

Ddrops Company Fiscal Year 2024 Modern Slavery Report

February 1, 2023 to January 31, 2024

1. Introduction

This report is prepared by Ddrops Company (“Ddrops”, “we”, or “us”) for the fiscal year ended January 31st, 2024 (“Fiscal 2024”) as required by the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). This report summarizes the steps taken to prevent and reduce the risk that modern slavery is used at any step of the production of goods that are produced, sold, or distributed by us.

In this report we use the term “modern slavery” to refer to forced labour and child labour.

2. Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour.

- *Conducting an external assessment:* The report from the 2019 Sedex Members Ethical Trade Audit conducted on-site has been reviewed annually by Senior Management to ensure the corrective actions cited in said report continue to be implemented as required. The “Good Practices” identified in the report have been confirmed as still in effect. An OHSA-compliant Internal Joint Health and Safety Committee is mandated to monitor labour-related risks like these and meets monthly.
- *Gathering information on worker recruitment:* All staff hires are done freely through a dedicated Human Resources department. Temporary labour agencies are not used to fill staffing needs.
- *Auditing suppliers:* In fiscal 2024 three foreign supplier sites and at least 5 domestic vendor sites were physically audited by staff for compliance with Good Manufacturing/Laboratory Practices. None of the audits identified risks of forced labour or child labour.
- *Developing and implementing training and awareness:* Notices are posted in common areas informing employees of the labour rights and responsibilities afforded them. The corporate policy “Anti-Slavery, forced labour and child labour” has been drafted by HR and approved by upper management, and will be rolled out to employees and the Joint Health and Safety Committee in the coming fiscal year.

3. Structure, Activities and Supply Chains

Ddrops Company is a privately owned company, founded in 2006, headquartered at 126 Trowers Road, in Woodbridge, Ontario and has approximately 50 employees as of January 31st, 2024. Our business activities are as follows:

- Manufacturing of Vitamin D and other OTC products

- Distribution and Wholesale Trade of Vitamin D and other OTC products within Canada and outside Canada.

Ddrops Company's supply chain consists of suppliers of components and finished goods based either in Canada, United States, Europe, and Asia.

4. Policy and Due Diligence Processes

Ddrops Company is committed to providing a healthy and safe working environment in which all individuals are treated with respect and dignity.

This policy applies to all full and part time employees, contractors, consultants, vendors, customers and visitors to Ddrops Company.

In 2024, Ddrops Company plans to develop a checklist that guides staff on the key considerations to be made with respect to modern slavery during procurement.

Ddrops Company will be developing contractual clauses that seek to reduce the risk of modern slavery, and going forward, we intend that all contracts to be negotiated with suppliers of goods shall include such clauses.

Our Management Team is currently developing a Supplier Code of Conduct, (Supplier Code"). The supplier Code will set out rules for our suppliers that require them to take certain steps to reduce the modern slavery risks in their supply chains. We plan to deploy the Supplier Code in 2024.

5. Risk Assessment

Ddrops operations are located entirely within Canada and are largely focused on manufacturing and distribution. We are not engaged in the type of work normally associated with forced labour or child labour.

Nonetheless, we recognize that the potential exists for forced labour or child labour to be present in our supply chain, either with direct suppliers or indirect suppliers further down the supply chain.

We will be making direct inquiries with applicable suppliers about how they assess risks of modern slavery in their supply chains.

While we must continue to be vigilant, our current assessment is that we have minimal exposure to modern slavery risks in our supply chain.

6. Remedial Measures

Ddrops Company is unaware of any instances of forced labour or child labour in our supply chain, and therefore we did not take any measures to remediate any adverse impacts or the loss of income to families that could have resulted from measures taken to address modern slavery.

If we learn of any potential or confirmed instances of modern slavery, we will investigate and take appropriate remedial measures.

7. Training

Ddrops Company employees, receive training on regulatory requirements, ethical practices, and our policies. All new employees are given a mandatory onboarding package which includes a review and acknowledgment of our Code of Conduct. Employees are required to abide by our Code of Conduct.

In 2024, Ddrops Company will be providing mandatory training for modern slavery for staff who are directly responsible for procurement matters.

Ddrops Company will include awareness developing on modern slavery in all employee onboarding packages along with an annual refresh for employees directly responsible for procurement matters.

8. Assessing Effectiveness and Future Improvements

An assessment of the new measures in sections, 4 and 7 of this report will be conducted at the end of the next fiscal year to determine their effectiveness. This assessment will determine what future improvements are needed to enhance our commitment to preventing and reducing the risk of modern slavery in our supply chain.

9. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Co-Presidents of Ddrops Company for the fiscal year January 31st, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest

that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind the Ddrops Company

“Chris Temovsky”

Name: Chris Temovsky

Title: Co-President

Date: May 16, 2024

I have the authority to bind the Ddrops Company

“Simon Vieth”

Name: Simon Vieth

Title: Co-President

Date: May 16, 2024