

Canada Modern Slavery Act

Annual Report for Financial Year 2024

(January 1, 2024 to December 31, 2024)

Introduction

This Annual Report is made on behalf of DMG MORI Canada Inc. (“**DMG MORI Canada**” or “**we**”) and constitutes the annual report required under Section 11 of Canada’s “*An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*” (“**Canada Modern Slavery Act**”).

a) Structure, Activities and Supply Chains

DMG MORI Canada belongs to DMG MORI group, whose ultimate parent company is DMG MORI CO., LTD., a Japanese corporation registered in Nara, Japan. As a leading global manufacturer of high-precision machine tools and machining solutions, DMG MORI group has over 13,000 employees, 16 production plants and 124 sales and service locations across the globe (as of December 2024). Our product portfolio is comprised of 5-axis machining centers, mill-turn machines, and additive manufacturing machines, as well as automation systems and software products that serve to optimize manufacturing productivity and efficiency.

DMG MORI Canada is a Canadian corporation located in Mississauga, Ontario and is comprised of 70 employees. It operates as the sales and service entity of DMG MORI group for the Canadian market. As such, it does not possess manufacturing capability and does not control other entities. It imports machine tools and spare parts produced by suppliers outside of Canada and sells them to customers within Canada. Primary suppliers of DMG MORI Canada are DMG MORI CO., LTD. (in Japan) and DMG MORI USA, INC. (in USA) – both of which belong to DMG MORI group. In addition, supplemental goods in the form of machine peripherals like chip conveyors, chip blasters and bar feeders are largely provided by suppliers within North America. In fiscal year 2024, DMG MORI Canada imported around CAD 47 million worth of goods.

b) Policies and Due Diligence Processes

Our approach to addressing the risks of modern slavery is bolstered by DMG MORI’s internal Anti-Modern Slavery Policy, which reflects our employees, directors’ and officers’ chief obligations to respect and protect human rights within our business operations. It covers topics including ethical recruitment, hiring and employment processes, as well as safe, fair and ethical working conditions. The Policy enables supplier vetting by requiring an annual screening of all existing suppliers against a denied party list.

Moreover, our [DMG MORI CSR Procurement Guideline](#) outlines the key principles that actual and prospective suppliers must adhere to. This includes an unequivocal prohibition of any labour which contravenes applicable anti-slavery and human trafficking laws. We have implemented a clause within [DMG MORI Canada’s Terms and Conditions of Purchase](#) that calls for suppliers’ compliance with the Guideline and asks them to include the substance of the Guideline in their subcontracts that pertain to our business dealings. Nonobservance of the Guideline may require the supplier to produce a remediation plan to demonstrate its effort to ensure compliance with the Guideline. Suppliers are further advised that failure to provide such a plan could result in a termination of the transaction(s).

When conducting business with a new supplier that meets one of the following criteria: i) is located in a high-risk region or ii) is supplying high risk goods on our behalf, we conduct an individual screening prior to initiating any commercial transactions.

Further, [DMG MORI Canada's Terms and Conditions of Sale](#) now also includes a clause which requires the Buyer's compliance with internationally recognized human rights standards and its repudiation of all forms of illegal or unethical practices within its supply chain.

All DMG MORI Canada employees have access to a confidential third-party helpline through which they can report unethical conduct which they suspect violates company policy or applicable law. Reports can be made anonymously and are kept confidential. All reports are reviewed, and corrective action is taken where appropriate, while always preserving adherence to the company's non-retaliation policy. Monthly email communications regarding the helpline are sent out to employees as a reminder of its availability.

c) Forced Labour and Child Labour Risks

We monitor areas of potential risk for forced labour and child labour through supply chain mapping. We associate our main products – machine tools and spare parts – with their corresponding suppliers within DMG MORI group and the respective countries in which they operate. Through a forced labour and child labour risk assessment, the countries identified – USA and Japan – were evaluated as high risk and medium risk, respectively. Published indices including Human Development Index (HDI) and Global Rights Index (GRI) scores were used for this assessment.

Certain entities within DMG MORI group have taken some traceable steps to manage potential forced labour or child labour risks in their activities and supply chains. For instance, DMG MORI group's manufacturing sites in Japan require that their suppliers complete an annual compliance questionnaire, which contains a section in which they must substantiate their approach towards safeguarding against the use of prohibited forms of labour within their operations. Still, given that we do not manufacture our own goods, we recognize the delicate position of relying on our group companies to mitigate potential risks. As such, it is incumbent upon us, as a sales and service entity, to endeavor to corroborate DMG MORI group's efforts to address modern slavery.

d) Remediation Measures

No measures have been taken to remediate forced labour or child labour in our activities and supply chains in fiscal year 2024.

e) Remediation of Loss of Income

No measures have been taken to remediate any loss of income to vulnerable families resulting from steps taken to eliminate the use of forced labour or child labour in our business or supply chains in fiscal year 2024.

f) Employee Training

Each DMG MORI Canada employee was assigned a mandatory twenty-minute training course from an external provider on the topic of Forced Labour & Human Trafficking. The scope of the training focused on fostering an awareness of forced labour and human trafficking, promoting ethical business practices, as well as formulating a concrete plan to avoid forced labour or trafficked labour within the workplace. Employees were required to successfully complete a general knowledge check in order to receive a certificate of completion.

g) Assessment of Effectiveness

No actions have been taken in fiscal year 2024 to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

h) Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of President, attest that I have reviewed the information contained in the report on behalf of the governing

body of the entity 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 within this report.

This Annual Report has been approved by a written resolution of the board members of DMG MORI Canada Inc., pursuant to Section 11, paragraph (4)(a) of the Canada Modern Slavery Act.



Calin Veres

President, DMG MORI Canada Inc.

May 31, 2025

I have the authority to bind DMG MORI Canada Inc.