

About this report

This report is made pursuant to subsection 11(2) of the Fighting Against Forced Labor and Child Labor in Supply Chains Act, S.C., 2023, c.9 (the Act) and has been prepared by Kingfisher Boats which is applicable to all entities it controls.

As required by the Act, this report summarizes the steps that we have taken in the financial year ended August 31 2023 to prevent and reduce the risk that forced labor or child labor is used at any step of the production of equipment or supplies imported into Canada by Kingfisher Boats.

Steps taken to prevent and reduce risks of forced labor and child labor

Kingfisher boats has policies and processes in place to identify, prevent and reduce the risks of forced labor and child labor in our supply chain. These policies and processes apply across our group of companies. We have a zero-tolerance policy for human rights abuses, which includes the use of forced labor and child labor.

As a Manufacturer our exposure in fighting against forced labor lies in our procurement processes, as some of components for our boats comes from outside of Canada.

Kingfisher boats has taken steps to prevent and further reduce the risk of forced or child labor in our supply chains, including:

- Discussing the Act and its requirements with our Advisory Management Group, procurement team and Senior Management, raising awareness of our responsibilities on this issue.
- Maintaining close relationships with key suppliers, including touring manufacturing facilities both in Canada and in the United States to see our components being manufactured.
- Reviewing public disclosures of key publicly listed suppliers to determine their stance on the issue as well as their positions on other human rights issues.
- Providing awareness and information to our procurement department regarding modern slavery risks.
- Submitting authorization for expenditure to the Directors for material capital investments that are scrutinized from a supplier and business standpoint.
- Identifying the areas of our supply chains that may carry a higher risk of forced labor and child labor.
- Communicating the Act with key suppliers that have manufacturing facilities outside of Canada, who otherwise may not be aware of the Act, generating discussion around suppliers' policies regarding the prevention of forced or child labour.
- Retrieving signed agreements from our suppliers to ensure the suppliers we are purchasing were not built with the use of forced or child labor.
- Proclamation added to our purchase orders to state our stance on forced and child labour.



Structure, activities and supply chains

Kingfisher boats is a family-owned company incorporated in British Columbia and headquartered in Vernon, British Columbia.

At Kingfisher Boats, we safely design and build a wide range of welded heavy-gauge aluminum boats. We design and hand-build 22 models distributed by 35 authorized friendly dealers located from Alaska to California to Quebec. We design and hand-build 22 models distributed by 35 authorized friendly dealers located from Alaska to California to Quebec. We design and hand-build 22 models distributed by 35 authorized friendly dealers located from Alaska to California to Quebec. As a manufacturer, many of the parts we rely on are often imported from countries outside of Canada, such as the United States, where there exists strong human rights legislation.

The Kingfisher Boats supply chain consist of hundreds of active suppliers within Canada and USA that provide materials, goods and services to Kingfisher Boats. All the suppliers that we currently purchase from are within North America with a large focus on Canadian Suppliers. For those suppliers outside of Canada, we focus on those that meet our standards surrounding quality, reputation, price, relationship, and a shared commitment in the standard of business conduct that we would expect from a key supplier and partner in our business.

Policies and due diligence processes in relation to forced labor and child labor

Our Health and Safety policies at Kingfisher Boats support human rights and socially responsible business practices. Respect for human rights is rooted in our core values and all aspects of our business which was recognized for overall business performance and sustained growth with the prestigious Canada's Best Managed Companies designation. The 2019 Best Managed program award winners are among the best-in-class of Canadian owned and managed companies demonstrating strategy, capability and commitment to achieve sustainable growth. The fight against forced and child labor is an extension of those policies of treating people fairly and with respect. This extends to our suppliers and how they not only treat the people of Kingfisher Boats, but how they treat their people and run their business.

The due diligence process at Kingfisher Boats starts with vetting the supplier which includes determining the following:

- Reputation for quality
- Capability to deliver the specified products
- Reputation as an employer
- Financial standing
- Reputation in the public eye
- Adherence or understanding of the Act by filling out a Company questionnaire

Following this, further internal discussion is generated in the processes of monthly management meetings, equipment specification discussions and final review and approval by the Board of Directors.



As a company, we strive to build trust and demonstrate respect for human rights and have a zero-tolerance policy for human rights abuses, which extends to the use of forced labor and child labor in any form in our operations or supply chains.

Parts of the business and supply chains that carry a risk of forced labor and child labor and steps to manage that risk

Kingfisher Boats has performed a review of all areas of our business to determine any areas of our supply chain that could carry a risk of forced labor and child labor. Based on this review, we have determined that we do not import goods directly from countries that carry a higher risk for human rights violations. Our sole source of directly imported goods for use in our business over the past fiscal year has been the United States, which maintains a high level of employment standards relative to many other parts of the world. As such, we have not identified any areas of our business of specific concern with a risk of forced or child labor. This review is conducted on a regular basis in accordance with our procurement procedures.

Measures taken to remediate any forced labor or child labor

Kingfisher Boats has not identified any instances of forced or child labor in its activities and supply chains within the financial year ended August 31 2023, and therefore, no remediation measures have been taken.

Measures taken to remediate the loss of income to the most vulnerable families

Kingfisher Boats has not identified any instances of forced or child labor in its activities and supply chains within the financial year ended August 31 2023, and has, therefore, there is no loss of income to remediate.

Training provided to employees on forced labor and child labor

As our Company is managed centrally, the decisions on procurement and capital allocations are held with management at our head office in Vernon, BC. The Act has been presented to Management to generate an understanding of what the Act is and what our responsibilities are as a Company, in general. The act itself, and the Company assessment will be discussed on an annual basis, with training and further materials provided on an ad hoc or as requested basis. Those that require the most knowledge on the subject, including the Advisory Management Group, have been identified and will continue to be aware of our responsibility to identify these risks if and when they do arise.



Assessing effectiveness in ensuring that forced labor and child labor are not being used in our business and supply chains

Our ability to operate and ensure long-term success is linked to how well we identify and manage potential risks to our Company. Assessing the effectiveness of managing that risk is a shared responsibility between all members of the company. We are responsible for identifying and understanding the Company's risks and ensuring that appropriate processes are in place to monitor, manage and mitigate those risks.

Given the nature of our business being manufacturing, forced labor or child labor in our supply chains has been identified as a high risk and has been addressed as such. Our stance on human rights at Kingfisher Boats has a zero-tolerance for these violations. If suppliers are not able to guarantee their compliance, we will take action to mitigate and prevent any risks by finding alternative options.

Within our management structure, accountability for human rights as well as prevention and mitigation and forced labor or child labor in our supply chain, is shared amongst management.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that the Advisory Management Group of Kingfisher Boats has reviewed the information contained in the report.

Based on my knowledge, 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.

Baxter Bolton
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President

Advisory Management Group