



# **Forced Labor in Canadian Supply Chains**

**Updated May 30, 2024**



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## Introduction

This report is Doug Chalmers Inc. response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) for the financial year ending August 31, 2023. The reporting entity covered by this statement is Doug Chalmers Inc. (business number: 101467421).

For the purposes of the Act, Doug Chalmers Inc. (“Chalmers Fuels”) meets the entity definition as it has a place of business in Canada, does business in Canada, has assets in Canada and meets the threshold for revenue and assets. Chalmers Fuels also meets the definition of reporting entity as it sells goods in Canada, distributes goods in Canada and imports into Canada goods produced outside Canada.

Chalmers Fuels is incorporated provincially in Ontario and is obligated to submit a report to the Minister of Public Safety and provide a public report in response the Supply Chains Act by May 31, 2024. This report outlines the measures implemented over the previous financial year to mitigate risks associated with forced and child labour in our supply chain and operations.

### 1. Structure, Activities and Supply Chain

Locally owned and operated since 1962, Chalmers Fuels serves thousands of customers across Southwest Ontario. For over 60 years, our team of 40 full-time employees has supplied propane, dyed & clear diesels, heating oils, gasoline, efficiency additives and engine lubricants to help fuel local farming operations, businesses, fleets, and residences.

The North American Industry Classification System (NAICS) Canada 2022 Version 1.0 was used to classify the sectors applicable to our operations, supply chain and related activities. We operate in the following sectors, sub-sectors, and related industry groups:

- (41) Wholesale Trade
  - (412) Petroleum, petroleum products, and other hydrocarbons merchant wholesalers, (4121) Petroleum, petroleum products, and other hydrocarbons merchant wholesalers
- (48-49) Transportation & Warehousing
  - (493) Warehousing and storage, (4931) Warehousing and storage
  - (484) Truck transportation, (4842) Specialized freight trucking

We source various petroleum products from a variety of suppliers predominantly oil companies and are an authorized Shell Canada distributor. Refined fuels are loaded at Shell's terminals throughout Ontario and are delivered either a) direct to customer or b) to our bulk plants for redistribution to end use customers. Lubricant products are either delivered a) direct to customer or b) delivered to our warehouses and then are redistributed.



## 2. Policies and Processes in Relation to Forced and Child Labour

For the reporting period, Chalmers Fuels did not have any policies or processes in place with express language related to forced or child labour.

Chalmers Fuels is committed to maintaining the health and well-being of our employees and we abide by and comply with all applicable employment and labour laws in Ontario such as the Employment Standards Act (ESA) and the Ontario Human Rights Code (ORHC). Our hiring practices respect the rights of all individuals to pursue employment opportunities with our organization without discrimination. We also do not use child or forced labour in our operations and require all employees meet a minimum age requirement of 16.

### Occupational Health and Safety Policy

Protecting employees from injury or occupational disease, accidents or incidents is a continuing objective. We understand the importance of well-being and productivity to our employees. Our Occupational Health and Safety policy outlines the responsibilities of all parties in maintaining a health and safe work environment. Chalmers Fuels acknowledges we have a statutory duty to take all reasonable precautions to protect employees, contractors, volunteers, visitors, and all other individuals on-site. Supervisors and workers must refrain from any actions or activities that could jeopardize the health and safety of others and must work to reduce the risk of injury. As part of our policy, employees, contractors, and visitors are expected to take part in ensuring a safe workplace by reporting unsafe conditions and practices immediately and by utilizing appropriate safety equipment and clothing as required by regulations and procedures.

### Joint Health and Safety Committee Policy

Chalmers Fuels has an established Joint Health and Safety Committee (JHSC) that consists of employers and employees working together to improve occupational safety and health and safety. The JHSC meets quarterly or when urgent matters arise and is comprised of at least one certified work representative and one certified management representative. The committee has four principal functions: to identify potential hazards, evaluate these hazards, recommend corrective action and follow-up on implemented recommendations. They are also obligated to inspect the workplace for hazards at least once a month.

### Workplace Violence and Harassment Policy

Our Workplace Violence and Harassment policy provides definitions to aid in understanding the scope of violence and harassment, procedures, and practices to aid in protecting workers, a process for workers to report incidents or raise



concerns and information on neutral third-party resources. We have a zero-tolerance policy for violence, discrimination (e.g. racial, religious, sexual) bullying and harassment in the workplace.

“Workplace” defined in our policy includes anyone that comes into contact with the workplace even without formal connection (e.g. visitors, clients, delivery persons, spouses, external contractors, etc.) and in any capacity (e.g. on-site, at work-related social functions or assignments, during travel or over the telephone). Any offence committed that is seen or heard should be reported and there is a defined reporting procedure to inform management, a supervisor or neutral partner of this incident. Whistleblowers will not be penalized for reporting incidents in good faith. All incidents identified undergo an investigation process. Additionally, in consultation with our employees, we identify potential hazards and implement appropriate controls to reduce or eliminate risk for violence and harassment.

### 3. Identification of Risks

#### Risk Assessment Methodology

To understand where in the supply chain forced or child labour risks may exist, Chalmers Fuels recently carried out a risk assessment process. This process was guided by insights provided by the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labor’s List of Goods Produced by Child Labour or Forced Labour. In conducting our risk assessment, we sought to identify potential jurisdictional and product risk associated with forced or child labour for specific countries and product categories.

Our risk assessment does not presuppose the actual use of forced or child labour within our operations or supply chain, rather, aims to recognize potential scenarios where risks might arise, enabling us to implement effective preventative measures. We acknowledge that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

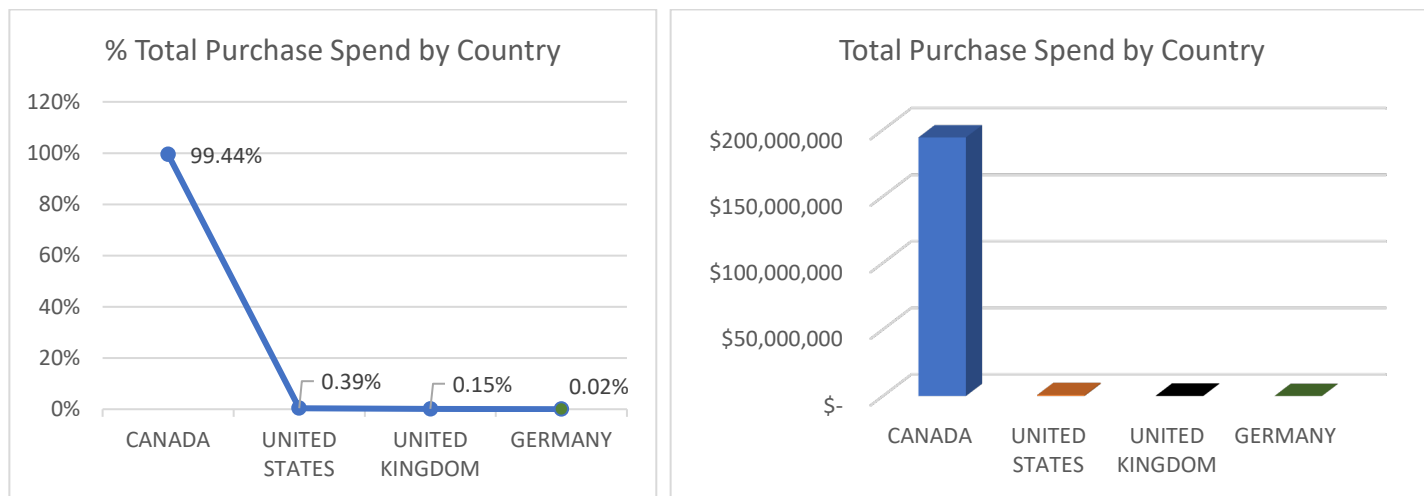
Our analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This jurisdictional risk assessment was combined with an assessment of at-risk-goods categories.

#### Risk Assessment Findings

As part of our analysis, we identified suppliers in the United States as having moderate risk of forced or child labour. Although the United States exhibits only a medium prevalence of modern slavery according to the Walk Free Global Slavery Index, we are committed to addressing this jurisdictional risk.



In addition to geographic risk factors, data from the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor was used to identify product risk. This step was crucial to isolate any goods within our import portfolio that may be susceptible to forced or child labor. No products were identified from the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor to determine product risk with any of the categories in our import portfolio.



NOTE: Total Purchase Spend includes goods-related spend for the reporting period only. All figures are in CAD.

#### 4. Remediation of Forced and Child Labour

For the reporting period, no instance of forced or child labour within our supply chain or operations were identified therefore no remediation measures were required.

Following ongoing internal assessments of existing policies, procedures, and our supply chain, if we identify any instance or additional risk, appropriate steps will be taken to mitigate that risk and address those impacted.

#### 5. Remediation of Loss of Income

For the reporting period, no instance of forced or child labour within our supply chain or operations were identified therefore no remediation of loss of income was required.

Following ongoing internal assessments of existing policies, procedures, and our supply chain, if we identify any instance or additional risk, appropriate steps will be taken to mitigate that risk and address those impacted.

#### 6. Employee Training

For the reporting period, no training related to forced or child labour was delivered to employees involved in our supply chain. Employees onboarding into Human Resources that participate in our hiring process, do however, receive functional training on company policies and hiring practices.



We also ensure all employees are adequately trained with respect to health and safety, the safe use of equipment and protective equipment. All driving staff also undergo an initial employee orientation that covers the following training: transportation of dangerous goods, propane/petroleum, Workplace Hazardous Materials Information System (WHMIS), propane tank operator and propane plant operator 1 and 2 where applicable, site specific training and emergency preparedness (e.g. Emergency response assistance plan, Ministry of Environment Emergency Plan, Fire and Safety plan).

## 7. Assessing Effectiveness

Given no specific policies, procedures or training were in place related to forced or child labour outside of internal hiring practices, for the reporting period, Chalmers Fuels was not in a position to assess effectiveness of these in our supply chain or operations.

### Health and Safety Compliance

Health and safety policies and procedures are reviewed annually for compliance and efficiency. Additionally, the JHSC is responsible for investigating and documenting incidents, near misses, injuries and making written recommendations to address risks and hazards. The JHSC is also responsive for measuring effectiveness of existing health and safety programs.

### Workplace Violence and Harassment

Our Workplace Violence and Harassment policy and assessment is reviewed annually and as changes occur to job responsibilities or environments. We further revise our assessment as needed to make improvements to procedures as required.

Managers and supervisors have a responsibility to ensure measures are taken to safeguard employees and curtail violence or harassment, in addition to investigating all workplace complaint reports of discrimination, harassment and violence using a defined procedure. Following completion of the investigation, Chalmers Fuels informs both the complainant and respondent in writing of the findings of the investigation and corrective action will be taken. Chalmers Fuels as an employer is required to submit any incident report to the Ministry of Labour where an employee incurs a lost time injury as a result of violence in the workplace and a report to WSIB of all accidents where a worker loses time from work, requires healthcare, earns less than regular pay for regular work, requires modified work at less than regular pay or performs modified work at regular pay for more than 7 days.



## 8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable due 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.

Full Name: Nick Brouwer

Title: President

Date: 10/29/24

Signature:  Nick Brouwer

"I have the authority to bind Doug Chalmers Inc."