HOKANSON
CAPITAL INC

FIGHTING AGAINST FORCED LABOUR & CHILD LABOUR IN SUPPLY CHAINS ANNUAL REPORT 2024

Introduction

This report has been prepared by Hokanson Capital Inc. ("HCI") for the financial year ending December 31, 2024 jointly with, and on behalf of, its parent companies JEH Enterprises Inc. and JEH Family Holdings Ltd. in respect of Bill S-211 Fighting Against Forced Labour & Child Labour in Supply Chains Act (the "Act").

Who we are

HCI is a privately held investment firm based in Edmonton Alberta. We manage a variety of portfolio investments, some of whom are subject individually to the Act, notably HCI Filtration Inc. (o/a Vytal Filtration Technologies). HCI Filtration Inc. operates in its own specific industry and therefore operates with an individualized set of policies. As such it will file its own report in accordance with the Act on behalf of or jointly with its subsidiaries.

Our Commitment to an Ethical Supply Chain

HCI takes care to foster strategic partnerships that value a commitment to doing what is right both now and in the long term. We provide stable, patient, focused capital to support our partners and businesses in order to achieve their full potential. We look for partners who share our commitment to integrity and our desire to create value for all stakeholders.

We are aware of the risks a complex global supply chain poses and are committed to operating in a manner that is responsible and respects and supports the prevention of human rights violations. We believe our employees are the key to our partnerships and our success. As such, HCI is committed to providing employees, internally and across all our portfolio companies, with safe, positive work environments and adequate compensation that respects the laws of all the jurisdictions we operate in. We strive to work only with vendors who also abide by this commitment.

Risks of Forced Labour and Child Labour in our Supply Chain

Although HCI's exposure to forced labour and child labour is considered low, the nature of the businesses we manage means relying on some vendors who source labour and materials globally. Limited visibility into the upstream supply chains requires us to ensure our staff are aware of the signs of unethical practices and have a means of reporting them if and when they see them.

Governance

HCI, along with our main portfolio investments, have formal boards of directors including committees where necessary. These boards and committees meet regularly to maintain strong governance practices and ensure management is aligned with our values.

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Policies and Due Diligence Processes

We believe that the right people and strong process are fundamental to the success of our investments. As such, we have policies and procedures in place and require our investments to have policies that adhere to a similar tenor and tone, that project our values. We pride ourselves on being thoughtful and deliberate, on taking care of our people, and executing our responsibilities with due care.

Our employee handbook includes a code of conduct that identifies our commitments to an ethical supply chain and prevention of forced labour and child labour. We regularly discuss with staff various risk factors associated with forced labour and child labour to improve their ability to identify potential instances of such. Our portfolio investments expect all our suppliers to uphold strong corporate morales and comply with all applicable laws and regulations, including safety, employment labor, child labour, and environmental.

Monitoring

To date, we have not had any known instances of forced labour or child labour in our supply chains. Where appropriate, and in conjunction with our employee training, we will be implementing processes to monitor this within our supply chains.

Approval

This report has been approved by the board of directors of Hokanson Capital Inc., JEH Enterprises Inc., and JEH Family Holdings Ltd. on May 29, 2025. In accordance with the requirements of the Act, and in particular section 11 thereof, 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 in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year listed above.

Brad Gechel, CFO
Hokanson Capital Inc.
May 30, 2025
I have the authority to bind Hokanson Capital Inc.