

Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211)

Compliance report for:

Des Nedhe Group of Companies

May 2024

Contact: media@desnedhe.com

Executive Summary

The purpose of this report is to provide a comprehensive overview of Des Nedhe Group's efforts to comply with Canada's Bill S-211, the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This legislation mandates that businesses disclose the steps they have taken to prevent and address the risks of forced and child labour within their supply chains.

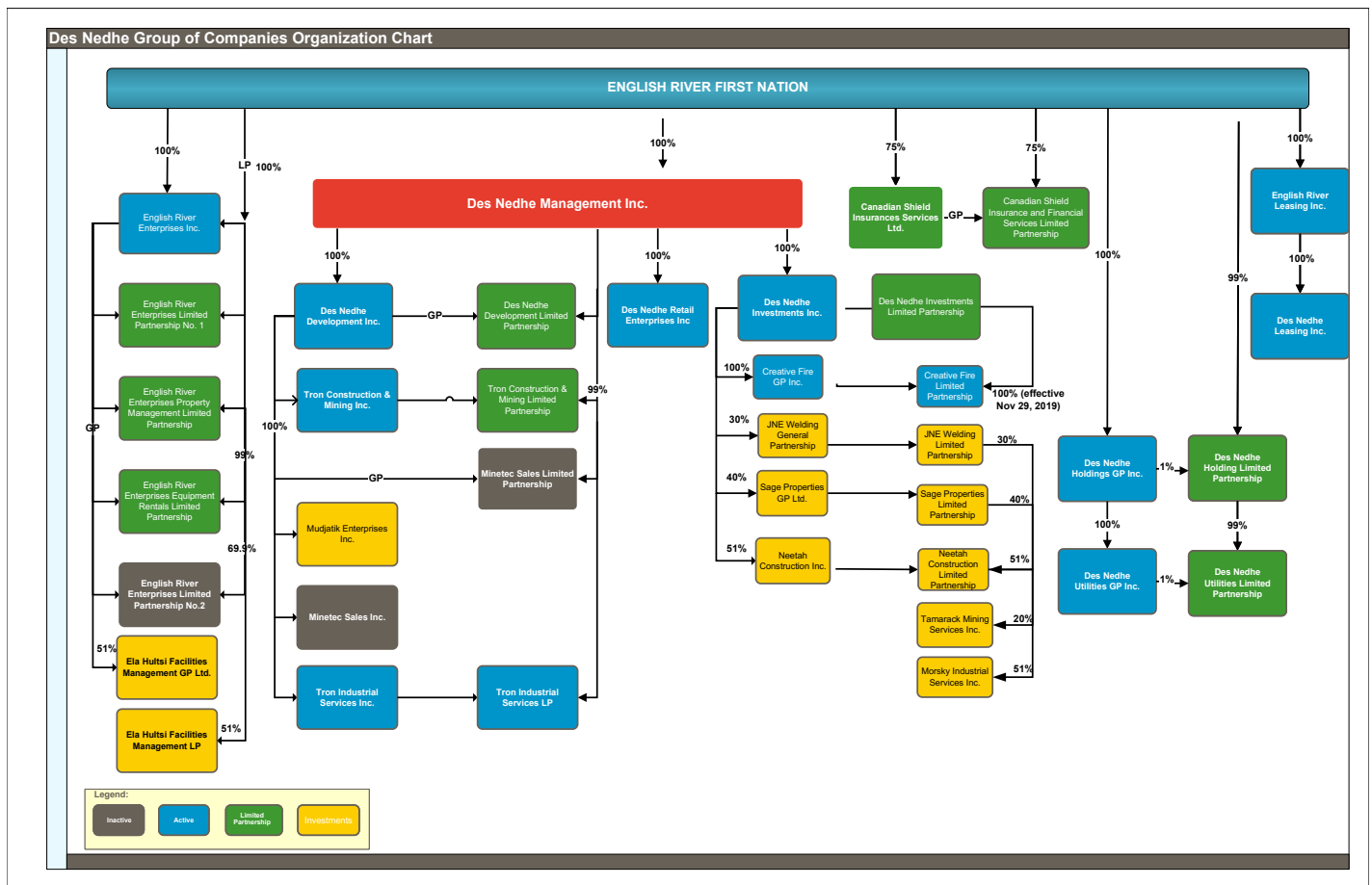
As a proud First Nations company owned by English River First Nation, Des Nedhe Group is committed to ensuring that our business operations and supply chains are free from any forms of forced or child labour. This report outlines our organizational structure, supply chain activities, and the policies and procedures we have implemented to mitigate these risks. It also details our risk assessment processes, actions taken to address identified issues, and the training programs provided to our employees to enhance their awareness and understanding of these critical issues.

Furthermore, this report includes an assessment of the effectiveness of our measures and outlines our future plans for continuous improvement in this area. By providing this information, we aim to demonstrate our commitment to ethical business practices and transparency, ensuring that our stakeholders are informed about the integrity and sustainability of our supply chain management.

We believe that through diligent compliance with Bill S-211, Des Nedhe Group contributes to the global fight against modern slavery and upholds our corporate responsibility to foster a just and humane business environment. As a First Nations company, we are particularly dedicated to ensuring that our practices reflect the values and principles of our Community, promoting fairness, respect, and sustainability in all aspects of our operations.

Business Structure and Supply Chain

Organizational Structure



Description of supply chains

Des Nedhe Group, a First Nations company owned by the English River First Nation, has established a robust and diverse portfolio of companies across multiple sectors, showcasing its commitment to sustainable economic growth and development. The group's business interests span construction, mining services, real estate, energy, retail, and professional services.

While Des Nedhe Group holds majority shares in many of these companies, it does not necessarily control their daily operations or activities. Instead, these businesses operate independently, guided by their own management teams. This decentralized approach allows each business to leverage its expertise and respond dynamically to market demands. **However, for the purposes of this report, only those companies that are wholly owned or controlled through majority board seats by Des Nedhe Group are represented.** This focus ensures that the information provided is accurate and reflects the entities where Des Nedhe Group has direct influence over operations and policies.

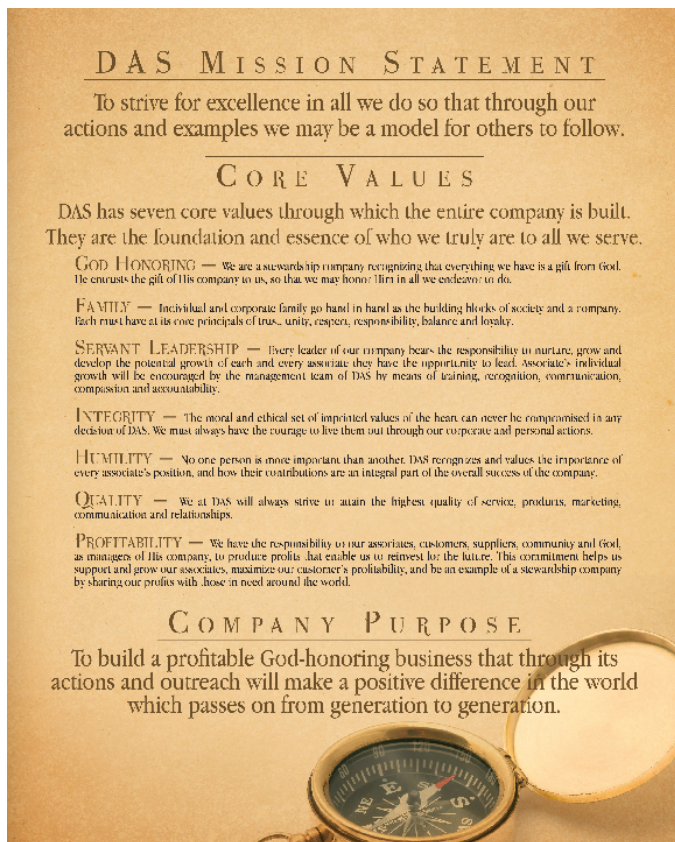
This organizational structure and diverse portfolio mean that Des Nedhe Group's collective supply chain is equally varied, encompassing suppliers and partners from different industries and regions. This diversity strengthens the group's ability to manage risks and adapt to changing market conditions, ensuring long-term stability and growth.

Policies & Procedures

Anti-forced labour and child labour policies

Des Nedhe Group is fully committed to the principles outlined in Bill S-211 and ensuring that our supply chains are free from forced and child labour. We primarily procure goods and services from Canadian suppliers, operating under the expectation that these suppliers are compliant with Bill S-211 and adhere to its stringent requirements. Des Nedhe Group strongly supports the efforts to eradicate forced and child labour and is dedicated to implementing necessary measures to ensure compliance with this legislation.

For those few suppliers that are not Canadian based, we research their values and engage with those suppliers based on their commitment to fair trade. An example is DAS Companies, an American supplier to our Retail businesses, who openly posts their core values on their website:



As an illustration of our commitment to fair employment practices, one of our most recent business endeavors is that of [Solstice Coffee](#). Solstice employs Canada's first fully-Indigenous coffee supply chain. Efforts to support local growers in South America and Asia include low-interest loans to farmers, who are often family businesses run by women, to ensure they receive fair (profitable) value for their crops.



Due diligence processes

Des Nedhe Group is dedicated to continuously improving its policies and due diligence processes. As part of this commitment, we will regularly review and update our procedures to reflect best practices and emerging standards in ethical supply chain management. Our goal is to ensure that our supply chains remain free from forced and child labour, and we are committed to taking all necessary steps to achieve this objective.

This proactive approach demonstrates our unwavering commitment to upholding the highest ethical standards and supporting the principles of Bill S-211. We believe that through diligent enforcement of our policies and robust due diligence processes, we can contribute to the global efforts to eliminate forced and child labour from our supply chains.

Risk Assessment

Identified risks in supply chains

Des Nedhe Group acknowledges the potential risks of forced and child labour within our supply chains, particularly concerning the novelty items sold in our retail locations. These items are often produced in countries with varying labour standards and enforcement levels, which may not align with the spirit of Bill S-211.

High-Risk Regions:

1. **Asia:** Many novelty items, such as toys, decorations, and souvenirs, are manufactured in countries like China, India, and Bangladesh. These regions are known for having significant issues with forced and child labour in their manufacturing sectors.
2. **Africa:** Certain countries in Africa, such as Ethiopia and Uganda, also pose risks, especially in sectors like textiles and handmade crafts.
3. **Latin America:** Countries like Guatemala and Honduras are known for forced and child labour in agricultural and manufacturing sectors.

High-Risk Products:

1. **Toys and Decorations:** These are often produced in factories where labour laws are not strictly enforced, leading to potential exploitation.
2. **Textiles and Clothing:** Many novelty items include textiles or are made entirely of fabric, which is another sector with high risks of forced and child labour.
3. **Handmade Crafts:** While these items can support local economies, they can also involve exploitative labour practices, particularly in regions with high poverty rates.

Risk management strategies

To mitigate these risks, Des Nedhe Group relies on primarily Canadian suppliers who are expected to comply with Bill S-211. By sourcing from Canadian companies, we anticipate that these suppliers adhere to stringent regulations and ethical standards, reducing the likelihood of forced and child labour in our supply chains.

Additionally, we could enhance our risk management by conducting occasional supplier audits, requesting certifications from recognized bodies, and maintaining open communication with our suppliers to ensure ongoing compliance. Establishing grievance mechanisms for workers and collaborating with NGOs and industry groups to stay informed about best practices are also potential strategies.

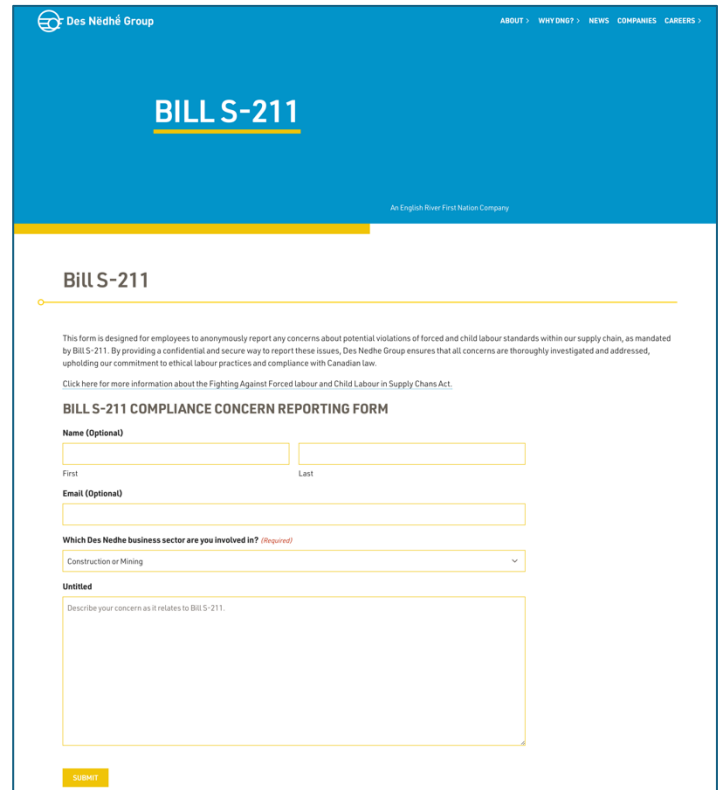
By focusing on these strategies and leveraging the compliance of our Canadian suppliers, Des Nedhe Group aims to align with the principles of Bill S-211 and contribute to the global fight against labour exploitation.

Actions Taken

Steps to address and remediate forced labour

Des Nedhe Group is committed to taking proactive steps to ensure our supply chains are free from forced and child labour. Here are some measures we are engaged in:

1. **Anonymous Reporting Mechanism**: As pictured here, a simple and anonymous internal mechanism for employees to alert management if they have concerns about violations related to forced or child labour.
2. **Supplier Engagement**: Communication with our Canadian suppliers to reinforce the importance of compliance with Bill S-211 and to ensure they understand and adhere to these standards.



The screenshot shows a web form titled "BILL S-211 COMPLIANCE CONCERN REPORTING FORM" from Des Nedhe Group. The form is designed for employees to report concerns about forced and child labour. It includes a header with the company logo and navigation links. The main content area contains a title "Bill S-211", a brief explanation of the form's purpose, and a link for more information. Below this, the form fields include: "Name (Optional)" with separate boxes for "First" and "Last"; "Email (Optional)" with a single input box; "Which Des Nedhe business sector are you involved in? (required)" with a dropdown menu currently set to "Construction or Mining"; and a large text area labeled "Untitled" for describing the concern. A "SUBMIT" button is located at the bottom right of the form.

Training programs for employees

Des Nedhe Group will implement an awareness training program designed to educate our staff about the issues of forced and child labour. The program will include:

Child and Forced Labour Component in HSE Training:

- Educate employees about the global issues of forced and child labour, and the impact these practices have on individuals and communities by integrating content on forced and child labour into our existing Health, Safety & Environment (HSE) training program, which every employee must complete when they are onboarded.
- Provide information on the principles of Bill S-211 and the company's commitment to ethical supply chains.

Easy Reporting Mechanisms:

- Explain the process for reporting concerns, ensuring it is simple and accessible. Employees have the option to report issues directly to their managers or to use our [anonymous reporting system](#).
- Reassure staff that their reports will be taken seriously and handled confidentially.

Regular Updates:

- Provide continuous updates on any changes in legislation, company policies, and best practices regarding forced and child labour.
- Ensure that employees are informed about new developments and how they can contribute to the company's efforts.

By focusing on these simple and effective awareness training initiatives, Des Nedhe Group aims to empower our staff to recognize and report any concerns related to forced and child labour, ensuring our supply chains remain ethical and compliant with Bill S-211.

Effectiveness Assessment

Methods for assessing the effectiveness of measures

Regular Monitoring and Audits:

- Conduct periodic internal audits and reviews of our supply chain processes to ensure compliance with our labour standards and policies.

Incident Tracking and Response:

- Maintain a robust system for tracking and responding to reported incidents of forced and child labour.
- Ensure that all reports are thoroughly investigated, and appropriate corrective actions are taken promptly.

Results and improvements made

Ongoing Employee Engagement:

In addition to the initial training that new employees receive, Des Nedhe Group will ensure the specifics of Bill S-211 are revisited during yearly performance reviews. During these reviews, managers will:

Reinforce Training Content

Review the key elements of Bill S-211 with employees, ensuring they understand the importance of compliance and their role in upholding these standards.

Encourage Reporting

Remind employees of the anonymous reporting mechanisms available to them and encourage them to use these channels if they suspect any violations related to forced or child labour.

Gather Feedback

Discuss any concerns or suggestions the employee might have regarding the company's policies and practices related to forced and child labour. This feedback will be used to improve our training programs and reporting mechanisms.

By incorporating these discussions into the annual performance reviews, Des Nedhe Group ensures ongoing awareness and commitment to preventing forced and child labour among all employees, further supporting our compliance with Bill S-211.

Future Plans

Continuous improvement strategies

Des Nedhe Group is committed to fostering a supply chain free from forced and child labour. Our future plans emphasize continuous improvement and proactive measures to ensure compliance with ethical standards and Bill S-211.

Supplier Relationships

- We are committed to considering the discontinuation of relationships with suppliers found to be non-compliant with our labour standards and Bill S-211. This ensures that our supply chain reflects our ethical values and legal obligations.

Seeking New Partnerships

- Actively seeking out new relationships with suppliers who are compliant with Bill S-211 will be a priority. We aim to build partnerships with suppliers who share our commitment to ethical labour practices and transparency.

Compliance as a Key Factor

- Compliance with ethical labour standards will be a key factor in engaging with new suppliers. During the supplier selection process, we will evaluate potential suppliers based on their adherence to Bill S-211 and their overall commitment to preventing forced and child labour.

Ongoing Monitoring and Assessment

- We will continue to monitor our existing suppliers to ensure ongoing compliance. Regular audits, reviews, and feedback mechanisms will help us maintain high standards.

Public Posting of our commitment to Bill S-211

- The Des Nedhe website will prominently display this document along with our commitment to preventing forced and child labour practices in our supply chain.

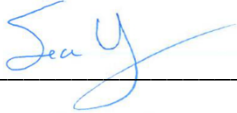
Incorporating continuous feedback from employees and stakeholders will be integral to refining our strategies and ensuring their effectiveness.

Conclusion

Des Nedhe Group is dedicated to maintaining ethical supply chains and ensuring compliance with Bill S-211. We believe that through our comprehensive policies, diligent monitoring, and continuous improvement efforts, we can contribute significantly to the global fight against forced and child labour.

Approval and Attestation

This report has been approved by the Board of Directors of Des Nedhe Group and is signed by:



Date: May 30, 2024

Sean Willy

President & CEO, Des Nedhe Group