

Modern Slavery Report

This report covers the following reporting year and associated business numbers. The group of companies is collectively referred to as Dynamic throughout this joint report. Dynamic's main operations is the manufacturing of custom windows and doors for the luxury home market primarily in the United States. Manufacturing is done primarily at its Abbotsford BC, Canada location. A small amount of manufacturing is done by a partner vendor in Queretaro Mexico. Dynamic is not required to report under any other jurisdictions for a Child Labour, Forced Labour, or Slavery policy like Canada; however, Dynamic is a member of CT PAT (Customs Trade Partnership against Terrorism) which is a supply chain security program run by the United States Customs and Border Patrol. A component of CT PAT deals with Child Labour, Forced Labour, and Slavery.

Financial Reporting Year: 2024

Business Numbers:

128612504 – Dynamic Windows & Doors Inc.

825006489 – Dynamic Architectural Windows & Doors Inc.

849733472 – Dynamic Lands Inc.

877982926 – Mathews Enterprises Inc.

851760942 – Mathews Properties

1 Introduction

At Dynamic Windows & Doors (Dynamic) we are steadfast in our commitment to act ethically and with integrity in all our business dealings and relationships. We advocate for compliance with applicable laws and champion the protection of the dignity and rights of everyone connected to our business. Central to our mission is a relentless pursuit to cultivate inclusive workplaces and source products with responsibility. We recognize the importance of collaborating closely with our suppliers to ensure their workforce, and by extension, the workforce within their supply chains, are treated with respect and dignity.

Dynamic operates with a zero-tolerance policy towards child or forced labor, expecting the same commitment from all our suppliers and partners. Fortunate to be based in Canada, a country where local, provincial, and federal laws strongly oppose and penalize the use of child or forced labor and indentured servitude, we align our practices not just in compliance with these laws but as a reflection of our core beliefs against such inhumane practices. This ethical stance is embraced and shared across all levels of our organization, from senior management to our frontline employees.

Recognizing the global challenge of eradicating modern slavery, we are under no illusion about its prevalence outside Canadian borders. While we cannot assure with absolute certainty that all imported products are free from forced or child labor, our business engagements are predominantly with reputable vendors from countries known for strict labor laws, such as the United States, England, Germany, and Switzerland. Our selection of partners reflects our dedication to ethical business practices.

In the event of identifying or being alerted to suppliers who endorse, overlook, or partake in forced or child labor, Dynamic is committed to taking immediate action by discontinuing our association with such entities and, if necessary, reporting them to the appropriate authorities. This proactive stance underlines our resolve to combat modern slavery and human trafficking within our business and supply chains.

2 Our Organisational Structure, Business Operations, and Supply Chains

Dynamic, along with our affiliate companies Dynamic Architectural Windows & Doors Inc. Mathews Enterprises, Inc., and Dynamx S DE RL DE CV, form the core of our group's operations in the custom architectural manufacturing sector. As the parent company, Dynamic Windows & Doors Inc. is at the forefront of innovation and excellence in the fenestration industry.

2.1 Business Operations

Dynamic's main operations are located at its Abbotsford, British Columbia, Canada main office and manufacturing plant where we currently employ approximately 250 employees. Our core activities encompass the design, production, and distribution of custom architectural windows and doors, catering to a diverse clientele seeking premium and tailor-made fenestration products. This intricate process involves the importation of high-quality metals, wood, hardware, glass, and other materials essential for the development of our architectural products.

2.2 Supply Chain Management

The materials crucial to the manufacture of our windows and doors, such as metals, wood, hardware, and glass, are meticulously sourced from trusted suppliers located in countries known for their stringent labor laws and ethical sourcing standards. These countries include, but are not limited to, the United States, UK, Germany, and Switzerland. Our commitment to ethical sourcing extends to finished products we may resell within the North American luxury home market, ensuring that our entire supply chain reflects our dedication to combating modern slavery.

3 Our Supply Chain Risk Profile

3.1 Sector and Industry Risks

Dynamic is partner member of CT PAT (Customs Trade Partnership Against Terrorism), a supply chain security program run by the United States Customs and Border Protection, in which we do an annual in-depth analysis of our supply chain security measures which also encompasses child slavery and forced labour. Within our operations, we have assessed our risk profile based on sector and industry risks as low. All our workers are employed in Canada where we have fair and responsible employment practices in place to protect and promote workers' rights. These practices ensure compliance with local labor laws and international human rights standards.

3.2 Supply Chain Risk Areas

We recognize that risks of modern slavery may be present in our supply chain in areas such as the procurement of raw materials for various metals we consume. Since workers at the procurement of raw materials, typical tier 3 suppliers, are not employed directly by Dynamic, we have less control

and visibility over their working conditions and employment terms. Again, we only associate with suppliers, or Tier 2 suppliers, in countries that already have robust standards and laws against the use of child labour and slavery.

3.3 Business Units Organization

Our business is organized into two primary business units: Custom Architectural Design and Production, and Sales. The Custom Architectural Design and Production unit focuses on the design, customization, and manufacturing of windows and doors tailored to client specifications. The Sales unit is dedicated to the sales and marketing of Dynamics products and capabilities.

3.4 Key Operations and Supply Chains

| Business Operations | Supply Chains | Modern Slavery Red Flags |
|---|---|---|
| Custom Architectural Design and Production | Metals, wood, hardware, and glass sourced from international and domestic suppliers. | Risk factors include sourcing from regions with known labor rights issues, lack of transparency in subcontractor practices, and dependence on industries with high forced and child labor prevalence. |
| Sales | Limited to customers and industry partners primarily in the United States, as well as Canada & Mexico | Red flags are very limited for this business unit as all employees are located in Canada, except for one in the United States which both have stringent employment standards around forced labour and modern slavery. |

This section outlines Dynamic’s approach to understanding and mitigating the risks of modern slavery within its operations and supply chains. It reflects a commitment to ethical business practices, recognizing the complexities of global supply chains, and the importance of vigilant risk management and due diligence processes.

4 Actions Taken to Combat Slavery Risks

4.1 Risk Assessment and Management

Building on policies and procedures Dynamic currently deploys for CT PAT, we assess and manage the risks of child labour & forced slavery in a similar fashion as we do for our supply chain security processes. We monitor for and strive to prevent modern slavery in all environments in which we operate. Our commitment to these policies and procedures is discussed in subsequent sections (5 to 8) of this statement.

4.2 Specific Processes and Actions

Our approach to combating modern slavery includes, but is not limited to, the following specific actions:

(a) **Annual Assessment:** On an annual basis we incorporate child labour and forced slavery into our supply chain security analysis,

(b) **Employee Hiring & Onboarding:** Dynamic's employee hiring policies are to only hire individuals who are legally allowed to work in Canada, and over the age of 18. Further, we are bound by Canadian Employment Standards and the Union standards set out for our approximately 200 unionized employees,

(c) **Supplier Audits:** We conduct regular supplier audits through an annual supplier questionnaire sent to them to assess their compliance with CT PAT, and whether they employ their own supply chain analysis for security and child labour and forced slavery.

5 Our Policies on Modern Slavery

Dynamic's policy reflects our unwavering commitment to acting ethically and with integrity throughout all our business relationships. We are dedicated to implementing effective systems and controls to ensure modern slavery is not present in our business or in any part of our supply chain.

Beyond our Anti-Slavery Policy, Dynamic has established several other relevant policies to support our commitment to ethical business practices:

- **Employee Handbook:** Provides guidelines on our corporate values, employee responsibilities, and the ethical conduct expected within our operations,
- **Whistleblower Policy:** Encourages employees and stakeholders to report any unethical behavior or violations of our policies, including instances of modern slavery, without fear of retaliation,
- **Employee Code of Conduct:** Outlines the standards of behavior and ethical principles that guide our employees' actions, reinforcing our dedication to integrity and fairness in all aspects of our business,
- **Annual Supplier Audit:** Dynamic conducts an annual audit of its partner vendors to ensure compliance with CT PAT, and commitment to policies condoning child slavery and forced labour.

6 Due Diligence Processes

Dynamic is committed to maintaining and enhancing our due diligence processes to effectively identify and manage the risks of modern slavery and human trafficking within our own operations and across our supply chains. Our approach is multi-faceted, involving thorough background checks, periodic reassessment of our employment practices, and comprehensive supplier due diligence.

Internal Due Diligence:

To safeguard against modern slavery risks within our own business, we conduct background checks on all employees and periodically reassess our employment practices. We further require all employees are legally allowed to work in Canada. Lastly, most of our employees are long term.

Supplier Due Diligence:

Suppliers are required to complete a due diligence questionnaire, which helps us assess their compliance with our ethical standards and identify any potential risks related to modern slavery.

Risk Monitoring and Mitigation:

Dynamic has implemented systems to:

- Establish, assess, and monitor potential risk areas in our business and supply chains on an annual basis,
- Reduce or mitigate the risk of slavery and human trafficking occurring in our business and supply chains,
- Provide adequate protection for whistleblowers, encouraging them to report any unethical behavior without fear of retaliation.

7 Supplier Adherence to Our Values

Dynamic enforces a strict code of compliance and does not tolerate slavery and human trafficking within its supply chains. We are committed to doing business with suppliers that share our values, ethics, and moral business practices, especially those related to human rights.

7.2 Supply Chain Compliance Program

Our supply chain compliance program is rigorous and is designed to ensure adherence to our ethical standards. This program includes:

- **Risk Assessments:** Conducting regular risk assessments of our suppliers to identify and mitigate any risks related to modern slavery and human trafficking,
- **Supplier Audits:** Implementing periodic audits of our suppliers to ensure compliance with our policies and standards,
- **Supplier Engagement:** Working closely with our suppliers to enhance their understanding of our values and expectations regarding ethical practices.

7.3 Dedicated Compliance Team

To oversee and enforce our supply chain compliance program, we have an established and dedicated compliance team previously established for CT PAT. This team consists of representatives from various departments, including:

(a) Finance (b) Human Resources (c) Operations (d) Procurement (e) IT.

7.4 Supplier Conformance

To ensure all suppliers and contractors in our supply chain comply with our values, we require our suppliers to conform to our Supplier Code of Conduct. This Code sets forth our expectations regarding human rights and ethical business practices. We will not engage in trade with any suppliers who fail to demonstrate compliance with this Code.

8 Remediation Measures

At Dynamic Windows & Doors, we are steadfast in our commitment to ethical business practices and the welfare of all individuals in our business and supply chains. Our approach to remediation is built on transparency, accountability, and the dignity of every person.

8.1 Proactive Stance on Modern Slavery

To date, we have not identified any instances of modern slavery or human trafficking in our business and supply chains. This outcome is a testament to the rigorous due diligence, monitoring, and compliance efforts we have implemented across all levels of our operations. However, we remain vigilant and prepared to act decisively should any instances arise.

Remediation Framework

Should any instances of modern slavery or human trafficking be discovered within our operations or supply chains, Dynamic is committed to taking immediate and effective remedial measures. These measures include, but are not limited to:

- **Immediate Investigation:** Conducting thorough investigations to understand the nature and extent of the issue,
- **Support for Victims:** Providing comprehensive support to any victims identified, including compensation and assistance in recovery. This support would also entail reporting any illegal activities to the appropriate authorities within Canada, or international,
- **Corrective Actions:** Implementing corrective actions to address the root causes of the identified instances. This may include revising our procurement practices, enhancing supplier due diligence, or improving training and awareness programs,
- **Partnership with Suppliers:** Working closely with our suppliers to ensure they understand the seriousness of the issue and take appropriate steps to prevent recurrence. This may involve capacity building and providing resources or support to help them improve their practices,
- **Transparency and Reporting:** Reporting the incident, our response, and the outcomes of our remediation efforts transparently to all stakeholders. This includes sharing lessons learned and the steps taken to prevent future occurrences.

Commitment to Continuous Improvement

Dynamic recognizes that the fight against modern slavery is ongoing. We are committed to continuously improving our practices, monitoring mechanisms, and training programs to ensure that our business and supply chains remain free from modern slavery and human trafficking. Our

goal is not only to react to issues should they arise but also to prevent them from occurring in the first place through proactive measures and a culture of ethical vigilance.

9 Remediation Measures Relating to Loss of Income to Vulnerable Persons

At Dynamic we are acutely aware of the profound impact that modern slavery and human trafficking can have on vulnerable groups, including migrant laborers, unskilled laborers, indigenous peoples, women, and children. We understand that efforts to eliminate forced labor or child labor from supply chains can, unfortunately, lead to a loss of income for the most vulnerable families, which in turn can exacerbate their precarious situation.

9.1 Proactive and Ethical Remediation

To date, we have not identified instances of modern slavery within our business and supply chains. As such, there has not been a need to implement remediation measures for the loss of income to vulnerable families directly resulting from our actions to combat forced labor or child labor. However, Dynamic Windows & Doors is committed to addressing such impacts responsibly should they arise in the future.

Planned Measures for Supporting Vulnerable Families:

While we have not had to implement these measures to date, our commitment to ethical practices and the welfare of vulnerable groups guides our planned approach:

- **Assessment of Impact:** Conducting thorough assessments to understand the social and economic impact of our remediation actions on vulnerable families,
- **Transparency and Stakeholder Engagement:** Engaging with stakeholders, including affected communities, to ensure transparency in our remediation efforts. Feedback from these stakeholders will be crucial in shaping effective and responsive support programs.

Commitment to Responsible Business Conduct:

Dynamic remains committed to conducting our business in a manner that respects human rights and promotes the welfare of all individuals in our supply chains. We recognize the importance of not only addressing the direct impacts of modern slavery but also mitigating any unintended consequences of our efforts to combat such practices. Our approach to remediation measures reflects our broader commitment to responsible and ethical business conduct.

For Dynamic Windows & Doors, Section 11 of the Modern Slavery Statement will detail the approach to evaluating the effectiveness of your actions in combating modern slavery risks within your business and supply chains. This section is crucial for demonstrating accountability and the commitment to continuous improvement in your efforts against modern slavery and human trafficking.

Future Assessments and Continuous Improvement

While to date, Dynamic has not identified instances of modern slavery within our business or supply chains, we remain vigilant and proactive in our efforts. Going forward, we will continue to refine our assessment methods to enhance our understanding of the effectiveness of our actions. Our goal is to not only prevent and reduce risks of modern slavery but also to lead by example in our industry, fostering a culture of transparency, accountability, and ethical business practices.

Approval of the Statement

Dynamic Windows & Doors has acted in consultation with the entities we own in preparing this statement. This statement is made in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act and constitutes Dynamic Windows & Doors' modern slavery statement for the financial year commencing on January 1, 2023 and ending on Dec 31, 2023.

This statement was approved by the Board of Directors of Dynamic Windows & Doors pursuant to Paragraph 11(4)(a) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act on March 19, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for Dynamic Windows & Doors. 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.

Signed

By:  John Mathews, CEO Date: March 19, 2023

I have the authority to bind Dynamic Windows & Doors.