

MDA Space Ltd.

Modern Slavery Report **2023**

January 1, 2023 – December 31, 2023

MDA Space Ltd. has prepared this report for the reporting period ending December 31, 2023 in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). MDA Space Ltd. is incorporated under the *Business Corporations Act* (Ontario). This is a joint report with MDA Space Ltd.’s wholly owned Canadian subsidiaries (collectively referred to herein as (“**MDA Space**”, “**our**”, “**we**” or “**Company**”) listed below:

Subsidiary	Location
MacDonald, Dettwiler and Associates Inc.	Brampton and Kanata, Ontario
MacDonald, Dettwiler and Associates Corporation	Montréal, Québec
MDA Systems Ltd.	Richmond, British Columbia; Halifax, Nova Scotia
MDA Geospatial Services Inc.	Richmond, British Columbia
Neptune Operations Ltd.	Vancouver, British Columbia

MDA Space recognizes that modern slavery can occur in many forms, including indentured servitude, human trafficking, forced labour, forced marriage, debt bondage, child labour and deceptive recruiting for labour or services (collectively, “**Modern Slavery**”). We understand that Canadian companies such as MDA Space can play a key role in the fight against Modern Slavery. This report provides an overview of the measures we have taken to assess, prevent and reduce the risk of Modern Slavery in our business and supply chain. Our aim is to ensure that labour used in our business and throughout our supply chain is not only provided in accordance with applicable laws, but that such labour is also provided voluntarily and in accordance with the highest ethical employment standards.

1. OUR BUSINESS ACTIVITIES AND SUPPLY CHAIN

OUR BUSINESS ACTIVITIES

Building the space between proven and possible, MDA Space (TSX: MDA) is a trusted mission partner to the global space industry. A robotics, satellite systems and geointelligence pioneer with a 55-year+ story of world firsts and more than 450 missions, MDA Space is a global leader in communications satellites, Earth and space observation, and space exploration and infrastructure.

MDA Space employs approximately 3,000 employees in Canada and an additional 110 employees globally (all of whom are located in either the United States or United Kingdom). MDA Space has three business units: Satellite Systems, Robotics & Space Operations and Geointelligence. Across these business units, we have significant scale with over 566,000 square feet of design, laboratories, manufacturing and test facilities.

In our Satellite Systems business, we partner on space communication missions across various levels of Earth orbit, in addition to providing communication systems for human-rated spacecraft. These missions span a growing number of applications including broadband access, direct-to-device satellite communication, and internet of things connectivity across the full communication frequency spectrum.

In our Robotics & Space Operations business, we partner on space infrastructure missions to facilitate the exploration and development of space. We provide autonomous robotics and rover solutions along with

proximity operation sensors that are used to operate in orbit and on the surface of the Moon and Mars, as well as operational services to plan, support and operate these remote missions.

In our Geointelligence business, we partner with customers to develop and operate Earth observation and space observation missions, as well as provide key products in the areas of Earth observation ground stations, maritime domain awareness software platforms, and multi-sensor fusion-based analytics products and services. All of these activities serve a wide range of use cases, including in the areas of national security, climate change monitoring, and maritime surveillance.

MDA Space's global headquarters is located in Brampton, Ontario, which is also where our Robotics & Space Operations business is based. Our Satellite Systems business principally operates in Montréal, Québec and our Geointelligence business principally operates in Richmond, British Columbia.

OUR SUPPLY CHAIN

MDA Space, alongside its supply chain partners, operates globally. In each of our core business areas, MDA Space is involved in researching, designing, testing and manufacturing with various partners and customers. While our Geointelligence business is generally engaged in limited manufacturing, our Satellite Systems and Robotics & Space Operations businesses are more involved in hardware production and therefore have increased reliance on raw materials, components and equipment.

MDA Space's procurement activities generally take place through the procurement and related functions that exist within each of our business units. MDA Space's supply chain consists of suppliers of raw materials, product equipment and major components of products that are ultimately used by MDA Space to create the deliverables we provide to our customers. Key raw materials used include metals such as aluminum and titanium, which are usually procured from suppliers who manufacture parts in accordance with our drawings. We also purchase materials such as: chemicals; composites; electronic, electro-mechanical and mechanical components; subassemblies; and subsystems that are integrated with the manufactured parts we procure for final assembly into finished products and systems. The raw materials, components and systems required to manufacture goods and services within our businesses vary from product to product and are procured from global suppliers that are principally located in Canada and the United States. In most cases, these suppliers are selected through a competitive bid or negotiated process. Where possible, MDA Space seeks to build long-term relationships with major direct and indirect suppliers for the delivery of raw materials, components and systems required to build and deliver our goods and services. In 2023, MDA Space engaged with over five hundred direct suppliers. Of those suppliers, more than ninety percent (90%) were located in Canada and the United States.

2. RISK IDENTIFICATION

In 2023, MDA Space assessed the risk of Modern Slavery within our own workforce as low. Our employees are located in Canada, the United States of America and the United Kingdom, all of which are countries where Modern Slavery is less common relative to other countries. To ensure that we are taking steps to adequately reduce any potential risk of engaging in Modern Slavery within our direct workforce, we have a comprehensive screening and verification protocol for new employees we hire which meets the highest ethical employment standards. We ensure all of our internal hiring activities meet legal requirements pertaining to minimum working age and our internal policies and practices ensure that our employees do not face exploitive treatment such as slavery, forced labour or servitude.

With respect to our supply chain, our risk identification methodology consisted of an initial internal mapping assessment whereby we analyzed the countries on our supplier list from 2023 against the Global Slavery

Index.¹ Based on this risk assessment, we concluded that MDA Space does not directly source materials or services from suppliers located in countries reputed to have the highest prevalence of modern slavery. When conducting our risk assessment, we also cross-compared our suppliers with the Corruption Perceptions Index to determine whether any of our suppliers are located within any high ranking countries.² This initial mapping exercise led to a conclusion that MDA Space's supply chain carries a low risk of Modern Slavery.

3. RISK REDUCTION INITIATIVES

MDA Space believes integrity, responsible product sourcing, and the safety and well-being of workers across our supply chain is of paramount importance. In 2023, MDA Space took several steps to proactively reduce the risk of Modern Slavery. We developed and implemented a Supplier Code of Conduct (“**Supplier Code**”), provided training sessions to our team members that engage with suppliers, and increased our due diligence efforts when engaging with new suppliers. We believe that these proactive measures will help prevent and further reduce any risk of Modern Slavery in our business and supply chain.

POLICIES AND PROCEDURES

MDA Space has several policies and procedures in place to ensure professional responsibility and ethical business practices are being followed throughout our organization, including codes and policies relating to:

- i. supplier conduct;
- ii. anti-corruption;
- iii. anti-harassment and violence;
- iv. ethics and business conduct;
- v. export control; and
- vi. whistleblowing processes.

While some of these policies and procedures directly address the risk of Modern Slavery, others support our commitment to integrity and ethical business practices generally by establishing a framework that indirectly reduces the risk of Modern Slavery in our business activities. This multifaceted framework not only sets out expectations with third parties, but it also sets our organization's own internal expectations for all employees, contractors, and consultants of MDA Space to operate with high standards of integrity. MDA Space reviews all policies regularly and monitors legislative changes to ensure compliance with all applicable laws.

Supplier Code of Conduct

MDA Space has developed and implemented a Supplier Code which outlines our expectations within our supply chain, including, among other things, the protection of individuals working directly or indirectly with MDA Space from any Modern Slavery. The purpose of our Supplier Code is to ensure integrity and responsible product sourcing, and the safety and well-being of workers across our supply chain. Our

¹ Top ten countries with highest prevalence, in order: North Korea, Eritrea, Mauritania, Saudi Arabia, Türkiye, Tajikistan, United Arab Emirates, Russia, Afghanistan and Kuwait ([Global Slavery Index](#)).

² [Corruption Perceptions Index 2023](#). The corruption perceptions index (CPI) is the most widely used global corruption ranking in the world, measuring how corrupt each country's public sector is perceived to be. The index is developed annually by an organization called Transparency International. The higher a country's rank, the more corrupt it is perceived to be.

Supplier Code explicitly outlines MDA Space's expectations vis-à-vis relevant suppliers as it relates to forced labour and child labour by requiring the following:

“Suppliers must not engage in, nor support, the use of child labour. For the purpose of this Supplier Code, child labour covers all types of work carried out by employees under the age of 15 years old, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Suppliers shall (i) implement and maintain a reliable system to verify the eligibility of all workers, including: (a) age eligibility and (b) legal status of foreign workers; and (ii) implement and maintain a reliable record-keeping system regarding the eligibility of all workers. The use of legitimate workplace learning programs, which comply with all applicable laws and regulations, is supported.”

“All labour must be voluntary. Suppliers shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. Suppliers must not demand any work or service from any person under the menace of any penalty.”

Among other things, our Supplier Code requires that our suppliers provide their workers with appropriate working hours, wages and benefits, and respects their personal freedoms. Through our Supplier Code, we also require that our suppliers commit to providing a safe, healthy, and sanitary working environment for their workers. As part of our screening and due diligence process, each relevant supplier is expected to attest that they will comply with the requirements of our Supplier Code and that they will impose similar requirements on any of their suppliers that are supporting with the work that MDA Space has engaged them to perform.

Anti-Corruption Policy

MDA Space's Anti-Corruption Policy speaks to our commitment to conducting business with honesty, integrity and in full compliance with anti-bribery and anti-corruption laws. This policy strictly prohibits our personnel from engaging in bribery or corruption in any form. It also holds MDA Space accountable for any third parties we engage with, including suppliers, and requires that MDA Space take reasonable precautions to ensure that all third parties it works with are reputable, honest and qualified.

Anti-Harassment and Violence Prevention Policy

The purpose of MDA Space's Anti-Harassment and Violence Prevention Policy is to establish procedures to help prevent, address and to the extent possible, eliminate violence, harassment, discrimination and other unacceptable behaviour in the workplace. This policy reiterates MDA Space's commitment to providing and maintaining an environment that fosters respect for the dignity and rights of everyone we engage with.

Code of Ethics and Business Conduct

MDA Space's Code of Ethics and Business Conduct promotes: (i) integrity and honest and ethical conduct; (ii) compliance with rules and regulations; and (iii) fair dealing practices. We require all our personnel to operate with high standards of integrity by conducting all of our business honestly and ethically and our employees are all required to acknowledge their commitment to conducting themselves in accordance with the requirements of our Code of Ethics and Business Conduct.

Whistleblower Policy

To facilitate compliance with our policies and procedures, MDA Space has adopted a Whistleblower Policy. Our Whistleblower Policy provides an avenue to allow business misconduct or other wrongdoing to be reported, and ensures that our personnel and external parties have a confidential channel to raise concerns

for review and investigation. Any good faith concern about any legal or regulatory compliance matter, or any matter believed to be in violation of our policies and procedures, can be reported on a confidential basis to either: (i) a supervisor, manager or Human Resources Business partner; or (ii) our independently administered, third party hotline service, which is available by telephone, online, or mail. Our Whistleblower Policy is an instrumental reporting tool which supports our efforts in ensuring our supply chain and operations operate with high standards of integrity.

CONTRACTING ARRANGEMENTS

In 2023, MDA Space developed the following language to be embedded in our purchasing agreements to ensure relevant suppliers comply with the Supplier Code:

“Supplier acknowledges that MDA Space has provided it with a copy of MDA Space’s Code of Conduct for Supplier’s ethical and responsible standards of behaviour, including, without limitation, those dealing with human trafficking and modern slavery (“Supplier Code of Conduct”). During the term of this Agreement, Supplier shall conduct business in a manner consistent with the Supplier Code of Conduct and all applicable laws and regulations relating to the subject matter thereof.”

DUE DILIGENCE

In line with our relevant policies and processes listed above, MDA Space applies a risk assessment procedure prior to engaging with new suppliers and conducts corresponding reviews when it commences any new relationship with a potential supplier.

In 2023, MDA Space developed an updated version of its supplier due diligence questionnaire aimed at specifically addressing potential Modern Slavery risks. In addition, during the qualification stage, all of our suppliers are expected to attest that they will meet the requirements of our Supplier Code.

TRAINING

MDA Space has provided initial internal training to our team members that regularly engage with our suppliers, including procurement, subcontracting and compliance teams. We are committed to regularly continuing such training initiatives. Our training is designed to ensure our relevant team members are equipped with the tools to proactively mitigate the risks of Modern Slavery being present in our supply chain. The training provided to our team members includes an overview of the requirements of the Act, a summary of the updated terms and conditions to be included in relevant agreements with suppliers, and an overview of additional due diligence requirements to be followed when engaging with potential suppliers.

4. CONTINUOUS IMPROVEMENT

MDA Space is committed to continuously improving and strengthening our processes and business practices pertaining to Modern Slavery. As our business continues to evolve, we will continue to ensure that our policies and practices address the risks of Modern Slavery throughout our operations and our supply chain. We intend to continue building on the steps taken in 2023 to address Modern Slavery risks in our business and supply chain. Specifically, we will:

- Provide additional training focusing on practical aspects of due diligence and screening of potential suppliers;

- Further update our supplier due diligence and screening processes, with an emphasis on minimizing Modern Slavery risks;
- Conduct an internal audit of our supplier selection and approval process to ensure the efficacy of our new due diligence efforts; and
- Continue to implement terms and conditions in our purchasing agreements that require suppliers to comply with our Supplier Code and the Modern Slavery requirements therein.

5. REMEDIATION AND LOSS MITIGATION

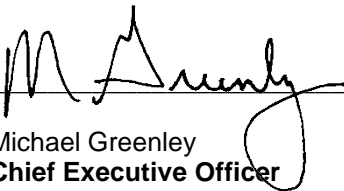
As of the date of this report, MDA Space has not identified any instances or allegations of Modern Slavery within our operations. As such, no remediation measures have been taken and our focus has instead been on continuing to take steps to prevent and mitigate potential occurrences of Modern Slavery. Similarly, there were no measures taken by MDA Space to remediate the loss of income to the most vulnerable families given that there was no Modern Slavery identified in our operations. If MDA Space determines that it has caused or contributed to any instances of Modern Slavery, our intent would be to cooperate with the impacted parties to develop an approach to remediation tailored to needs of the impacted parties.

6. ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, this report was approved by the Board of Directors of MDA Space in respect of MDA Space and each of its wholly-owned subsidiaries on May 8, 2024.

In accordance with the requirements of the Act, I, the undersigned, attest that I have reviewed the information contained in the report for the entities listed on the first page of this 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.

Dated this 23rd day of May, 2024.



Michael Greenley
Chief Executive Officer

I have the authority to bind MDA Space.