

## Fighting Against Forced Labor and Child Labor in Supply Chain Act Report

### 1. Introduction

This document constitutes the Annual Report (the “**Report**”) pursuant to section 11(1) of the *Fighting Against Forced Labor and Child Labor in Supply Chain Act* (the “**Supply Chain Act**” or the “**Act**”). The Report is a joint report filed on behalf of the following entities:

- Polymershapes Distribution Canada, Inc. and its predecessor Groupe PolyAlto Inc.
- Laird Plastics (Canada), Inc. and its successor Plastics Family Canada Holdings, Inc.
- EM Plastic & Electric Products Limited and its successor Plastics Family Canada Holdings, Inc.

(each a “**Reporting Entity**” and collectively, the “**Reporting Entities**”, “we”, “us” or “our”) covering the financial year ended December 31, 2023.

Forced labor and child labor are contrary to our purpose, vision and values. We do not tolerate forced labor and child labor in our organizations or in those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect employees, contract workers and directors of each Reporting Entity and subsidiaries of each Reporting Entity to act with integrity and to comply at all times with the letter and spirit of the laws, regulations and rules applicable to each Reporting Entity in the jurisdictions where we operate and in particular with respect to the Act. If instances arise where these expectations are not met, we will strive to respond in an appropriate manner.

This Report outlines the policies and procedures we have in place and the steps taken by us in Canada to reduce the risk that forced labor and child labor is used at any step of the production of goods in Canada or elsewhere by us or of goods imported into Canada by us or third parties supplying us.

We obtain the commitment of our suppliers, through onboarding documents, reviews, and ongoing Terms and Conditions, on a series of key themes dealing with legal compliance and environment commitment, including on the avoidance of the use of forced labor and child labor.

Those documents are an essential condition for obtaining a commercial partnership with us. By signing the supplier onboarding paperwork, and following our Terms and Conditions for Purchase Orders, suppliers and subcontractors undertake not to resort in any way, shape or form, either directly or through their own subcontractors or suppliers to illegal practices, including forced or mandatory labor and to child labor.

We are an equal opportunity employer. Our career opportunities are posted, and external candidates voluntarily apply to positions which ensures that all workers are recruited willingly. To ensure no individual below the legal age to work in their jurisdiction is employed, we validate personal information, including the date of birth, upon hire.

All new Canadian employees complete a handbook review and sign off on its policies and code of conduct, including promotion of a healthy and safe work environment, compliance with laws, including immigration laws, avoidance of discrimination, and equal employment opportunity.

## **2. Our structure, operations and supply chains**

All of the Reporting Entities covered by this Report are corporations. The Reporting Entities are either (i) producing goods in Canada, (ii) selling goods in Canada or abroad; (iii) distributing goods in Canada or abroad; or (iv) importing into Canada goods produced outside of Canada.

The Reporting Entities design, produce and distribute performance plastics solutions that are found everywhere in our daily lives, including transportation, infrastructure, building and construction, and many industrial applications. These solutions provide Reporting Entities' customers with benefits in terms of performance and sustainability, while meeting the challenges that shape the future of the economy and society. In Canada, the Reporting Entities employ approximately 300 employees in total.

Purchasing is carried out at two different levels in our supply chain:

- Direct manufacturing purchases such as plastic materials, and
- Indirect purchases such as packaging and utilities

## **3. Policies, due diligence and controls**

All purchasing activity across our supply chains is based on a common framework, which aims to manage and reduce environmental, social and societal risks associated with our supply chains including forced labor and child labor.

Each Reporting Entity has its own handbook which includes a code of ethical conduct that includes workers health, safety and employment rights. These Principles govern the activities of all management teams and employees in the exercise of their professional responsibilities, regardless of the country involved. These Principles help us achieve responsible and sustainable growth, in accordance with our long-term strategy.

The Reporting Entities must ensure that employees' rights are respected. They must promote an active dialogue with their employees. In addition, and without limitation, they must respect the following rules, even if not provided for by applicable local law: they are expected to refrain from any form of recourse to protected by human rights laws, and they must refrain from any form of discrimination with respect to their employees, whether in the recruitment process, at hiring, or during or at the end of the employment relationship.

## **4. Risk Assessment Methodology and Results of Assessment**

Forced labor and child labor risks in our supply chain are identified through our purchasing program. Prior to initiating commercial transactions, each direct material supplier is required to complete an onboarding information packet designed to identify that supplier's profile and insurance information.

In addition, we have implemented a policy such that each new Canadian direct material supplier is required to sign our supplier code of conduct indicating that they will:

- Will comply with all applicable laws and regulations in the provision of products or services.
- Will undertake your operations in compliance with all applicable environmental, health, safety and security regulations.
- Will avoid any interaction with any employee that may conflict, or appear to conflict, with that employee acting in the best interests of our business.
- Will create, retain and upon request, provide, accurate records of all matters related to the provision of goods and services. Will protect confidential information and act to prevent its misuse, theft, fraud, or improper disclosure.

- Will comply with all applicable national and international trade control regulations and promptly inform us if any of the products or technologies that you provide are subject to export/import controls restrictions.
- Will ensure that all aspects of their supply chain are free from forced, bonded, or involuntary labor. You will implement necessary due diligence processes to verify compliance with this requirement.

To the best of our knowledge, the supplier onboarding information packet, continued reviews, and adherence to the code of conduct, helps to identify poor or non-existent management processes, which can be indicators of the risk of forced labor and child labor within our supply chain.

For certain types of goods and services, such as international downstream sub-contractors, the prevalence of this risk increases for suppliers and subcontractors located further down the supply chains. Understanding the risk for these indirect suppliers over which we have little control and visibility is complex and difficult and is likely to require certain additional measures that we may decide to implement in the future.

We recognize that our onboarding and review process is an ongoing process subject to refinement and improvement, and we strive to continually monitor and improve our process.

Suppliers deemed to have a high risk through our onboarding evaluation will be evaluated more thoroughly. Depending on the level of risk identified, the validity period of the evaluation is determined and where required a corrective action plan is implemented. Our approach is to work with the supplier to improve their performance.

In addition, our Terms and Conditions of purchase include standard contractual terms that highlight and require those we do business with to comply with all applicable laws, rules, regulations and orders in performing its obligations under the purchase agreement, including environmental, health and safety laws and regulations, immigration laws and those dealing with equal employment opportunity.

## **5. Risks of forced labor and child labor in our operations and supply chains**

To the best of our knowledge, we have not identified risks of forced labor and child labor in our operations and supply chains.

## **6. Remedial Action Taken**

Since we have not identified any forced labor or child labor in our activities and supply chains, we have not taken any remediation measures. We maintain an anonymous hotline to report issues or complaints, and we are committed to protecting whistleblowers who act in good faith.

We adhere to all applicable labor laws and regulations concerning the employment of migrant workers, ensuring fair treatment, appropriate compensation, and a safe working environment for all employees.

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

## **7. Our training**

Understanding and complying with the handbook and code of conduct is a condition of working at any Reporting Entity, and employees and contract workers must complete these documents at time of onboarding.

People at every level within our company are individually responsible for applying our principles and code of conduct. Each level of management carries its own responsibility for ensuring that

these principals are applied.

We provide periodic training on workplace safety and encourage employees to look for indicators of possible violations of human rights. Each Reporting Entity works to identify, investigate and report potential cases of forced labor and child labor as a predicate offence.

We conduct periodic internal audits to ensure compliance with payroll procedures and supplier documentation, which are used as a further training opportunity.

General management is committed to implement awareness and training programs and to decide on appropriate methods to verify compliance with our code of conduct and principles.

## **8. Assessing our effectiveness**

We intend to continue to assess and refine our policies to measure our success in operationalizing and continuously improving our approach to human rights and labor laws. The effectiveness of a Reporting Entity's industry-specific process is regularly evaluated to confirm it remains current and aligned with business activities, regulatory developments, industry standards and best practices. By doing so, each Reporting Entity adheres to all applicable laws and regulatory requirements in the jurisdictions in which we operate, including guidance on risk related to forced labor and child labor.

We conduct ongoing screening of all suppliers, which allows us to baseline a supplier's risk profile and subsequently flag and assess any activities that would violate our supplier code of conduct or Terms and Conditions. We discuss any instances where corrective actions are required with the supplier and track these issues from beginning to completion. No instances were raised for review, and there were no forced labor or child labor incidents related to our suppliers identified through our supplier monitoring procedures.

To assess the effectiveness of our approach to these risks, we consider input from relevant internal and external stakeholders.

In preparing this Report, each Reporting Entity engaged other entities it owns or controls. It also consulted with key areas of our organization to prepare this Report, including Procurement, Payroll, and our external legal counsel. These teams operate across our enterprise, including across the subsidiaries to which this Report applies. This consultation process has supported our enterprise-wide approach to labor laws including forced labor and child labor.

## **9. Approval**

This Report was approved by the governing body of each Reporting Entity on May 20, 2024.

## **10. Conclusion**

Each Reporting Entity remains committed to preventing forced labor and child labor from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures and practices periodically to determine any enhancements we can make to help prevent forced labor and child labor and any other forms of human rights abuse.

## **11. Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, hereby attest that I have reviewed the information contained in the report for the entities listed below. Based on my knowledge, and after having exercised reasonable due diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as an Officer of each of the Reporting Entities.

Dated this 20th day of May, 2024

Polymershapes Distribution Canada, Inc.  
and its predecessor Groupe PolyAlto Inc.



Per: \_\_\_\_\_

Christopher Chotard, CFO. I have the authority to bind this Reporting Entity.

Laird Plastics (Canada), Inc. and its  
successor Plastics Family Canada  
Holdings, Inc.



Per: \_\_\_\_\_

Christopher Chotard, CFO. I have the  
authority to bind this Reporting Entity.

EM Plastic & Electric Products Limited and  
its successor Plastics Family Canada  
Holdings, Inc.



Per: \_\_\_\_\_

Christopher Chotard, CFO. I have authority to bind this Reporting Entity.