



DHL CANADA

# 2024 REPORT ON COMBATTING FORCED LABOUR





## REPORTING ENTITIES

This statement is made by DHL Express (Canada), Ltd., DHL Global Forwarding (Canada) Inc. and Exel Canada Ltd. d/b/a DHL Supply Chain (Canada) (together referred to as “DHL CA”). DHL CA is a part of the DHL Group (“DHL”).

DHL is the world’s leading logistics company employing approximately 594,000 employees in more than 220 countries and territories. DHL connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees, and investors worldwide. To this end, DHL is focusing on growth in its profitable core logistics businesses. DHL contributes to the world through its commitments to clean operations for climate protection, being a great company to work for all and a highly trusted company.

DHL CA provides a wide range of logistics services to its customers including express delivery, freight forwarding, customs brokerage, value-add logistics solutions, e-commerce fulfilment, reverse logistics, co-packaging, distribution, and managed transportation.

As part of DHL, DHL CA is fully aligned with all DHL policies and practices related to responsible business practices and human rights standards, especially those related to forced labour and modern slavery. Indeed, DHL implemented its Human Rights Policy Statement that complements DHL’s Code of Conduct. Together, the two documents form the basis and benchmark for ensuring that DHL responsibly and ethically conducts business throughout the world. The Human Rights Policy Statement defines minimum standards for working conditions and human rights in DHL’s employee and partner relations. For our suppliers, DHL’s Supplier Code of Conduct sets out the required Human Rights minimum standards. DHL reviews all of its policies annually to ensure they are relevant, reflective of current legal requirements and standards, and supplemented with new topics where necessary.

DHL CA implements these policies and procedures and thus provides a single, consolidated description of its actions to address modern slavery risks.

This statement is made with respect to calendar year 2023. This statement was approved by the boards of DHL Express (Canada), Ltd., DHL Global Forwarding (Canada) Inc. and Exel Canada Ltd. d/b/a DHL Supply Chain (Canada).

<sup>1</sup> This report also covers all member companies of Exel Canada Ltd. d/b/a DHL Supply Chain (Canada) Those member companies include: Circuit Logistics Inc., Connect Logistics Inc., EV Logistics, Harmony Logistics Canada Inc., Matrix Logistics Services Limited, Relay Logistics Inc., Saturn Integrated Logistics Inc., Tibbett & Britten Group Canada Inc., TCL Supply Chain (Canada) Inc., Trillium Supply Chain Inc., and Zenith Logistics Inc.



# DHL CA STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

## STRUCTURE

Each of the DHL CA entities are companies incorporated in Canada. The ultimate holding company of the DHL CA companies is Deutsche Post AG. Deutsche Post AG is a company incorporated in Germany. For purposes of DHL CA's reporting obligations, DHL CA does business in Canada, and has generated at least \$40 million in revenue and employs over 250 employees.



## OPERATIONS

### DHL Supply Chain

As the world leader in the contract logistics market, our around 185,000 employees worldwide help us support more than 1,400 customers in managing their supply chains in over 50 countries. This is our core business and includes warehousing and transport as well as value-added services such as e-fulfilment, Lead Logistics Partner (LLP), Real Estate Solutions, Service Logistics, transport and packaging solutions for strategic industrial sectors. We also develop innovative and sustainable solutions. In Canada, DHL Supply Chain operates 56 sites and employs approximately 6,971 workers.

### DHL Express

In the Express division, we provide express courier services for goods and documents reliably and on time from door to door. Our global network spans more than 220 countries and territories in which some 111,000 employees worldwide provide services to around 2.7 million customers. In Canada, DHL Express operates 27 sites and employs approximately 2,699 workers.

### DHL Global Forwarding

Our air, ocean and overland freight forwarding services include standardized transport as well as multimodal and sector-specific solutions, together with customized industrial projects, which our around 43,000 employees in over 150 countries deliver for more than 175,000 customers. Our business is based on brokering transport services between customers and freight carriers. The global reach of our network allows us to offer efficient routing and multimodal transport options. Compared with DHL's other divisions, our operating business model is asset-light. In Canada, DHL Global Forwarding operates five sites and employs approximately 300 employees.





## ASSUMPTIONS

DHL CA made a number of assumptions in responding to its questionnaire and in preparing this report. DHL CA noted that the vast majority of the questionnaire focused on parties selling or producing merchandise in Canada. DHL CA is a service company that has a limited goods supply chain that focuses on textiles and apparel, industrial equipment and parts associated with its sorting and warehousing operations, aircraft and aircraft parts, and IT equipment to support its operations. DHL CA also has a significant service supply chain of subcontractors who assist DHL CA in providing services to customers in Canada (e.g., trucking companies, partner airlines, etc.). DHL CA's responses and its focus on combatting forced labour are focused on these areas (i.e., its merchandise supply chain and its services supply chain). DHL CA typically requires its customers to also comply with all applicable laws, including forced labour and supply chain due diligence laws. DHL CA does not have sufficient visibility to make statements on its customers' supply chains.

# FORCED LABOUR RISKS

## 1. DHL CA INTERNAL OPERATIONS

### Policies and Governance

As an employer, DHL CA, as part of the DHL Group, leads by example. Respecting Human Rights is a core value of DHL and it is committed to respecting all internationally-recognized human rights in its operations. Its Human Rights Policy Statement anchors minimum standards for fair working conditions and human rights in employee relations throughout Canada. DHL bases its Human Rights Policy Statement on:

- The Ten principles of the UN Global Compact;
- The Universal Declaration of Human Rights;
- The International Labour Organization's Declaration on the four Fundamental Principles and Rights at Work;
- The OECD Guidelines for Multinational Enterprises;
- The UN Guiding Principles on Business and Human Rights; and
- The UN Sustainable Development Goals.

Accountability for the implementation of this Human Rights Policy Statement is overseen by the Chief Executive Officers of the respective businesses in Canada. **This ensures that every member of the DHL CA business is clear about the responsibility to respect human rights and its day-to-day implementation.**

### Employee Code of Conduct

Our Employee Code of Conduct reflects DHL CA's corporate values of "Respect & Results." The rules and standards outlined in the Code serve as an "ethical compass" that guides all employees worldwide in their day-to-day work. There is no alternative to conducting our business in a responsible, fair and ethically irreproachable way.

DHL's Board of Management endorses the values outlined in the DHL Code of Conduct and expects all employees, executives and managers to be role models in their daily work and to contribute to a corporate culture characterized by respect. Refresher Code of Conduct training is provided to employees every two years and new employees are enrolled to complete Code of Conduct training within three months of their commencement. The Code of Conduct is binding for all regions and business units of DHL, including DHL CA.

### Child Labour

DHL rejects all forms of child labour. It does not employ children below the legal minimum age of employment in any country or local jurisdiction. DHL CA applies a minimum working age of 18 years, even where local legislation permits younger children to be employed.

### Forced Labour

DHL rejects all forms of forced and compulsory labour. All labour must be voluntary. DHL does not tolerate any forms of forced labour including bonded labour, indentured labour, military labour, modern forms of slavery and any form of human trafficking.

### Freedom of Association and Collective Bargaining

DHL respects its employees' right to join or not to join a trade union or employee representation of their choice, free from threat or intimidation. DHL recognizes and respects the right to collective bargaining in accordance with applicable local law. Employees who act as representatives are neither disadvantaged nor favoured in any way.

### Working conditions



#### Remuneration and benefits

DHL compensates its employees relative to local industry and labour market and minimum wage and other applicable local legislation. DHL pays workers in a timely manner and clearly conveys the basis on which workers are being paid.



#### Working hours

DHL complies with all applicable local legal requirements regarding working hours, including overtime, rest breaks and paid leave.



### Health & Safety

The safety, health and well-being of DHL’s employees is of utmost importance. In adherence to DHL’s Occupational Health and Safety policy, statutory regulations and industry standards, DHL provides a work environment that is safe and conducive to good health, in order to preserve the health of employees, safeguard third parties and prevent work-related accidents, injuries and illnesses.

### Diversity and Inclusion

DHL promotes an inclusive work environment that values the diversity of its employees as confirmed in its Diversity and Inclusion Statement. DHL is committed to equal employment opportunity and rejects any forms of discrimination or harassment based on any protected attribute including but not limited to gender, ethnic origin, nationality, social origin, religion, age, disability, sexual orientation and identity or any other characteristics protected by applicable law. The basis for employee selection and promotion at DHL is qualification, performance, skills and experience.

### Data Privacy

DHL respects the privacy of all individuals and the confidentiality of any personal data it may hold about them. DHL’s Data Privacy Policy provides appropriate safeguards for transmission of personal data belonging to its employees, customers and suppliers within DHL. DHL’s Data Protection Management safeguards compliance with the respective data protection regulations and legislation.

**“DHL promotes an inclusive work environment that values the diversity of our employees...”**



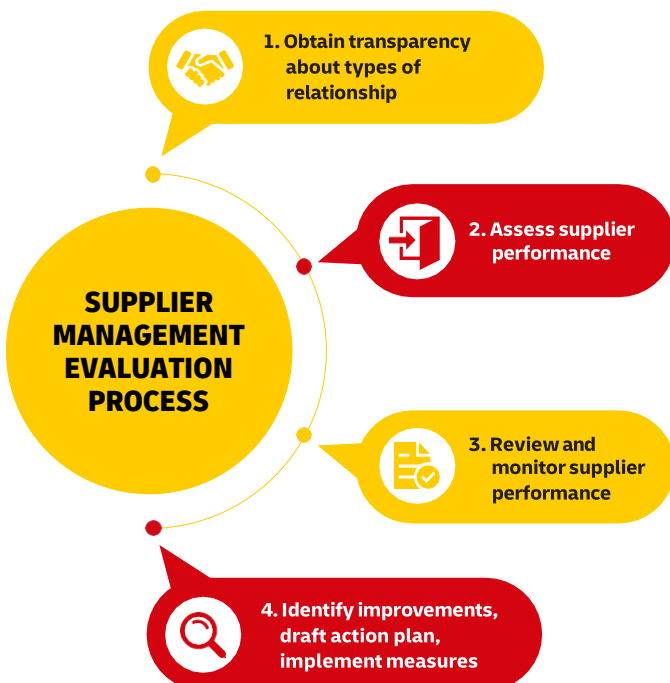


## 2. DHL CA'S SUPPLIERS

DHL's commitment to respect human rights is reflected in DHL's policies such as the Code of Conduct which applies to DHL's internal practices and the Supplier Code of Conduct which applies to DHL's suppliers. To comply with international human rights standards, national laws and DHL's policies, DHL CA undertakes appropriate human rights due diligence measures to identify, assess and specifically address potential and actual adverse human rights impacts in our business activities and supply chain, including the complex problems of forced labour and child labour.

DHL has long had in place a robust set of policies, codes, procedures, and due diligence measures addressing its obligations to treat our team members, clients and suppliers with the highest possible level of dignity and respect, as well as our expectations that our contractors, vendors, and suppliers do the same.

### DHL Supplier Management Process Overview



### Supplier Selection

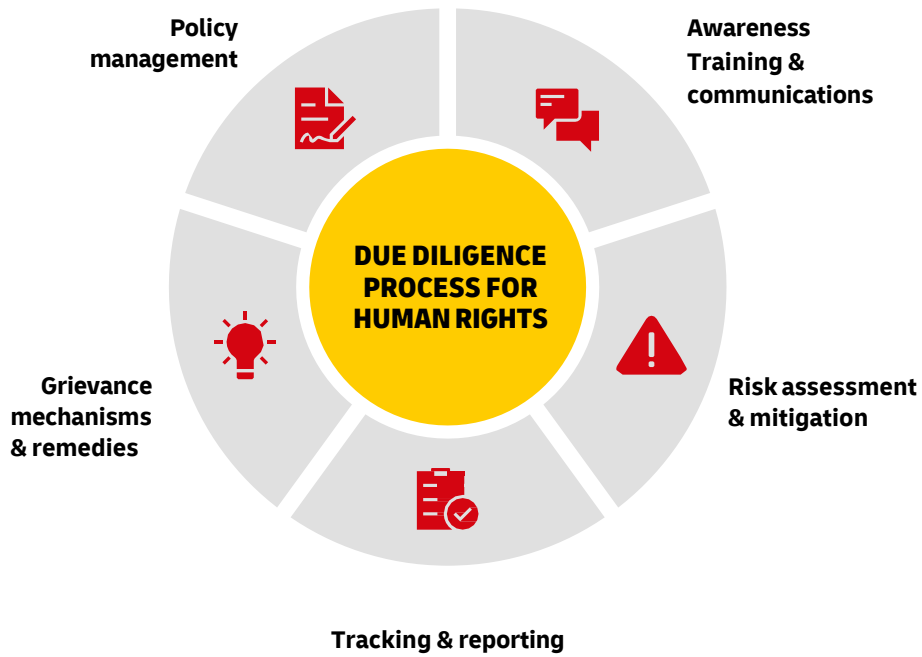
The goal of our selection process is to ensure that, right from the tender stage, only bidders who share our values are invited to participate. Supplier selection is based on a standardized assessment process that also takes aspects such as diversity and human rights into account, as well as which takes both internal and external criteria, such as those from Transparency International (Corruption Perceptions Index) and Verisk Maplecroft, into account.

- Procurement employees are regularly trained to identify potential supplier-related risks early on.
- We calculate the potential for risk of suppliers at the level of purchase categories (material groups).
- The risk assessment is influenced by 46 types of risk within eight risk domains.
- The ultimate classification of the risk potential is based on the evaluation of the probability and the possible impact.

We convey our expectations to our suppliers and subcontractors via our [Supplier Portal](#) which:

- Conveys our expectations to our business partners;
- Presents and explains the selection process;
- Suppliers can use the corresponding training module to familiarize themselves with our Supplier Code of Conduct

Reporting process: Suppliers have access to our professional compliance whistle-blower system. [Here](#), they can report potential violations of the Code or statutory provisions as well as cybersecurity incidents.



### Supplier Code of Conduct

The Supplier Code of Conduct, is a reflection of the ethical, social and environmental standards we set for ourselves, and it is a binding component of our relationships with our suppliers, including subcontractors. By accepting it, the supplier undertakes to comply with our standards and to implement them in its own supply chain. For more detailed information on the Supplier Code of Conduct, please click here: [Deutsche Post DHL Group | Supplier Code of Conduct \(dpdhl.com\)](https://www.dpdhl.com).





## Contents of the Supplier Code of Conduct



### Child Labor

No employment of children under the legal age of 15



### Compensation & working hours

Local laws, mandatory industry standards regarding minimum wages, working hours



### Freedom of association/collective bargaining

Employees are free to decide whether to join a union or employee representative body



### Health & Safety

Ensure compliance with applicable occupational health and safety regulations



### Diversity & Inclusion

Encourage diversity and inclusion in the workplace



### Environment

Ensure compliance with all applicable laws, regulations and standards



### Forced Labor

No forced, bonded, compulsory labor or modern forms of slavery



### Data Protection

Adherence to applicable data protection laws and regulations



### Business Continuity

Preparations for business disruptions of all kinds must have been made



### Bribery

Comply with applicable national and international laws and regulations



### Continuous Improvement

Proactively exchange innovative ideas



### Conflict Minerals

Comply with all applicable laws

### Supplier Risk Management

DHL have implemented a Group-wide risk management system for supplier assessments. This calculates the potential risk of suppliers at the level of purchase categories (material groups). The risk assessment is influenced by 46 types of risk within eight risk domains (ESG, economic, technical, legal and political risks, as well as cybersecurity) that are evaluated for each individual purchasing category.

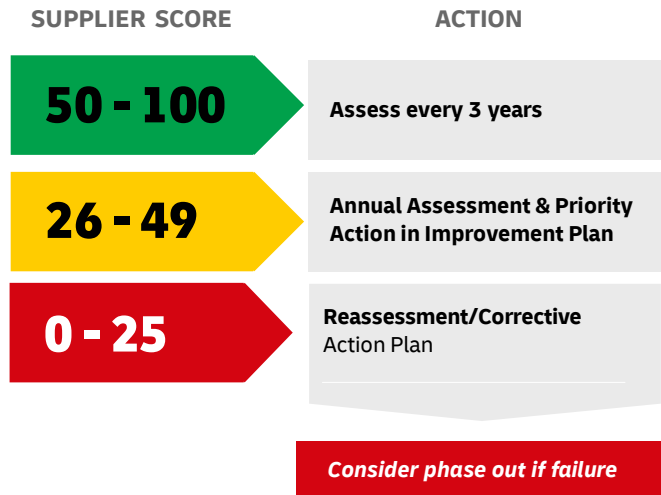
DHL Group, for the year under review, has currently assessed five supplier categories defined as higher risk for the areas covered by our Human Rights Policy Statement:

- Road transport
- Uniforms and personal protective equipment
- Temporary Labor & Output Based Services
- Promotional items
- Building renovations and new construction

DHL Group uses a Supplier Risk Management Tool. This tool serves as the single point of access for all risk management activities for suppliers. Assessment scores stored in this tool include but are not limited to a Due Diligence Questionnaire (DDQ) or external supplier evaluation such as EcoVadis.

The Supplier Risk Management Tool presents all available risk assessments of a supplier according to a consistent logic. Suppliers who score between 0 and 25 will be classified as high-risk suppliers and a Corrective Action Plan (CAP) will need to be formulated and agreed between all stakeholders.

The expectation is that the supplier will complete this in an agreed timeframe and then undertake a new Assessment. Should the supplier not engage or complete the CAP to a satisfactory level, the supplier may be off-boarded. For those Suppliers who score between 26 to 49 will be classified as medium-risk suppliers and will need to implement their own CAP and be reassessed in 12 months. Suppliers who score 50 or above will be classified as low-risk suppliers and will have to be reassessed in 36 months.



### 3. TRAINING & AWARENESS

We continue to communicate DHL’s policies and raise awareness and knowledge amongst our employees and partners. We offer specific training on human rights related matters to our employees and partners. We encourage our employees to participate in training courses which raise awareness for respect for human rights. Participation is mandatory for executives in middle and upper management.

To certify their commitment, suppliers are asked to complete the interactive Supplier Code of Conduct training that is available in 11 languages and upload their certificate into the supplier management software suite.

Supplier Webcasts are produced to raise greater awareness on topics such as Human Rights.

In conjunction with Trace International, we provide Suppliers & their staff, free of charge training on important topics such as Forced Labor & Human Trafficking.

We convey our expectations to our suppliers and subcontractors via our Supplier Portal and introduce our selection processes. From there, they can also access our professional compliance whistleblower system that they can use to report potential violations of the Code or statutory provisions as well as cybersecurity incidents.

### 4. STAKEHOLDER ENGAGEMENT

We recognize that we are part of the communities in which we operate in. We seek to engage with stakeholders e.g., our supply chain through dialogue to better understand and consider their views and expectations regarding human rights and modern slavery as described in our Stakeholder Engagement Guideline

## 5. REMEDY AND GRIEVANCE MECHANISM

The group operates a professional Compliance Incident Reporting System where employees and third parties are able to share concerns/issues, including matters relating to labour practices or breaches of human rights. All reported violations are handled confidentially. Any matter raised is investigated by an independent investigation team.

If it is determined that there is a risk of adverse human rights impact caused or contributed to by our business activities, we have a procedure in place to ensure the activity is assessed, changed, discontinued and/or remediated. We encourage our employees to address suspected violations of the Code of Conduct or the Human Rights Policy Statement through the established accessible grievance or dispute resolution channels including local management, responsible Human Resources departments or the Compliance Hotline (BKMS Incident Reporting System).

Our partners and third parties have the opportunity to access the reporting portal via Home - BKMS System (bkms-system.com) to report potential violations of our Human Rights Policy Statement. The system also offers various local telephone lines. The system can be used anonymously as well.

## 6. CONSEQUENCES OF BREACH

If infringements against our policies are reported, we will take appropriate measures for proper clarification of the circumstances of the breach. We will take corrective actions where appropriate. Consequences under civil and criminal law will depend on how and in what circumstances an individual has contravened our policies. Where a breach of legislation is proven in this regard, we also reserve the right to refer the matter to the relevant authorities for further action.

Any allegation or violations of our Supplier Code of Conduct and/or standards, will immediately start an investigation or inquiry. Should sufficient evidence come to light, we will take appropriate action as circumstances may require.

Consequences applied will depend on the severity and in line with our internal Supplier Incident Management Process.







### **The Risk of and Measures to Remedy Forced Labour and Child Labour**

Our potential exposures to indirect association of modern slavery practices come through our supply chain, as we rely on extensive use of contracting and subcontracting services. We expect all suppliers, regardless of the cultural, social and economic context, to meet expectations of fundamental rights for all people. This means treating their employees with fairness, respect and dignity, and following practices that protect health and safety for the people working for them.

DHL CA assesses low to minimal risk of forced labour or child labour in our supply chain. DHL CA is not aware of any incidents of forced labour or child labour in our activities or supply chain in our past financial year, subject to the limitations of our risk identification activities as described in more detail above. Accordingly, DHL CA has not had to take any remedial measures in response to incidents of forced labour or child labour.

Further, DHL CA has not as of the date of this report become aware of any loss of income to vulnerable families resulting from our measures to eliminate the use of forced labour and child labour in our activities and supply chains.

### **Assessing Effectiveness of Actions against Forced Labour and Child Labour**

We recognize the need to implement effective measures to identify and mitigate the risk of forced and child labour within our operations and supply chains. We will review annually our reporting document and update as necessary to ensure that it reflects the emerging consensus on best practices to address these complex issues. We also will also continue to review our supplier assessments, DHL CA's policies and procedures to ensure continued compliance, and implement any improvements required to ensure we are accurately obtaining and retaining information from our external and indirect suppliers.

### **The process of consultation with other entities**

DHL CA adopted a cross-functional approach to risk analysis, reporting and business input in the preparation of this Statement. This statement was prepared by DHL CA procurement and legal team with each DHL CA entity involved in reviewing the Statement and contributing to its preparation. The Directors of each DHL CA entity then reviewed and approved the Statement.

## Attestation

The Directors of DHL Express (Canada), Ltd., DHL Global Forwarding (Canada) Inc. and [DHL Supply Chain] reviewed and approved the Statement in their capacity as principal governing body of the respective DHL CA entity on May 31, 2024.

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains 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.

By signing the below, I hereby confirm I have the authority to bind the relevant entity.

## SIGNED BY

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**Geoff Walsh**

CEO and President

DHL Express (Canada), Ltd.

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**Richard Patry**

Managing Director

DHL Global Forwarding (Canada) Inc.

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**Mark Smolik**

Chief Legal Counsel and Secretary

DHL Supply Chain (Canada)

