



## IMAGING DYNAMICS COMPANY LTD.

### MODERN SLAVERY REPORT

#### I. Introduction

This report (the “**Report**”) is made jointly by Imaging Dynamics Company Ltd. (“**IDC**”) and its wholly-owned subsidiaries listed in Schedule “A” hereto (collectively, the “**Reporting Entities**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report constitutes our forced labour and child labour reporting statement for the financial year ending December 31, 2023. Where this Report refers to “IDC”, the “Company”, “we”, “us” or “our”, it is a reference to all the Reporting Entities.

IDC does not tolerate child labour, forced labour or any other form of modern slavery. We are dedicated to upholding and respecting human rights and firmly oppose all forms of modern slavery. IDC recognizes the crucial role this plays in human rights protection, and we strive to avoid causing or contributing to any adverse human rights impacts.

#### II. IDC’s Structure, Activities, and Supply Chains

IDC is a global medical imaging technology provider and innovative force in the high technology growth field of digital radiography (DR). DR is a form of x-ray imaging which replaces conventional film-based diagnostic imaging and provides a cost-effective solution for medical facilities of all sizes to provide high quality diagnostic x-ray images with the use of flat panel detectors to enhance the digital image quality and improve the level of healthcare for their patients. The digital radiography products we offer include Medical CCD Detectors, Medical Flat Panel Detectors, multifunction X-ray machines, Veterinary X-ray machines. The Company is listed on the TSX Venture Exchange and has its corporate headquarters in Toronto, Ontario.

IDC has approximately 4 employees and 3 contractors working in professional office and field operations roles. Our goal is to create and foster a diverse, inclusive and respectful culture across our business operations and projects.

Our products are used worldwide in 42 countries spanning throughout North and South America, Europe, Asia, the Middle East and Pacific regions. As such, IDC does business with a wide range of goods and services suppliers (“**Suppliers**”), sourcing goods and services locally and globally. We strive to build relationships with Suppliers who align with our values and are committed to ensuring that our contracting and procurement activities are done in compliance with our policy commitments.

IDC procured goods and services across a broad range of categories and industry sectors in 2023. The vast majority of IDC’s procurement activities in 2023 related to the purchase of services in relation to medical device manufacturing. These services included quality system auditing and regulatory services for a

security issuer. IDC also purchased manufactured goods such as parts and components of digital radiographic systems. The majority of our Suppliers are located in Canada and the United States, although we recognize that many of our Suppliers supply us with goods that originate in other jurisdictions and each have their own supply chains.

### **III. Policies and Due Diligence**

IDC does not currently have policies and/or due diligence processes in place relating specifically to forced labour and/or child labour. As outlined below, IDC does have policies and due diligence processes in place that outline the principles of conduct and ethics to be adhered to by IDC.

#### *1. Policies*

IDC is committed to integrating human rights considerations into its policies, governance framework and decision-making and strives to continually evolve and improve its governance processes. While we do not have a specific policy in place relating to modern slavery concerns, IDC's core corporate values promote a strong culture of corporate responsibility that aids us in creating long-lasting benefits for our future. In addition to these values, all of IDC's directors, officers and employees are required to comply with all applicable laws and regulations while fulfilling their duties and responsibilities.

Our Business Conduct Policy sets out standards of behaviour required by all employees in conducting the business affairs of the Company.

IDC's Audit Committee has adopted a "whistle-blower" policy, which is designed to ensure our culture of ethical business conduct is upheld.

IDC's Board has written policies outlining business conduct and our Board of Directors Mandate ensures that the Company operates in a reliable and safe manner on an ongoing basis.

#### *2. Due Diligence*

IDC expects its third parties' Suppliers to comply with all applicable laws and regulations.

When sourcing new products and services, IDC visits critical suppliers and conducts audits. IDC is also committed to embedding Responsible Business Conduct (RBC) into policies and management systems, identifying and assessing adverse impacts in operations, supply chains, and business relationships, and ceasing, preventing, or mitigating adverse impacts. Additionally, IDC may track implementation and results, communicate how impacts are addressed, and provide for or cooperate in remediation when appropriate.

### **IV. Areas of Risk and Steps Taken to Manage Risk**

#### *1. Risk Factors*

As a manufacturer of medical imaging equipment, IDC recognizes that the procurement of specialized scientific components may be considered fairly high risk for forced labour.

IDC recognizes that the risks of forced labour and child labour are increased in certain high-risk areas, including:

- sectors reliant on low-skilled labour, often vulnerable to exploitative practices;

- dangerous or undesirable roles more likely to involve coercion;
- migrant workers at risk due to language barriers, uncertain legal status, and isolation;
- labour brokers or intermediaries that may obscure exploitative employment practices;
- manufacturing or production in regions with lax labour laws or enforcement, posing a higher risk;
- extended supply chains lacking transparency, complicating oversight and increasing the likelihood of labour abuses;
- industries and regions known for prevalent child labour and forced labour; and
- risks exacerbated by poverty and conflict.

IDC will consider in the future, additional ways to monitor and improve interactions with its employees and third-party Suppliers, especially those in sectors potentially at higher risk of labour exploitation.

## 2. *Risk Management Strategy*

IDC's steps to prevent and reduce the risk of forced labour or child labour in its business is done through following:

### *a. Review of Suppliers:*

When sourcing new products, IDC conducts a diligence review of any prospective partner and ensures that any manufacturing site is licensed by the relevant regulatory authority.

### *b. Monitoring and Communication with Suppliers:*

IDC's supply chain, regulatory and corporate development personnel are in constant communication with key production and quality control personnel of its suppliers regarding their products and processes.

IDC understands that the risks associated with modern slavery are complex, and that the potential elimination of forced labour and child labour requires ongoing diligence. We are committed to continuously identifying and addressing these risks within our business, and will consider in the future how we might refine our policies further to help combat forced labour and child labour.

## **V. Measures Taken to Remediate Forced Labour or Child Labour and Loss of Income**

IDC has not identified any instances of forced labour or child labour in its operations or supply chain. As a result, it has not had to take any measures to remediate any forced labour or child labour.

IDC acknowledges that efforts to prevent and reduce forced labor and child labor can unintentionally impact the income of vulnerable families. In 2023, there was no identified or reported instances where our measures to eliminate forced or child labor led to income loss for these families within our activities and supply chains.

Should IDC identify incidents of forced labour or child labour, it may have the option of the following responses:

- taking actions to halt the identified practices and initiate an investigation to fully understand the issue;

- taking measures to ensure the well-being of impacted individuals, focusing on their safety and immediate needs;
- discussing with relevant parties, including Suppliers, the formulation and execution of a corrective action plan to address underlying causes and prevent recurrence; and
- conducting a review of associated policies and procedures to identify and implement enhancements that could strengthen its preventive strategies against forced labour and child labour.

## **VI. Employee Training**

IDC does not currently provide training to employees on forced labour and/or child labour. When onboarding new employees, IDC provides mandatory training regarding our safety commitments, Code of Ethics and Business Conduct and also introduces the Employee Handbook. The purpose of this training and these documents is to set the general standards and expectations of each employee to adhere to the highest ethical and professional standards. Further, IDC is committed to improving the capacity of our employees to understand, identify and manage the risks of modern slavery in our operations and across our supply chains.

## **VII. Assessment of Effectiveness**

IDC does not currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. IDC will explore in the future, additional ways to assess its effectiveness in this area.

### *1. Review and Response*

IDC is committed to evaluating how to address concerns raised through these channels which may include taking necessary actions to resolve identified issues. These actions may include implementing corrective measures, adjusting policies, or providing additional training to prevent recurrence. IDC's commitment to upholding ethical business practices and the welfare of its employees and supply chain partners is reflected by our ongoing evaluation of governance and compliance processes.

### *2. Board Oversight*

IDC will dedicate a line item at its annual board of director's meeting to improving its policies and procedures for identifying and tackling forced labour and child labour in its operations and supply chain.

## **VIII. Approval and Attestation**

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Imaging Dynamics Company Ltd. for all Reporting Entities and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at <http://www.imagingdynamics.com/>.

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 Reporting Entities. 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 2023 reporting year.

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**[Jack Chen]**

[General Manager]

[May 31, 2024]

I have the authority to bind Imaging Dynamics  
Company Ltd.

## **Schedule “A”**

Wholly-owned subsidiaries of Imaging Dynamics Company Ltd.

IDC USA, Inc.

IDC Europe Inc.

1370509 Alberta Inc.