

Caplugs, Inc. Report Prepared Pursuant to

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This Report is produced by Caplugs, Inc. ("Caplugs", "our", "us" and "we") for the financial reporting year ended December 31, 2023 (the "Reporting Period") and sets out the steps taken to prevent and reduce the risk that forced labor and child labor was used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

During the Reporting Period, a Supplier Code of Conduct was established and posted on our company website. The Supplier Code of Conduct includes expectations around Child Labor and Forced Labor. Compliance with our Supplier Code of Conduct is included in our Supplier Terms & Conditions. The Terms & Conditions are attached to all Supplier Purchase Orders.

3. Structure, Activities and Supply Chains

Structure: Caplugs, Inc. is a U.S. corporation, incorporated in the state of Delaware with operations in the US, Canada, Europe, China and Australia. Caplugs, Inc. is the sole shareholder of Caplugs Canada Holdings Inc.

Activities: We are a plastic molder specializing in injection, vinyl-dip, vinyl coating, extrusion, rubber compression molding, and die-cutting. Caplugs, Inc. does business and has assets in Canada.

Supply Chains: Our Supply Chain consists of raw materials (resin, colorants, plastisol), packaging (corrugate, bags) and resale items from suppliers around the world.

4. Policies and Due Diligence Processes

During the Reporting Period, we established a Supplier Code of Conduct and posted it on our company website. The Supplier Code of Conduct includes expectations around Child Labor and Forced Labor. The Supplier Code of Conduct is referenced in our Supplier Terms & Conditions. The Terms & Conditions are attached to all Supplier Purchase Orders.

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

During the Reporting Period, our Caplugs China facility confirmed none of their raw material suppliers were located in the Uyghur region. Other than the Supplier Code of

Conduct and steps taken in China, Caplugs, Inc. has not otherwise taken steps during the Reporting Period to assess these risks.

6. Remediation Measures

Caplugs, Inc. did not identify any forced labor or child labor during the Reporting Period in its activities and supply chains and, therefore, did not take any remediation actions during the Reporting Period.

7. Remediation of Loss of Income to the Most Vulnerable Families

Caplugs, Inc. did not identify any loss of income to vulnerable families during the Reporting Period that resulted from measures taken to eliminate the use of forced labor or child labor in its activities and supply chains. Accordingly, Caplugs did not take any steps during the Reporting Period to remediate loss of income.

8. Training

Caplugs did not conduct training during the Reporting Period specific to the prevention of forced labor or child labor in its supply chain.

9. Assessing the Effectiveness in Ensuring that Forced Labour and Child Labour are not Being Used in Entity's Business and Supply Chain

Caplugs did not have a program in place during the Reporting Period to assess the effectiveness of its Supplier Code of Conduct.

10. 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 Period listed above.

Date: May 30, 2024

Name: David H. Williams

Title: Director

Signature: *David H. Williams*

I have authority to bind the corporation.

The Report was approved pursuant to Section 11(4)(a) of the Act by the Board of Directors of Caplugs, Inc. on May 30, 2024.