

## MODERN SLAVERY REPORT 2023

### Introduction

Da-Lee Services Inc. (“**Da-Lee**”, and together with its Subsidiaries (as defined below), the “**Da-Lee Group**”) is committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect our suppliers to share our commitment to ethical and responsible business practices and to support our values.

This report (the “**Report**”) has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and outlines the actions we have taken during the year ended December 31, 2023 (the “**Reporting Period**”) toward reducing and eliminating the risk that forced labour or child labour occurs in our business or its supply chain.

This Report has been prepared as a joint report and applies to Da-Lee and all of its subsidiaries that are listed on Schedule A (collectively, the “**Subsidiaries**”). The use of the words “**we**”, “**us**” and “**our**” refers to Da-Lee Group.

### Our Structure and Business

Da-Lee Group provides long-lasting and effective, unpaved road dust suppressants for municipalities and industry participants in Canada and the United States. Da-Lee Group offers, and helps its customers protect infrastructure investments, the environment and human health and safety.

Da-Lee is a company amalgamated pursuant to the laws of the Province of Ontario, and its headquarters are located in Stoney Creek, Ontario. Da-Lee is the sole parent of Da-Lee Properties Inc., Da-Lee Group Inc., Da-Lee GP Inc., Deneigement Robert Poirier Inc. and Multi Routes Inc., and the majority shareholder of Da-Lee Pavement Products Inc.

Da-Lee Group employs 107 individuals.

### Our Supply Chains

The supply chains of Da-Lee Group are integral to our operations, supporting our diverse service offerings through reliable and ethical sourcing materials.

Da-Lee Group sources its materials from a diverse range of suppliers across various divisions: Da-Lee Environmental engages primarily with five suppliers from two countries, Da-Lee Pavement Products works with two suppliers – one in the United States of America (USA) and one in the United Kingdom, and Da-Lee Dust Control sources from approximately four suppliers, with production facilities located in the USA, Canada and the Netherlands.

Da-Lee Group sources its materials from various geographical locations, with Da-Lee Environmental suppliers located in the USA and Canada, where approximately 70% of spending is directed toward the USA and 30% towards Canada. Da-Lee Pavement Products are sourced from suppliers in the United Kingdom and the USA.

The main types of goods and services sourced include non-hazardous solids disposal landfill, water treatment, and amendment supply for Da-Lee Environmental; bitumen, concrete/cement, and thermoplastic for Da-Lee Pavement Products; and calcium chloride and magnesium chloride for Da-Lee Dust Control.

Da-Lee Group maintains long-term relationships with its suppliers across all divisions. Da-Lee Environmental conducts yearly analysis and approvals, with purchases governed annually through purchase order terms and approvals from governmental agencies. Da-Lee Pavement Products shares long-term agreements similar to Da-Lee Dust Control, including a three-year extension with Instarmac and a long-term distribution agreement with Oxy. All purchases are governed under these arrangements.

The individuals responsible for overseeing the supply chains include President, Manager of Environmental Service and the Environmental Technical Manager, for Da-Lee Environmental; President; and Sales Manager for Da-Lee Pavement Products; and President, and Vice-President of Operations, for Da-Lee Dust Control.

### **Our Policies and Due Diligence Processes**

Da-Lee Group is committed to integrating human rights considerations into its policies, governance framework and decision-making. While Da-Lee does not have specific policies or due diligence processes in place relating to forced labour and child labour, Da-Lee Group's Code of Conduct requires that employees comply with all applicable laws and regulations while fulfilling their duties and responsibilities.

At Da-Lee, upholding the highest ethical standards is not just a commitment; it's the essence of our business operations, affecting our relationships with employees, clients, customers and the wider community, including suppliers. We recognize that our integrity and reputation, built on ethical practices, are invaluable assets.; These virtues are grounded in our dedicated team member's conduct and personal integrity.

We entrust every member of the Da-Lee team with comprehending and upholding the principles embodied in our Company Code of Ethics. This expectation is applied rigorously during official work hours and extends to work-related gatherings outside regular schedules.

Da-Lee anticipates all employees interacting professionally and courteously, upholding the highest ethical standards, and avoiding gossip or detrimental behaviour. Employees are expected to contribute actively to team efforts, assist others when needed, collaborate openly, ensure seamless service delivery, and demonstrate honesty, trustworthiness, reliability, and dependability. They should follow their supervisors' guidance, foster cooperation with colleagues and customers, and discuss unclear situations with their supervisors. By embracing these values and committing to ethical conduct, we fortify Da-Lee's reputation.

Da-Lee has established a robust whistleblower policy to ensure that any unethical behaviour, violations of the Code of Conduct, or instances of forced labour and child labour are promptly reported and addressed. Employees can access the policy within our Employee Handbook at any time through the internal HRIS system.

In fiscal year 2024, Da-Lee Group intends to develop policies and due diligence processes to specifically address forced labour and child labour in its supply chain.

### **Risks of Forced Labour and Child Labour in our Business and Supply Chains**

Da-Lee Group has worked to identify risks within its activities and supply chains and will continue to strive to identify emerging risks. Da-Lee Group has accomplished this by: (i) conducting an internal assessment of risks of forced labour and/or child labour in its activities and supply chains; and (ii) continuing to monitor its suppliers.

Da-Lee Group has conducted a thorough risk assessment of its suppliers and concluded that there are no risks associated with forced labour or child labour. Da-Lee Environmental reports that none of its suppliers are at risk. Da-Lee Pavement Products and Da-Lee Dust Control affirm that they source highly manufactured chemical products from large, reputable firms in free democratic nations, ensuring minimal risk of forced labour. This rigorous supplier vetting process underscores Da-Lee's commitment to ethical sourcing and compliance with international labour standards.

### **Measures Taken to Remediate Forced or Child Labour**

Da-Lee Group did not identify nor was it made aware of any instances of forced labour or child labour in its operations or supply chains during the Reporting Period and, therefore, no remedial measures were taken, including those related to remediating the loss of income to the most vulnerable families.

If Da-Lee Group were to be informed of or discover the potential or confirmed presence of forced labour and child labour in its operations and supply chains, it would investigate and take appropriate remedial measures.

### **Employee Training**

While Da-Lee Group does not currently provide specific training on forced labour or child labour to its employees, they do receive regular training on related topics including, but not limited to, ethics and corporate policies such as the Company Code of Conduct and the Whistleblower Policy located in the Employee Handbook. In the fiscal year 2024, Da-Lee intends to provide certain groups of employees with training that will include child labour and forced labour.

### **Measuring Our Effectiveness**

As of December 31, 2023, no actions have been taken to assess Da-Lee Group's effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains. However, as stated above, Da-Lee Group understands the important role that it plays in respecting human rights and aims to avoid causing or contributing to adverse human rights impacts.

### **Board Approval**

The contents and delivery of this Report were approved under s. 11(4)(b)(i) of the Act by the boards of directors of Da-Lee and each Subsidiary on May 27, 2024.

### **Attestation**

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 Da-Lee Group. 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 ORDER OF THE BOARD OF DIRECTORS**

David Rogers  
CEO and Director  
May 27, 2024

  
David Rogers (May 27, 2024 17:21 EDT)

**I have authority to bind Da-Lee Group**

**Schedule A  
Subsidiaries**

1. Da-Lee Services Inc.
2. Da-Lee Properties Inc.
3. Da-Lee Group Inc.
4. Da-Lee Pavement Products Inc.
5. Da-Lee GP Inc.
6. Deneigement Robert Poirier Inc.
7. Multi Routes Inc.

# Da-Lee - Modern Slavery Report(119264793.3) May 27 vF

Final Audit Report

2024-05-27

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