



REPORT UNDER THE *FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT*

FINANCIAL YEAR ENDING DECEMBER 31, 2024

Application

This report, prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act, pertains to Wahl Clipper Corporation (WCC) and its wholly owned Canadian subsidiary, Wahl Canada Inc. (WCI).

The above-mentioned entities hereby report to the Minister of Public Safety and Emergency Preparedness on the steps taken during their previous financial year, ending December 31, 2024, to prevent and reduce the risk that forced labour or child labour is not used at any step of the production of goods, in Canada or elsewhere, or of goods imported into Canada.

Measures to prevent and reduce the risks of forced labour and child labour

In the previous financial year, the following measures were taken to prevent and reduce the risk of forced labour and child labour in our supply chains:

- In 2024, we reviewed our social responsibility policies
- In accordance with our policies, we continued conducting due diligence of our current suppliers and strengthened the supplier qualifying and onboarding process
- In application of our established risk matrix, our audit cycle continued and conducted third party social responsibility audits and necessary corrective actions of suppliers;
- Participated in a supply chain risk, tracing, and due diligence exercise;
- We conducted training of employees that engage in contracting or sourcing of suppliers on our social responsibility policies, program, and expectations. Our training was updated and the training expanded.

Structure, Activities, and Supply Chains

Wahl Clipper Corporation (WCC) was founded in 1919 as an incorporated company. WCC owns manufacturing facilities in China, Vietnam, Hungary, Germany, United Kingdom, and Brazil. WCC purchases parts and finished goods globally. WCC sells finished goods to Wahl Canada for package and resale in Canada.

Wahl Canada is an incorporated company, owned by Wahl Clipper Corporation, USA. Wahl Canada sources goods domestically and imports goods globally from WCC, WCC subsidiaries, and other global suppliers for package and resale in Canada.

WCC and Wahl Canada source processing, parts and finished goods based in accordance with the Wahl Onboarding Process.

All WCC subsidiaries source processing, parts, and finished goods in accordance with the Wahl Onboarding Process. Each subsidiary sources domestically and internationally to the same standard. A global direct supplier database maintains onboarding and ongoing due diligence documents. Each subsidiary manages supplier purchasing at the location level. Social responsibility due diligence is reviewed, maintained and administered at the corporate level.

Policies and due diligence processes

Wahl Clipper Corporation's global social responsibility (SR) program addresses forced and child labour. This comprehensive and mature program is multi-layered and self-managed.

Company policies

Wahl Clipper Corporation (WCC) is committed to sourcing products and services free of forced or child labour. The following policies guide this commitment:

- The Wahl Way is an internal roadmap of conduct for employees. This program informs actions internally and externally of the company.
- The Supplier Code of Conduct (previously Workplace Standards) details the supplier's obligation to social responsibility; the centerpiece of which is a prohibition on forced and child labour.

Onboarding process/supplier vetting

Suppliers of processing, parts, and finished goods are vetted for social responsibility. Acknowledgement of the Supplier Code of Conduct, completion of the Supplier Social Responsibility Questionnaire, and issuance of the WCC Social Responsibility Program Procedure are conducted during onboarding and prior to placing orders with the prospective supplier.

Annual risk analysis and supplier surveillance

Suppliers are reviewed annually for social responsibility risk via an internal Risk Matrix. Geographic region, audit history, and other internal considerations of the supplier inform the risk level of each supplier. Per risk assessment, suppliers are audited for social responsibility. On-site third-party audits are conducted based on internationally accepted SR standards (i.e. SA8000, SMETA, BSCI, ect.). Over 120 suppliers are included in the WCC SR audit cycle. Evaluation of the supplier for forced and child labour is standard protocol for all third-party audits.

Mitigation of findings

Third party audit findings¹ are mitigated through one-on-one consultation with the supplier to create and complete a corrective action plan. Only after findings have been satisfactorily addressed will an audit be closed. After completion of the current audit cycle, the supplier is re-audited pursuant to the WCC audit policy.

Awareness

Awareness of WCC's ethical sourcing obligation is annually reinforced through:

- CTPAT trade practices training
- California Transparency Act & Fighting Against Forced/Child Labour In Supply Chains Act training
- Wahl Way (internal roadmap of conduct) training

¹ Findings and corrective actions refer to general SR findings (environmental, health & safety, remuneration, working hours, etc.). Forced and/or child labour has not been identified in the WCC or WCI supply chains.

Forced labour and child labour risks

The entire WCC supply chain is evaluated for risk of forced and child labour. Due diligence in onboarding of suppliers and continual monitoring of suppliers through the audit process greatly reduce the risk of forced or child labour in the WCC supply chain.

The greatest risk factor for forced or child labour in the WCC supply chain is geographic location of the supplier. Most suppliers are located in the United States, Europe, or Canada. These locations represent limited risk of forced or child labour. However, suppliers located in Asia, specifically mainland China and Vietnam, are considered an elevated risk. Acknowledging this elevated risk, the WCC Social Responsibility Program (SRP) places significant priority on these geographic locations.

Prioritized by location, previous audit history and the supplier's performance and corrective actions combine to determine audit frequency. It is important to note that forced or child labour has not been identified in the WCC supply chain. Findings and corrective actions cited in previous responses refer to general SR findings (environmental, health & safety, remuneration, working hours, etc.).

While geographic risk is present, WCC's supplier due diligence practices combine to avoid initial engagement with a violator of forced and/or child labour. The ongoing monitoring of suppliers assists to continually evaluate risk and verify the exclusion of forced and/or child labour in the WCC supply chain.

Remediation measures/Remediation of Loss of income

In the past financial year, Wahl Clipper Corporation has not identified any incident of forced labour or child labour in our supply chain. Therefore, remediation measures to address forced labour and/or child labour in our supply chain were unnecessary.

If we do identify incidents of forced labour or child labour within our supply chains, we will consider the appropriate remediation in compliance with international standards.

Training

WCC provides social responsibility training including the topics of forced and child labour. The training is required for all employees engaged in sourcing decisions globally. This includes all WCC manufacturing locations and WCC sales subsidiaries, including Wahl Canada Inc.

Social responsibility training:

- Defines forced labour, child labour, and human trafficking
- Identification and explanation of the WCC Social Responsibility Program
 - Onboarding due diligence
 - Risk assessment
 - Supplier auditing

- Closure of findings
 - Ongoing surveillance
- Internal responsibility – WCC Code of Conduct and the Wahl Way (internal program of responsible business practices)
- Identification of reporting requirements, such as *California Transparency in Supply Chains Act* and *Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Training is evaluated annually to ensure compliance with applicable legislation and complete coverage of the subject matter. Plans are in process to expand this training for all employees of WCC.

Assessing effectiveness

WCC suppliers are reviewed for social responsibility factors prior to placing orders. Risk is assessed during the onboarding process. Based on the identified risk, the level of surveillance is determined. Suppliers deemed to represent an elevated risk, typically due to geographical location, are appropriately considered for audit. Audit frequency is determined per supplier performance in accordance with the WCC Audit Procedure. This frequency ranges from every 3 years for exceptional social responsibility performance to annually (or more frequently) for suppliers requiring more oversight. To date, WCC has not identified forced or child labour in the supply chain. Continual due diligence is designed to prevent the occurrence and mitigate it, should it be identified.

WCC continually strives to enhance its social responsibility program. WCC has engaged in supply chain visibility exercises to evaluate the depth of visibility within its supply chain. Expansion of the auditing program in recent years has bolstered WCC's social responsibility program.

Continual monitoring of the supply chain is not limited to third party suppliers. WCC routinely audits subsidiary manufacturing sites to the same protocol as non-WCC suppliers. The expectation is to avoid forced and/or child labour in the WCC supply chain. WCC's Social Responsibility Program is designed to continue to meet this expectation.

Approval and Attestation

This report was approved by Internal Counsel of Wahl Clipper Corporation, as being a joint report of Wahl Clipper Corporation and Wahl Canada Inc. for the financial year ended December 31, 2024, in accordance with subparagraph 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.

Timothy S Trader
Global EHS & Regulatory Manager
May 28, 2025

A handwritten signature in black ink that reads "Timothy S. Trader". The signature is written in a cursive, flowing style.

I have the authority to bind Wahl Clipper Corporation and Wahl Canada Inc., in submission of this report.