



DLH Group

Forced or Child Labour in Canadian Supply Chains

Statement

This document constitutes DLH Group, covering our fiscal year ending April 2024. This Statement is made on behalf of DLH Group (Maxim Truck & Trailer, Summit Trailer, Arne's Welding, Trout River Industries) and sets out the steps taken to prevent forced or child labour in Canadian Supply Chains. This statement has been prepared in collaboration with the relevant companies and applies to each of them.

The DLH Group collectively meet the definition of an entity according to this Act by having locations in Canada, conducting business in Canada, owning assets in Canada, and meeting all size related criteria.

1. DLH Group

Who we are

DLH Group is a network of nation-wide businesses that supports retail trade of heavy-duty transport trucks, trailers, and their parts, as well as servicing of these vehicles. The Group also manufactures and distributes heavy-duty trailers. DLH Group employs over 700 employees across multiple businesses and is headquartered in Winnipeg, MB.

Our businesses

Maxim Truck & Trailer – Business Number: 893623934 - Maxim was established as a single International Harvester dealership in 1981, today Maxim includes 5 International Truck dealerships and a total of 16 locations from Vancouver to Montreal. The company has 500 employees and operates multiple divisions including new and used heavy-duty truck sales, new and used heavy-duty trailer sales, leasing, rentals, parts, service, and body shop.

Summit Trailer – Business Number: 869258103 - Summit Trailer was established in Edmonton, AB and controlling interest was purchased by DLH Group in 2006. The company's 3 locations and over 70 employees offer their customers expertise in logging, gravel, oilfield, and equipment moving trailers. Summit Trailers specializes in trailer sales, rentals, parts, and service.

Arne's Welding – Business Number: 100267756 - Established in 1954 in Winnipeg, MB, Arne's has built trailers and served the trailer industry for over 70 years. With one location and 100 employees Arne's remains the leader in the trailer manufacturing industry. Arne's manufactures heavy-duty trailer's which include end dumps, side dumps, hoppers, low beds, loggers, etc. In 2006, Arne's Welding was purchased by the DLH Group and modernization of the manufacturing process as well as their trailer lineup has continued to evolve.





Trout River Industries – Business Number: 868503517 - Trout River Industries was established in 1999 in Coleman, Prince Edward Island. They specialize in manufacturing live bottom conveyor trailers, Trout River trailers provide an innovative form of transportation and are available across the globe, including Canada, the United States of America, the Middle East, Japan, and Australia. In 2016, Trout River Industries was purchased by the DLH Group.

Mission Statement

The DLH Group provides innovative and integrated solutions, quality products, and services to users of transportation equipment. We conduct business in an ethical, caring, and profitable manner in partnership with our customers, employees, suppliers, and our community.

Values

The DLH Group commits to the following:

- We will be fair and ethical in how we do business
- Our business relies on good relationships with our customers, suppliers and employees
- We will continue to grow and adapt to keep pace with the needs of our customers
- We will give back a portion of our profits to the communities we operate in

Fostering relationships

The DLH Group has a wide business spread that reaches many different organizations. We rely on the relationships we create with our customers, suppliers, and community. Building ethical and strong relationships is important to the Group, and providing reciprocal business to organizations that support us reinforces our commitment.

The DLH Group believes in giving back to our communities by monetarily donating, encouraging employees to volunteer, or working with organizations finding unique solutions to their needs. DLH Businesses have worked with food banks throughout Canada, agriculture sustainability initiatives, as well as programs helping youth in vulnerable communities.

2. Culture and Policies

Hiring and training

During the recruiting process DLH Group ensures potential candidates are legally entitled to work in Canada. Social insurance numbers are required for payroll purposes and if required, work permits are requested and expiry dates followed.

When they start, all new employees must review and demonstrate their knowledge of the DLH Groups mission statement and values by completing new hire orientation. This training is conducted both in-person with their direct manager and online through the DLH Groups online training platform.



Annually, all employees must complete and pass a variety of online training courses, which includes topics such as: respect in the workplace, violence, and workplace health and safety.

There is currently no training on child or forced labour in our businesses or supply chains. As the DLH Group continually works to identify new training opportunities for employees there will be ongoing discussion regarding training on this subject.

DLH policies supporting ethical business

| Policy | Description | How this supports ethical business practices |
|---|--|--|
| Respectful Workplace Policy | DLH Group is committed to building and preserving a safe, productive, and healthy working environment for all employee | Recognize the dignity and worth of every person (including employees, customers, clients, suppliers, members of public, as applicable) and to provide for equal rights and opportunities without discrimination in the workplace. |
| Rights and Responsibilities | DLH is committed to maintaining a workplace in which safety is a part of everything we do | DLH is responsible for providing information, instruction, training, supervision, and facilities with the objective of ensuring so far as is reasonably practicable, the health, safety and welfare of employees. |
| Violence in the Workplace Policy | Ensure employees have a workplace free from violence | The DLH Group has zero tolerance for workplace violence and will be proactive in the prevention of workplace violence perpetrated by or against employees, customers, or other third parties. The DLH Group strictly prohibits the use of violence or threats of violence in the workplace, whether on company premises, off-site business-related functions, at social events related to work, or customer locations. |
| Accommodation on the Basis of Disability Policy | Removing barriers and accommodating persons with differing abilities in the workplace. | DLH Group is committed to preventing and/or removing barriers to people with disabilities, to accommodate persons with disabilities to the point of undue hardship and to establish a process by which persons with disabilities may request accommodation. |





Reporting concerns and complaints

Employees have the right to confidentially report concerns and/or complaints to their supervisor and/or Human Resources without fear of reprisal. Employees are encouraged to communicate openly with their supervisor and to take advantage of the Groups open-door approach.

An Integrity Hotline email ensures that all DLH Group employees have the ability to report on ethical issues confidentially. On the HR webpage, accessible by all employees, there are forms to report complaints which can then be emailed to the Integrity Hotline.

Ethical treatment in our business

DLH Groups values and policies lay out a framework to build and maintain trust in our customers, employees, suppliers, and communities we work in. Respect for our values is a shared responsibility and leadership sets the tone of integrity and champions all policies to ensure a high level of commitment throughout the DLH Group.

With a large workforce holding many types of roles in their organization, DLH recognizes their responsibility to provide a safe, fair, and respectful work environment. There are many policies and procedures in effect that support employees and the protection of their human rights.

Employee health and safety

DLH Group is committed to providing a safe and healthy environment, there is no job so important to risk the health or safety of employees. All locations maintain a Health and Safety Committee which meets at least every two months and discuss any incidents or safety concerns. Recommendations are made by the Committee to the DLH Occupational Health and Safety Manager and then presented to Management.

3. Supply Chain Risk Assessment

Supply Chain

As the DLH Group operates in both retail and manufacturing capacities, supply chain is imperative to our businesses. The goods and products we procure are almost exclusively from suppliers headquartered in Canada and the United States of America. The manufacturing businesses of the DLH Group work with suppliers to procure quality materials from raw material suppliers (such as steel) and other pre-manufactured goods (such as wheels, hoists, brake parts, etc.) that ensure our end products maintain the high level of performance the marketplace expects from our brands.

The retail operations of the DLH Group involve selling, leasing, and renting heavy-duty trucks and trailers to the marketplace. The DLH Group also has a large parts retail operation, which sells many components of trucks and trailers to service departments as well as customers.

The DLH Group treats all vendors, suppliers, manufacturers, and third-party sellers (collectively stated as “suppliers”) with respect and good business ethics as stated in the organization’s mission and values.





Procurement Committee

A need for inter-company discussion was highlighted and in 2019 the DLH Group created a Procurement Committee which meets monthly to review, create, and monitor relationships with all suppliers across all entities. The Procurement Committee is made up of representatives of all DLH Companies to focus on building and maintaining strong relationships with current and new suppliers. The mandate of the Procurement Committee is to review suppliers based on service, reciprocal business, and price.

As the DLH Group's Procurement Committee engages with large suppliers, there are times when both parties find purchasing agreements beneficial to the relationship. Purchasing agreements typically benefit the DLH Group in the way of discounts and rebates, while suppliers can gain assurance of continued DLH Group partnership.

Risk Assessment – Supplier Headquarters

The DLH Group recognizes the responsibility to purchase and build relationships with suppliers that have similar values. It is our responsibility to do our due diligence and audit our top suppliers for potential of slavery. During this process, we reviewed the DLH Groups top 75 suppliers, which makes up over 70% of our total procurement spend.

Throughout this review we determined our top 75 suppliers are all headquartered in low-risk countries for slavery. The vast majority of these suppliers have head offices in Canada and the United States of America, with a small minority located in Germany and Sweden. Based on the Walk Free Foundation Global Slavery Index these countries all have a low risk of potential forced or child labour.

Risk Assessment – Supplier Supply Chain Reporting

When reviewing the DLH Groups five largest suppliers (based on procurement spend) we discovered that four of the five suppliers already report on supply chain legislation. The fifth supplier purchases the majority of their products from low-risk North America supply chains and any of the products DLH Group purchases are all from their North American supply chain.

Risk Assessment – Third-Party Suppliers

There are third-party sellers in the DLH Group's supply chain, especially with some of the heavy-duty truck and trailer parts purchased. While the DLH Group focuses on building lasting and ethical relationships with suppliers, we may be unaware of the initial manufacturers the third-party sellers are purchasing from.

Based on the list of "Goods Produced by Child or Forced Labor" which is maintained by the US Department of Labor the DLH Group does not procure goods that have a high risk of being produced by child or forced labour. We mitigate any potential risk of forced or child labour in supply chains by monitoring supplier websites for statements of modern slavery or forced labour in supply chains in Canada or other reporting jurisdictions.



Ongoing Monitoring

The DLH Group understands that the risk of forced or child labour in Canadian supply chains is continually present and commits to ongoing assessments of these risks. The Group will continue to address and review any internal concerns and act if required.

The Procurement Committee, on behalf of the DLH Group, continues to evaluate the potential for risk in our supply chains. They have identified opportunities to focus on our supply chain and the potential to add monitoring techniques or policies to ensure we continue to build relationships with suppliers that have a low risk of forced labour or child labour in their supply chain.

Remediation

The DLH Group has not and would not knowingly engage with any supplier who is in violation of fundamental human rights. To date, we have not identified any instances of the use of child or forced labour within our operations or those of suppliers. The DLH Group ensures that the Procurement Committee continues to review our procurement practices to enhance our due diligence processes including raising awareness with suppliers and working on supplier agreements with large suppliers.

4. Conclusion

During the preparation of this report the DLH Group engaged with all of its business to review policies, procedures, and procurement. These businesses have supported the DLH Group approach to forced or child labour in supply chains.

The DLH Group has procedures and policies in place to ensure employee safety and hiring practices to stop any potential forced or child labour in our business. The Integrity Hotline is monitored by HR Personnel and is a safe way for employees to report on any issues in the workplace. The Health and Safety Committee continues to meet every two months to discuss incidents or concerns and work to mitigate or stop recurrence from happening.

Many of the DLH Group's suppliers already report under supply chain legislation in other jurisdictions and our top 75 suppliers are headquartered in countries that have a low risk of forced or child labour in supply chains based on the Walk Free Foundation Report. From these findings we have determined the DLH Group has a low risk of potential forced or child labour in our business as well as our supply chains.

Policies, procedures, as well as monitoring techniques will continue to be reviewed and enhanced as required on a periodic basis. This will ensure the DLH Group remains active in preventing forced or child labour in our businesses and supply chains.



Approval

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.”

Doug Harvey

Name

5/30/24 11:03 CDT

Date

Director

Title

A handwritten signature in blue ink, appearing to read "Doug Harvey", written over a horizontal line.

Signature



DLH Group

1860 Brookside Blvd
Winnipeg, MB R3C 2E6
P. 204.790.6599