

## **Report on Measures to Prevent and Reduce Forced Labor and Child Labor in Canadian Supply Chains**

Fiscal Year 2023

Diamond Aircraft Industries Inc.

Report date: May 31, 2024

Diamond Aircraft Industries is the North American headquarters of Diamond Aircraft Group, a leading manufacturer in General Aviation.

Diamond employs over 1,500 people worldwide, offering a comprehensive range of certified piston aircraft models and dedicated flight training solutions.

Diamond Aircraft integrates proprietary, lead-free jet fuel piston engines from Austro Engine GmbH, ensuring superior performance, efficiency, and safety across its global fleet of over 5,500 aircraft.

# The Nature of Our Supply Chain



Our supply chains primarily include suppliers from Europe and North America, regions known for strict labor regulations and employment standards laws.

In the previous financial year, we have taken significant steps to prevent and reduce the risk of forced labor and child labor in our production processes and supply chains. Our CSR and sustainability policies are designed to reflect our commitment to ethical practices.

## Identification of Risks

- ◆ We have begun identifying potential risks associated with forced labor and child labor in our supply chains.
- ◆ Currently, no specific activity is identified to carry a higher risk of forced labor and child labor.

## Supplier Audits

- ◆ Initial supplier audits are conducted at the onset of the engagement and repeated as needed throughout the relationship to ensure continuous compliance with our standards.

## Supplier Monitoring

- ◆ Our supply chain is audited and monitored by our Logistics Leaders and Purchasing teams globally and locally. These audits ensure that suppliers adhere to our ethical standards.
- ◆ All vendors are on a 1-3 year review cycle depending on their performance

## Global Terms and Conditions (GT&Cs)

- ◆ We incorporate specific obligations regarding labour standards into our global purchase orders and supplier agreements.

We have provided comprehensive training to our employees on the risks and indicators of forced labor and child labor. This training ensures that our staff is equipped to identify and address potential issues effectively. Our training programs include:

## **Supply Chain Corporate Responsibility Training:**

Conducted online through the Automotive Industry Action Group (AIAG), this training covers our policies and procedures related to modern slavery and child labor.

We continuously assess the effectiveness of our measures to prevent forced labor and child labor through regular audits, supplier evaluations, and employee feedback. Our assessment processes include:

- ◆ **During the last financial year, no specific instances of forced labor or child labor were identified within our supply chains. Consequently, no remediation measures were required to address such issues.**
- ◆ **Regular Audits:** We conduct independent and generally announced audits of at-risk supplier factories based on our risk assessments.
- ◆ **Corrective Action Plans:** If any issues are identified, suppliers must prepare corrective action plans to resolve violations within an agreed-upon time period.

**Plans for Fiscal Year 2024:** For the upcoming fiscal year, we have outlined several initiatives to enhance our efforts in preventing forced labor and child labor:

- **Amend Questionnaire and Audit Process:** We plan to update our supplier questionnaires and audit processes to better address the risks of forced and child labor.
- **Develop Diamond Policy:** We will develop a new Global Anti-Slave Labor and Child Labor policy, which will impact our supply chain and Quality department.
- **Supplier Agreement Updates:** We will work with our suppliers to update agreements to include specific obligations against forced and child labor.

**Future Developments (Fiscal Year 2025-2026):** Looking ahead, we will continue to develop tools to evaluate the effectiveness of our policies and remain responsive to any emerging issues related to forced labor and child labor. These efforts will ensure that we maintain the highest standards of ethical business practices across all our operations and supply chains.



Thank you.

Diamond Aircraft Industries Inc.  
Fiscal 2023

Public Safety Canada  
269 Laurier Avenue West  
Ottawa ON K1A 0P8

[SupplyChainsActInquiries-LoiChainesApprovisionnementEnquetes@ps-sp.gc.ca](mailto:SupplyChainsActInquiries-LoiChainesApprovisionnementEnquetes@ps-sp.gc.ca)

**May 31, 2024**

**VIA ONLINE SUBMISSION**

Re: Report on Measures to Prevent and Reduce Forced Labor and Child Labor in Canadian Supply Chains – Diamond Aircraft Industries, Inc., FISCAL Year 2023

PRIVATE AND CONFIDENTIAL

In accordance with the requirements of Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (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.

Please contact us if you have any questions at [M.Yuan@diamondaircraft.com](mailto:M.Yuan@diamondaircraft.com) or T +1 226-927-9460.

Respectfully,

A handwritten signature in cursive script that reads "Mory Di Yuan".

Mory Di Yuan  
Legal Counsel  
*I have the authority to bind the Corporation*