

Comprehensive Statement on Forced and Child Labour in Supply Chains

Reporting Entity: Daniel and Anita Blaquiere Family Trust

Joint Entities: NPLH Drilling and Hydraulics Plus

Business Numbers and Ontario Registration Numbers:

Hydraulics Plus

- Business Number: 17470
- Ontario Registration Number: 1169366 Ontario Inc.

NPLH Drilling

- Business Number: 230347437
- Ontario Registration Number: 2355291 Ontario Inc.

Financial Reporting Year: Ending December 31, 2023

Introduction and Commitment

Under the ownership of the Daniel and Anita Blaquiere Family Trust, Hydraulics Plus and NPLH Drilling are committed to the complete elimination of forced and child labour within our operations and supply chains. Hydraulics Plus specializes in the manufacture, sale, and repair of hydraulic components, primarily serving the construction, manufacturing, and mining sectors. NPLH Drilling offers advanced drilling solutions to the mining and exploration industries. Our unified ownership structure facilitates shared services in HR, procurement, and marketing between the two entities, enhancing operational efficiency and our capacity to implement ethical practices across all business functions. This structure fosters a culture of ethical integrity and ensures responsible operations in sectors vulnerable to labour issues. Our commitment is deeply embedded within our core values of human dignity, integrity, respect, and responsibility, and is actively implemented across all business functions.

Entity Categorization According to Bill S-211

The Daniel and Anita Blaquiere Family Trust qualifies as an entity under the Act, controlling NPLH Drilling and Hydraulics Plus, which collectively fulfill the criteria set by the Act. NPLH Drilling meets the Act's revenue and asset size-related thresholds, while Hydraulics Plus is recognized as a producer and importer of goods, both operating with substantial business activities in Canada.

Location of Offices

- **Hydraulics Plus:** 71 Government Road N., Timmins, Ontario, Canada P4R 1M9.
- **NPLH Drilling:** 24 Government Road S., Timmins, Ontario, Canada P4R 1N4.

Number of Employees

- **Hydraulics Plus:** Approximately 11 employees within Ontario.
- **NPLH Drilling:** Approximately 211 employees across Ontario and Quebec.

Governance Structure and Policy Framework

Our governance structure upholds the highest standards against forced and child labour through:

Governance Oversight:

- **Implementation:** The Corporate Social Responsibility (CSR) Committee will be established by Q1 2025. The process will begin with identifying suitable members from Compliance, Risk Management, and Supply Chain departments by the end of Q3 2024. By Q4 2024, the selected members will undergo orientation and training on CSR responsibilities.
- **Measurement:** The effectiveness of the CSR Committee will be assessed through quarterly reviews of meeting minutes, action items, and progress reports submitted to the Board of Directors. Annual performance evaluations of the committee members will be conducted to ensure accountability and effectiveness.

Company Policies and Supply-Chain-Related Processes

Responsible Business Conduct (RBC) and Corporate Governance

- **RBC Policies Implementation:**
 - **Implementation:** Finalize RBC policies by Q3 2024. This will involve drafting the policies by Q2 2024, followed by a review and approval process involving key stakeholders. The policies will be disseminated to all employees through internal communication channels and training sessions by Q3 2024.
 - **Measurement:** Compliance with RBC policies will be monitored through regular audits and employee feedback surveys conducted every six months. The results will be reported to the CSR Committee for further action.

Supply Chain and Vendor Risk Management

- **Supplier Selection and Onboarding Process:**
 - **Implementation:** Develop the supplier selection and onboarding process by Q3 2024 and begin implementation by Q4 2024. This process will include stringent due diligence checks and annual audits to ensure ongoing compliance with our ethical standards.
 - **Measurement:** The success of the supplier selection process will be measured by tracking the number of suppliers evaluated, approved, and onboarded each quarter. Compliance audits of suppliers will be conducted annually to ensure adherence to ethical standards.
- **Continuous Supplier Evaluation:**
 - **Implementation:** Conduct regular audits and performance reviews starting Q4 2024. Develop an audit schedule, checklist, and evaluation criteria by Q3 2024. Ensure immediate review and potential re-evaluation of non-compliant suppliers.
 - **Measurement:** Track audit results and supplier performance metrics quarterly. Non-compliance incidents will be recorded, and corrective actions will be monitored. The CSR Committee will review these metrics bi-annually.
- **Risk Management Framework:**
 - **Implementation:** Establish the risk management framework by Q4 2024. This involves developing risk assessment tools, conducting initial risk assessments, and creating risk mitigation plans. Regularly update the framework to align with new challenges and best practices.
 - **Measurement:** The framework's effectiveness will be measured by the number and severity of identified risks, the timeliness and effectiveness of mitigation actions, and annual risk reassessment results. Reports will be reviewed by the CSR Committee annually.

Worker Rights and Protection

- **Employee Rights Policies:** Clearly articulate fair wages, safe working conditions, and freedom from discrimination.
- **Grievance Mechanisms:** Established mechanisms will allow anonymous reporting of issues or concerns, protecting whistleblowers from retaliation.

- **Training Programs:**

- **Implementation:** We are developing comprehensive training programs that will be mandatory for all employees. The training will be rolled out in phases starting Q4 2024 and will cover employee rights, grievance reporting, and ethical workplace conduct.
- **Measurement:** Track training completion rates and assess training effectiveness through pre- and post-training assessments and quarterly employee feedback surveys. Compliance audits will ensure all mandatory training is completed.

Misconduct Reporting and Whistleblower Protection

- **Clear Reporting Channels:** Accessible channels for reporting suspected misconduct will be communicated widely through internal communications and training sessions.
- **Whistleblower Protection Policy:** Ensures protection from retaliation for employees reporting misconduct in good faith.
- **Investigation and Follow-Up:**
 - **Implementation:** Establish clear reporting channels and whistleblower protection policies by Q3 2024. Communicate these channels through internal communications and training sessions by Q4 2024. Develop protocols for investigating reports of misconduct.
 - **Measurement:** Monitor the number of reports received, the resolution time, and the outcomes of investigations. Conduct annual surveys to assess employee awareness and confidence in the reporting channels. The CSR Committee will review these metrics quarterly.

Partner Organizations

We collaborate with key organizations to enhance efforts against forced and child labour. Our partners include Indigenous communities such as Taykwa Tagamou Nation, Moose Cree First Nation, and Wahgoshig First Nation, as well as NGOs specializing in human rights and labour issues. We also engage with industry consortia such as the Canadian Labour Congress and industry peers like the Mining Association of Canada. These partnerships foster a culture of respect, mutual growth, and sustainable development.

Structure, Activities, and Supply Chain

Legal Structure

The Daniel and Anita Blaquiere Family Trust oversees Hydraulics Plus and NPLH Drilling, each incorporated as separate entities under Ontario law, allowing focused management in specific industrial sectors.

Organizational Structure

Methodically segmented with clear departmentation including HR, Procurement, Marketing, and Operations. Each department reports to their respective executive leaders, who report to the Trust's Board of Directors.

Organizational Mandate or Role

- **Hydraulics Plus:** Focuses on designing, manufacturing, and distributing hydraulic components for construction, manufacturing, and mining sectors.
- **NPLH Drilling:** Provides specialized drilling services for mining and exploration sectors.

Number of Employees

- **Hydraulics Plus:** Approximately 11 employees within Ontario.
- **NPLH Drilling:** Approximately 211 employees across Ontario and Quebec.

Partnership Organizations

Indigenous communities such as Taykwa Tagamou Nation, Moose Cree First Nation, and Wahgoshig First Nation, as well as NGOs specializing in human rights and labour issues.

Control of Entities

The Trust directly controls both entities, with Hydraulics Plus operating out of Timmins, Ontario, and NPLH Drilling extending its services across Canadian mining sites.

Supply Chain Relationships

We prioritize local sourcing within Ontario, maintaining stringent oversight of supply chain practices.

Activities

Hydraulics Plus:

- **Production and Manufacturing:** Designing and producing hydraulic cylinders and systems.
- **Processing and Distribution:** Handling assembly, quality control, and distribution across Ontario.
- **Procurement of Materials:** Sourcing high-quality materials locally.

NPLH Drilling:

- **Service Provision:** Offering site assessment, drilling setup, operation, and technical support for mining and exploration sectors.
- **Logistics and Technical Support:** Managing equipment logistics and efficient deployment of drilling technologies.

Supply Chain Management

Both entities maintain comprehensive oversight of their supply chains, ensuring all goods and services are procured and managed in compliance with ethical standards. This includes:

- **Vetting Suppliers:** We are committed to conducting thorough assessments to ensure suppliers adhere to labour laws and ethical standards. This process is currently being developed and will be implemented.
- **Tracking Goods and Services:** Monitoring materials and products to ensure operations are free from forced or child labour.
- **Supply Chain Composition:** Includes direct and indirect suppliers and service providers involved in the production of goods. We identify and document the source countries or regions of origin for each good and service used, ensuring transparency and compliance.
- **Location of Suppliers:** Our suppliers are primarily based within Ontario, Canada. We maintain thorough documentation to trace the geographical origins of all materials used in our production processes.

- **Categories of Goods Procured:** The categories of goods procured include steel, seals, hydraulic fluids, and welding equipment essential for manufacturing hydraulic components and drilling equipment.

Industry Profile of Customers

- **Hydraulics Plus:** Serves construction, manufacturing, and mining industries with mechanical systems components.
- **NPLH Drilling:** Caters to mining and exploration industries, providing critical drilling services.

Risk Assessment and Remediation Measures

Risk Identification and Management

Entities are required to show that they have considered the ways in which their activities and supply chains could potentially cause, contribute to, or be directly or indirectly linked to actual or potential risks of forced labour or child labour. To address this, we have implemented the following:

- **Mapping Supply Chains:** We are in the process of conducting comprehensive mapping of our supply chains to identify potential risk areas.
- **Conducting Risk Assessments:** We will conduct bi-annual risk assessments starting in Q4 2024 to evaluate the likelihood of forced or child labour within our supply chains. These assessments will be documented and reviewed by the CSR Committee.
- **Dealing with Identified Risks:** We are establishing clear protocols to address any risks identified, including immediate corrective actions and ongoing monitoring.

Risk Exposure Evaluation

Using the information specifically from our supply chain management:

- **Geographic Risk Evaluation:** Benchmarks are used to assess if the geographic locations of our suppliers carry forced or child labour risks.
 - There are low geographical risks of forced and child labour from our Canadian vendors according to the [Walk Free global benchmark](#). This assessment is based on the Global Slavery Index 2023, which provides comprehensive data on the prevalence of modern slavery in different regions.

- **Types of Goods Procured:** Evaluations are conducted to determine if the types of goods procured by our organization are associated with forced or child labour risks.
 - The types of goods procured do not appear to carry significant global supply chain risk of forced and child labour according to the [US Department of Labour](#). This is referenced from the List of Goods Produced by Child Labour or Forced Labour maintained by the US Department of Labour.

No Known Instances of Forced and Child Labour Risk

To date, there have been no known instances of forced and child labour risk in Hydraulics Plus' supply chain. Our evaluations and risk assessments have indicated that our supply chain does not carry an inherent risk of these labour issues. No remediating measures or compensation for loss of income was/is required. We understand that global supply chains are complex. Currently, we are unaware of the full reach of our supply chain. It is likely that our suppliers conduct business with other suppliers whom we do not have relationships with.

Remediation of Vulnerable Families

To date, there have been no known instances of forced and child labour risk in Hydraulics Plus' supply chain regarding vulnerable families. Our evaluations have indicated that our supply chain does not carry an inherent risk of these labour issues. No remediating measures or compensation for loss of income was/is required. We remain committed to ethical oversight and will assess the need for developing such mechanisms based on ongoing risk assessments and stakeholder engagement.

Training and Awareness

Training is currently in development. When implemented, the training program will include:

- **Mandatory or Optional:** The training will be mandatory for all employees.
- **Scope of Training:** It will cover employees' organization-wide, with specific focus on procurement and supply chain management.
- **Target Groups:** The training will be designed for all levels of employees, including senior management and executive-level staff.
- **Content:** The training will cover identification of risks related to forced labour and child labour, understanding legal compliance, and ethical procurement practices.
- **Development:** The training content is being developed internally, with potential input from external experts.

- **Length and Assessment:** Details on the length and assessment methods will be determined as the program is finalized.
- **Implementation:** The training will be rolled out in phases starting Q4 2024 and will cover employee rights, grievance reporting, and ethical workplace conduct. Training effectiveness will be assessed through quarterly surveys and compliance audits.

Collaboration and Stakeholder Engagement

We are committed to participating in industry consortia, collaborating with NGOs, and engaging with industry peers to foster collective actions against forced and child labour. As part of our future initiatives, we will seek partnerships with key industry groups dedicated to promoting ethical labour practices. We also aim to collaborate with NGOs specializing in human rights and labour issues, as well as industry peers, to share best practices and drive industry-wide improvements.

Continuous Improvement and Accountability

As we implement our policies and practices, we will establish mechanisms for regular review and updates to incorporate the latest insights and regulatory changes. This commitment will be endorsed annually by our Corporate Social Responsibility Committee once it is fully operational. To assess the effectiveness of our efforts in preventing forced and child labour, we plan to:

- **Conduct Regular Reviews:** Our policies and procedures will be reviewed annually every December, starting in 2024, to ensure they remain effective and aligned with current best practices.
- **Track Performance Indicators:** We will track performance indicators such as the number of whistleblower incidents, employee training completion rates, and supplier compliance scores. These indicators will be reported to the Board quarterly.
- **Review Supplier Contracts:** Supplier contracts will be reviewed annually each November, starting in 2024, to ensure continued compliance with our ethical standards.
- **Conduct Due Diligence and Risk Assessments:** Ongoing due diligence and risk assessments of our suppliers will help identify and mitigate potential risks.
- **Engage in Independent Reviews:** We will consider independent reviews or audits of our actions related to forced and child labour, conducted by third parties, to provide objective assessments of our practices.

Approval and Attestation

This statement is formally approved by the Board of Directors and signed by Dana Blaquiere-Norkum, President and CEO, who is authorized to bind Hydraulics Plus and NPLH Drilling.

Compliance with Bill S-211 Questionnaire Requirements

- **Questionnaire Completion:** The information provided is consistent with our upcoming submissions to the online questionnaire, adhering to the data management disclaimer and privacy notice as outlined by Public Safety Canada.
- **Report Submission:** This comprehensive report, including all necessary attestations, will be submitted in PDF format following the guidelines, ensuring it meets the length and file size requirements of the questionnaire.

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.

Signature:



Dana Blaquiere-Norkum - President and CEO

Date:

May 28, 2024

I have the authority to bind 'Hydraulics Plus and NPLH Drilling' and this report covers the financial year ending December 31, 2023, and applies to 'Hydraulics Plus and NPLH Drilling' and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of 'Hydraulics Plus and NPLH Drilling' if they apply.