



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR REPORT

MAY 31, 2024

DI-CORP



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MESSAGE FROM OUR CEO DIRK LEPOOLE

We at Di-Corp recognize the unfortunate risks of forced labour and child labour in various supply chains across the world and acknowledge that we too must play a part in addressing these risks and furthering human rights and responsible business practices.

The nature of our business means that our supplier base is varied and diverse, which requires a vigilant approach. This means taking a collaborative approach with our suppliers, our internal workforce and other external stakeholders and ensuring that we take real actions to prevent and mitigate the risks of forced labour and child labour across our business activities and supply chains.

To aid in the identification of risks and to develop a more comprehensive approach to this topic, a cross-functional team worked together to examine our supply chain activities, develop risk mitigation measures and improve employee awareness on this important matter of focus.

This report serves as a summary of those initial efforts and as our approach will evolve over time, as will the regulatory requirements, further actions based on continuous improvements will be reported on in the future.

Reporting Identity: Di-Corp

Di-Corp is a Canadian corporation with our head office based in Edmonton, Alberta and is subject to the legal requirements in section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act).

This Report is made in accordance with the Act and was approved by the Shareholder on May 31, 2024. For purposes of the Act, Di-Corp includes the corporations Diversity Technologies Limited and Drillers Edge Incorporated (Drillers Edge) in operations from June 1, 2023 to May 31, 2024.

(a) – Structure, activities, and supply chains

1. Our Structure and Operations

Di-Corp is the sole parent of Drillers Edge, DI-CORP USA Inc., Jentech Drilling Supply Inc., and Di-Corporative de Mexico S.A de C.V. Drillers Edge and Di-Corp are the only Canadian companies.

Since 1960, Di-Corp has proudly developed a reputation for meeting and exceeding the expectations of our customers in the mining, energy and drilling industries in North America. We build relationships that focus not only on down-to-earth customer service but the capabilities and expertise of our staff as well.

We know that all relationships require integrity and partnership, and we believe that having dedicated staff providing personalized service along with our focused product lines will lead to success. We are committed to leadership in importing, manufacturing and distribution of materials starting with the integrity of our supply chain.

Our stakeholders include:

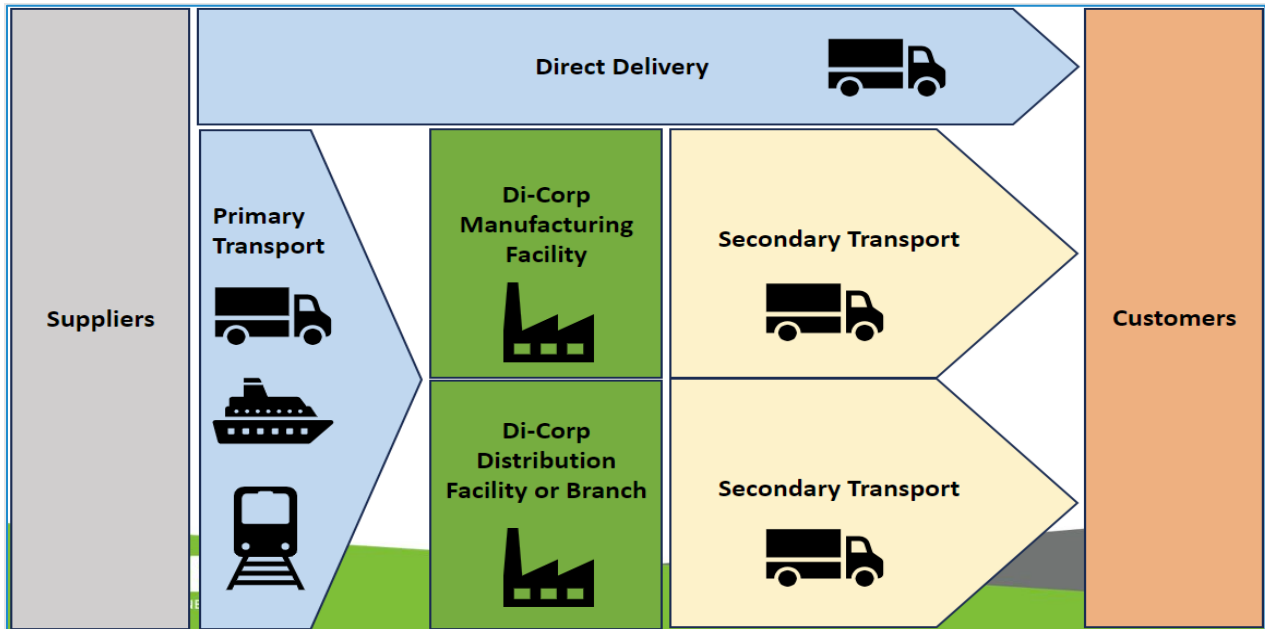
- (a) Suppliers
- (b) Customers
- (c) Governmental authorities
- (d) Shareholders
- (e) Employees
- (f) Community

2. Our Supply Chain

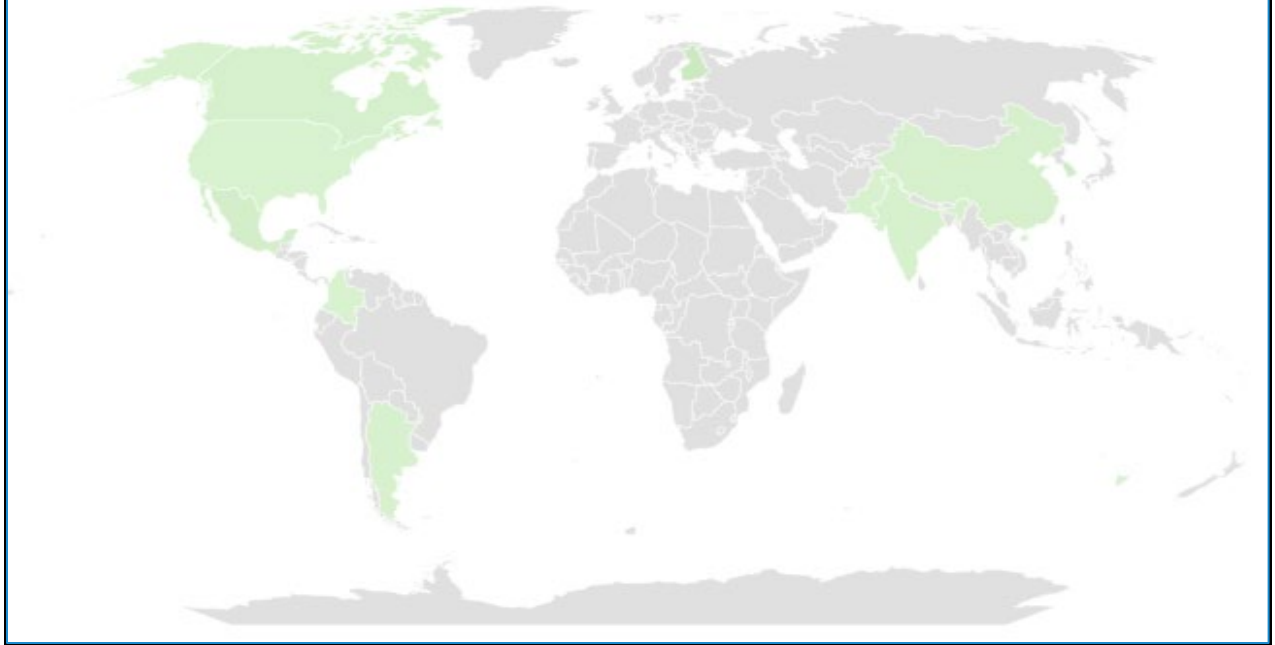
Di-Corp has an international supply chain with manufacturing, distribution, and service locations in Canada, the United States, Mexico, and nine international distributors serving South America, Europe and Central Asia, the Middle East, and Australia.

Di-Corp procures products for both resale and for manufacturing of its own products and sources products from manufacturers and distributors all over the world. Approximately two-thirds of our suppliers are from Canada while additionally we import products from United States, Mexico, South America, Europe, Asia-Pacific, and Australia.

Below you will find a graphical representation of our supply chain network and locations.



SUPPLIER LOCATIONS



(b) – Policies and due diligence processes

Policies

Di-Corp’s fight against forced labour and child labour is defined in its policy, which outlines the below requirements for our Suppliers, Contractors, and Logistics partners:

Forced or compulsory labour	They must: <ul style="list-style-type: none">• Prohibit all forms of forced or compulsory labour.• Maintain and promote fundamental human rights.
Child labour	They must: <ul style="list-style-type: none">• Prohibit the use of child labour.• Strictly adhere to the minimum age limit defined by International Labour Organization (ILO) standards.

DI-CORP POLICY STATEMENT

Di-Corp understands that forced labour and child labour violate essential human rights. It is committed to upholding human rights and does not condone any form of forced or child labour within its supply chain and its business activities.

This Policy has been established to demonstrate Di-Corp's commitment to protecting human rights across all its operations. Di-Corp is dedicated to complying with the Forced Labour and Child Labour in Supply Chains Act and fostering a fair, diverse, and inclusive workplace environment within all its business activities.

Procurement

Di-Corp's has revised its Procurement practices to address the elements of Forced Labour and Child Labour in Supply Chain Act. As part of this, a Supplier's Risk Assessments was performed on all existing suppliers and going forward all new suppliers will be assessed as part of the on-boarding process:

- A. Supplier Self-Assessment Questionnaire.
- B. On-site Audits maybe performed based on the results of the Self-Assessment Questionnaire.

Due Diligence

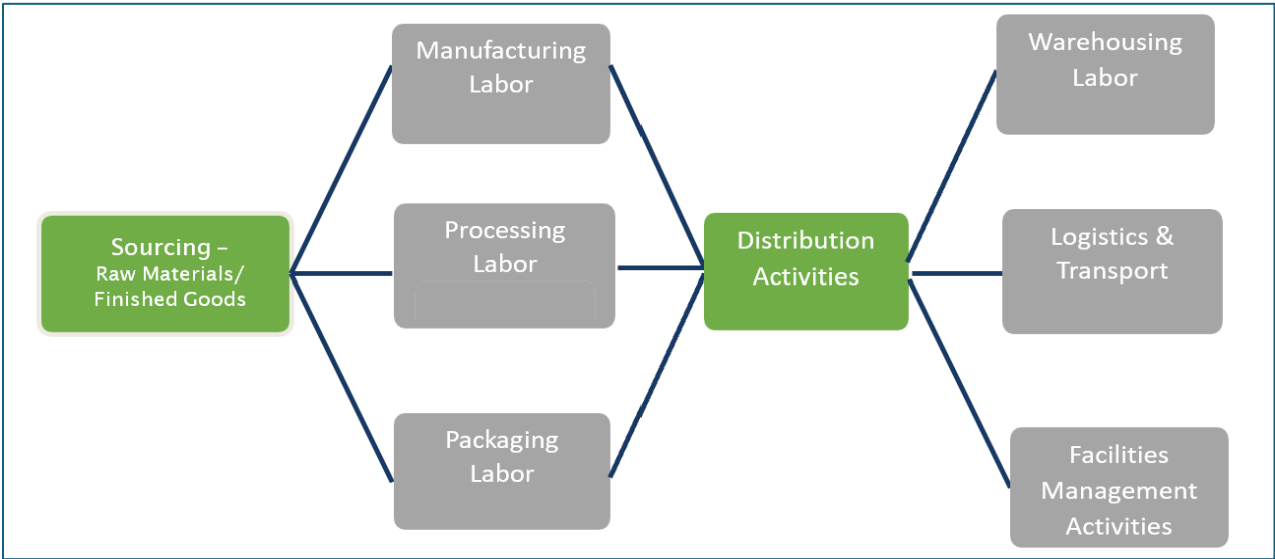
Di-Corp's Supply Chain team is responsible for managing Strategic Sourcing activities by engaging key stakeholders and supply partners. The Supply Chain team is committed to performing periodic due diligence on its supply base to ensure that the risk of Forced labour and Child labour is identified, assessed, and addressed.

(c) – Forced labour and child labour risks

1. Operations

Quarterly, we have processes in place to review and identify risk identification, assessment and management associated with direct business operations, stakeholder activities and business relationships. These are part of the strategic review of the risk register.

Di-Corp has identified the following potential operational risk categories of modern slavery in its business and is committed to enhance awareness, provide training and to develop mitigation actions in order to prevent any opportunities or occurrences of this nature.



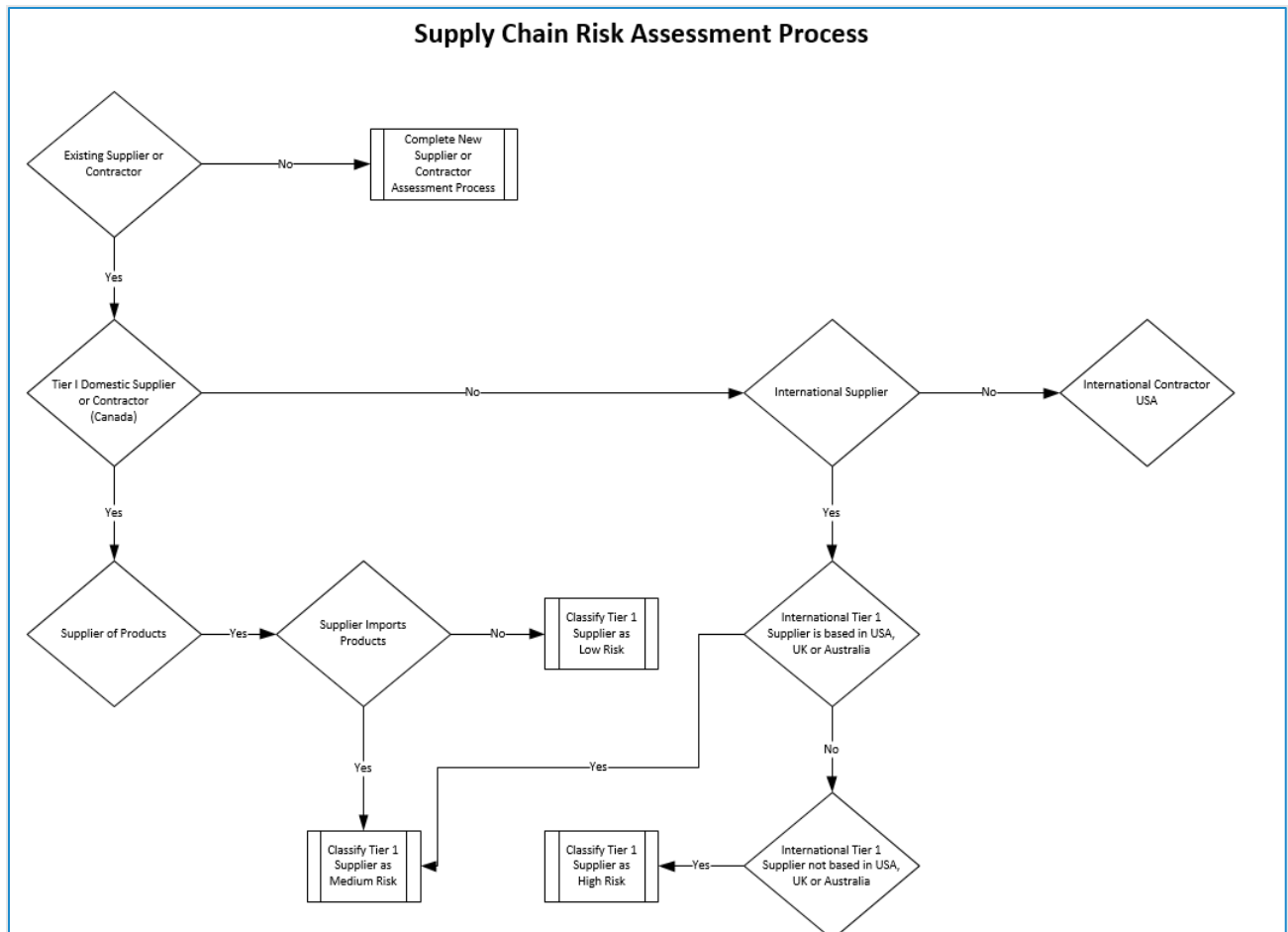
Existence of high-risk factors in Di-Corp's operations will trigger further investigation to ensure higher controls are in place to manage elevated risks. Where necessary, Di-Corp will work directly with stakeholders to gain further understanding on whether the measures adopted are working effectively.

We will not work with stakeholders who do not share our commitment to high ethical standards, particularly in relation to modern slavery. Our Conduct and Whistleblowing Policy provide guidance and a process for reporting or raising concerns about any wrongdoing in confidence and without fear of retaliation.

2. Supply Chains Risk Screening

We recognize that risk of Forced labour and Child labour within our operations and supply chain may increase depending on the countries and regions where goods and services are sourced from. As such, Di-Corp has developed an initial assessment of potential Forced labour and Child labour risks in Di-Corp's Tier 1 Supply Chain using a methodology defined as follows:

Risk of Forced labour and Child labour	Risk Rating	Percentage of Total Supply Base	Country of Origin
Unlikely	Low Risk	66%	Canada
Possible	Moderate Risk	24%	United States, Australia, and Europe
Likely	Higher Risk	10%	Mexico, Asia-Pacific & South America



In the reporting period Fiscal Year 2024, we recognize that there is some risk of being exposed to Forced labour and Child labour, as our supply chains that extend throughout the Asia-Pacific, and South America, were identified as being a “higher risk” region. Suppliers in identified high-risk countries, (which is 10% of the total supply base) were audited using a self-assessment questionnaire as part of the initial due diligence efforts.

90% of the identified high-risk suppliers have completed the self-assessment questionnaire and no violations of the Forced Labour and Child Labour Act were identified.

Di-Corp is committed to closely monitoring all suppliers on a continuous basis using self-assessment questionnaire and as required on-site audits.

(d) & (e) – Remediation measures/Remediation of loss of income

During Fiscal Year 2024, we did not find any evidence outlining that child labour or forced labour were being employed in our supply chain, and as such, no actual remediation measures have been taken. In the future, if such situations arise, actions will be taken at that time consistent with relevant regulations, industry standards and Di-Corp internal policies.

(f) – Training

Di-Corp's People & Culture team is administering mandatory training to all employees for awareness of and compliance with Fighting Against Forced Labour and Child Labour in Supply Chain Act through its E-Learning training module.

The training includes information regarding:

- What is Fighting Against Forced Labour and Child Labour in Supply Chain Act?
- How can we identify Forced Labour and Child Labour in our Supply Chain?
- What is Di-Corp doing to combat this?

First level of training, for all staff has been rolled out to all employees, and we are aiming to have the majority of these to be completed by May 31, 2024.

(g) – Assessing effectiveness

In our effort to reduce the risk of Forced and Child Labour within our Supply Chain, Di-Corp has established a 2-year review plan to assess the effectiveness of our actions. We will continue to review, reassess, and evolve our plans as necessary.

MEASURING ACTION PLAN – 2 YEAR REVIEW				
ACTION	Supplier/ Contractor Code of Conduct	Supplier Compliance Audits	Supplier Site Audit	Internal Training
FY2024		Completed High Risk Supplier Self- Assessment		E-Learning Training module rolled out for all employees
FY2025	Planned for FY2025	Planned for FY2025 All Tier I Suppliers	Site Visits Planned for High Supplier FY2025	

Report Approval and Attestation

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information is true, accurate and complete in material respects for the purposes of the act.

Dirk LePoole

Dirk LePoole

CEO

Date: May 31st, 2024