



CDN CONTROLS ULC

MODERN SLAVERY REPORT to the GOVERNMENT of CANADA, 2024

(Submitted May 30, 2025)

1. Introduction

This report (the Report) is made by CDN Controls ULC ("CDN Controls" or "the Company" or "we" or "our") pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). It constitutes our approach to prevent and reduce the risk of the use of forced labour and/or child labour ("modern slavery") in the Company's supply chain for the financial year ending December 31, 2024 ("2024").

2. Steps to Prevent and Reduce the Risks of Forced Labour and Child Labour in 2024

CDN Controls took the following steps for the 2024 reporting period to prevent and reduce the risk of forced and/or child labour in our business and supply chains:

- Engaged the specialized expertise of [Shift Critical International Ltd.](#), a recognized third-party provider, to deliver a targeted training session and comprehensive awareness materials on the identification and prevention of forced labour and child labour, ensuring alignment with leading practices in modern slavery risk management;
- Discussed and planned for the development and implementation of due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains, with the goal of finalizing and launching these measures by the end of 2025/early 2026;
- Developed and implemented a grievance mechanism to address complaints in the workplace;
- Engaged with supply chain partners – both within our own supply chain and as a member of our clients' supply chains - on the issue of addressing forced labour and/or child labour; and
- Engaged with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour.





3. Corporate Structure, Business Operations and Supply Chains

Corporate Structure and Governance

CDN Controls was founded in March 2011, in Grande Prairie, Alberta. As of March 15, 2024, the Hoffman Family of Companies, a U.S.-based family-owned private equity firm, acquired a majority ownership stake in CDN Controls. The remaining minority ownership is held by a group comprising the company's founders and former owners.

The governance structure includes a Board of Directors comprised of two seats held by CDN Controls' cofounders, who are the current CEO and COO, and four seats from Hoffmann Family of Companies.

Business Operations

CDN Controls is an energy services company of skilled tradespeople and is Western Canada's leader in electrical and instrumentation maintenance, renewables/solar, industrial automation, fabrication, telecommunications, major projects, combustion and emissions reduction, and measurement.

CDN Controls operates 12 branches in Western Canada and has a U.S.-based entity operating under the name "CAVIS" (officially launched in 2025). Since our previous report, the 11th branch was opened in May 2024 in Medicine Hat, AB and the 12th branch in January 2025 in Slave Lake, AB. All Canadian branch locations are reflected on the map shown below.





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12 BRANCHES

ALBERTA

Brooks
Calgary X2
Edmonton
Grande Cache
Grande Prairie
Valleyview
Drumheller
Medicine Hat
Slave Lake



BRITISH COLUMBIA

Fort St. John
Kitimat

Supply Chain Management

The Act requires CDN Controls to report on activities that relate to the production, sale, and distribution of goods, both in and outside of Canada, and any importation of goods into Canada. This includes describing the steps taken to prevent and reduce the risk of forced labour and child labour within our operations and throughout our supply chains. We procure goods and services from a range of third parties and vendor awards are issued in accordance with our policies and procedures. The majority of our suppliers are North American based. Given we rely on a consistent group of suppliers for the majority of our procurement needs, our supply chain demographic and supplier list does not change significantly year over year.

We focus on safe, cost-effective and innovative solutions, excellent service delivery and maximizing economic benefits and employment in the communities where we operate.



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Policies

In 2023, we conducted a comprehensive risk assessment of our supply chain through an independent third-party advisor, Shift Critical International Ltd. The results of this audit were included in our 2023 report to Government, submitted in May 2024. This report is posted on CDN's website.

As we progress through 2025, a priority for this year is to assess our current policy framework for gaps with respect to forced labour and child labour and incorporate the applicable language to address this issue within our internal policy documents. This step will be completed prior to the next reporting cycle. We also intend to conduct a similar supply chain risk assessment to ensure ongoing alignment with regulatory requirements and best practices. Finally, we will continue to seek advice on the design and implementation of a Supplier Code of Conduct that we can implement in future to further clarify our expectations that our suppliers are in compliance with the Act.

4. Due Diligence: Steps Taken to Assess and Manage the Risks

In 2024, CDN Controls undertook a series of targeted actions to identify and manage forced labour and child labour risk within our supply chain, reinforcing our commitment to assessing and managing these risks:

- Leadership Engagement: Held internal discussions with our Board of Directors, Executive Leadership Team, Senior Leadership Team and Procurement Managers to apprise them of our compliance obligations and measures being taken to manage forced labour and child labour risks;
- Specialized Training: Contracted an external and independent third-party, [Shift Critical International Ltd.](https://www.shiftcritical.com/), to deliver mandatory training and awareness materials on forced labour and/or child labour. This training was provided to Executive Leadership Team Members, Senior Leadership Team Members and Procurement Managers. It included all applicable aspects of the Act for which the individuals must be aware of and proactively mitigate in their daily work;
- Policy and Process Development: Discussed the development and implementation of due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;





- Grievance Mechanism: Developed and implemented a grievance mechanism (Whistleblower Policy and externally monitored hotline number) to address complaints in the workplace;
- Stakeholder Engagement: Actively engaged with supply chain partners – both within our own supply chain and as a member of our clients' supply chains - on the issue of addressing forced labour and/or child labour;
- External Collaboration: Sought input from civil society groups, subject matter experts and other key stakeholders to inform our approach and strengthen our response forced labour and/or child labour risks; and
- Transparent Reporting: Compiled a report to government and responses to the government questionnaire which we are submitting here in compliance with the Act.

Building on our progress to date, it is our intention to take the following additional measures in 2025 to further strengthen our approach to assessing and managing forced labour and child labour risks.

- Policy Review and Enhancement: CDN Controls will conduct a thorough review of our current policy framework to identify and address any gaps related to forced labour and child labour. This will include evaluating our contractor on-boarding process to ensure that our expectations regarding compliance with the Act are clear;
- Public Commitment: Publish this annual report on CDN's website outlining the steps we have taken to reduce and mitigate forced and child labour, reinforce transparency and accountability within our supply chain;
- Ongoing Training: We will consider extending training and awareness programs to provide it to all employees and key suppliers, not only leadership and procurement teams;
- Promoting Strong Governance: CDN Controls will actively promote strong governance practices regarding forced and child labour among our suppliers and lead by example by adopting strong governance in our own operations; and
- Ongoing Risk Assessment: As part of our next reporting period, we will repeat our comprehensive supply chain risk assessment to confirm that our overall risk profile remains low and to identify any areas for further improvement.





5. Forced Labour and Child Labour Risk

For the purposes of our supply chain evaluation, risk is characterized in several ways:

- Inherent risk: Accrues from the types of products, locations and industrial sectors that have a strong association with forced labour and child labour.
- Non-inherent risk: Differs from inherent risk in that it accrues from things over which individual corporations have greater control; for example, adopting a policy or administering staff training.
- Direct risk: Risk that a CDN Controls Tier 1 supplier carries as a result of its own operations.
- Indirect Risk: Risk that a CDN Controls Tier 1 supplier carries as a result of its own supply chain. These suppliers will be CDN Controls' Tier 2 suppliers and extends risk assessment further across the supply chain.

We believe that overall, our supply chain risk is very low. Inherent risk has been identified in the past among a few suppliers associated with oil and gas products, metals, and minerals usage and industrial equipment. However, all of these suppliers have previously declared that they have a process in place for assessing their own risk and robust processes for managing these risks. Importantly, no supplier has actively declared to us instances of forced labour or child labour in their operations or supply chains. We remain committed to ongoing evaluation and monitoring to ensure our supply chain risk continues to be effectively managed.

6. Remediation

As instances of forced labour or child labour have not been identified within our own operations, among our suppliers or within their respective supply chains, remediation measures are currently not required.

7. Remediation for Loss of Income

As instances of forced labour or child labour have not identified in our own operations, among our suppliers or within their respective supply chains, remediation measures for loss of income are not required.





8. Training

In 2024 and 2025, mandatory training was provided to Executive Leadership Team Members, Senior Leadership Team Members and Procurement Managers. This training was facilitated by an external third-party firm, Shift Critical International Ltd., and led by two experienced practitioners in this field.

The goal of the training was to ensure staff understand the significance of the Act, our corporate responsibilities under its requirements, and how to identify and appropriately respond to potential signs of forced labour or child labour risk. Given the Director liability established by the Act, it is crucial to provide Board of Director and Senior Leadership Team training, and to promote training across our supply chain partners as well.

The training session was provided both in-person and virtually and included the following instructional and discussion topics:

- Definitions and indicators of forced and child labour;
- Risks associated with forced and child labour;
- The requirements of the Act and obligations of companies;
- Reporting on risk;
- The roles / duties of leaders / directors;
- Legal implications;
- Updated guidance from the Government of Canada;
- Recommendation for meeting reporting obligations; and
- Case studies.

Going forward, we will consider whether to expand this training to a greater proportion of the workforce at CDN.

9. Acting on the findings of our Risk Assessment

Following our 2024 risk assessment, we determined that our supply chain risk of forced labour and child labour is low. Given that our Tier 1 supplier base has remained largely unchanged, we chose not to repeat the survey of the same suppliers in a consecutive year. We are committed to maintaining rigorous oversight and will conduct another comprehensive risk assessment and third-party review in the next reporting period to continue to strengthen our approach to managing forced labour and child labour risk. In the





interim, we also recognize that there are opportunities to strengthen our approach to risk management. Measures will include:

- Policy and governance review: Conduct a review of our current policy framework to ensure that it includes appropriate references to child labour and forced labour and draft a Supplier Code of Conduct.
- Engage suppliers: provide guidance regarding modern slavery: This may take the form of a one or two-page document explaining what modern slavery is, how it is identified, and what to do if it is suspected.
- Policy acknowledgement: Draw attention to modern slavery and human rights within our own policies and contractual documents, such as our 'terms and conditions,' and 'master service agreements'. Contractors may be required to acknowledge their familiarity with the expectations outlined in these documents.
- Staff Training: Train staff to identify and appropriately respond to signs of forced labour and/or child labour risk.
- Promote strong governance among suppliers: Encourage suppliers to adopt strong governance and oversight of their own operations and supply chains.

10. Our Approach to Remediation

CDN Controls has taken steps to limit the risk of forced labour or child labour within our supply chain. We have established mechanisms that allow employees, contractors and stakeholders to bring forward matters of concern including those associated with forced labour and child labour. We actively encourage all employees, contractors, and consultants who are performing work for the Company, and other stakeholders who are impacted by our business, to speak up and promptly raise any potential violations or concerns they may encounter.

11. Assessing the Effectiveness of Our Actions

We assess the effectiveness of our efforts to identify and manage forced labour and child labour risk by partnering with an external organization to conduct independent reviews of our actions. Additional measures we take to ensure our approach remains robust and effective include:





- Keeping our Board of Directors apprised of all actions to identify and mitigate forced labour and child labour risk;
- Reviewing the Act and seeking expert advice on appropriate due diligence measures;
- Committing to comprehensive risk assessment, and reviewing our policies, practices and approach on an ongoing basis in line with best practice;
- Actively engaging with suppliers through surveys and ongoing communication to encourage and promote responsible approaches to risk management; and
- Implementing enhanced due diligence measures in the first year of reporting through an independent third-party service provider.

12. Looking Forward

CDN Controls will continue to build on its annual reporting requirements and the experience we have gained through this process.

- Reporting: Pursuant to the Act, we will compile an annual report on our efforts to support Canada's international commitment to contribute to the fight against forced labour and child labour risk in supply chains.
- Regular risk assessment process: We are committed to conducting a supplier risk assessment on a bi-annual basis, as conducted for the 2023 report, to gather information about risks related to forced labour and child labour.
- Policy Review and Enhancement: We will conduct a thorough review of our current policy framework to identify and address any gaps related to forced labour and child labour. This will include evaluating our contractor on-boarding process to ensure that our expectations regarding compliance with the Act are clear;
- Public Commitment: We will publish this annual report on CDN's website outlining the steps we have taken to reduce and mitigate forced and child labour, reinforce transparency and accountability within our supply chain;
- Ongoing Training: We will consider extending training and awareness programs to provide it to all employees and key suppliers, not only leadership and procurement teams;





- Promoting Strong Governance: We will actively promote strong governance practices regarding forced and child labour among our suppliers and lead by example by adopting strong governance in our own operations; and
- Ongoing Risk Assessment: As part of our next reporting period, we will repeat our comprehensive supply chain risk assessment to confirm that our overall risk profile remains low and to identify any areas for further improvement.

13. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of CDN Controls.

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. 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 2024.

I have the authority to bind CDN Controls.

Full name: Dean Fraser

Title: CEO, Officer of the Company

Date: May 30, 2025.

