	474.32
		Propane consumption	15.45
		Transportation	928.94
	Total Scope 1		1418.71
	Scope 2	Electricity consumption	66.29
	Total Scope 2 (Location based Approach)		66.29
Total Scope 1 and Scope 2 emissions			1485.01
tCO2e emitted per million products produced			4.52

GHG gas reduction

In 2023, the company initiated efforts to address greenhouse gas (GHG) emissions by calculating our emissions under Scope 1 and Scope 2, setting the data for that year as our baseline. Recognizing the growth in our operations, we have adopted an intensity target in alignment with the GHG Protocol, by 2030 we are focusing on reducing CO2 equivalent emissions by 42 percent per million units of product produced compared to 2023. This will be aligned with the general target stated by SBTi. This intensity-based approach allows us to reflect improvements in GHG performance independently of our operational expansion, ensuring that our sustainability goals remain robust and relevant as we continue to grow.

Chemicals and Waste

Beneco Packaging is committed to minimizing waste and increasing recycling across our operations. Our ambitious target for 2030 is to achieve Zero Waste to Landfill, reflecting our dedication to sustainability and responsible resource management.

In December 2023, we took a significant step towards this goal by installing a baler at our facility. This new equipment will enable us to efficiently compact and process waste paper, enhancing our recycling capabilities. As a result, we expect a notable improvement in our paper recycling rate starting from 2024, helping us make meaningful progress toward reducing our environmental impact.

Waste Category	Waste generated
Hazardous waste (kg)	3320
Hazardous waste (L)	32400
Non-hazardous waste (tons)	148
Total waste sent for recovery / recycling (tons)	1860

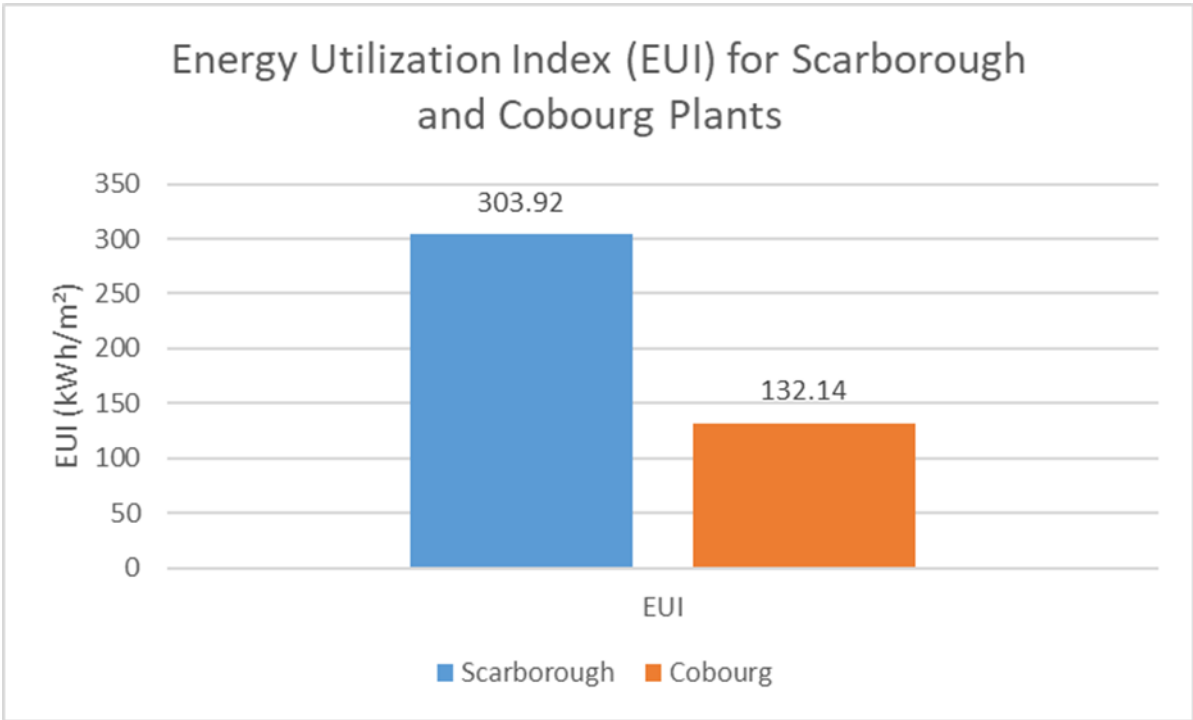
Noise survey

Conducted on 22 March 2023 by a third party named GTA Environmental at both plants. There was a recommendation to use hearing protection required if stripping is carried out on the die cut paperboard with air tool. As per the recommendation, hearing protection plugs were stocked regularly in a designated box and is placed in area which is easily accessible for employees.

Energy Usage reduction

Beneco Packaging started to find the Energy Utilization Index (EUI) which is the basic measure of facilities energy performance and provides the statement of number of KWh or MJ of energy used annually per square foot of conditioned space.

The Energy Utilization Index (EUI) has been calculated for both the Scarborough and Cobourg plant locations. The energy utilization index gives the total energy consumption for all the energy inputs for the facilities. The energy inputs include electricity, natural gas, Propane. For both the facilities the total energy consumption is 4,796,428 kWh. The total area of both production facilities is 31,077 m², which gives an overall EUI of 154.34 kWh/m². For Scarborough facility, with an energy consumption (including electricity, natural gas, Propane) of 1,270,374 kWh and an area of 4,180 m², has an EUI of approximately 303.92 kWh/m². Cobourg, with a consumption of 3,554,054 kWh and an area of 26,897 m², has an EUI of approximately 132.14 kWh/m².



We made the EUI of the year 2023 as the baseline and would try to reduce by 30% by the year 2030 for million units of product produced compared to 2023.

Location	Category	Energy consumption (kWh)	Energy Utilization Index (EUI) kWh/m ²
Scarborough	Electricity	753539	303.92
	Natural Gas	488468	
	Propane	28367	
Cobourg	Electricity	1455839	132.14
	Natural Gas	2055682	
	Propane	42533	
For both locations	Total	4,796,428	154.34



IFS PacSecure Certification

The Cobourg facility achieved an impressive IFS PacSecure audit score of 98.09%, while the Scarborough facility also passed the audit with a score of 97.84%. IFS PacSecure is a standard for auditing product and process compliance concerning packaging material safety and quality.

Air Quality Survey

In 2024, Beneco Packaging will initiate an annual Air Quality Survey as part of our commitment to environmental stewardship and workplace health. This survey will monitor key air quality indicators, including sulfur dioxide (SO₂), nitrogen dioxide (NO₂), nitrogen monoxide (NO), carbon monoxide (CO), carbon dioxide (CO₂), particulate matter (PM10), total volatile organic compounds (TYOC), as well as temperature and relative humidity. These measurements will allow us to track and improve air quality, ensuring a safe, sustainable environment for our employees.

Recyclable and Biodegradable window films

In 2023, 100% of Beneco Packaging’s windowing jobs used PET-based films, which are recyclable under resin code 1 where appropriate recycling programs are available. This choice reflects our commitment to sustainability by ensuring that all window films are recyclable, supporting a circular approach in packaging. Looking ahead, we are transitioning to compostable cellulose films, certified under EN 13432 and ASTM D6400 standards for industrial composability, as well as TÜV OK Compost Home for home composability. Our target is to use compostable cellulose films in 40% of all windowing applications by 2030, reducing plastic dependency and advancing our sustainability goals.



WEConnect International Certification

Beneco Packaging is proud to be a certified member of WeConnect International, a global network supporting women-owned businesses. As a women-owned company, we are committed to driving diversity and fostering inclusive opportunities within our industry. This certification highlights our dedication to empowering women entrepreneurs and promoting equitable business practices.



EcoVadis Certification

Beneco Packaging is proud to have achieved a Silver Medal from EcoVadis, demonstrating our commitment to sustainability and responsible business practices. With a score of 66 out of 100, we rank among the top 6% of companies evaluated by EcoVadis within the Printing and Service Activities Related to Printing Industry. This recognition reflects our dedication to minimizing environmental impact, upholding labor and human rights, maintaining ethical standards, and ensuring sustainable procurement throughout our operations.



CAMSC Certification

Sheen Legend Packaging Corp doing business as Beneco Packaging is Certified under Canadian Aboriginal and Minority Supplier Council.

This Sustainability Report has been prepared by Beneco Packaging to provide stakeholders with an overview of our environmental, social, and governance (ESG) performance, initiatives, and goals. This Sustainability Report (“Report”) contains certain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. While we strive to ensure the accuracy and completeness of the information provided, this report may contain forward-looking statements, projections, and goals based on current knowledge, assumptions, and expectations. These are subject to risks, uncertainties, and changes that could cause actual results to differ materially. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from the projections outlined in this report due to changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Additionally, there may be risks and uncertainties that are currently unknown or considered immaterial that could impact the accuracy of any forward-looking statements.

This document is not intended to provide financial, legal, or technical advice. Any reliance placed on this report is strictly at the reader’s discretion. Beneco Packaging reserves the right to update or modify the content of this report in subsequent editions to reflect evolving practices, technological advancements, or regulatory changes.

Neither Beneco Packaging nor its management team or employees provide any representation, assurance, or guarantee that the ESG initiatives, goals, or targets described in this report will be achieved, or that any future ESG-related investments made by Beneco will meet external expectations or legal standards.

Furthermore, except as may be required under applicable law, Beneco Packaging assumes no obligation to publicly update or revise any forward-looking statements contained in this report due to new information, future events, or other circumstances.

By sharing this Sustainability Report, we aim to promote transparency, foster collaboration, and encourage ongoing progress in our sustainability journey.

