



MODERN SLAVERY REPORT

For the financial year ended December 31, 2023

This report is made by Draganfly Inc. (“**Draganfly**”) pursuant to paragraph 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

A leader in the professional drone industry, Draganfly has more than 20 years of experience designing and manufacturing drones for military, public safety, energy, agriculture, and insurance. Draganfly supports clients with enterprise drone solutions, contract engineering services, custom software, professional UAV (unmanned aerial vehicles) services, and more. This report underlines Draganfly’s commitment to preventing and mitigating risks of forced labour and child labour across its business and supply chain.

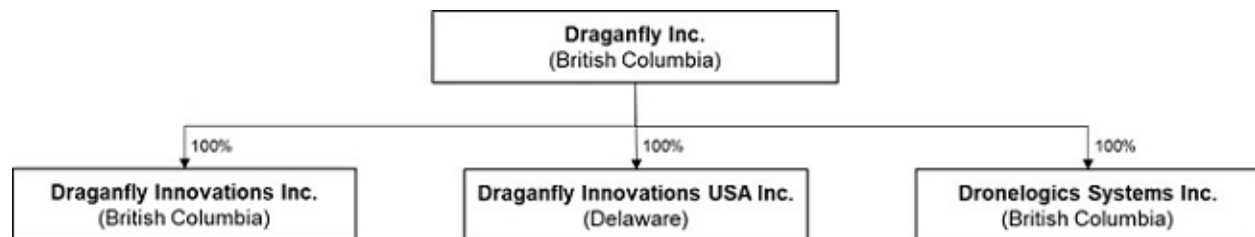
Our Structure

Draganfly is a public company whose shares are listed for trading on the Canadian Stock Exchange (CSE:DPRO), the Nasdaq Stock Market (NASDAQ: DPRO) and the Frankfurt Stock Exchange (FSE: 3U8A).

Draganfly was incorporated as “Drone Acquisition Corp.” under the *Business Corporations Act* (British Columbia) on June 1, 2018 and changed its name to “Draganfly Inc.” on August 15, 2019. Its head office is located in Saskatoon, Saskatchewan, Canada. As of the end of this reporting year, Draganfly had 54 employees.

Our Operations

Draganfly’s business is conducted through three wholly-owned subsidiaries: (a) Draganfly Innovations Inc.; (b) Draganfly Innovations USA Inc.; and (c) Dronelogs Systems Inc.



The business of Draganfly Innovations and Draganfly Innovations USA is the provision of engineering services and manufacture of commercial UAV, RPAS, and UVS (unmanned vehicle system) and software, serving the public safety, agriculture, industrial inspections, and mapping and surveying markets.

Dronelogs is a solutions integrator for custom robotics, hardware and software that provides a wide scope of services including sales, training, rentals, maintenance, flying and data processing services.

Our Supply Chain

One of the longest-running manufacturers of multirotor drones in the world, Draganfly obtains hardware components, various subsystems and systems, and raw materials from a limited group of suppliers located in the United States, New Zealand, China, Czech Republic, Vietnam, and Denmark.

Draganfly has two manufacturing plants: one in Saskatoon, Saskatchewan and one in Burnaby, British Columbia. At its machine shop located within its leased head office based in Saskatoon, Draganfly operates its business of design, development, and production of drones and robots as well as their distribution, sale, and licensing.

Risk Assessment

Within Draganfly's own operations, the risks of forced labour or child labour are low, because Draganfly does not hire low-skilled, seasonal or migrant workers, and as such is not directly involved in one of the greatest areas of potential risk of forced labour and child labour. All of Draganfly employees are located in Canada or the United States, and are largely professionals or para-professionals with some level of scientific or technical training.

Draganfly recognizes, however, that it may be exposed to risks of forced labour and child labour through its suppliers. It is committed to understanding its risks better in the coming year, namely by mapping its supply chain and conducting risk assessments.

Policies

Draganfly has a Code of Business Conduct and Ethics applicable to all of its directors, officers and employees, including its CEO and CFO. The Code of Business Conduct and Ethics sets out the fundamental values and standards of behaviour that it expects from its directors, officers and employees with respect to all aspects of its business. Draganfly plans to update its Code of Business Conduct and Ethics to incorporate specific policies on human rights, including forced labour and child labour.

Due Diligence

While improving operational efficiency, Draganfly continues to strengthen its processes to reduce risks related to forced labour and child labour within its supply chain. Draganfly currently has a risk-based third party due diligence process and is working to further enhance its measures.

Training

All Draganfly employees have a role to play in upholding Draganfly's ethical standards, values and principles. To honor their commitment and support for Draganfly values and standards, all employees are required to review, acknowledge and follow the Code of Business Conduct and Ethics. In the coming year, Draganfly aims to incorporate information on forced labour or child labour in training sessions for employees working in procurement.

Remediation Measures

Draganfly recognizes that any forced labour or child labour found in an organization's business or supply chain should be addressed on a first-priority basis. In this reporting period, no instances of forced labour or child labour in our business or supply chain were discovered. Therefore, no remediation measures have been necessary and no measures could have led to loss of income to the most vulnerable families.

Assessing Effectiveness

Draganfly regularly reviews its policies and seeks to improve where deficiencies are discovered. In the upcoming year, it has plans to establish specific measures to assess the effectiveness of its policies and processes in preventing forced labour and child labour.

Approval

This Report was approved by the Board of Directors of Draganfly Inc. pursuant to subparagraph 11(4)(a) of the Act on May 24, 2024.



Cameron Chell
President and CEO

I have the authority to bind Draganfly Inc.