



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS REPORT

DEADLINE FOR FILING IS MAY 31, 2025

Introduction

This Modern Slavery Report ("the Report") has been prepared by Dynatool Industries Inc. ("Dynatool" or "we") pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (SC 2023, c 9) for the financial year ending December 31, 2024. The Report outlines the actions taken by Dynatool to identify and address risks related to forced and child labour in our operations and supply chains.

Structure and Activities

Dynatool Industries Inc. is incorporated in Quebec and is headquartered at 3540 Saint-Patrick Street, Montreal, Quebec, H4E 1A2.

Dynatool specializes in Rheocasting and die casting, heat treatment, machining, surface finishing, and the assembly of mechanical systems. We support customers through all stages of product development, from design and prototyping to full-scale production.

Operations are based in Canada, with partnerships in Asia that enable efficient and cost-effective sourcing. The engineering team uses advanced software to design and validate components, including 3D CAD modeling, 3D printing, finite element analysis, and casting simulation. Designs are evaluated for functionality, manufacturability, and compliance with specifications. We frequently redesign components to improve integration and reduce production costs. Our Canadian facility uses Rheocasting technology to produce structural castings and thermal management components. Finished products are delivered to customers in North America, China, Taiwan, and Thailand. This global supply approach balances quality, lead times, and cost.

Dynatool is ISO 9001:2015 certified and experienced in Pro-E and SolidWorks, with capabilities in die casting, machining, testing, and assembly. From concept to production, Dynatool provides practical and technically sound product development support.

Dynatool's Supply Chain

Dynatool's supply chain consists of domestic and international suppliers, primarily located in Canada, the USA, Europe, and Asia. While a significant portion of our manufacturing occurs in Canada, some manufacturing and raw material sourcing are subcontracted to longstanding partners in Asia.

High-skill manufacturing and direct sourcing relationships limit our exposure to subcontracted and informal labour practices. Nevertheless, we recognize potential risks in sourcing from regions where oversight can be limited.

Potential Risk of Forced Labour and Child Labour in our Supply Chains

Dynatool recognizes that effective risk identification and management is critical to long-term success. The company is developing a process to identify risks related to forced and child labour within its operations and supply chain, with a commitment to strengthening and expanding these assessment processes over time.

Dynatool's workforce includes both manufacturing and office personnel, as well as contractors, all of whom are subject to Canadian employment legislation. A portion of manufacturing is subcontracted to a small number of key suppliers in Asia. These relationships are longstanding, and Dynatool has not observed, nor been made aware of, any instances of forced or child labour at these facilities.

We source parts and materials from suppliers in Canada, the United States, and Europe—regions generally considered to present a low risk of forced or child labour practices.

Dynatool acknowledges that the level of risk associated with forced and child labour in its supply chain may vary depending on the nature and geographic location of the activity. Furthermore, the company expects that supplier facilities comply with applicable health and safety regulations. Dynatool remains committed to ongoing risk assessment, monitoring, and the continuous improvement of its processes to protect against forced and child labour throughout its supply chain.

Dynatool Policies and Procedures

Dynatool is committed to continuously strengthening its policies, procedures, and internal controls to address actual and potential risks of forced and child labour within its operations and supply chains. In alignment with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, we are taking reasonable steps to prevent the use of forced or child labour across all stages of production—from raw material sourcing to final delivery.

Grounded in internationally recognized human rights principles, this commitment is reflected in our corporate values, governance practices, and supplier engagement protocols. We actively monitor supplier performance, including monthly tracking of on-time delivery metrics, to support early risk identification and responsible sourcing.

Dynatool's standard Purchase Order Terms and Conditions require suppliers to comply with all applicable laws, uphold ethical labour standards, maintain accurate records, and adhere to Dynatool's internal policies. We reserve the right to inspect supplier operations, reject non-compliant goods, and require appropriate insurance coverage—core components of our human rights due diligence framework.

Key actions taken during the reporting period include:

- Retaining a third-party consultant to assess supply chain practices and support report development.
- Establishing an internal working group to oversee compliance with the Act.
- Verifying all Canadian employees hold valid SINs and meet minimum working age requirements.
- Confirming labour agency workers are subject to the same standards as direct employees.

- Conducting site visits with key suppliers to evaluate working conditions.
- Reducing reliance on subcontractors by working directly with trusted manufacturing partners.
- Analyzing global human rights frameworks to benchmark our due diligence approach.
- Performing a policy gap analysis to align procedures with regulatory expectations.
- Integrating forced and child labour clauses into RFPs and vendor onboarding.

Ongoing and planned initiatives include:

- Conducting formal supply chain risk mapping by region and supplier tier.
- Developing a structured due diligence framework to assess and monitor supplier risk.
- Requiring suppliers to complete onboarding questionnaires disclosing labour practices.
- Launching employee training on forced and child labour risks and regulatory obligations.
- Publishing a standalone Supplier Code of Conduct, with formal acknowledgment required.
- Establishing performance indicators to track compliance and program effectiveness.
- Participating in industry collaborations to enhance transparency and shared due diligence efforts.

Dynatool remains dedicated to the ongoing enhancement of our controls, supplier oversight, and stakeholder engagement efforts to ensure responsible sourcing and full compliance with Canada's modern slavery legislation.

Remediation Measures

Dynatool confirms that during the Reporting Period, no instances of forced labour or child labour were identified within its operations or supply chains. Accordingly, no formal remediation actions were required, and there were no associated income losses necessitating redress.

Nonetheless, Dynatool recognizes the critical importance of proactive preparedness in addressing potential instances of non-compliance. To that end, the company is actively developing and implementing comprehensive remediation measures designed to respond effectively should any issues arise in the future.

As part of our evolving human rights due diligence framework and our commitment to continuous improvement, Dynatool is undertaking the following initiatives:

- **Developing a formal remediation protocol** that outlines clear procedures for investigating, escalating, and responding to identified cases of forced or child labour. This protocol will ensure consistency, transparency, and alignment with international standards.
- **Establishing victim-centred support procedures**, which will include access to independent third-party grievance mechanisms, confidential reporting channels, and pathways for remedy and support in collaboration with qualified external organizations.
- **Integrating ethical sourcing criteria into supplier performance management**, including audit results, social compliance scores, and region-specific risk indicators. These will be incorporated into supplier scorecards alongside existing performance metrics such as on-time delivery and quality benchmarks.
- **Launching a formal training program** for employees and procurement staff to raise awareness of forced and child labour risks, reporting obligations under Canadian law, and appropriate responses to suspected violations.

- **Requiring suppliers to complete detailed onboarding questionnaires** disclosing their labour practices, subcontractor use, and compliance with child and forced labour legislation.
- **Publishing and implementing a standalone Supplier Code of Conduct**, which suppliers will be required to formally acknowledge. This Code will outline expectations around ethical business conduct, labour practices, and compliance requirements.
- **Developing performance indicators and compliance tracking tools** to monitor adherence to human rights standards and evaluate the effectiveness of due diligence efforts over time.
- **Engaging in collaborative industry initiatives and stakeholder partnerships** to enhance remediation strategies, improve supply chain transparency, and share best practices.

These proactive steps reflect Dynatool's strong commitment to upholding human rights, preventing exploitation, and aligning with evolving expectations under Canadian and international standards. Should a case of forced or child labour be identified in the future, Dynatool will be equipped with a clear, responsible, and compassionate process to ensure meaningful remediation and prevent recurrence.

Education and Training

As part of Dynatool's commitment to ethical conduct and responsible business practices, all new hires—including directors, officers, permanent employees, temporary staff, and contract workers—are required to review and acknowledge the company's core policies during the onboarding process. These standards emphasize the shared responsibility of every individual in supporting Dynatool's reputation as a responsible corporate citizen.

Looking ahead to 2025, Dynatool plans to enhance its employee engagement and awareness practices by implementing the following measures:

- Launching training modules for all personnel involved in procurement, vendor oversight, and supply chain management, with specific content on identifying and mitigating risks related to forced and child labour.
- Requiring contractors and temporary staffing agencies to provide evidence of their own training programs related to labour standards, or complete Dynatool's training as a condition of engagement.

These measures will support a consistent understanding of Dynatool's obligations under Canada's modern slavery legislation and promote a culture of compliance, transparency, and human rights stewardship throughout the organization.

Next Steps

Dynatool remains firmly committed to the ongoing prevention and mitigation of forced and child labour risks within our operations and supply chains. As part of our continuous improvement efforts and alignment with Canadian and international human rights standards, we will continue to enhance our policies, practices, and oversight mechanisms.

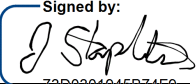
Key next steps include:

- **Reinforcing expectations for ethical conduct and legal compliance** through Dynatool's Code of Conduct, which applies to all directors, officers, employees, contractors, service providers, and suppliers. The Code clearly prohibits the use of forced or child labour and mandates compliance with all applicable labour and human rights laws in jurisdictions where we operate or source goods and services.
- **Regularly reviewing and updating internal policies and governance mandates** related to forced and child labour to identify and implement opportunities for improvement in accordance with emerging best practices and regulatory developments.
- **Enhancing supplier due diligence protocols**, including strengthened onboarding and prequalification procedures aligned with Dynatool's Supplier Code of Conduct, which outlines expectations for ethical sourcing, labour standards, and legal compliance.
- **Delivering ongoing training and capacity-building initiatives** to ensure employees and procurement personnel understand the risks associated with modern slavery, including forced labour, child labour, and human trafficking. Training will be reviewed and updated regularly to reflect current legislation, risk indicators, and mitigation strategies.

Through these ongoing actions, Dynatool aims to further embed responsible sourcing practices across our operations, assess the effectiveness of our due diligence framework, and uphold our commitment to ethical conduct and human rights throughout the supply chain.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Dynatool In accordance with the requirements of 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.

Signed by:

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Signature

Name: James Stapleton

Title: President & Director

Date: May 30, 2025