



May 5, 2024

DELIVERED BY EMAIL & POSTED ON WEBSITE www.watsongloves.com

Re: Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") and reporting requirements

As you may be aware, new legislation has been enacted in Canada which imposes reporting requirements on certain companies who are producing, selling, or distributing goods in Canada or elsewhere or are importing goods into Canada that were produced elsewhere. The reporting requirements surround the company's activities and risks identified and/or actions taken regarding forced labour or child labour in the company's activities and/or supply chains.

The government does not expect that any sector or industry involving the production or importation of goods is entirely free from forced or child labour risks. However, the Act is intended to encourage transparency by companies operating in Canada concerning their actions around these issues.

WATSON GLOVES (the "**Company**") takes its obligations under the Act seriously. To that end, the Company wishes to provide you with information on the efforts the Company currently takes to address the issues of forced and/or child labour:

- 3rd party social compliance audits completed annually where documentation is sent back to Watson Gloves. If a corrective action report is provided, all required actions are followed up on with documentation proving completion.
- A vendor code of conduct is signed annually that strictly prohibits all forms of forced labour and other ethical infractions.
- Factory visits by senior management
- Our own Canadian factory is apart of the Workers United BC Joint Council
- Subcontracting is strictly prohibited which minimizes the risk of unknown forced labour
- Encouragement of further factory certifications proving ethical business, fair employment, and a safe environment.

Reports under the Act are to be submitted by May 31 each year and must be posted on the Company website. Should you have any questions, comments or concerns about the Company's report or the Company's efforts regarding forced labour or child labour, please contact us by email to mmoore@watsongloves.com.

Sincerely,

Martin Moore
Chairman & CEO