

Sustainability Report

2024



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Committed to a Sustainable Future

It is with great pride and continued responsibility that I reflect on Beneco Packaging's sustainability progress in 2024. Sustainability remains a core part of our identity and guides how we operate, innovate, and grow. As a trusted manufacturer in the food packaging industry, our commitment to environmentally responsible practices continues to shape our operations, products, and long-term vision.

The year 2024 marked a strong advancement in our sustainability journey. Building on our 2023 baseline, Beneco achieved an approximate 39.2% reduction in greenhouse gas (GHG) emissions intensity, demonstrating meaningful progress toward our long-term target of a 42% reduction in GHG emissions intensity per million units of product produced by 2030. This achievement highlights our ability to improve environmental performance while supporting continued growth in production.

We also made notable improvements in energy efficiency. In 2024, Beneco achieved a 15.77% reduction in energy intensity, measured in kilowatt-hours per million cartons produced, compared to the 2023 baseline. This improvement reflects the effectiveness of our energy management initiatives and our ongoing efforts to optimize operations and reduce energy consumption relative to production output.

Water stewardship remains an important focus area for Beneco.

Compared to the 2023 baseline, the Company achieved an approximate 19.7% reduction in water consumption intensity in 2024. This progress was supported by improved monitoring practices and a continued focus on water conservation initiatives, reinforcing our commitment to responsible water use and environmental stewardship.

None of these accomplishments would be possible without the dedication and engagement of our employees. Our team plays an integral role in advancing sustainability across the organization—from improving operational efficiency and supporting responsible material use to maintaining high standards of safety, compliance, and quality. I would also like to extend our sincere appreciation to our customers, suppliers, and community partners for their continued collaboration and support.

As we look ahead, Beneco remains committed to continuous improvement, transparency, and accountability. We are encouraged by the progress achieved in 2024 and remain focused on building on this momentum as we advance toward our long-term sustainability goals.

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



A handwritten signature in black ink, appearing to read "Y. Jiang".

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 packaging solutions to clients across a wide range of sectors, including food, beverage, cosmetics, pharmaceuticals, and retail. Established in 2004 with a modest 6,000-square-foot facility, Beneco Packaging has grown significantly over the years and now operates more than 315,000 square feet of state-of-the-art production capacity, reflecting its strong commitment to quality, innovation, and sustainability.

Operating from advanced manufacturing facilities in Scarborough and Cobourg, Ontario, Beneco Packaging offers a comprehensive suite of services, including structural design, creative graphic design, custom-sized sheeting, offset printing, embossing, die-cutting, foil stamping, window patching, and gluing. The company produces a wide range of packaging solutions, from simple folding cartons to specialty cartons and erected or formed box types. Equipped with advanced machinery, including Heidelberg Speedmaster 3 printing presses, Beneco ensures precision, efficiency, and consistent excellence across all projects.

Sustainability is deeply embedded in Beneco Packaging's operations. The company operates an in-house baler system that supports waste reduction and recycling initiatives. Beneco sends waste paperboard to mills for recycling and ensures that recyclable materials—including paperboard waste, wooden pallets, printing plates,

corrugated boxes, steel die counters, and empty metal ink cans—are diverted from landfill. These efforts support Beneco's broader sustainability strategy and Zero Waste initiatives.

Beyond waste management, Beneco Packaging integrates environmentally responsible practices throughout its value chain. The company prioritizes the use of recyclable materials, collaborates with ethically certified suppliers, and continuously seeks opportunities to minimize environmental impact. Beneco's sustainability leadership has been recognized through its ranking in the top 1% of EcoVadis-rated companies within the printing and packaging industry. Beneco Packaging is also a proud member of SEDEX, reinforcing its commitment to ethical business practices and responsible sourcing.

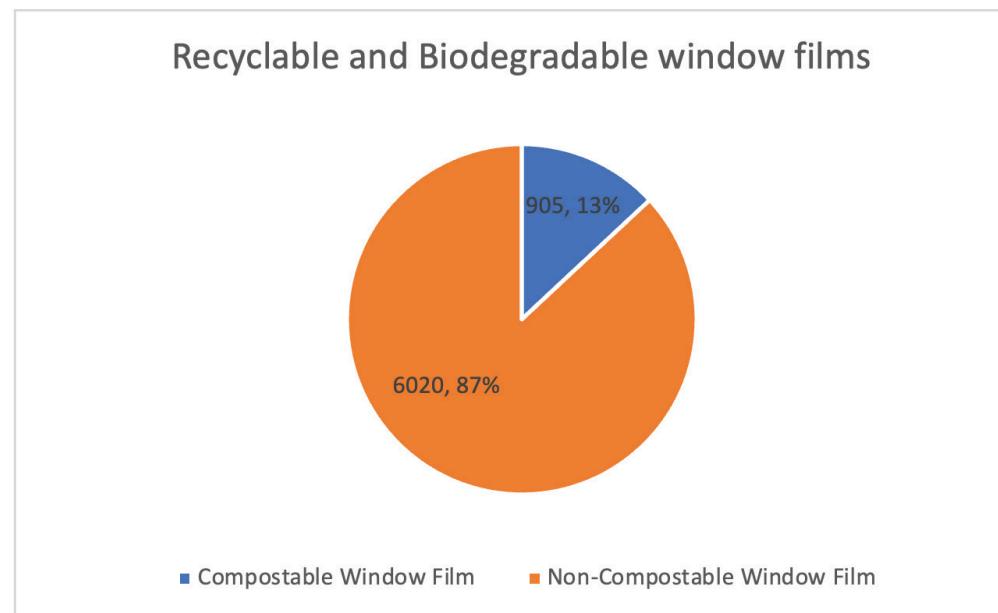
With a strong customer-centric approach, Beneco Packaging delivers fast turnaround times and customized solutions tailored to each client's needs. From short-run specialty packaging to high-volume production, the company consistently delivers high-quality products that enhance brand identity while meeting stringent quality and regulatory standards. By combining creativity, advanced technology, and sustainability, Beneco Packaging continues to set benchmarks in the packaging industry.



Recyclable and Biodegradable window films

In 2024, the window films Beneco purchased are of 2 times. PET type and Acetate type. PET window film type is 100% recyclable. The Acetate window film is compostable cellulose films, certified under EN 13432 and ASTM D6400 standards for industrial compostability, as well as TÜV OK Compost Home for home compostability. Our target is to use compostable cellulose films in 20% of all windowing applications by 2030, reducing plastic dependency and advancing our sustainability goals.

During 2024, Beneco purchased a total of 6,925 lbs of window films, of which 905 lbs were compostable. Therefore, compostable window films accounted for approximately 13.7% of Beneco's total window film purchases, reflecting progress toward the use of more sustainable packaging materials.



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.

- **Mock Recall Exercise:**

As part of our ongoing commitment to preparedness and continuous improvement, a mock recall was successfully conducted on 25 November 2024, and a mock traceability exercise was successfully completed on 08 June 2024 at our Scarborough facility. These exercises demonstrated the effectiveness of our recall and traceability procedures and confirmed the readiness of our team to respond promptly and effectively to potential product safety issues, should they arise.

Minority and Women Employed

In 2024, women make up 20% of the total workforce at Beneco Packaging. Additionally, 85.26% of our employees belong to minority groups, reflecting our commitment to diversity and inclusion within the organization.

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 2024, 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.

- **Training Programs Completed by 100% of Employees:**
 - Good Manufacturing Practices (GMP) Training
 - Emergency Preparedness Response Training
 - Energy Conservation Training
 - Good Documentation Practices (GDP) Training
 - Workplace Hazardous Materials Information System (WHMIS) Training
- **Certifications / Skilled Trainings:**
 - 3 employees of Quality Department undergone Internal Audit Training
 - 9 employees in warehouse were trained for Clamptruck training. Out of this one employee received both Forklift and Clamptruck training.
 - 1 employee was trained and certified for the Certified Energy Manager (CEM) certification by Association of Energy Engineers. The training was partially funded under Canada-Ontario Job Grant Program.

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 2024, 100% of Beneco employees completed this essential training program, underscoring our dedication to continuous learning and compliance with industry best practices.

Water Consumption

Using 2023 as the baseline year, Beneco recorded a water consumption intensity of 9.87 m^3 per million units produced. In 2024, Beneco consumed a total of 4,003.75 cubic meters of water while producing 328.41 million units, resulting in a reduced water consumption intensity of 7.93 m^3 per million units. This represents an approximate 19.7% reduction in water consumption intensity compared to the 2023 baseline, demonstrating strong progress toward Beneco's long-term goal of achieving a 20% reduction in water consumption by 2030.

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.

Energy & Utilities Reporting

In 2024, Beneco will report its Energy and Water Reporting and Benchmarking (EWRB) data to the City in accordance with applicable municipal requirements. In parallel, Beneco is actively advancing its energy performance tracking through ENERGY STAR® Portfolio Manager. An account has been established on the ENERGY STAR Portfolio Manager platform, and Beneco is reporting data related to electricity consumption, natural gas usage, water consumption, and selected waste streams. These initiatives support improved energy management, transparency, and ongoing performance monitoring.

GHG Emissions

In 2024, the company reported a total of 1123.75 tonnes of CO₂ equivalent (tCO₂e) emissions for both locations across various activities, reflecting its commitment to transparency in tracking and managing its carbon footprint. Scope 1 emissions, which encompass direct emissions from owned or controlled sources, accounted for the majority of the total, with 455.35 tCO₂e from natural gas consumption, 21.24 tCO₂e from propane consumption, and 571.52 tCO₂e from transportation activities. Scope 2 emissions, representing indirect emissions from the consumption of purchased electricity, contributed 75.64 tCO₂e.

Year	Scope	Activity	Emissions (tCO ₂ e)
2024	Scope 1	Natural Gas consumption	455.35
		Propane consumption	21.24
		Transportation	571.52
	Scope 2	Electricity consumption	75.64
Total 2024			1123.75
tCO ₂ e emitted per million products produced			2.75

GHG gas reduction

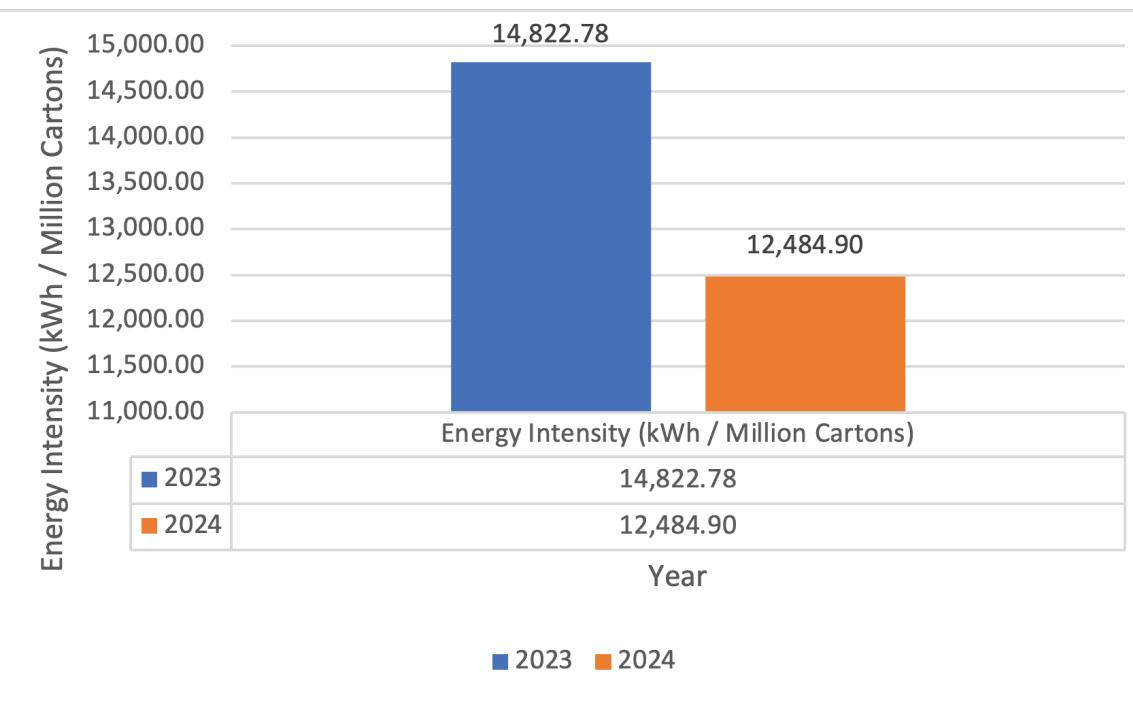
In 2023, the emissions under scope was 1418.71 tCO₂e and for scope 2 was 66.29 tCO₂e. Beneco produced a total of 328.41 million units across both locations. During this period, the total greenhouse gas (GHG) emissions amounted to both scope 1 and scope 2 was 1,485.01 tons of CO₂ equivalent (CO₂e). On average, this translates to 4.52 tCO₂e, emitted per million products produced.

In 2024, Beneco produced a total of 408.6 million units across both locations, with total greenhouse gas (GHG) emissions of 1,123.75 tonnes of CO₂ equivalent (CO₂e). This corresponds to an average GHG emission intensity of approximately 2.75 tonnes of CO₂e per million units produced.

The intensity of GHG emission is reduced from 4.52 tCO₂e to 2.7 tCO₂e which means a reduction of approximately 39.2% reduction in emissions intensity. This significant reduction demonstrates that Beneco is strongly aligning with its long-term target to reduce GHG emissions intensity by 42% per million units of product produced by 2030, relative to the 2023 baseline.

Energy Intensity Metric reduction

In 2023, Beneco consumed 4,867,948.82 kWh of energy while producing 328.41 million cartons, resulting in an energy intensity of 14,822.78 kWh per million cartons. In 2024, total energy consumption was 5,101,328.854 kWh and production increased to 408.6 million cartons, resulting in an improved energy intensity of 12,484.9 kWh per million cartons. This represents a 15.77% reduction in energy intensity compared to the 2023 baseline, indicating improved energy efficiency relative to production output.



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 (L)	2815
Non-hazardous waste (L)	27210
Non-hazardous waste (tons)	157.5
Total waste sent for recovery / recycling (tons)	3538
Paperboard	24.817
Metal (CTP Plate and Ink Cans)	

Noise survey

Conducted on 25 October 2024 by a third party named GTA Environmental at both plants. 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.



IFS PacSecure Certification

The Cobourg facility achieved an impressive IFS PacSecure audit score of 99.62%, with the certificate valid until 01 November, 2025. The Scarborough facility also passed the audit, receiving a score of 96.89%, with its certificate valid until May 23, 2025. IFS PacSecure is a standard for auditing product and process compliance concerning packaging material safety and quality.



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.

Air Quality Survey

An air quality survey was conducted on 1 November 2024 to assess workplace environmental conditions. The survey monitored key air quality indicators, including sulfur dioxide (SO₂), nitrogen dioxide (NO₂), nitrogen monoxide (NO), carbon monoxide (CO), carbon dioxide (CO₂), hydrogen sulfide (H₂S), particulate matter across a size range of 0.0005 to 100 micrometers, total volatile organic compounds (TVOC), as well as ambient temperature and relative humidity.

Overall, the results were satisfactory, with all monitored parameters, including particulate levels, found to be within applicable government regulatory limits.



EcoVadis Certification

Beneco Packaging is proud to have achieved a Gold Medal from EcoVadis in 2024, demonstrating our commitment to sustainability and responsible business practices. With a score of 79 out of 100, we rank among the top 1% 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.

FSC Certification



CAMSC Certification

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

Beneco Packaging is certified under Forest Stewardship Council (FSC) Chain of Custody program, demonstrating its commitment to responsible sourcing and the use of sustainably managed forest-based materials. The FSC license Code is FSC-C192694.

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.

