

MODERN SLAVERY/FORCED LABOUR STATEMENT (MARCH 2024)



Company Overview

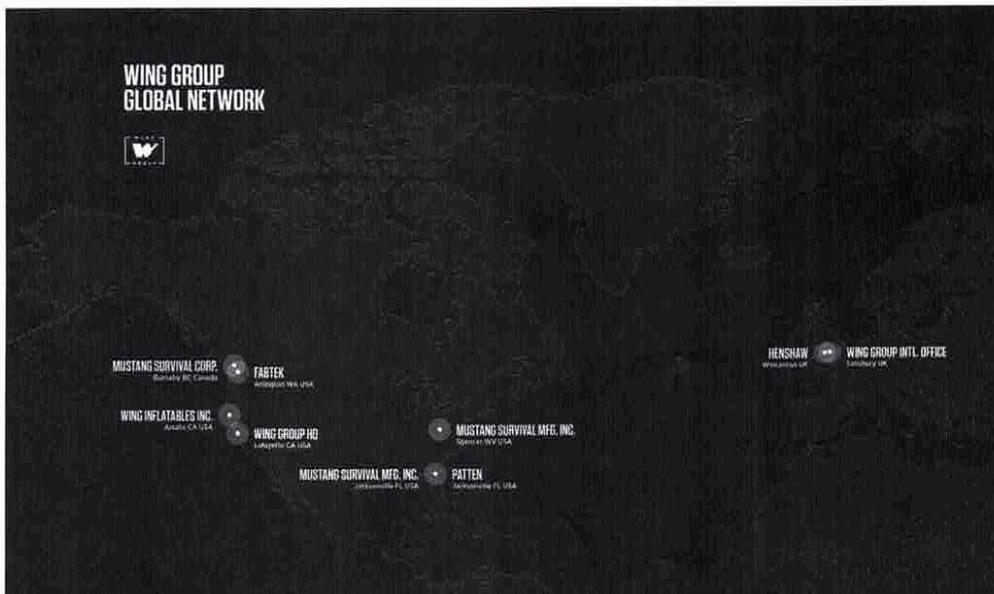
Legal Entity Name	Mustang Survival Corp
Financial Reporting Period	This report is Mustang Survival Financial Year 2023, which spans from January 1, 2023 to December 31, 2023.
Report Revision	Original (No revision)
Business Number	
Joint Reporting	Canada: Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Bill S-211") United Kingdom: Modern Slavery Act 2015
Entity Categorization	Canadian Business Presence / Meets Size Related Thresholds
Sector / Industry	Manufacturing / Retail Trade / Wholesale Trade
Location	Burnaby, British Columbia, Canada

1. Introduction – Structure, Activities, And Supply Chains

About Mustang Survival

Mustang Survival Corp ("Mustang Survival") is committed to supporting the fight against forced labor and modern slavery, and compliance with the Canada's Bill S-211 and ("the Act").

The corporate headquarters for Mustang Survival is in Burnaby, British Columbia. Mustang Survival is a part of the privately owned Wing Group based in California, USA. The Wing Group is a leading manufacturer of inflatable sponsons, small combat craft, whitewater rafting solutions, maritime personal flotation equipment, marine dry apparel, life rafts and marine doors and windows. Mustang Survival, has a sister company (also owned directly by the Wing Group), Mustang Survival Mfg Inc, which is incorporated in the USA. Mustang Survival Mfg Inc, has a distribution and repair center in West Virginia, and a factory in Jacksonville Florida.



AB

MODERN SLAVERY/FORCED LABOUR STATEMENT (MARCH 2024)



Supply Chain Structure

Mustang Survival employs approximately 100 office staff in its Burnaby headquarters encompassing design, engineering, procurement, marketing, sales as well as providing other core business functions. There are approximately 100 factory and warehouse staff in Burnaby headquarters. Mustang Survival Mfg, Inc has 20 warehouse staff in Spencer, WV, and roughly 100 production and warehouse staff in Jacksonville, FL working in production, warehousing, repairs and servicing. There is a team of 2 employees in Asia working with contract manufacturing partners.

Mustang Survival operates its own factories in Burnaby and Jacksonville, which focus predominantly on the manufacture of products for military and public safety applications. For these factories, Mustang Survival purchases raw materials directly from vendors. These materials are then assembled by Mustang employed factory workers within the factory.

Mustang Survival does not operate any manufacturing facilities outside of Canada and the USA, and instead partners with contract manufacturers in North America and Asia to build our products. These products are then imported to Mustang Survival facilities in Canada and the United States.

Mustang Survival's supply chain with Contract Manufacturers extends through multiple tiers of supplier:

- Tier 1 – Contract Manufacturing facilities or outsourcers. Factories assembling finished product.
- Tier 2 – Suppliers of materials to Tier 1 facilities; for example, fabrics, zippers, thread. Many of these suppliers are specified by Mustang Survival, however some may be selected by the Tier 1 supplier.
- Tier 3 – Suppliers of raw materials to Tier 2 Suppliers.



The map below shows the locations of Mustang Survival's Tier 1 Suppliers.



AB

MODERN SLAVERY/FORCED LABOUR STATEMENT (MARCH 2024)



2. Policies and Due Diligence Processes

Mustang is an ISO9001 certified company and employed due diligence tools and processes prior to Bill S-211's ratification. This includes routinely conducting risk assessments to identify risks in our supply chain. It also includes risk assessment of suppliers at the time of selection, and ongoing monitoring of these suppliers. The following sections describe Mustang's current due diligence processes.

Supplier selection and onboarding

Mustang Survival's Supplier Qualification process ensures we conduct checks on potential suppliers before selection. This process requires prospective vendors to complete an onboarding questionnaire. The Supply Chain and Quality teams review completed onboarding questionnaire, and where applicable may review vendor policy documents, third-party certifications, and audit reports. Information about a potential supplier's Corporate Social Responsibility (CSR) policies and processes is included in the questionnaire. The evaluation of this information contributes to the selection decision.

During the onboarding process the Mustang Survival Supplier Handbook is shared and all factories are required to agree to the terms in the Supplier Handbook. In 2023, we added terms to the Supplier Handbook requiring vendors to:

- Endorse Mustang Survival's policies, including prohibition on forced labour/modern slavery, by signing and accepting to comply with the policies.
- Support Mustang Survival in remedying complaints or audit findings and addressing root causes.

Supplier Monitoring

Mustang Survival continuously monitors supplier performance based on multiple factors. We strive to foster long-term relationships that are mutually beneficial. Mustang Survival aims to work with majority platinum and gold ranked suppliers (based on our internal scoring system) and works to maintain that performance or improve where it falls short. Mustang Survival also strives to have representatives periodically visit our Tier 1 suppliers to observe conditions at the supplier. At present, Mustang Survival is focussed on understanding it's Tier 1 Suppliers and shall move onto critical Tier 2 Suppliers in future reporting periods.

In 2024, we will begin requiring Suppliers to annually re-sign the Mustang Survival Supplier Handbook binding them to abide by the standards and other sourcing requirements.

Next Steps in Due Diligence

In 2024, Mustang Survival will complete an assessment of current practices against the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

In 2024 Suppliers will be required to annual re-sign the Mustang Survival Supplier Handbook.

In 2024, Mustang Survival will add a corporate social responsibility component to the supplier score card.

3. Identification and Mitigation of Forced Labour, Child Labour, and Modern Slavery Risk

Managing Risk in Mustang Survival's Direct Operations

AB

MODERN SLAVERY/FORCED LABOUR STATEMENT (MARCH 2024)



Risk: Mustang Survival's agency hourly employees who work in our production/distribution facilities are in roles considered high-risk for forced labour according to UK Gangmaster and Labour Abuse Authority (GLAA). According to the GLAA, using agency staff in these sectors undermines accountability and reduces oversight into workers' experiences.

Mitigation: Mustang Survival complies with all applicable labour laws in the jurisdictions that we operate in. Mustang only uses temporary agencies to address labour needs on a short-term basis. As of January 2024, 2.8% of hourly workers within Mustang Survival facilities were temporary workers. The majority of Mustang Survival's production/distribution staff are directly employed by Mustang Survival, not temporary agency staff. This gives oversight of staff directly to Mustang Survival to ensure accountability and to provide a good workplace environment. Temporary agency staff are used from time to time for hard to fill positions or during peak periods. Mustang Survival complies with all laws and contractual agreements as they related to Temporary staffing.

In general, direct employees can still be at risk of forced labour/modern slavery. At Mustang Survival this is managed through our People & Culture recruitment policies and processes. People managers maintain regular check-ins with their direct reports and there are multiple channels for any employees to reach out to management or the People and Culture team (Human Resources) with any concerns. During onboarding of new employees, they are instructed on their ability to escalate concerns through their manager, or by going directly to the People and Culture team.

In addition, Mustang Survival has a respectful workplace policy which applies to all employees permanent and temporary. For permanent employees, Mustang Survival also offers an Employee Assistance Program (EAP). This EAP can provide general counselling services to employees on issues ranging from mental health to legal issues, or concerns about exploitation. The respectful workplace policy and EAP details are included in onboarding for new employees.

Managing Risk in Supply Chain & Subcontractors

Risk: The Global Slavery Index 2023 (published by Minderoo Foundation's Walk Free initiative), of the countries our partners operate in, Myanmar (12.1) has the highest prevalence followed by India (8.0), Philippines (7.8), Bangladesh (7.1), Thailand (5.7), Cambodia (5.0), Vietnam (4.1), China (4.0), South Korea (3.5), and USA (3.3).

Mitigation:

Mustang's performs due diligence as described in Section 2 and is looking to further enhance due diligence with the actions described in Section 2. In addition, we undertook the following actions.

Actions Completed in the Reporting Period

- In 2023, we became familiar with the Bill S211 requirements, and began to assess our own internal policies and risk to mitigate, as reviewed in other sections of the report. These activities identified some process improvements to make in 2024.
- In 2023 we initiated a vendor survey specifically to understand their practices and controls with regards to forced labor and modern slavery.
 - We sent the survey to 44 vendors, including all of our tier-1 off-shore vendors. We received 40 responses back in late 2023 and early 2024.
 - We are in the process of completing a risk assessment based on those responses that will determine our action plan for fiscal year 2024.
- In 2023, we updated our vendor terms and conditions to include requirements for the prevention of forced labor and modern slavery.
- We defined next activities to undertake in upcoming reporting periods:
 - Risk assessment of vendors based on survey responses.
 - Undertake activities to reduce risk identified on high-risk suppliers.
 - Refinement of internal procedures and training on prevention of forced labor.
 - In future reporting periods we are committed to continuously improving purchasing practices in

AS

MODERN SLAVERY/FORCED LABOUR STATEMENT (MARCH 2024)



order to promote safe, dignified, and properly paid employment within our supply chain.

4. Remediation Measures

No remediation measures were required in 2023.

5. Remediation for Loss of Income

No remediation measures for loss of income were identified as required in 2023.

6. Training

Limited training related to Forced Labour and Child Labour was completed in 2023. A small project team was formed to understand the requirements of Bill S-211, which included an initial training session on the Bill for the project team. Broader training for the organization is planned for 2024.

7. Assessing Effectiveness

In 2023, Mustang had no formal mechanism in place to directly assess the effectiveness of our policy to limit Force Labour and Child Labour. As noted in Section 2, several due diligence processes were in place, but we did not have a measure defined. In 2024 we plan to assess effectiveness based on improved supplier surveys, supplier score cards, and internal risk assessments.

8. Approval and Attestation

In accordance with the requirements of the Canadian Bill S-211, 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 year listed above."

Full name *ANDREW BRANAGH*
Title *PRESIDENT CEO GROUP*
Date *5/21/2024* *May 21, 2024*
Signature, accompanied by the statement "I have the authority to bind 'Name of Entity.'"

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I Have The Authority to Bind
Wing Group & Mustang Survival

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