

Dempsey Corporation Report on Forced Labor in Canadian Supply Chains

Introduction

Dempsey Corporation is dedicated to conducting its business ethically and responsibly, ensuring that forced labor and child labor are eliminated from its operations and supply chains. This report outlines the steps taken during the previous financial year to prevent and reduce the risk of forced labor and child labor, in compliance with Canada's Bill S-211.

Summary Overview of 2023 Activity and Outcomes regarding forced labor

In 2023, Dempsey Corporation conducted comprehensive due diligence and monitoring activities across its supply chain, through supplier feedback assessments, and maintaining a whistleblower hotline. Based on the thorough evaluations and feedback received from our suppliers, as well as reports from our whistleblower hotline, we are pleased to report that there have been no reported incidents of forced or child labor within Dempsey Corporation's operations or supply chain. This outcome reflects our commitment to maintaining the highest ethical standards and ensuring a responsible and sustainable supply chain.

1. Structure, Activities, and Supply Chains

Structure:

Dempsey Corporation is a Canadian distribution company sourcing raw and finished goods from various countries worldwide. The company is structured as a corporation with multiple departments handling procurement, compliance, sales, warehousing and distribution. The Risk Management Committee, composed of executive management, oversees risk assessment and mitigation strategies.

Activities:

Dempsey Corporation's core activities include sourcing, importing, and distributing a wide range of raw and finished goods. The company maintains a robust supplier network to ensure the availability and quality of products for its customers.

Supply Chains:

Our supply chains span several countries, involving multiple tiers of suppliers. We focus on sourcing from blue ribbon suppliers who have robust systems in place to prevent forced labor and child labor within their operations and their upstream suppliers.

2. Policies and Due Diligence Processes

Supplier Code of Conduct:

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All suppliers must adhere to Dempsey Corporation's Supplier Code of Conduct, which explicitly prohibits forced labor and child labor. This code is a crucial part of our supplier onboarding and due diligence process.

Due Diligence Process:

Our due diligence involves a comprehensive evaluation of potential suppliers, including:

- Sending the New Supplier Questionnaire to gather detailed information about their practices.
- Reviewing suppliers' policies and certifications related to quality, health and safety, business continuity, ethics, modern slavery program and sustainability.
- Conducting audits and regular monitoring to ensure ongoing compliance with our standards.

Risk Management Committee:

The Risk Management Committee, composed of executive management, regularly reviews risk assessment reports and ensures that effective mitigation measures are in place.

3. Forced Labor and Child Labor Risks

Risk Identification:

- Risks related to forced labor and child labor are identified through:
- Supplier questionnaires and self-assessments.
- Regular internal and third-party audits.
- Employee and stakeholder feedback.

Risk Management: We prioritize suppliers from regions with lower risks of forced labor and child labor. For higher-risk areas, we implement stricter monitoring and engagement strategies to mitigate potential risks.

4. Remediation Measures

Immediate Response: Upon identifying any instance of forced labor or child labor, we:

Conduct an immediate risk assessment to determine the scope and severity.

Take immediate steps to protect affected individuals and prevent further harm.

Corrective Action Plan: A detailed corrective action plan is developed in collaboration with the supplier, which includes:

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Specific actions to rectify identified issues.

A timeline for implementation.

Assigned responsibilities for each action.

Monitoring and Verification: Follow-up audits are conducted to verify that corrective actions have been effectively implemented, ensuring continuous compliance.

5. Remediation of Loss of Income

Support Measures:

Implement programs to support alternative livelihoods and economic opportunities.

6. Training Provided to Employees

Training Programs: We provide comprehensive training to all employees on forced labor and child labor, including:

Initial training for new staff during the onboarding process.

Annual refresher training for all employees.

Specialized training for key departments involved in supply chain management and compliance.

Awareness Initiatives: Awareness is maintained through:

Regular updates via the internal ESG Teams channel.

Monthly newsletters.

Internal videos hosted by the VP of ESG, discussing key topics and updates.

7. Assessing Effectiveness

Assessment Methods: Effectiveness is assessed through:

Regular internal and third-party audits.

Tracking and reviewing key performance indicators related to compliance.

Continuous feedback and improvement processes.

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Continuous Improvement: We maintain a feedback loop with suppliers and employees to continuously improve our practices and prevent future occurrences of forced labor and child labor.

Intent for 2024

Looking ahead to 2024, Dempsey Corporation is committed to further strengthening our efforts to eliminate forced labor and child labor from our supply chain. As part of this commitment, we have contracted an independent third-party auditing firm that has extensive experience in auditing international forced labor and child labor systems. This partnership will enhance the robustness of our due diligence and monitoring processes, ensuring a more thorough and independent assessment of our global supply chain.

In addition to partnering with a third-party auditor, we plan to implement the following initiatives to bolster our Forced Labour program in 2024:

Enhanced Supplier Training: We will introduce more comprehensive training programs for our suppliers, focusing on the identification and prevention of forced labor and child labor. This training will be conducted in collaboration with industry experts to ensure the highest quality and relevance.

Advanced Risk Assessment Tools: We will adopt advanced risk assessment tools and technologies to better identify and mitigate potential risks in our supply chain. These tools will enable us to conduct more detailed analyses and develop targeted strategies to address specific vulnerabilities.

Supplier Engagement and Collaboration: We will increase our engagement with suppliers through regular workshops, forums, and collaborative initiatives. This is part of our E.S.G. initiative for improved visibility and partnership with our suppliers.

These efforts will foster a deeper understanding of our expectations and promote a shared commitment to ethical practices across our supply chain.

Regular Progress Reviews: For 2024, we have established a schedule for regular progress reviews and updates to our policies and procedures. These reviews will ensure that our strategies remain effective and aligned with the latest industry standards and regulatory requirements.

Transparency and Reporting: We will continue to enhance our transparency by publishing detailed reports on our website, outlining our efforts and progress in combating forced labor and child labor. These reports will provide stakeholders with clear insights into our actions and achievements.

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Conclusion

Dempsey Corporation remains steadfast in its commitment to ethical business practices, continuously striving to eliminate forced labor and child labor from its operations and supply chains. This report reflects our ongoing efforts and dedication to complying with all relevant laws and regulations, including Bill S-211.

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 Dempsey Corporation. 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."

Name: Joseph Carpenter
Title: VP - ESG, Risk and Compliance
Date: May 26, 2024

Signature: 

Name: Benjamin Dempsey
Title: CEO
Date: May 28th 2024

Signature: 