



**REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD
LABOUR IN THE SUPPLY CHAINS ACT**

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1. Scope

This report is prepared in accordance with the Combating Forced Labor and Child Labor in Supply Chains Act (Canada) (the "Act") and concerns Propane Levac Propane Inc. and its Canadian subsidiaries. Hereby, these entities report to the Ministry of Public Safety and Emergency Preparedness on the measures taken during their last financial year, ending May 31, to prevent and mitigate the risk of resorting to forced labor or child labor at any stage of the production of their goods, in Canada or elsewhere, or during their importation into Canada.

2. Measures to Prevent and Reduce the Risks of Forced Labour and Child Labour

During this fiscal year, Propane Levac Propane Inc. and its subsidiaries have implemented new measures and procedures to prevent and reduce the risk of forced labour or child labour in their operations and supply chains:

- Implemented a draft supplier code of conduct to extend its application to all suppliers.
- Conducted due diligence reviews of potential suppliers before contract conclusion, in accordance with company policies.
- Conducted inspection visits and/or sent questionnaires to assess compliance with practice standards and quality standards.
- Trained purchasing managers on the corporate responsibility strategy, including ongoing initiatives and programs.
- Developed and implemented a questionnaire for suppliers regarding the manufacturing of purchased materials.

3. Structure, Activities, and Supply Chains:

Propane Levac Propane Inc. was established by Jean-Marc Levac, initially the owner of a small farm in the village of St-Isidore, in Eastern Ontario. Mr. Levac launched the business with the goal of expanding his service portfolio, beginning with the retail sale of propane gas. To serve the region, he acquired his first delivery truck, thereby laying the foundations for a relationship of trust and satisfaction with his customers.

The experience of the first customers played a key role in the early success of the company, which, by the end of its first year of operation, already had 450 customers. This initial momentum propelled continuous expansion, bringing the number of customers to



approximately 37,000 today. Propane Levac is now supported by over 145 regular employees and 30 seasonal employees dedicated to providing quality service.

Over the years, the company has expanded its network by adding four additional distribution centers. Two of these centers were established in Ontario, in Perth in 2001 and in Kingston in 2007, as well as two others in Quebec, in Montreal and Kazabazua, in 2010. The Levac family remains at the heart of the business, with the integration of Étienne and Christian Levac in 2001 and 2006 respectively, ensuring the continuity of the family business.

As part of its expansion, Propane Levac created LGP Énergie, a propane wholesaler that serves as the main supplier for the company. LGP Énergie also manages rail and road transshipment terminals, facilitating unloading, bulk intermediate storage, and truck loading for extensive distribution. A new rail terminal in Prescott enhances the supply and development of new markets in Eastern Ontario.

Moreover, Propane Levac's expertise in propane distribution has been complemented by the creation of Retank Expert, specializing in the refurbishment of all types of tanks. With over 30 years of experience in the field and an industrial reconditioning site, Retank Expert offers high-quality service, meeting deadlines and costs. They have also innovated a unique prototype to empty cylinders and capture 100% of the residual gas, providing a safe, efficient, and environmentally friendly solution.

Propane Levac continues to grow with the annual addition of new trucks to its fleet to better meet the increasing demands of its customers and with the introduction of advanced technologies to improve the management and efficiency of deliveries. This continuous development demonstrates Propane Levac's commitment to excellence and innovation in customer service.

3.1 Vision:

The vision of the Propane Levac group is to promote an exceptional customer experience and create a safe, caring, and accessible work environment. Driven by a passion for propane supply, the Company is committed to achieving this mission sustainably and efficiently. This approach aims not only to support local economies but also to actively contribute to the well-being of communities.

Collaboration with all stakeholders is crucial to achieving an optimal balance between these different objectives. Propane Levac works closely with its teams, customers, suppliers, partners, and various associations to encourage and promote eco-responsible consumption practices.



In this context, we have established solid governance as well as rigorous processes and policies aimed at respecting human rights, including the prevention of forced labour and child labour, within our supply chains. These measures reflect our commitment to strict ethics and social responsibility, essential for conducting business with integrity and respect.

3.2 Activities and Supply Chains:

Propane Levac is active in the propane sector, primarily focusing on the bulk sale of propane, delivery, cylinder installation at customer sites, and the refurbishment of these cylinders. For the current fiscal year, Propane Levac collaborated with several direct suppliers. The list below details the main goods and services used by Propane Levac in its operations:

- **Propane and raw materials:**

Propane:

The entity responsible for propane supply, LGP Énergie, handles the purchase of propane on the Canadian and American markets and its transportation to Propane Levac sites. This allows the group to provide propane to its customers in Ontario and Quebec.

Sandblasting:

Sandblasting is a crucial step in the process of refurbishing propane cylinders, allowing the removal of old paint, rust, and other impurities to ensure a clean surface before painting. By choosing Canadian suppliers for this product, Retank guarantees that the materials and techniques used are of the highest quality and meet Canada's strict environmental standards. Using local suppliers for cylinder sandblasting also allows Propane Levac to reduce its carbon footprint through shorter supply chains. This approach supports the local economy, strengthens regional business partnerships, and contributes to more sustainable resource management.

Cylinders :

Propane Levac cylinders are acquired from dealers in Quebec and Ontario, ensuring a local and reliable origin for our products. Once purchased, these cylinders are transported to our facilities where they undergo a complete refurbishment process. This process includes rigorous inspection, repair of any wear or damage, and bringing them into compliance with Transport Canada safety standards. After renovation, the cylinders are carefully tested to ensure their integrity and reliability before being reintegrated into our distribution network. This approach allows us to maintain a sustainable life cycle for our cylinders while guaranteeing our customers



safe and high-quality products. Through this responsible and ecological approach, we contribute to waste reduction and resource optimization, aligning our operations with the principles of sustainable development.

Paint :

Propane Levac exclusively sources paint from Canadian suppliers for its trucks and propane cylinders.

This initiative not only underscores the company's commitment to high-quality standards but also its support for Canadian industries and the economy. Propane Levac's trucks and cylinders are coated with paints supplied by Canadian-based companies, ensuring that each vehicle and equipment reflects not only the company's visual identity but also complies with stringent Canadian environmental regulations. By choosing local suppliers, Propane Levac ensures a shorter and more sustainable supply chain while contributing to reducing its carbon footprint.

Painting Materials:

Propane Levac turns to Canadian suppliers for its painting materials, highlighting its commitment to supporting the local industry while adhering to quality standards that meet and exceed market requirements. This strategy strengthens Propane Levac's position as a company committed to quality, sustainability, social responsibility, and the fight against forced labour.

- **Maintenance and Handling:**

Propane Levac relies on Canadian suppliers for the maintenance and handling of its machinery and trucks. These services are vital to ensuring the optimal functioning of equipment and infrastructure, thereby guaranteeing the continuity and safety of operations.

Production equipment and machinery:

The equipment and machinery essential for the production and handling of propane are acquired from American, Canadian, and Swedish suppliers. These high-tech tools help maintain high standards of production and safety.

Trucks:

The entity responsible for the maintenance of propane trucks and barbecue cylinder transport vehicles is Garage Bercier, an integral part of the Propane Levac group. Garage Bercier specializes in preventive and corrective maintenance of vehicles, ensuring that all trucks are in optimal condition for their mission. This includes regular inspections, necessary repairs, and



equipment upgrades in line with the latest safety and performance standards. The goal is to minimize the risk of breakdowns that could delay deliveries and affect the quality of customer service. In addition to maintaining high maintenance standards, Propane Levac and Garage Bercier are committed to promoting ethical and responsible work practices. This includes fighting against forced labour by ensuring that all operations and the supply chain respect human rights and decent labour standards.

IT Equipment:

Computer systems, managed by Canadian suppliers, are crucial for supporting logistics operations, customer management, data security, and internal communication.

Valves:

Unlike other goods primarily purchased on the Canadian market, the valves used by Propane Levac for 20lb cylinders are imported from China. These critical components ensure the safety and efficiency of propane installations at customers' premises.

4. Remediation:

During the current fiscal year, our rigorous assessment did not reveal any cases of forced labour or child labour within our operations or supply chain. As a result, it was not necessary to initiate specific corrective actions to address these issues. However, we remain vigilant and committed to the continuous monitoring of our activities and partners. If situations of forced labour are identified in the future within our operations or supply chains, we are prepared to implement appropriate remediation strategies. These strategies will be developed in accordance with prevailing international standards to ensure an ethical and effective response to such violations.

5. Monitoring:

To ensure the absence of forced labour and child labour in its operations and supply chains, Propane Levac implements several key strategies. We conduct regular audits to inspect all production facilities. Continuous training of our employees enhances their ability to identify and report inappropriate practices. We work closely with stakeholders to constantly improve our monitoring processes. Through these efforts, we are committed to maintaining high ethical standards and promoting transparency in all our business activities.



6. Policies and Due Diligence Processes

6.1 Hiring and Working Conditions for Employees of Propane Levac, LGP, Retank, and Garage Bercier:

All recruitment, selection, and personnel management processes are entirely overseen by the Human Resources team. Our processes ensure compliance with the laws and regulations of Canada, Ontario, and Quebec.

Most employees are Canadian, and each employee is bound by an employment contract that includes the minimum working conditions required by the province and the country. Health, safety, and well-being at work are priorities for the company and are values shared by both employees and management.

6.2 Training Offered to Employees Regarding Forced Labour and Child Labour:

Upon hiring, a link to the employee portal is provided to each new hire, and the report is included there. Once a year, during the staff meeting, employees are made aware of our commitment to ensuring a supply chain free of forced labour and child labour. Mandatory training is offered to purchasing managers (company employees) and executives concerning the procurement policy. Each person responsible for purchasing in the company receives training on the information to request and the forms to send/receive before any purchase.



Approval and Attestation

This report has been approved by the President of Propane Levac Propane Inc, Re-Tank Expert, LGP, and Garage Bercier for the fiscal year ended May 31, 2024, in accordance with subsection 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and particularly its section 11, I attest that I have reviewed the information contained in the report for the entities listed above. To my knowledge, and after exercising reasonable diligence, I confirm that the information contained in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the aforementioned reporting year.

Christian Levac, President