



# Fighting Forced Labour in Canadian Supply Chains

Prepared: May 2025

Reporting: Fiscal Years 2024 & 2025





#### 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 (80) employees all operating within Ontario. SLEEGERS currently employs one hundred and two (102) 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, and air compressors. 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 full the requirements of the Act. The use of these terms is to concisely discuss the actions taken in the fiscal years ended March 31, 2024 and March 31, 2025. Most of these actions generally apply to both companies' efforts. Any actions that apply to EDPRO or SLEEGERS individually are called out as required.

# Measures implemented to combat forced labour in our supply chain

SLEEGERS and EDPRO have established an identity in the industry of going above and beyond when it comes to safety standards and being responsible and dependable members of our communities. Whether it is compliance standards for ASME products or ensuring reliable customer service and support, we endeavour to be industry leaders wherever we operate. It is our core belief that compliance standards should always be treated as minimum expectations, not the final target. Over the course of 2024 and 2025, both SLEEGERS and EDPRO have endeavoured to continue building the solid foundation needed to exceed expectations in all aspects of our businesses.

Collectively, SLEEGERS and EDPRO took a number of steps in the prior reporting year to build the strong foundation required to combat modern slavery. Our first goal was to map out our supply chain of upwards of 1,500 suppliers. During this exercise, it became apparent that, in many cases, there were differing countries of manufacture for parts sourced from certain individual suppliers. Most of our suppliers are located in or headquartered within Canada or the USA; however, we set out to map the country of manufacturing origin on each of the products procured from our large list of suppliers.





Over the course of 2024 and 2025, we continued our efforts to map our supply chains. In the previous reporting year, we began to understand the complexity of mapping our intricate supply chains. Our combined organizations have an extensive supplier list where supplied products may have multiple tiers to consider when understanding country of origin. The mapping exercises are the first step in developing our improved responsible procurement plan. We learned through Public Safety Canada's inaugural annual report on the first year of reporting, as well as through our own third party consultants, that having a deep understanding of our supply chains reaching beyond the first tier of suppliers is crucial to advancing our responsible procurement plans. Our research demonstrated that in order to understand the risks of forced labour and its impact on our supply chain we needed to have a comprehensive supply chain data set. This meant not only sending questionnaires to our suppliers, but also engaging when appropriate to understand the multiple facets of their procurement processes. Completing our mapping activities was the core objective of our efforts in 2024 and 2025 to combat forced labour in our supply chains.

As we progressed through our mapping exercise, we continued with our prioritization plans for supplied goods that were determined to be priority suppliers requiring focused and immediate expanded mapping efforts. Using data from the Walk Free 2023 Global Slavery Index, we continued identifying and prioritizing which suppliers to focus our due diligence efforts on. SLEEGERS identified that most of the mapped supplied goods that did not originate in North America came from either Europe (Italy, Netherlands) or Asia (Malaysia, Taiwan, China). Our mapping exercises in combination with our prioritization plans provided SLEEGERS with a further understanding of the current state and helped highlight necessary continued next steps for developing an even stronger due diligence system for responsible procurement. It should be noted that all, or virtually all, of EDPRO's mapped supplied goods originate in North America, predominantly in Canada.

The mapping and prioritization exercises conducted have helped SLEEGERS and EDPRO obtain a continued stronger understanding of the current state as well as helping to guide the development of the many facets of our improved responsible procurement plans. In order to properly quide the development of these plans, we identified that there was still much to learn on the topic of combatting forced labour. As previously reported, there were challenges in the beginning to understanding where to start the task. To make sure we were able to accurately plan our improvement strategies, we began seeking out expertise in the field. The first of these improvements was internal; during 2023 we strategically grew our supply chain teams to add valuable knowledge and experience to assist in the developments that would be taking place in the coming years. Additionally, we began consulting with third party expertise to ensure we had the best knowledge base possible as we expanded our due diligence processes and responsible procurement policies and procedures. This combination of expert resources allowed us to focus our strategic improvement efforts. These efforts were tailored towards how SLEEGERS and EDPRO could onboard new suppliers to ensure minimization of risk. The development and implementation of these new onboarding procedures continues to be the first step in our efforts to work effectively with some of our longer-standing suppliers.





We have taken steps in the past, working with our long-standing supply partners, to make sure our supply chain is in accordance with regulations such as: REACH, PFOA, RoHS, Cal Prop-65 and TSCA compliance standards. We have been building on this pathway to make it more robust, including expanding to include effective policies for combating forced labour.

Working together with our third-party experts has also provided us with insights on how we can continue to improve upon our existing training measures. SLEEGERS and EDPRO have a strong employee training package covering areas such as: Customer Service Standards training, Understanding Human Rights training, IT security training, in addition to specific workplace safety training applicable to our organizations. Informed by our improved knowledge base, work continues to be under way to expand this training program to include effective training for combating forced labour in the supply chain. We began scoping out what training packages are readily available to us and started the process of trying to appraise their effectiveness. This will ensure that our supply chain teams have the knowledge and tools to be able to effectively implement and grow our policies as we identify areas of improvement.

## Planned measures to combat forced labour in our supply chain

Expanding our knowledge and improving current measures were part of the first phase of our long-term improvement strategy. We understand from our research and sources that mapping is the foundation of a strong and robust program to combat modern slavery in our supply chains. Since our mapping exercise continues, we have focused on this exercise in 2024 and 2025 in preparation for the next step: understanding the risks and impacts of our mapped supply chains. Development and continued mapping made up the rest of our 2024 and 2025 efforts to combat forced labour in our supply chains. One of the key goals of this development phase is creating effective measures to be incorporated into our current systems and processes. In order to establish appropriate and effective measures and processes, we have been working with our consultants to define such effective assessments. Establishing a strong resource and knowledge base has given us the ability to undertake the tasks for defining success with the many facets required to tackle forced and child labour in our supply chains. Assessment is at the core of our development efforts as we expand our due diligence efforts and the corresponding training to achieve success. We have also begun preliminary development of a framework for successful remediation efforts. We have not currently identified areas that require remediation; however, we are preparing draft processes in the event that such measures are ever required.

Despite challenges faced in the past year from global trade uncertainty and tariff threats, SLEEGERS and EDPRO continue to grow capabilities to be able to assess and reduce the risks and impact of forced labour in our supply chains. We are working to supplement these development efforts with more robust responsible procurement policies and standards that we can rely on as our businesses grow. While we continue to be in





the early stages of development of the many facets of a strong due diligence program, we have high expectations and standards that we intend to meet.

### **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.

Name: Fay Rody

Title: Chief Financial Officer

Date: May 29, 2025

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