

Introduction:

This Annual Report (“Report”) is made on behalf of Dynamic Source Manufacturing Holdings Inc’s subsidiaries (“DSM”) subject to Section 11(1) of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act. This Report describes DSM’s efforts during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of DSM’s production of goods in Canada or elsewhere or of goods imported in Canada by DSM. This Report is in compliance with DSM’s Combating Trafficking in Persons Policy and Compliance Plan (“Plan”) and DSM’s Employee Handbook (“Handbook”), which apply to all personnel employed by or engaged to provide services on DSM’s behalf.

DSM’s Business Operations and Supply Chains:

DSM Holdings is a multinational company incorporated in Canada, with headquarters located in Calgary, Alberta. Operating through subsidiaries located in Canada and the USA, DSM provides contract electronics manufacturing services to fast-growing OEM technology providers in industries including telecom, industrials, emerging technologies, defense, energy and automotive.

DSM’s turnkey manufacturing model allows its customers to outsource their entire manufacturing process. DSM’s value-added services span the electronic product lifecycle including:

- prototyping,
- assembly services,
- procurement and supply chain, and
- final product testing and aftermarket service.

DSM engages a wide range of suppliers to support its diverse offerings of technological solutions, including raw material component manufacturers and distributors.

DSM Compliance Programme and Policies:

DSM’s policies and documents supports DSM’s commitment to preventing and reducing the risk of forced labour or child labour in its business and supply chains. This commitment is supported in the Plan that prohibits forced, involuntary and child labour; requires the accurate and timely payment of wages and salaries.

The Plan applies to DSM and its subsidiaries and all personnel employed by or engaged to provide services on DSM’s behalf. Failure to comply with the Plan may result in disciplinary action, up to and including termination of employment.

Compliance with applicable principles set forth in the Plan is a mandatory qualifying condition for DSM to enter a business relationship with applicable DSM suppliers. DSM’s Supplier Code was created and introduced in 2024 to reinforce such principles to its supply chain.

Among other principles, the Supplier Code requires applicable suppliers to comply with legally mandated work hours for its employees; provide compensation and benefits on time and in accordance with applicable laws and industry standards; avoid human trafficking or use of forced, involuntary or child labour; prohibit employee harassment or abuse; and respect employee rights to freedom of association and collective bargaining.

In 2024, procedures were implemented to obligate applicable DSM suppliers to comply with the principles set forth in the Supplier Code. In 2024, the procedures have been reviewed and updated in line with the improvement of international standards. The relevant DSM policies are:

- Conflict Minerals Policy
- DSM Employee Handbook
- Respect & Dignity in the Workplace Policy
- Anti-Corruption Policy
- Fighting Against Forced Labour and Child Labour in Supply Chains Act Annual Report

Due Diligence, Risk Assessment and Management:

DSM selects suppliers based on our customer's approved vendor list.

DSM performs due diligence prior to engaging applicable suppliers. The nature and scope of the due diligence is dependent on identified risk factors, such as the supplier's country of origin.

The Supplier Code requires applicable suppliers to have adequate management systems and controls in place, commensurate with the size and nature of their business, to ensure compliance with its terms. To the extent applicable, suppliers are required to ensure their own suppliers agree to adhere to standards comparable to those set forth in the Supplier Code.

DSM reserves the right to verify compliance with the Supplier Code using mechanisms including, but not limited to, self-assessments, surveys, site-visits or audits. If a supplier fails to comply with the Supplier Code, DSM will engage with the supplier and take appropriate corrective action. In the event of significant or recurring breaches, without corrective actions and remedy, or lack of cooperation, DSM reserves the right to reduce or terminate business with a supplier.

Performance Indicators:

DSM will monitor the effectiveness of measures we are taking to prevent and reduce the risk of forced labour or child labour within our business and supply chain. We regularly review of the above-referenced policies and reports, if any, received from employees, suppliers, the public, or law enforcement agencies to indicate that forced labour and child labour practices have been identified. No remediation measures have been taken as no instances of forced labour or child labour have been identified in DSM's supply chain.

Training:

Every DSM manager and HR are required to ensure their employees are fully aware of the Employee Handbook and to take steps to ensure compliance with DSM's Anti-Corruption and the Respect and Dignity Policies. DSM provides reminders to its employees about the above policies and provides periodic training as needed.

The Supplier Code requires suppliers to ensure their personnel, and those of their suppliers, are adequately trained on its requirements.

Further Steps:

We continue to monitor improvement and consider further steps we can take to ensure that there is no forced labour or child labour in our business or supply chains.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this Report and are given adequate and regular training on it and the issue of forced labour and child labour in supply chains.

Any party, including personnel, vendors, suppliers, partners, and others with whom DSM conducts business, may report credible information regarding a violation or suspected violation of this Policy to DSM's President, directly via telephone, text or email.

DSM prohibits any retaliation against persons reporting a potential or actual violation in good faith. The integrity of the reporting process is taken very seriously, and as such, your identity as the individual reporting the suspected violation will, wherever possible, not be revealed to local-level personnel. Personnel who fail to report actual or suspected breaches of this Policy may be deemed to be in violation of this Policy

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. 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. The undersigned has authority to bind Dynamic Source Manufacturing Holdings Inc.



Duane Macauley

President

6 May 2024