

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Annual Report for OSI's Financial Year of December 1, 2023 to November 30, 2024

1. Business Overview

OSI Maritime was founded in 1979 when an innovative team of engineers and computer scientist revolutionized maritime navigation by pioneering the first electronic mapping display software designed specifically for naval and maritime security operations.

Today, OSI Maritime Systems Ltd. is the leading provider of integrated surface ship navigational systems, subsurface dived navigation systems, and C2 small craft maritime security solutions. ECPINS navigation software is designed with a composable framework that allows customers to deploy & integrate System Capability Modules and situational awareness tools that can be configured for mission critical functionalities.



OSI Maritime Systems is focused on optimizing supply chain efficiencies through strategic supply category planning, establishing longstanding supplier/customer relationships and monitoring performance of its supply base. The vendors that OSI uses directly influence the quality of products and systems it provides to the end user. OSI has a global supply chain consisting of mechanical, electrical, and electronic components, and related services. All of which come from companies in developed countries with robust labor laws. OSI's new suppliers are selected through a competitive bid or negotiated agreement process, and it assesses and monitors their shared commitment to sustainability across their supply chain.

In 2024, the vast majority of OSI's purchases (98.9%) was distributed across seven countries: Canada (47%), USA (23.5%), Netherlands (9%), UK (8%), Taiwan (6%), Germany (3.5%), and Sweden (3%). With the exception of Taiwan, these countries are ranked among the Top 20 Developed Countries based on the Human Development Index (HDI) 2022, as reported by the United Nations Development Program. The Index underscores that "people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone". A supply chain operating in such countries offers reassurance to stakeholders and the

local community, as it reflects the values the company upholds and the tangible steps it takes to turn those values into reality.

2. Policies and Due Diligence Processes

OSI's supply chain sustainability effort is broad which includes a focus on eliminating forced and child labor. The key pillars of OSI's sustainability framework are:

- i) Business Integrity
- ii) Environment
- iii) Human Rights
- iv) Safety
- v) Ethical Conduct
- vi) Continuous Improvement

The pillars are the baseline to establish and maintain open and honest communication with potential and established suppliers through formal policies and procedures that state the importance of the adherence and compliance to national and international standards related to discrimination, labor practices, anti-harassment and violence prevention, safety, environmental impact, anti-corruption, and ethical business practices.

Applicable documents include:

- i) **Supply Chain Sustainability Policy** - *sets the overall vision and guidelines for sustainability within OSI's supply chain*
- ii) **Supplier Code of Conduct** – *outlines the expectations for OSI's suppliers regarding ethical, legal, and social responsibilities*
- iii) **Supplier Code of Conduct Certification** - *serves as active verification that suppliers comply with OSI's conduct standards*
- iv) **Supplier Evaluation Booklet** - *provides criteria and methods for assessing potential supplier performance, ensuring alignment with sustainability and ethical goals*
- v) **Purchase Order Terms and Conditions** - *defines the legal and operational terms governing transactions with OSI's suppliers, and reinforcing the commitment to sustainable practices*

Together, these documents ensure that the supply chain operates with integrity, sustainability, and accountability, aligning supplier actions with organizational values and regulatory requirements.

3. Risk Assessment and Management

OSI maintains a proactive approach requiring suppliers to commit to eliminating forced and child labor from their supply chains through certifying compliance with its Supplier Code of Conduct Certification. The company is committed to addressing all sustainability issues and risks as soon as they arise, though no such risks have been identified in the year reported. Therefore, no remediation measures are necessary at the moment of presenting this report.

4. Training and Awareness

Annual training on fighting forced labor and child labor is conducted internally across the Supply Chain department, particularly among Purchasing Category Leads. The training includes an overview of the Act's requirements, a summary of supplier obligations, and an outline of due diligence processes to be followed when monitoring existing suppliers and engaging new suppliers.

5. Effectiveness and Monitoring

OSI monitors supplier performance on an ongoing basis, monthly category management reviews include compliance with OSI's supplier code of conduct and requisite certification. Category Leads must maintain evidence of each supplier's code of conduct certification, which was implemented in 2025 as part of OSI's continuous improvement Initiatives.

Looking forward, the company will continue conducting periodic supplier visits/audits as an additional way to monitor compliance with OSI's supplier code of conduct and include its supplier code of conduct certification as a key performance indicator.

In summary, OSI fosters a culture of Continuous Improvement, and will continue to do so, including in its supply chain.

6. Approval of Report

To the best of my knowledge, and in compliance with the requirements of the Act, Part 2, Annual Report 11 (4) (a), I confirm that the information in this report is true, accurate and complete for the purposes outlined in the Act, for the reporting year specified on the first page of this document.

Jim Girard

Name: _____

President and CEO

Title: _____

Signature: Jim Girard

12 May 2025

Date: _____