# Latoplast Ltd. Efforts to Mitigate and Prevent Child Labour and Forced Labour

## Introduction

Latoplast Ltd. (Latoplast) is committed to maintaining ethical standards in its business operations and supply chains. This report details the company's efforts to mitigate and prevent child labour and forced labour, highlighting the risks, due diligence measures, and concrete actions taken. The report aligns with the new reporting requirements, as outlined in *The Fighting Against Force Labour in Supply Chains Act,* ensuring transparency and accountability.

By establishing formal policies, codes of conduct for colleagues and suppliers, comprehensive compliance standards, and a robust governance framework, Latoplast intends to uphold the rights of customers, colleagues, and employees, as well as the many workers, including migrant and temporary laborers, across Latoplast's supply chain. Latoplast is dedicated to protecting human rights, driven by a strong belief in doing what is right. The company pledges to create a safe and inclusive experience for all colleagues and workers across its value chain, as well as for the many customers who choose its products.

## Company Overview

### Definition and Reporting Activities

Latoplast. qualifies as an "entity" under the new reporting requirements due to its involvement in commercial activities related to the production, supply, and distribution of Personal Protective Equipment (PPE), Safety Clothing and gloves under the brand *Forcefield.* Sub-brands under the Forcefield banner include *Delta Force, Samurai, Forcefield Disposable Gloves* and *Forcefield Protective Clothing.* The company's reporting activities encompass its entire supply chain in the production of products under these brands, from raw material sourcing to final product distribution.

### Sectors and Industries

Latoplast operates in the PPE and Occupational Health and Safety Market, providing products for various applications, including manufacturing, construction, and other activities requiring the use of PPE. The company is involved in:

- **Design & Manufacturing**: Producing a wide range of PPE and Safety Products
- **Retail**: Distributing products to consumers and businesses within Canada.
- **Distribution**: Ensuring products reach markets within Canada.

## Risk Analysis

### Source Countries and Regions

Latoplast's supply chain spans multiple countries, each with varying risks of forced and child labour. The key regions and their associated risks are:

- **China**: Primary supplier of a wide variety of raw materials:  fabric, leather, vinyl and nitrile, and finished products – gloves and garments and PPE -- with risks of forced labour in the manufacturing and production of these items.
- **Pakistan and Bangladesh**: Supplier of leather gloves and knitted fabric gloves with risks of child labour in the manufacturing and packing process.
- **Thailand and Malaysia**: Suppliers of dipped nitrile and latex gloves, with risk of forced labour with respect to foreign guest workers in packaging operations.

### Identified Risks

Latoplast has identified several risks in its supply chain:

- **Child Labour**: High prevalence in manufacturing in Southeast Asia and South Asia.
- **Forced Labour**: Significant risks in China (Xinjiang) and parts of Southeast Asia (Malaysia), particularly in factories hiring foreign workers.

# Steps taken to Reduce Risks of Child Labour and Force Labour

1. **Governance:** Latoplast is developeding a Supplier Code of Conduct, which includes a section on the prohibition of involuntary labour practices within our operations and supply chain.
2. **Training:** Latoplast will provide mandatory training on the Supplier Code of Conduct for select employees whose role requires them to interact with Latoplast Suppliers.
3. **Supply Chain Audits**: Conducting detailed audits of primary and secondary suppliers to assess compliance with labour standards according to local laws. We engaged well-known third party auditors such as SGS, Bureau Veritas, Intertek, BSCI and Elevate to engage in audits relating to compliance with local laws respecting age of workers, hours of work, correct payment of wages for regular wages, overtime wages and overtime.limits and piece work wages as well as lawful participation in national health and pension benefit plans; these audits also evaluated electrical and fire safety compliance within the factory premises and the appropriate supply of safety equipment to workers in the factory.
4. **Tracking and Monitoring**: Evaluating suppliers based on geographic location, industry practices, and historical compliance records. For example, we do not buy cotton fabric from China but purchase US cotton for use our factory partners in China to reduce risk of using cotton produced with forced labour in Xinjiang.
5. **Disclosure**: Latoplast has made publicly available **Tier 1 factories (See Addendum)** who have made and shipped Forcefield branded products.

### External Assessments

Latoplast Ltd. engages external organizations specializing in labour rights to conduct independent assessments of forced and child labour risks. These assessments included:

- **Field Visits**: Independent inspections of manufacturing facilities by the third-party inspection firms named above. These audits include inspection of all workers national identity cards to ensure no underage workers are employed.
- **Stakeholder Consultations**: Third party inspectors meet privately with randomly chosen workers during their factory inspections to have candid discussion out of view and earshot of factory owners and management to discuss work conditions generally and compliance with local labour, employment and health safety laws.

### Prioritization Exercises

Latoplast Ltd. conducted prioritization exercises to focus due diligence efforts on the most severe risks. This involved:

- **High-Risk Suppliers**: Identifying suppliers in regions with a high incidence of labour violations and prioritizing their assessment and remediation.
- **Critical Supply Chain Points**: Focusing on areas with the highest likelihood of child or forced labour.

## Concrete Actions Taken

### Identifying Risk Areas

Latoplast Ltd. identified several areas within its activities and supply chains that carry risks of forced labour including:

- **Manufacturing Facilities in Southeast Asia**: Higher risk of forced labour in Malaysia disposable glove factories
- **Raw Material Suppliers in China**: Potential forced labour due to local practices.

### Remediation Measures

To address these risks, Latoplast will implement several measures:

- **Supplier Contracts**: Enforcing strict compliance with child labour and forced labour regulations through contractual obligations. For example, for the sourcing of cotton, Latoplast has ensured that all cotton used in our end-products originates does not originate from Xinjiang, as set out in our supplier agreements.

- **Training Programs**: Providing mandatory training on labour rights and ethical practices for employees whose role requires them to interact with Latoplast Suppliers
- **Regular Audits and Corrective Action Plans**: Conducting unannounced audits of suppliers to ensure ongoing compliance with labour standards. Where violations and/or shortfalls in practice are found, the supplier is required to submit a Corrective Action Plan (CAP) and outline a time frame within which we may expect these corrections to take place. A follow-up audit, customarily within a year, provides a view of the success of the remediation.

Latoplast will establish a Supplier Code of Conduct. Suppliers will be required to ensure their operations comply with its terms. They must also share the Supplier Code of Conduct with any related parties, such as contractors, agents, sub-contractors, sub-agents, and labor agencies involved in providing goods or services for Latoplast. Additionally, suppliers must monitor the compliance of these related parties and immediately report any known violations to Latoplast representatives. If a supplier fails to comply with the Supplier Code of Conduct, Latoplast reserves the right to demand corrective action. Should the supplier fail to implement corrective measures or continue to violate the Supplier Code of Conduct, Latoplast may, at its sole discretion and without further obligation to the supplier, suspend or terminate its relationship with the supplier. Serious or repeated violations may result in the permanent delisting of factories or suppliers.

### Training on Labour Standards

Latoplast will review with its suppliers the training programs on forced labour and child labour which it conducts with its employees. Our suppliers and factories work with many clients from North America and Europe and are aware of the mutual interest of all these customers in adherence to local labour standards and ethical practices.

- **Mandatory Training**: This will be required for all employees whose role involves interacting with suppliers, and will cover labour rights, ethical practices, and reporting mechanisms.
- **Specialized Workshops**: For managers and procurement teams to enhance their understanding of labour risks and mitigation strategies.

## Assessing Effectiveness

Latoplast intends to employ several methods to assess the effectiveness of its measures to prevent child and forced labour:

- **Performance Indicators**: Establishing and tracking compliance rates, instances of identified labour violations, and remediation outcomes.
- **Partnerships**: Collaborating with external organizations for ongoing monitoring, support, and capacity building.
- **Supplier Feedback**: Collecting feedback from suppliers to improve due diligence processes and address any emerging issues.

### Audits and Inspections

Regular audits and inspections will be crucial to ensuring compliance with labour standards. Latoplast intends to conduct regularly planned audits of all suppliers customarily once a year or as required.

### Performance Monitoring

Latoplast intends to monitor performance through:

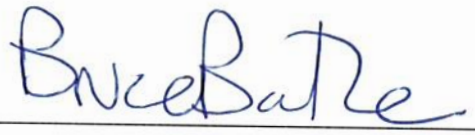
- **Key Performance Indicators (KPIs)**: Establishment of specific metrics related to labour practices and compliance.
- **Incident Reporting Systems**: Establishment of mechanisms for workers and stakeholders to report violations anonymously.

# Conclusion

Latoplast remains dedicated to eliminating child labour and forced labour from its business activities and supply chains. Through the establishment of comprehensive risk assessments, stringent supplier requirements, and ongoing monitoring, the company aims to uphold the highest ethical standards and protect the rights of all workers involved in its operations. The concrete actions taken demonstrate Latoplast's commitment to ethical business practices and continuous improvement in labour standards.

Latoplast will continue to refine its due diligence measures, enhance training programs, and strengthen partnerships to ensure that forced labour and child labour are eradicated from its supply chain. The company is committed to transparency and accountability, providing regular updates on its efforts and progress in this critical area.

**APPROVAL AND ATTESTATION**: 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 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.



Name: Bruce Batler

Title: Executive Chairman

Date: August 30, 2024

I have the authority to bind Latoplast Ltd.

**Addendum, Tier 1 Factories**

| FACTORY NAME | COUNTRY |
|---|---|
| ANHUI LIGHT INDUSTRIES | CHINA |
| BLUE SAIL (HONG KONG) TRADING | CHINA |
| COVCO (H.K) LIMITED | CHINA |
| FUZHOU SAFEMATE WORLDWIDE LTD | CHINA |
| GARBOTEX DEVELOPMENT MFG CO | CHINA |
| GLOBE GLOVES MFG. CO. LTD. | CHINA & BANGLADESH |
| HANGZHOU HUALAN GARMENTS | CHINA |
| INNOVATIVE GLOVES CO., LTD. | THAILAND |
| JIANGSU SAINTY LAND-UP | CHINA |
| JIANGSU TONSUN SAFETY PRODUCTS | CHINA |
| MAX CONCEPT DEVELOPMENT | CHINA |
| MIDAS SAFETY | PAKISTAN |
| MONARCH LTD | CHINA |
| NANO-METRE INDUSTRIAL LIMITED | CHINA |
| NINGBO LEADERS IMP. & EXP. | CHINA |
| PERFECT GLOVES MFG. CO.(PVT) | PAKISTAN & BANGLADESH |
| SHANGHAI INCHOI SAFETY | CHINA |
| TG WORLDWIDE SDN BBD | MALAYSIA |
| TUNG SING GLOVES FTY LTD | CHINA |
| UNIGLOBE MANUFACTURING | CHINA |
| WATSON INDUSTRIAL | CHINA |
| ZHEJIANG SHUNFA SAFETY | CHINA |
| ZHEJIANG YOYO REFLECTIVE | CHINA |
| ZIBO INTCO MEDICAL PROD (USD) | CHINA |