



Fighting Forced Labour in Canadian Supply Chains

Prepared: May 2026
Reporting: Fiscal Year 2026



Introduction

This joint report has been prepared to fulfil the requirements of subsection 11(2) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C., 2023, c.9 (the “Act”) and has been prepared on behalf of SLEEGERS Engineered Products Inc. (“SLEEGERS”) and EDPRO Energy Group Inc. (“EDPRO”). Both companies are headquartered in London, Ontario as operating companies of the P38 Inc. group. EDPRO markets and distributes propane and propane appliances through its branches in Southern Ontario to industrial, commercial, automotive, and residential consumers. EDPRO currently has eighty (85) employees all operating within Ontario. SLEEGERS currently employs one hundred and two (107) employees within Canada. SLEEGERS is a preeminent North American supplier of engineered solutions for the pressure vessel and propane industries. The company designs, engineers, and fabricates propane vehicle tanks, automated propane cylinder exchange kiosks, propane dispensers, propane bulk plant and terminal facilities, custom pressure vessels, air compressors, and air receivers, as well as delivering precision metal fabrication services. SLEEGERS also has three (3) employees in the USA for customer service support for the various products it produces. The use of “we” or “our” throughout this report are collectively referring to the actions taken by SLEEGERS and EDPRO to fulfill the requirements of the Act. The use of these terms is to concisely discuss the actions taken in the fiscal year ended March 31, 2026. Most of these actions generally apply to both companies’ efforts. Any actions that apply to EDPRO or SLEEGERS individually are called out as required.

During fiscal 2025, and continuing in fiscal 2026, SLEEGERS’ supply chain is affected by increased tariffs and related trade volatility. These conditions affect both imports into Canada and exports of our products, which in turn creates longer lead times, reduces component availability, and adds complexity to shipment planning and delivery. As a result, our supply chain resources continue to be stretched as our teams adapted to changing market conditions. Despite these challenges, we continued to strengthen our supply chain capabilities and advance our efforts to identify, assess, and reduce forced labour risks. This report outlines the measures we took during the reporting period and the areas where we continue to improve.

Actions and Improvements taken this reporting period

During this reporting period, we continued to assess our supply chains to better identify where our due diligence efforts should be prioritized. We also continued to develop training and awareness materials on forced labour to strengthen internal understanding and support more consistent decision-making. As part of this work, we established an annual process to review government guidance for each reporting cycle and to consult with external advisors. This training and review process includes members of our supply chain teams and senior leadership, including our Chief Financial Officer, who helps guide and align our efforts throughout the year. These



activities have helped us improve our prioritization process and build a stronger foundation for supply chain mapping and supplier risk assessment.

As noted in previous reports, we have continued to define and map our supply chains. This work has led us to strengthen our supplier onboarding practices so that risk can be addressed earlier in the supplier relationship. One measure under development is an updated terms and conditions agreement for both existing and new suppliers. We expect this agreement to bring forced labour prevention more directly into our onboarding and supplier management processes. Our business manufactures goods that must meet REACH, PFOA, RoHS, California Proposition 65, and TSCA compliance standards, as well as Class 1 Division 2 certification requirements. These requirements already require a degree of traceability regarding materials used in imported goods and their source. At the same time, ongoing global supply chain pressures can limit our ability to change suppliers quickly if a risk is identified for certain specialized components. To address this challenge, SLEEGERS is developing stronger supplier terms and conditions to support accountability in second- and third-tier supply chains. We recognize that many suppliers also face challenges in mapping their own supply chains to those levels. For that reason, we aim to work collaboratively with suppliers while also setting clearer expectations for supply chain mapping and risk mitigation. Our goal is to build more informed supplier relationships and improve our ability to identify and reduce forced labour risks.

Most of our direct suppliers are based in Canada and the United States, although some components used in our products are sourced from outside North America. Electrical and computing-related components sourced from Asia remain an area of focus in our risk assessments. We continue to work with suppliers to improve our understanding of second- and third-tier supply chains and to identify where the risk of forced labour may be higher. We also recognize a separate risk related to onboarding new suppliers in response to customer expectations for reasonable pricing and timely delivery. In a volatile global supply chain environment, those commercial pressures can make it more difficult to complete due diligence quickly without introducing additional risk. We, therefore, continue to refine our onboarding approach so that we can respond to supply disruptions while maintaining appropriate risk controls. If a forced labour risk were identified, we would seek support from external subject-matter experts with whom we maintain ongoing educational and advisory relationships to help determine an appropriate response.

Assessing Effectiveness and Continuous Improvement

Through training, annual guidance reviews, and consultation with external subject-matter experts, we continue to strengthen our approach to preventing forced labour and child labour in our supply chains. A key objective over multiple reporting periods has been to improve visibility into our second-tier supply chain. To support that objective, we have identified three priority



areas. First, we are working to finalize stronger supplier terms and conditions that will help our supply chain teams request better information from suppliers and reinforce expectations regarding responsible sourcing. Second, we are developing a more structured way to assess whether those terms and conditions are effective, including whether suppliers are responsive to supply chain mapping requests and risk-related inquiries. Third, we are applying these improvements to our onboarding process for new suppliers so that due diligence is more consistent and can be completed more efficiently. We believe these steps will improve our ability to adapt to changing supply conditions while reducing the risk that forced labour or child labour enters our supply chains.

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 the entity or entities listed above. 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.

A handwritten signature in blue ink that reads "Fay Rodly".

Name: Fay Rodly

Title: Chief Financial Officer

Date May 28, 2026

I have the authority to bind SLEEGERS Engineered Products Inc. and EDPRO Energy Group Inc.