

2023 ANNUAL REPORT

*Fighting Against Forced Labour and
Child Labour in Supply Chains Act*

GENERAL DYNAMICS

Land Systems–Canada

GENERAL DYNAMICS

Mission Systems–Canada

GENERAL DYNAMICS

Ordnance and Tactical Systems

GENERAL DYNAMICS

Ordnance and Tactical Systems–Canada Valleyfield

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1. INTRODUCTION AND PURPOSE

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) requires large private sector entities in Canada to make certain reports related to forced labour and child labour in their supply chains.

General Dynamics Corporation (“**General Dynamics**”) is a publicly traded global aerospace and defense company listed on the New York Stock Exchange. This Annual Report (the “**Report**”) is being submitted jointly by General Dynamics’ Canadian subsidiaries General Dynamics Land Systems - Canada Corporation, comprised of its Land Systems (“**GDLS-C**”) and General Dynamics Mission Systems - Canada (“**GDMS-C**”) operating divisions, and General Dynamics Ordnance and Tactical Systems - Canada Inc. and its wholly-owned subsidiary General Dynamics Ordnance and Tactical Systems – Canada Valleyfield Inc. (collectively “**GDOTS-C**”), to comply with the Act.

2. PREVIOUS FINANCIAL YEAR

Our commitment to compliance and ethics is outlined in the General Dynamics Standards of Business Ethics and Conduct (the “**Blue Book**”) and our policies and procedures maintained at each business unit. With operations and suppliers around the world, our businesses have established sophisticated supply chain management processes to ensure our supply chain meets these standards. Our supply chain management strategies include:

- mandatory, periodic ethics training for all employees;
- risk-based due diligence to identify and address risks involving current and potential suppliers; and
- the inclusion of terms and conditions in supplier contracts prohibiting the use of child labour and forced labour.

We will periodically review the effectiveness of our processes and take appropriate measures to continuously improve.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

General Dynamics consists of 10 business units, which are organized into 4 operating segments: Aerospace, Marine Systems, Combat Systems and Technologies. GDLS-C and GDOTS-C are part of the Combat Systems segment and GDMS-C is part of the Technologies segment. Relevant information about each is discussed below.

3.1 GDLS-C

GDLS-C is a global defence industry leader in providing land and amphibious combat vehicle solutions. Based in London, Ontario, the division’s Canadian operations employ approximately 1,700 people who design, manufacture and support light and medium armoured vehicles. Our specialists are among Canada’s finest in the defence industry who excel in the areas of machining, materials, electronics, software development, prototyping, logistic support and systems integration.

GDLS-C is a strong contributor to Canada's global balance of trade, with a substantial portion of its revenues coming from exports. It is through a substantial export business that GDLS-C maintains a strong domestic-based business as the Canadian Army's largest supplier of armoured military vehicles and the cornerstone of Canada's defence industry.

GDLS-C's Supply Chain Management department manages a vast network of suppliers located in Canada and around the world. The Supply Chain Management department conducts due diligence, receives and administers training, and monitors the compliance of its suppliers with the terms and conditions contained in GDLS-C's supplier contracts.

3.2 GDMS-C

GDMS-C is one of Canada's leading C4ISR and defence electronics companies. Based in Ottawa, Ontario, the Canadian operations employ approximately 1,050 people who develop and produce technology-based, integrated solutions for land, airborne, maritime and public safety applications. Our employees innovate on a daily basis and provide advanced thinking, design expertise, and implementation know-how to equip military and first responders with leading-edge hardware, software and systems.

GDMS-C has been a trusted and reliable partner to Canada's Department of National Defence for decades and works closely with small, medium and larger enterprises to integrate their products and services into our mission systems solutions. Our supply chain is vast and we are proud that it includes over 850 Canadian suppliers.

Enterprise Procurement and Subcontracts handle supply chain management duties for GDMS-C. Enterprise Procurement conducts due diligence on all suppliers with support from other internal stakeholder groups, provides direct and indirect procurement services for non-developmental/low non-recurring engineered (NRE) products/services, and supply chain program management services. Subcontracts supports due diligence on and procures work from major subcontractors who offer high NRE products/services and/or integration efforts.

3.3 GDOTS-C

GDOTS-C is a world-class developer of all-caliber ammunition and energetic materials intended for the military and armed police forces. Based in Repentigny, Quebec, and Valleyfield, Quebec, the Canadian operations employ approximately 1,500 people who maintain a high level of technical expertise to conduct design, development, product improvement and full production for most calibers of conventional and training ammunition.

GDOTS-C has been designated by the Canadian government as the centre of excellence for the maintenance and further development of an industrial defence capability in production, technical know-how and research relating to ammunition products. In our capacity as a producer of military ammunition, GDOTS-C acts as prime contractor with our ballistic testing facilities designated as the official Canadian National NATO Test Centre for small-caliber ammunition.

The Supply Chain Procurement Department handles supply chain management duties for GDOTS-C. Due diligence is performed on all suppliers with support from other internal stakeholder groups.

4. POLICIES AND DUE DILIGENCE

GDLS-C, GDMS-C, and GDOTS-C each have policies that support our commitment to prevent acts of forced labour and child labour. We maintain robust corporate ethics and compliance programs. We provide employees with regular training on our Ethos and Blue Book. We maintain databases of policies and procedures on internal sites that employees can readily access at any time and periodically review them as opportunities for continuous improvement. Our processes and policies are appropriately flowed down to suppliers.

GDLS-C, GDMS-C, and GDOTS-C each have risk based due diligence processes for their supply chain. Due diligence practices vary and depend on various factors, including the nature of the transaction, the location and background of suppliers, and relevant experience. Further description of due diligence practices is available in the General Dynamics Sustainability Report, available at [gd-2023-sustainability-report.ashx](https://www.gd.com/2023-sustainability-report).

In terms of our own workforce, we contract directly with our employees and have put in place measures to ensure that all employees are legally entitled to work in Canada. We also ensure that any recruitment agency we utilize for the placement of temporary employees follows the same requirements to confirm the identity and right to work of individuals placed with us.

5. RISK ASSESSMENT

The background risk of forced labour and child labour is relatively low in our respective supply chains because most of our supply base is located in Canada or the United States.

Wherever their location and whatever their role, each company expects its suppliers to uphold the same high standards we uphold ourselves. We set clear expectations for our suppliers. These expectations are codified in the Blue Book, our policies and in our standard contractual terms and conditions. These terms and conditions require suppliers to represent and warrant compliance with applicable laws, regulations and international standards, prohibiting the use of forced labour and child labour.

Our subcontracts typically include the right to inspect and audit supplier compliance with the terms and conditions of those subcontracts. Where a supplier fails to adhere to its obligations, we reserve the right to terminate our relationship with that supplier.

6. REMEDIATION

There have been no specific instances of forced labour or child labour within our supply chain during the past financial year and as such, no remediation has been required.

7. TRAINING

The prevention, detection and reporting of forced labour and child labour in any part of our business or supply chain is the responsibility of all those working for us or under our control. Periodic, compulsory and recurring ethics training for all employees is typically administered virtually by each of the respective companies.

Employees are encouraged to raise concerns about any issue or suspicion of a violation of policy, including forced labour and child labour in any parts of our business or supply chains at any supplier tier. We advise and train employees to notify their supervisors, legal departments, or Ethics Officers (local or global) immediately if they believe or suspect that a conflict with any policy or practice has occurred, or may occur in the future. We also provide a General Dynamics Business Ethics Helpline that provides a confidential mechanism for individuals to disclose concerns regarding forced labour and child labour.

8. ASSESSMENTS

We will continue to review the effectiveness of our processes and, where necessary, introduce additional measures to ensure our compliance with applicable law.