



Dall Contracting Ltd.

Forced Labour and Child Labour in Supply Chain Assessment

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Executive Summary

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

The measures introduced through former Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices. The Act requires entities to report on the steps taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity. There are seven mandatory reporting areas that must be investigated and reported on which include:

- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

Given the newness of the Act, Dall has yet to refine its internal processes which includes updating policies and procedures, supply chain management practices, and training of employees. The company will begin prioritizing the assessment of forced labour and child labour within its supply chain. This will require maturation and includes the continuous exploration of our supply chain due diligence processes and mindfulness of the Act's requirements, to improve understanding of the risks of forced or child labour in our operations and supply chains.

Introduction

This report is Dall Contracting Limited's response to Bill S-211, an act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3). References to "Dall", "the Corporation", "the Company", "the entity", "we" or "our" in this report refers to Dall Contracting Limited. The measures introduced through Bill S-211 aim to increase industry awareness and transparency and drive businesses to improve practices.

Dall satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

This report covers the financial year November 1, 2022, to October 31st, 2023. This is the first version of the report submitted by the Company.

All data, unless otherwise noted, is as of 31st October 2023.

Structure, Activities & Supply Chain

Structure and Activities

Headquartered in Fort Nelson, British Columbia, Dall is a locally owned and operated business, maintaining operations across multiple locations, including Whitehorse, Watson Lake, Fort Nelson, Fort St. John, and Dawson Creek. The company only operates in Western Canada and has 63 employees across the various locations.

The Company has \$37 Million in assets and generated revenue of \$36 Million in fiscal year 2023 and \$49 Million in fiscal year 2022.

Supply Chain

Dall Contracting Ltd. is a Petro-Canada marketer, providing access to the Petro-Pass network, selling Petro-Canada lubricants, and providing on-site refuelling. The Company offers bulk fuel delivery, on-site refuelling and selling of lubricants to construction companies, drilling contractors, mines, farms and more. All fuel and lubricants that the Company delivers and sells are purchased from Petro-Canada which is owned by Suncor.

Policies & Due Diligence

Policies

Dall Contracting Ltd. has policies in place that serve as a framework or guide for all directors, officers, and employees to promote integrity and deter wrongdoing in performing their roles.

Some of these policies and procedures include the following:

- A. **Code of Ethics Policy** – The policy provides direction to employees and contractors regarding ethical conduct, sound organizational relationships and communication during the marketing exchange process. The Policy addresses Dall’s commitment to integrity and ethical behavior by creating and supporting an environment where employees/suppliers can act appropriately, without fear of retaliation.
- B. **Prudent Operational Standard Policy** - The policy provides direction to employees and contractors regarding administrative rules, regulations, and procedures, required employee and contractor trainings as well as the proper channels of communication for event reporting and investigation.
- C. **Environment, Health, and Safety Policy** – The policy documents Dall’s commitment to Environment, Health and Safety Management Systems that protect all employees, contractors, subcontractors, visitors, and the public.

The Company does not employ any children, with its youngest employee being 23 years old. The Company has identified the opportunity to refine its existing policies and to create new policies and procedures to support the assessment and mitigate potential risks that are specific to forced and child labour.

Supplier Due Diligence

The Company’s owner and General Manager are responsible for operations oversight, policy compliance and approval of all new suppliers. With only one primary supplier, the Company does not have a formal supplier onboarding processes in place. The marketing agreement with our primary supplier includes embedded terms and conditions related to compliance with all prevailing laws. This includes laws such as the Act and we expect our primary supplier to abide by these terms. We are also subject to annual product operations audits by our primary supplier as part of the marketer agreement.

Risk Assessment

We took a risk-based approach to identify our areas of greatest forced and child labour risks for the reporting period. We assessed the risk of child and forced labour based on the potential to cause, contribute to, or be directly linked to child and forced labour through our operations and supply chains.

Our risk assessment utilized several published documents including the latest editions of the *U.S. Department of Labor’s Bureau of International Labor Affairs, "2022 List of Goods Produced by Child Labor or Forced Labor"*, the *Walk Free Global Slavery Index*, and the *International Labour Organization’s 2022 "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage"*.

Country of Origin

Our assessment of the risk of forced labour and/or child labour in our supply chains for FY2023, showed that there were low risks of forced labour or child labour in our country of operations, and that all our suppliers are based in Canada. We had no suppliers located in countries deemed to have high-risk ratings.

Industry of Operation

We recognize that the Transportation and Energy industries form an integral part of Dall's business and supply chain and are at a high risk of forced labour and/or child labour. This does not mean that evidence of forced labour or child labour was found to support this risk analysis but that more monitoring will be needed to reduce the risk.

Goods Procured

According to the latest edition of the U.S. Department of Labor's Bureau of International Labor Affairs', "2022 List of Goods Produced by Child Labor or Forced Labor" and the 2018 Walk Free Global Slavery Index, the materials procured by Dall which include petroleum products (fuels and lubricants) are not considered to be products that are at a high risk of being produced by child or forced labour.

Remediation of Forced & Child Labour & Vulnerable Family Income Loss

In FY2023, we did not receive any reported concern related to potential indicators of child or forced labour in our activities and supply chain. There have also been no identified or reported instances of loss of income to vulnerable families that have resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

As part of the year 2024's activities, Dall will continue its risk assessment and will determine if there are areas in its supply chain that are at risk of forced or child labour. Once these have been determined, Dall will identify the remediation procedures that can be put in place to mitigate the risk of forced or child labour in that area of the supply chain, if any.

Awareness Training

There were no formal awareness and trainings performed for FY2023. In FY2024, Dall will make efforts to raise awareness and educate its employees on forced and child labor as well as how the related risks are identified and mitigated within the supply chain. The awareness and training will include the types of forced or child labour practices, requirements of the Act, and actions Dall is taking to assess and manage forced or child labour risk.

Self-Assessment Process & Requirements

In FY2023, Dall did not have a self-assessment and internal accountability process in place in relation to forced and/or child labour. Upon the risk assessment analysis performed on Dall's operations and supply chain, the risks associated with forced and child labour are low. We will work on our action plans to improve our approach to mitigating child and forced labour risk and will continuously develop a process to assess the effectiveness of our actions, approach, and processes to achieve continuous improvement.

Conclusion

Given the newness of the Act, Dall has yet to refine its internal processes which include updating policies and procedures, supply chain management practices, and training of employees. The company will begin prioritizing the assessment of forced labour and child labour within its supply chain. This will require maturation and includes the continuous exploration of our supply chain due diligence processes and mindfulness of the Act's requirements, to improve understanding of the risks of forced or child labour in our operations and supply chains.

Approval and 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 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.

RANDY BASSETT

Full Name



Signature

President

Title

May 30 / 2024

Date

I have the authority to bind Dall Contracting Ltd. and this report covers the fiscal year 2023.