

# **Fighting Against Forced Labour and Child**

## **Labour in Supply Chains Act**

FY 2024 Report

**Lamour Hosiery Mfg Inc.**

**Reporting Entity's Legal Name:** Lamour Hosiery Mfg Inc., Lamour Global Inc.

**Financial Reporting Year:** 2024

**Identification of Revised Report:** Not applicable

**Business Number (S):** 102956232RC0001, 857493126RC0001

**Identification of Joint Report:** Yes, this report covers both Lamour Hosiery Mfg Inc. (102956232RC0001), and Lamour Global Inc. (857493126RC0001), and the US entities Terramar Sports, Inc. and Trimfit Global Inc. which have operations in Canada.

**Identification of Reporting Obligation in Other Jurisdictions:** Not applicable

**Entity Categorization according to the Act:** Lamour Hosiery Mfg Inc., Lamour Global Inc., Terramar Sports, Inc., and Trimfit Global Inc. each all have a place of business in Canada where goods are distributed and employees are located, have at least \$20 million in assets, and have generated at least \$40 million in revenue in at least one of its two most recent financial years.

**Sector/Industry:** Wholesale importer of apparel garments

**Location:** Canada

**Date:** 05.30.2025

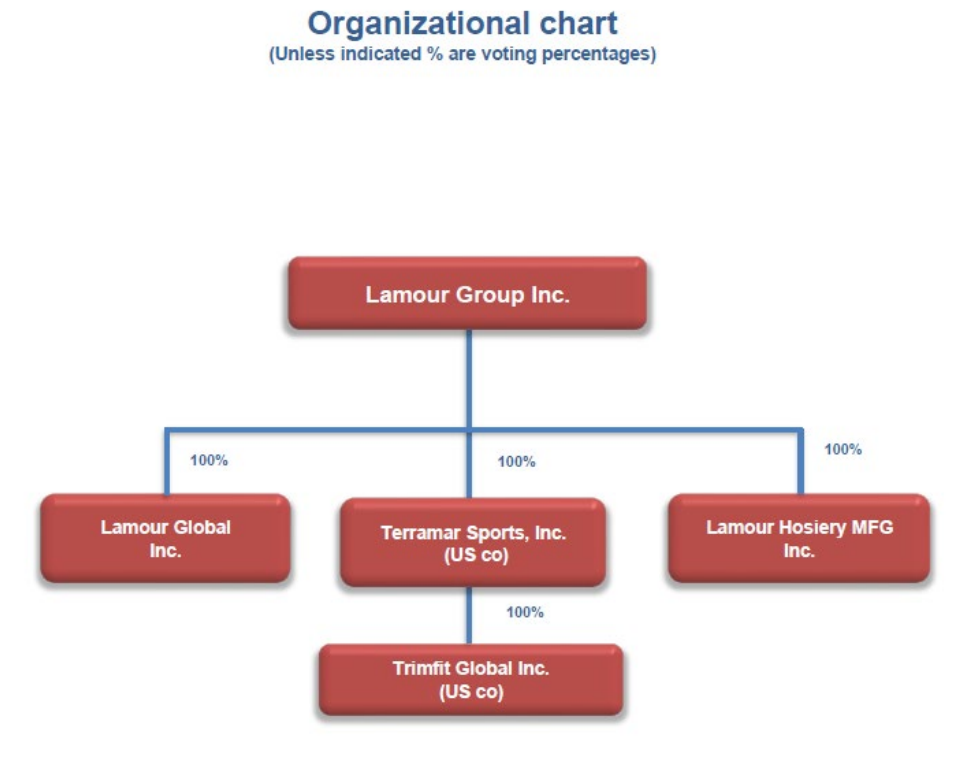
## **Executive Summary**

This report serves to outline our company's compliance, Lamour Hosiery Mfg Inc. and Lamour Global Inc., with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, an act aimed at combating forced labour and child labour within the supply chains of Canadian companies. The legislation mandates that businesses take measures to identify, prevent, and address instances and risks of forced labour and child labour in their operations and supply chains. This report provides an overview of our efforts to comply with the requirements of the bill, including policies, procedures, supplier engagement, and training initiatives. We hope to continue to promote safe and fair labour practices globally.

**Introduction**

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), the result of Canadian Bill S-211, is designed to address the issue of forced labour and child labour in supply chains and implement Canada’s international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations of both Government institutions and entities. It requires entities operating in Canada to take proactive steps to ensure that their products and services are not linked to these egregious practices. Compliance with the Act is essential for upholding human rights, promoting ethical business practices, and mitigating reputational risks. As a garment importer and manufacturer, Lamour Group Inc. and its subsidiaries (see corporate organigram below) is committed to upholding compliant labour practices across its supply chain, supporting the Act’s mandate.

**Corporate Organigram (Ownership & Voting Shares)**



## **Requirement (a) - Structure, Activities, and Supply Chains**

**Structure:** Lamour Hosiery Mfg Inc. and Lamour Global Inc. (“Lamour”) is a privately-owned, multinational importer and wholesaler corporation headquartered in Montréal, Canada at 200-55 Rue de Louvain Ouest. Lamour is part of a group that has been in business for over 70 years and operates across various sectors with a focus on apparel and hosiery manufacturing to several major retailers and licensed brands around the globe. Lamour includes the Canadian entity, Lamour Hosiery Mfg Inc. (102956232RC0001), the international entity, Lamour Global Inc. (857493126RC0001), which are both under the holding company, Lamour Group Inc. The group also operates an office in New York (463 7th Avenue, Suite 1301, New York, NY) and is comprised of the following affiliates both of which have design functions at our Montréal office:

- Terramar Sports, Inc.
- Trimfit Global Inc.

Lamour employs 232 people within Canada across its company operations. Additional warehouse employees manage our inventory and transportation logistics at our company-controlled and third party-logistics warehouses.

**Activities:** In 2024, Lamour continued its import and distribution of goods both domestically and internationally. The company’s activities included product development and design, sourcing, production and quality control, compliance, importing, packaging and shipping, and warehousing of apparel products from multiple countries to Canadian and global customers. Lamour imports a variety of apparel types, including socks, intimates/undergarments, base layers, outerwear, sleepwear, and other garments and accessories for our retail customers. In FY 2024, Lamour and its customers received millions of units from 60+ suppliers worldwide. Lamour also operates a Canadian warehouse in Montréal and two American warehouses, both in North Carolina (Hildebran, NC and Lenoir, NC), to hold inventory destined to our retail customers.

**Supply Chain:** Lamour 's supply chain spans multiple countries, throughout each stage of the supply chain, communication and collaboration with suppliers, manufacturers, logistics providers, and other stakeholders are essential to ensure smooth operations and timely delivery of qualified products to our customer. Regions covered in our supply chain include Bangladesh, Cambodia, Canada, China, Egypt, Hong Kong, India, Pakistan, Slovenia, Taiwan, United Kingdom, and United States. These regions encompass our suppliers, warehouses, and office spaces. Transparency and sustainability initiatives are integrated into these steps to promote ethical practices and minimize environmental impact:

- **Product development and design** are conducted by Lamour's global customers or its internal design and product development team.
- **Sourcing** raw materials and suitable suppliers, often involving contract negotiations while maintaining quality standards and compliance requirements to ensure consistency and sustainability in the supply chain.
- **Production and quality control** to ensure products and their manufacturing facilities meet customer standards in both physical quality and operational execution.
- **Compliance** management at the factory-level, where local compliance officers inspect goods during production, and at our head office, where the team conducts factory visits and prepares regulatory disclosures to uphold local laws, ethical business practices, and environmental sustainability.
- **Importing** from suppliers which are mainly located in Asia, such as Bangladesh, Cambodia, China, Hong Kong, India, Pakistan, and Taiwan.
- **Packaging and shipping** to ensure ethical and sustainable transportation within customer deadlines, factoring in packaging materials, mode(s) of transport, and labour considerations at each stage.
- **Warehousing** finished inventory in controlled, rented, and third-party logistics warehouses across North America, ensuring compliance with employment standards and energy efficiency improvements.

**Requirement (b) - Policies and Due Diligence Processes:**

Lamour has developed comprehensive policies and due diligence processes to address forced labour and child labour risks in its supply chains. As a trusted supplier to major retailers and brands in Canada, USA and UK, Lamour has continuously strived to collaborate with suppliers that practice a policy of transparency and good corporate governance. In fact, Lamour has always ensured that its suppliers do not indulge in unethical practices even at a time when no legal framework related to labour and human right existed. These includes:

- Embedding responsible business conduct principles into company vendor manual and management systems. Refer to Annex A.
- Conducting regular risk assessment through internal audit or third-party audit to identify and assess potential risks of forced labour and child labour in the supply chain. Refer to Annex B.
- Implementing supplier codes of conduct and contractual clauses requiring supplier to adhere to ethical labour practices. Refer to Annex C.
- Engaging with stakeholders, employees, and suppliers through communication, training, material sharing to promote awareness and collaboration on labour rights issues. Refer to Annex D.

Although Lamour did not have a written due diligence policy until recently, this does not mean that no due diligence was done prior to starting to work with a new supplier. The procedure to onboard a new supplier in relation to social compliance is as follows:

1. Assessment of the reputation of the supplier from its customers portfolio and social compliance certifications. Suppliers in high-risk countries, known for poor labour management practices, are subject to more scrutiny.
2. Gathering information via networking with partners in the region.
3. A study of its supply chain and relationship with its suppliers up the chain.

4. The supplier in question must sign a pledge that no materials are purchased from restricted areas and no part of the production process takes place in these areas too.
5. The supplier also must commit to ethical labour standards that meet the requirements of customer supply chain compliance policy and their local laws.
6. A site visit and internal audit of the facility by a member of the Lamour compliance team.
7. The new factory's audit report and recommendations are shared with the sourcing team for final approval. Meanwhile, a corrective action plan is raised for any non-compliance found during the audit. It is imperative that new supplier commit to correcting the issues within a mutually agreed timeline. If the issues are not corrected, Lamour would not work with this supplier.
8. Suppliers are subject to additional audits from Lamour's compliance team, Lamour's customers, and third-party auditors to ensure ethical labour management, environmental protection, and product quality initiatives are maintained.

### **Requirement (c) - Forced Labour and Child Labour Risks**

Lamour has identified various parts of its activities and supply chains that carry a risk of forced labour and child labour. These risks include:

- **Raw material extraction:** *Risks of forced and/or child labour in farming operations for cotton, and other plant-based materials, especially in regions where agricultural labour has weaker regulations.*
- **Factories:** *Risks of forced and/or child labour in subcontracted factories for raw material and accessory processing, particularly in regions with weak labour regulations.*
- **Warehousing:** *Risks of forced and/or child labour in the garment industry warehouses has been historically high, particularly in regions where weak labour regulations or enforcement mechanisms are higher due to lack of education, limited job opportunities, and/or lack of oversight.*

- ***Distribution channels and supply chain intermediaries:*** *Risk of forced labour in transportation and logistics services, which increases as the distribution channels become more complex over multiple jurisdictions with differing labour regulations.*

To mitigate the risk of working with non-complaint suppliers with respect to forced and child labour, Lamour has reinforced its sourcing and compliance teams by hiring a Compliance Officer (located in Asia) and a Compliance Analyst (located in Montréal) to support the Director of Compliance responsible for managing these efforts. However, our visibility of the supply chain is limited to Tier 1 and to some extent Tier 2 suppliers for the moment. It is a daunting task to have complete visibility of the whole supply chain because there are many actors operating in it who may not be in the same location or country. Lamour recognises that the textile and apparel industry employ a vast number of workers who are either uneducated or poorly educated. This fact puts the workers a higher risk of exploitation from unscrupulous factory owners. The situation is more complicated with foreign suppliers because of barriers like language and culture. Therefore, to ensure compliance and to overcome geographic and language barriers, local compliance officers and country managers enforce Lamour's code of conduct and compliance standards. As well, Lamour has ensured all its major suppliers sign a Supplier Anti-Forced Labour and Anti-Child Labour Pledge to ensure that the risks of forced and child labour are clearly communicated, and suppliers are committed to maintain ethical labour standards that is compliant with the Act. The pledge (Annex C) and Lamour's social compliance manual (Annex A) outlining these previous policies can be found annexed.

### **Requirement (d) - Remediation Measures**

Considering the growing concern of the labour situation in the industry, Lamour, as an ethical business entity, has implemented the following measures to counter the use of forced and child labour by its suppliers and reinforce its control on the suppliers' operations.

- Conducting internal local audits alongside third-party audits from globally recognized manufacturing auditors.
- Requiring the suppliers to have at least one of the major social compliance certifications.
- Interviewing employees during internal audits and ensuring that they have safe, spacious working environments.
- All suppliers must have a written forced and child labour policy.
- All suppliers must sign a pledge not to use forced and child labour anywhere in its supply chain.
- Monitoring of activities and corrective actions through frequent local visits.
- Engaging with the suppliers' management team to ensure that employment and recruitment is voluntary, and that all documents are recorded for verification at any time.
- No photocopy of a document is acceptable during our audit. All documents must be original.

As mentioned above, only our Tier 1 suppliers are concerned for the moment by our measures. Tier 2 suppliers are engaged upon request by our customers. Lamour also tries to work with nominated material suppliers as far as possible to mitigate the risks in this sector. These suppliers have a higher degree of credibility.

It is particularly challenging to have traceability of the materials and gain the access to the labour practices of suppliers upstream the supply chain. Lamour has been contemplating the use of scientific tests like chemical profiling and DNA to ascertain the origin of certain materials, like cotton, especially when the materials are sourced from high-risk countries. The cost of these tests is prohibitive as we have already implemented this method with one key customer. Lamour is planning to implement these tests on a larger scale once the price of these tests becomes reduced with greater adoption by other garment companies.

Fortunately, none of Lamour's suppliers have ever been caught employing forced or child labour. Nevertheless, there are protocols in place if ever a case of forced or child labour would be reported at any of our suppliers. The procedures are as follow:

1. Immediate stop of all production and no new purchase orders can be issued to the supplier till further notice.
2. An internal inquiry is initiated, and a third-party audit may be requested.
3. A site visit is arranged.
4. Suppliers are engaged to address labour violations through corrective action plans.
5. The case is reported to the customer and all information from the inquiry is shared.
6. Progress of the corrective actions are assessed, providing support to supplier when needed.
7. Cancellation or resumption of production is assessed based on the outcome of the investigation and implementation of the corrective action.
  - i. Supplier relationships and existing contracts can be terminated if unwilling to comply with ethical labour standards.

### **Requirement (e) – Remediation of Loss of Income**

Lamour has never encountered the loss of income to vulnerable families within its supply chain because of the due diligence processes in place to eliminate forced labour and child labour. Although, we have not dealt with this issue with our suppliers, Lamour is committed to fair compensation to the families at risk within its supply chain and would be prepared to manage these situations as they arise to ensure ethical labour compliance is maintained.

### **Requirement (f) - Training**

Lamour provides mandatory internal and external training on forced labour and child labour to its compliance and quality assurance teams and to all suppliers. This training covers topics such as:

- Outlining forced labour and child labour and key risks that lead to their proliferation.
- Reinforcing the company's policies and procedures related to ethical labour practices.

- These company policies maintain a zero-tolerance policy for forced labour and child labour (defined as any individual under the age of 18, due to the hazardous nature of our supply chain).
- Highlighting reporting mechanisms for addressing labour violations.
- Monitoring and supporting supplier's ethical labour practices.
- Raising awareness of labour rights issues around the world.
- Communicating specific customer policies, such as their supplier code of conduct and compliance standards, with the relevant suppliers.

Lamour collects training records from suppliers (Annex D) to ensure that its training materials cover all important social compliance topics and that all relevant individuals have been trained on these topics.

### **Requirement (g) - Assessing Effectiveness**

Lamour regularly assesses the effectiveness of its measures to prevent and reduce forced labour and child labour risks through below steps:

- Monitoring key performance indicators (KPIs) related to labour rights compliance.
  - These include indicators such as number of hours worked, average age of workers, shift length, employee turnover, and health & safety incidents.
- Conducting internal and external audits to evaluate the implementation of policies and procedures.
- Soliciting feedback from stakeholders, including employees, suppliers, and external auditors to identify areas for improvement.

### **Conclusion**

Commitment to excellence and integrity in all aspects of how it conducts its affairs is at the heart of Lamour's values, and it remains committed to upholding ethical labour practices and ensuring compliance with the

Act. By implementing robust policies, due diligence processes, and remediation measures, maintaining the highest standards of business integrity, compliance, and adherence to international code of business practices, Lamour strives to mitigate the risk of forced labour and child labour in its operations and supply chains. We have acquired a reputation over the years, and we will endeavour to preserve it.

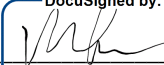
**Attestation**

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of President of Lamour Hosiery Mfg Inc. and Lamour Global Inc., attest that I have reviewed the information contained in the report on behalf of the governing body of Lamour Hosiery Mfg Inc. and Lamour Global Inc. 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 within this report.

Full Name: Martin Lieberman

Title: Vice President

Date: 2025-05-30 Signature: \_\_\_\_\_

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I have the authority to bind Lamour Hosiery Mfg Inc. and Lamour Global Inc.