

Fighting against forced labour and child labour in supply chains act

This annual report is published in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

DSI Underground Canada Ltd., ("DSI"), BN 101535052RM0001, a part of the Sandvik Group of companies, has prepared this single entity report for the fiscal period from January 1, 2024, to December 31, 2024. In this report, we will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labour in our supply chain.

Our Statement

It is with great pride and a deep sense of responsibility that we present this report detailing our commitment and efforts to prevent forced labour within our supply chain. At DSI Underground Canada Ltd. we recognize the gravity of the global challenge posed by forced labour and its impact on human rights. Our commitment to ethical business practices extends beyond mere compliance—it is a cornerstone of our identity.

As you delve into the pages of this report, we invite you to join us on this journey of continuous improvement and ethical leadership. Together, we can create a supply chain ecosystem that stands as an inspiration of fairness, dignity, and respect for all.



Prevention and Risk Reduction of Forced Labour and Child Labour

We prioritize upholding human rights as a core corporate responsibility and value across all our operations. We support the UN International Bill of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work. We hold a strong commitment to respecting human rights in every aspect of our business, and we expect the same from our partners. Prior to 2023 we initiated the following steps to prevent and reduce the risk of forced labour and child labour in our business supply chains:

- Transition of the Sandvik Supplier Code of Conduct (CoC) to our supply chain program. This Code of Conduct establishes clear expectations and obligations for suppliers related to environmental, anti-bribery, trade controls, privacy, fair competition, health and safety, human rights and forced labour practices.
- Explore alternative sourcing options for suppliers who align with your values and are willing to adhere to the code of conduct.
- Supplier monitoring. By accepting the Supplier CoC, the supplier commits to meeting the requirements within its own operations and supply chain.
- Initiated and implemented due diligence policies and practices specific to the prevention of forced labour and/or child labour in our supply chain.
- Identified training opportunities to increase awareness within DSI on forced labour and child labour.

Our Company

A Canadian Market Leader: Quality Solutions for the Mining Industry. In Canada, we have a strong proven history as the market leader for reliable ground support. Our manufacturing locations and distribution centres are within hours of important mining regions. We are ISO 9001 and ISO 14001 certified which enables us to support mines with quality products and customized solutions. DSI manufactures and supplies ground support, tunnelling, and galvanizing products for the North American mining industry. Many of our products are predominantly manufactured and distributed in Canada. In addition to our domestic manufacturing, we source products internationally from other DSI locations that adhere to the same Code of Business Conduct. Our 215 employees are primarily located at three facilities in Canada:

- Manufacturing and Distribution in Saskatoon, Saskatchewan.
- Manufacturing and Distribution in Sturgeon Falls, Ontario.
- Galvanizing Services in North Bay Ontario.

Our Supply Chain

It is essential for us to do business with suppliers that share our commitment to strong social, environmental, and economic performance. We strive to develop transparency around our Supplier Sustainability Evaluation Procedure (SSEP).

The SSEP supports us in our efforts to identify, prevent, mitigate, and account for adverse human rights, inclusive of forced labour and child labour and governance impacts from our supply chain and outlines the rules of evaluation and approving a supplier as compliant with our Supplier Code of Conduct, to qualify as our supplier.

In all cases, DSI reserves the right to terminate the business relation in case of severe and/or not remediated non-compliance. Our best practice is that our suppliers are provided with an opportunity to remediate the non-compliance within a reasonable timeframe agreed by DSI. If not remediated: (i) a responsible exit plan from the business relation should be formulated or (ii) an approval from the global procurement council is needed to continue the business relation. All records of non-compliant suppliers including the reason for non-compliance must be kept and stored.

Compliance checks are set to ensure that DSI does not cooperate with suppliers where there is evidence of violation of the zero-tolerance requirement.

The zero-tolerance levels specific to Human and Labour rights:

- Child Labour.
- Discrimination, harassment, or inhumane treatment.
- Forced Labour.
- Local freedom of association legislation not respected.

— Legal minimum wage not paid.

— Employees are not entitled to legal weekly rest.

Risk screening is a continual process, audits carried out as per Supplier Code of Conduct Audit Procedure with continual supplier scorecard management. We have not identified any risks specific to forced labour or child labour within this fiscal period.

Our Due Diligence

The Supplier Code of Conduct is our commitment to contributing to sustainable development for future generations. This includes identifying, preventing, mitigating, and accounting for adverse environmental, human rights and governance impacts in our own operations and supply chain, and we expect the same commitment from our suppliers.

In line with DSI's values for its suppliers, we have a dedicated section specific to Human and labour rights. Our Supplier Code of Conduct specifically includes provisions prohibiting child labour and forced labour:

4.2 Child Labour

Child labour is unacceptable to DSI. Suppliers must work to prevent child labour in their operation and supply chain and ensure legal working conditions for young workers. If child labour is identified, a remediation in the best interest of the child must be carried out.

Employees must not be younger than 15 years of age (or 14 if allowed by national law), or older where local law stipulates a higher minimum age. Young workers (below 18 years old) must not perform work that is mentally, physically, socially, or morally hazardous or that interferes with their mandatory schooling. Young workers must not work night shifts.

4.3 Forced Labour/ Modern Slavery/ Human Trafficking

Suppliers, including their recruitment agencies, must not engage in or tolerate restrictions of movement, excessive recruitment fees or cash deposits, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage, violence, or any form of forced, compulsory or illegal labour including prison." labour. DSI supports responsible sourcing of minerals and metals. Supply chains that either directly or indirectly contribute to conflicts or serious human rights violations are unacceptable to DSI. Our requirements:

"Suppliers dealing with raw materials and components containing tin, tantalum, tungsten, gold (3TG) or cobalt that are part of the direct supply chain of DSI products:

- Must comply with all applicable laws concerning responsible sourcing and conflict minerals.
- Must follow The Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas based on their position in the supply chain, including relevant reporting."

Effectiveness

DSI's employees receive regular tailored training on all ethical topics, policies, and procedures. Supply chain employees are further equipped with additional training and skill development to ensure they are equipped to identify risks and issues associated with forced labour and child labour including Sandvick's Modern Slavery Policy. All new employees are assigned a mandatory onboarding training package with all business Codes of Conducts, processes, and procedures.

Reporting and Non-retaliation Policy

At DSI, we take non-compliance with our Code of Conduct and laws very seriously. If an employee, supplier, or business partner to DSI we encourage individuals to report any concerns, breaches of policies or law through the Speak Up reporting system.

Speak Up is available on our website and through country specific telephone hotlines 24 hours a day, 7 days a week, and in all countries where we have operations. In addition to reporting incidents, the system can be used to ask questions related to the Supplier Code.

All reports that are received are evaluated and an internal investigation will be conducted if required. The information provided is kept confidential. The reporter can be anonymous. All reports that are submitted to Speak Up are kept in a highly secure system and only a small team of trained investigators have access to the reports. As outlined in our Speak Up Policy, DSI does not tolerate any retaliation against representatives from a supplier, employee, or business partner who, in good faith voices their concern.

At DSI Underground Canada Ltd., we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through supplier monitoring, supplier engagement, and continuous improvement initiatives, we have implemented responsible measures to prevent the scourge of forced labour from infiltrating our supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with credible third-party organizations to ensure compliance with internationally recognized labour standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges in combating forced labour and child labour.

Attestation

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.



Paul Stephenson
Chief Executive Officer
May 27th, 2025

I have the authority to bind 'DSI Underground Canada Ltd.'