ANNUAL SUPPLY CHAINS ACT REPORT – 2024

1. REPORTING REQUIREMENT

This report being prepared by Hatley The Little Blue House Inc,. in compliance with its reporting obligations under the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

2. CORPORATE STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Hatley The Little Blue House Inc is a privately owned Canadian corporation. The company, started with a single store in 1984 in its namesake town of North Hatley Quebec selling apparel and gift items. It has grown to over 30 retail stores and supplies over 3000 boutique customers in in 28 countries.

All our products are designed by a talented team of creative professionals at our head office in Montreal, Quebec. After products are designed and production samples are approved, our sourcing department gets to work placing orders across our supply chain. Our products are produced primarily in India and China through a network of carefully selected factories.

3. Social Awareness

Hatley always looks for meaningful ways to give back to the communities in which we operate, such as our support for the Massawippi Water Protection Association, which is dedicated to protecting the lake of our hometown. And In India, where much of the company's clothing is manufactured, Hatley contributes to a local orphanage.

The environment is also always top of mind. There are a lot of ideas as to how a company should operate in an environmentally responsible way, and Hatley the Little Blue House has chosen a simple approach:

Produce products and garments that last. Unlike most mass merchants today, we don't believe in disposable clothing — We produce clothing that is classically designed and well made. As a result, they are cherished and passed on..... *keeping garments in the wardrobe and out of the landfill.*

4. Due Diligence

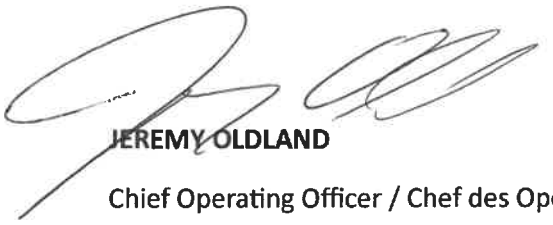
In order to assure all products are produced in an ethical manner and free of child labour all factories are visited annually, and when working with a new factory a social compliance audit is performed by a 3rd party. In 2023 Hatley employees visited 18 factories in India and China and met directly with the ownership and management of all factories. Inspection of factories were done directly by Hatley employees whom are experienced in overseas operations. Hatley also engaged 3rd party inspectors for one inspection.

Hately recognizes that in order to ensure fair labour standards across its supply chain constant vigilance is required. Hatley also recognizes that it can not 100% guarantee that it's standards are applied through out the entire supply chain as there are aspects to sourcing overseas that are not transparent. There are always risks that a factory, may unknowingly subcontract or source from a vendor that does not uphold our ideals. However Hatley will continue to apply it's high standards to all factories it works with directly.

5. APPROVAL AND ATTESTATION

This Report was approved by the board of directors of Hatley The Little Blue House Inc. pursuant to section 11(4)(b)(ii) of the Act.

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 or entities 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.



JEREMY OLDLAND

Chief Operating Officer / Chef des Operations

Hatley The Little Blue House Inc.
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