

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR REPORT



May 31, 2025

DI-CORP
DOWN TO EARTH BUSINESS

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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 has been working 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 over the past couple of years 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 its head office based in Edmonton, Alberta, Canada and given its size of activities and business is thus 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, 2025.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

1. OUR STRUCTURE AND OPERATIONS

Di-Corp is the sole parent of DI-CORP USA Inc., Jentech Drilling Supply Inc., and Di- Corporative de Mexico S.A de C.V. Di-Corp is the only Canadian company and will form the basis for this report.

Since 1960, Di-Corp has proudly developed a reputation for meeting and exceeding the expectations of our customers in the mining, energy and throughout other drilling-intensive 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.



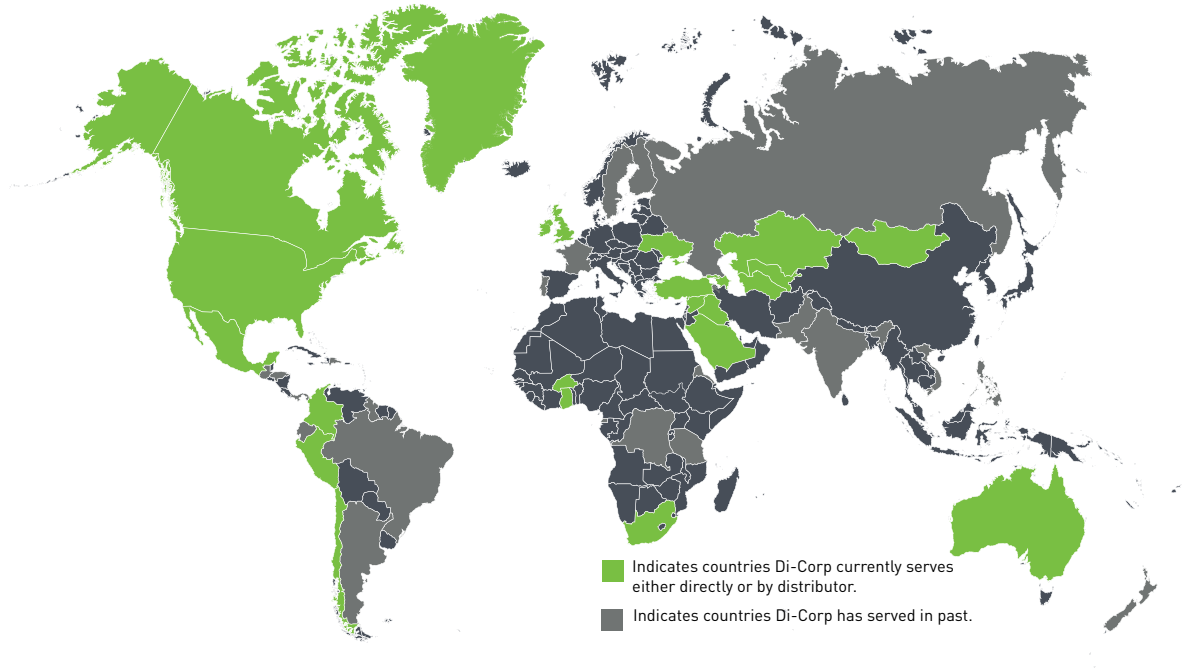
2. OUR SUPPLY CHAIN

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.

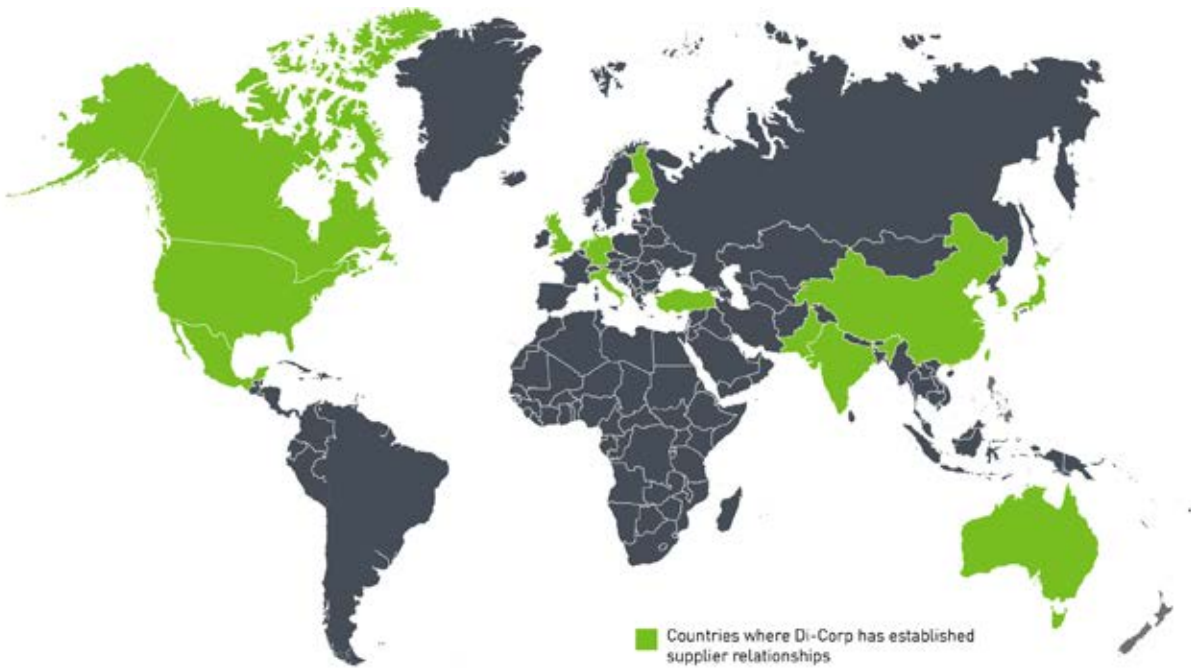
Di-Corp procures products for both resale and for manufacturing of its own products while sourcing products from manufacturers and distributors all over the world. Approximately two-thirds of our suppliers are from Canada while additionally we import products from United States, Mexico, South America,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

Below you will find a graphical representation of our global footprint in terms of supply to our end-user customers as well as our supply chain activities.

Global Footprint – Serving our Customers



Global Footprint – Supply Chain



POLICIES AND DUE DILIGENCE PROCESSES

POLICIES

Di-Corp’s stand against forced labour and child labour is defined in its policy (launched in 2024) which serves to outline the various responsibilities of external suppliers as well as those within Di-Corp that are response for upholding this policy and performing adequate due diligence within its supply chain activities and areas of scope.

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.

In regard to our Suppliers, Contractors, and Logistics partners, the following requirements are outlined:

Type of Risk	Requirements
Forced of compulsory labour	<p>They must:</p> <ul style="list-style-type: none"> Prohibit all forms of forced or compulsory labour. Maintain and promote fundamental human rights. Perform adequate due diligence within their own supply chains to understand where risks lie and take appropriate action as needed.
Child labour	<p>They must:</p> <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. Perform adequate due diligence within their own supply chains to understand where risks lie and take appropriate action as needed.

SUPPLY CHAIN AND PROCUREMENT – 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.

FORCED LABOUR AND CHILD LABOUR RISKS

1. OPERATIONS

Di-Corp has not currently identified any potential risks of modern slavery in its business but is committed to enhance awareness, provide training and develop mitigation actions in order to prevent any opportunities or occurrences of this nature.

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

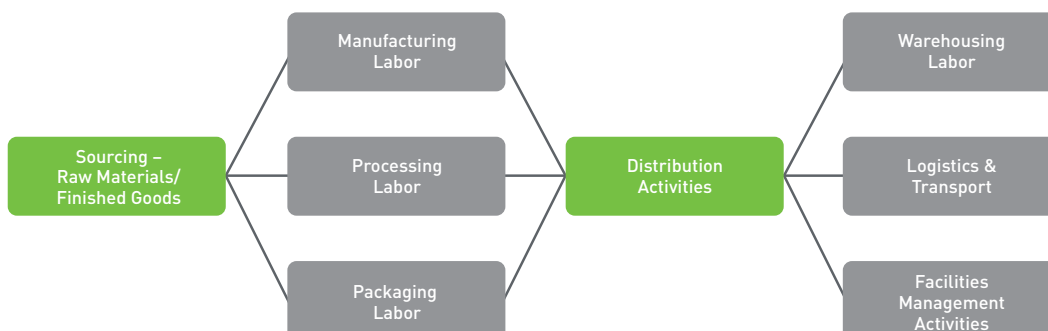
Di-Corp will not work with stakeholders who do not share its commitment to high ethical standards, particularly in relation to modern slavery. Di-Corp's Conduct and Whistleblowing Policy provide guidance and a process for reporting or raising concerns about any wrongdoing in confidence and without fear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

Quarterly, Di-Corp has 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 and form part of our quarterly business review shared with internal stakeholders.

One of the risks that is regularly reviewed is the exposure of Di-Corp to forced labour and child labour within its supply chain activities. As a result, it is regularly a topic that is discussed to ensure ongoing action and awareness even at the highest levels of the company.

2. SUPPLY CHAINS RISK SCREENING

Upon investigation of our supply chain and its exposure to forced labour and child labour, we mapped out our value chain of activities to understand potential areas of risk concentration. This value chain is provided below.



Di-Corp recognizes that risk of Forced labour and Child labour within its operations and supply chain may increase depending on the countries and regions where goods and services are sourced from.

Thus, to aid in the identification of potential risk areas in its supply chain, Di-Corp underwent a segmentation approach whereby suppliers were segmented into three different categories depending on industry or sector of operation, country of origin and cross-referenced versus known sectors and geographies of concern. This allowed Di-Corp to take a pragmatic approach to performing due diligence.

Di-Corp's has then revised its Procurement practices to address the elements of forced labour and child labour and as a part of this, a Supplier's Risk Assessments (similar to a questionnaire) was performed on many of our existing suppliers and going forward all new suppliers will be assessed as part of the on-boarding process:

- Supplier Self-Assessment Questionnaire.
- On-site Audits may be required based on the results of the Self- Assessment Questionnaire and / or level of concern.

This approach is highlighted below and provides a quantification of our activities by category.

Risks of Forced Labour and Child Labour	Estimated % of Supply Base	Country of Origin	Approach to Due Diligence
Tier 1: Low Risk	65%	Canada	<ul style="list-style-type: none"> • Self-Assessment • Supplier Visits
Tier 2: Moderate Risk	25%	United States, Australia, and Europe	<ul style="list-style-type: none"> • In-depth Self-Assessment • Supplier Visits • Supplier Audits
Tier 3: Higher Risk	10%	Mexico, Asia-Pacific & South America	<ul style="list-style-type: none"> • In-depth Self-Assessment • Supplier Visits • Supplier Audits

In the reporting period Fiscal Year 2025, we recognize that there could be some elevated risks of being exposed to Forced Labour and Child Labour, as our supply chains that extend throughout Asia-Pacific, and South America, and were thus identified as being a “higher risk” region.

Suppliers in identified higher-risk countries (which is 10% of the total supply base), and for which further assessments were required after further investigation of their replies, were audited onsite, including a discussion on the requirements of the act and Di-Corp's positioning and expectation of suppliers – a significant step forward in mitigation efforts. Di-Corp performed 10 visits in Fiscal Year 2025 on Tier 3 suppliers with discussions and plant tours held, which helped to further our due diligence on this topic. It also allowed us the opportunity to raise awareness of this topic and to encourage best practices.

Please note that as of now >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 and nothing was found in our onsite visits / audits that required further actioning.

Di-Corp is committed to closely monitoring all suppliers on a continuous basis using self-assessment questionnaire and as required on-site audits and visits. At this point, we continue to find no evidence of forced or child labour.

D/E

REMEDIATION MEASURES/ REMEDIATION OF LOSS OF INCOME

During Fiscal Year 2025, 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 regularly administers 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. This is targeted to be done on a bi-annual basis with close to 100% of Di-Corp employees receiving training by May 31st, 2024.

Di-Corp aims to have the next round of employees targeted for training by May 31st, 2026. 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?

ASSESSING EFFECTIVENESS

Since this is Di-Corp’s second year working in compliance with the newly developed law, it is important to highlight the efforts made to reduce the risk of Forced and Child Labour within our Supply Chain.

On top of this, Di-Corp is providing visibility to those actions that will be completed in the coming year as we strive to continue to take a continuous improvement approach to this topic and look to make small, but tangible strides to shore up our supply chain activities. We do note the right to review, reassess, and evolve our plans as necessary and as economic conditions may change.

Year of Activity	Di-Corp Internal Policy on Forced Labour & Child Labour	Supplier/ Contractor Code of Conduct	Supplier Compliance Audits	Supplier Site Audit	Internal Training	Discussion in Di-Corp Town Halls
FY2024	Completed		Completed High Risk Supplier (Tier 3) Self-Assessments (>90% of suppliers)		E-Learning Training module rolled out for all employees	Completed
FY2025		Developed and Completed		Site Audits performed on 10 Tier 3 Suppliers		Completed
FY2026		Roll out to specific tiers of suppliers (approach on roll out TBD)	Planned for Tier 2 Suppliers (>75% targeted)		E-Learning Training module rolled out for all employees	Planned

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, 2025