

Fighting Against Forced Labour & Child Labour in Supply Chains

Modern Slavery & Child Labour | 2023 Report

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COMPANY INFORMATION



Reporting entity’s legal name: **Energera Inc.**

Financial reporting year:	2023
Location (Headquarters):	Canada
Entity categorization according to the Act:	Entity
Sector/industry:	Mining, Quarrying, and Oil & Gas Extraction
Identification of a revised report:	N/A
Identification of a joint report, if applicable:	N/A



INTRODUCTION

Energera is developing advanced and reliable low carbon *enertech* solutions. Our purpose is to lead in a world where energy is affordable, environmentally sustainable, and abundant for all.

We are industry pioneers and passionate innovators, delivering solutions that enable our partners to minimize environmental and social impacts safely and responsibly.



BACKGROUND



Effective January 2024, the Canadian “*Fighting Against Forced Labour and Child Labour in Supply Chains Act*,” or S-211 bill (the “*Modern Slavery Act*”), introduces reporting obligations on some entities, including **Energera Inc.** and its subsidiaries and affiliates (referred to within this report as the “Company”), to describe the measures taken to

prevent and reduce the risk that they or their suppliers are using forced labour or child labour.

Modern slavery encompasses slavery, forced and compulsory labour, and situations whereby individuals are deprived of their freedom and are exploited for commercial or personal gain. Child labour, as defined in the Modern Slavery Act, means labour or services provided or offered to be provided by persons under the age of 18 years.

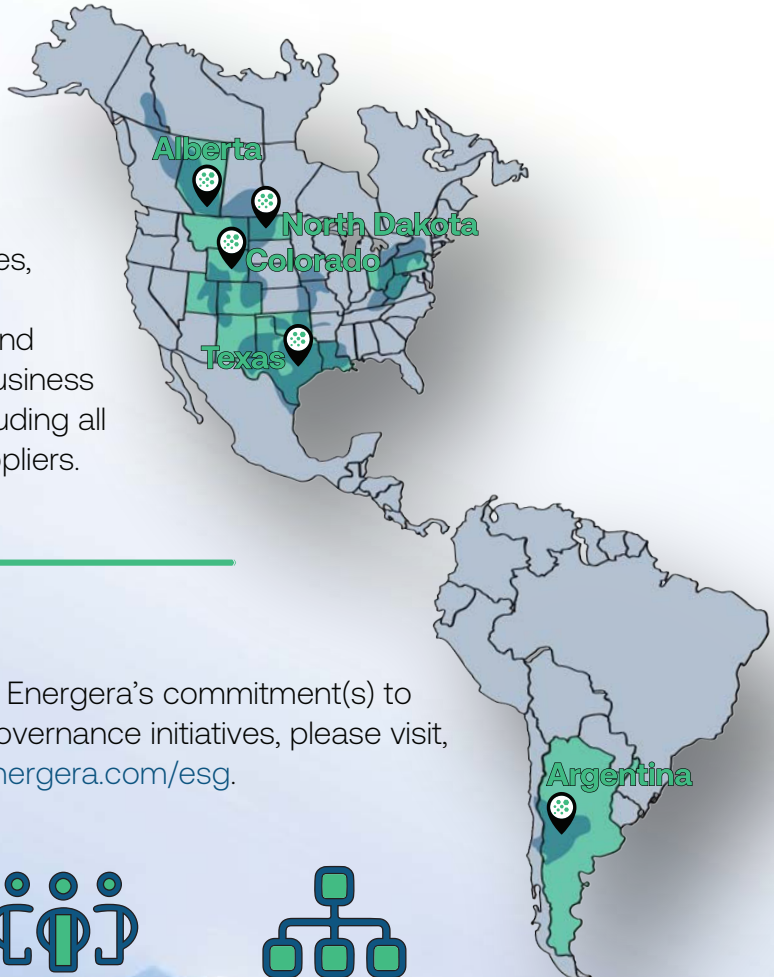
COMMITMENT



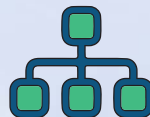
Energera is committed to combating modern slavery and to acting with integrity in all its dealings, relationships, and supply chains.

The Company expects the same high standards from all employees, suppliers, contractors, and those with whom it does business.

The *Modern Slavery Act* is Canadian legislation, but the Company has mandated that this legislation apply to all subsidiaries and affiliates, all employees of such, workers, consultants, and other persons doing business with the Company including all its contractors and suppliers.



To learn more about Energera’s commitment(s) to social and corporate governance initiatives, please visit, www.energera.com/esg.

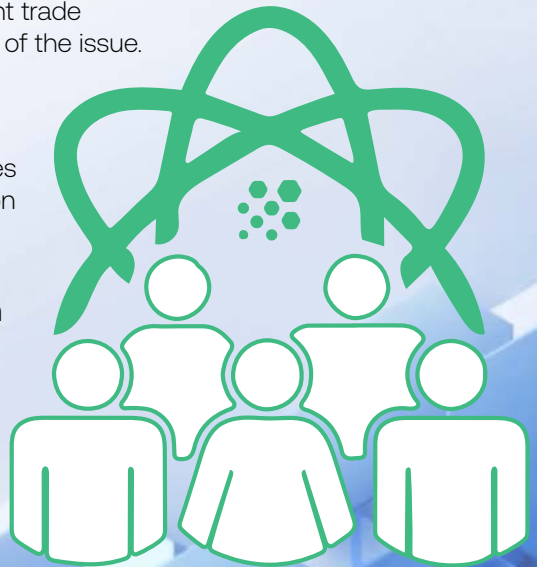


ACKNOWLEDGMENT

The Company acknowledges the risk that a supply chain may involve the use of a hidden or unknown subcontractor reliant on forced labour. The Company takes its responsibilities to combat modern slavery seriously as demonstrated by its promotion and adoption of the following policy measures:

- The prevention, detection, and reporting of modern slavery in any part of its business or supply chains is the responsibility of all those working for the Company.
- Appropriate due diligence processes must be carried out in relation to modern slavery which may include considering human rights in a sector or country, the type of sector in which a service provider operates, the countries from which services are provided, the nature of relationships with suppliers, and the complexity of supply chain(s).
- All supply chain lines need to be continually risk assessed and managed in relation to modern slavery and any high-risk suppliers audited. The *Procurement Supplier Questionnaire* asks questions of potential new suppliers on their compliance with the Modern Slavery Act as part of the due diligence processes. Under the supplier approval process the Company's Procurement Department reviews all new suppliers, any changes to existing suppliers, and re-activation requests, taking the Procurement Supplier Questionnaire into account.
- The Company has developed training on the *Modern Slavery Act* and completion is required by all new and existing employees who have input in purchasing and negotiating activities, including all Procurement Department employees, and those in other financial or purchasing roles across the Company.
- The Company highlights modern slavery issues within its ongoing communications programs with the Company employees and with current trade suppliers to maintain and increase awareness of the issue.
- The Company will continue to develop its commitment to combat modern slavery and human trafficking and will outline such activities within its annual Modern Slavery Act Prevention Statement.

Any breaches of this policy may result in the Company taking disciplinary action against individual(s) and/or terminating its relationship with any organization or supplier.



STRUCTURE & ACTIVITES



Energera is committed to the fair and respectful treatment of all involved in the structure and activities of business operations at every level, throughout its extensive network.

This commitment ensures that ethical standards are verifiable and upheld across the entire supply chain to foster a

responsible and sustainable business environment.

Verification

Through the preliminary supplier verification process, The Company further safeguards our operations against legal and reputational risks, but also contribute to the broader fight against exploitation in global industries.

This meticulous approach to supply chain management highlights the importance of ethical considerations in today's interconnected and highly scrutinized market environments, ensuring that operations are not only efficient but also morally responsible and compliant with international standards.

Supply Chain

The Company's supply chain represents a diverse network of entities and a sophisticated structure that encompasses an array of operations activities, information, and resources dedicated to procuring products and services.

Central to an efficient and ethical supply chain is the verification of suppliers, a process that ensures each link in the chain adheres to legal and ethical standards, including compliance with the *Modern Slavery Act*.



◀ POLICIES & DUE DILIGENCE

Energera with its subsidiaries has implemented a policy to address forced labour and child labour. The policy sets out the commitment of the Company and its responsibilities, due diligence that is required annually with all existing and new vendors/suppliers; and states that training is required by all employees. The Company Policy provides links to the due diligence, the Company's Procurement Supplier Questionnaire, and training among other things.

➤ Modern Slavery Act Policy

Energera believes in the fair and respectful treatment of all individuals across the varying layers of our business landscape and throughout our supply chain. With this in mind, we have implemented a Modern Slavery Act Policy which aligns with the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act*, Bill S-211, and require acknowledgment and adherence of this policy by all employees, contractors, and vendors across all business lines.

➤ Code of Business Conduct

The Board of Directors (the "Board") of **ENERGERA INC.** has adopted this Code of Business Conduct and Ethics (this "Code"), which is intended to document the principles of conduct and ethics to be followed by employees, officers, and directors of Energera and all of its subsidiaries and affiliates, and complying with the legal and ethical requirements governing the Company's business conduct.

Integrity is the foundation of Energera's value system, and we strive to build a culture where we work to excel, yet never compromise those basic values. Operating with integrity and legal compliance is the best way to succeed on these principles.

➤ Core Values

We are passionate change leaders setting a new standard for business built upon the Company's indispensable Core Values;

Professionalism | *Being consistently excellent.*

Integrity | *Demonstrating accountability, authenticity, and ethical character.*

Environment | *Protecting our world and our future.*

Courage | *Exhibiting mental and moral strength.*

Humanity | *Valuing people and community.*

FORCED LABOUR RISKS



Risks associated with forced and/or child labour within Energera's supply chain exist primarily through vendor supply chains and the countries in which they source materials and/or supplies.

The way in which we have approached this risk is to identify tier 1 vendors and conduct an initial fact gathering exercise.

The information received through this exercise was used to develop the vendor questionnaire which was distributed to all within the Company's direct supply chain. Within this questionnaire, vendors were made aware of Bill S-211 and the requirements of all entities under it.

Additionally, research was conducted utilizing a variety of online resources, to identify countries with high potential for undertaking practices of forced and child labour, developing a joint list of the top 12 worst offenders.

Vendors were provided with the questionnaire, list of identified countries for concern, Energera's Modern Slavery and Child Labour policy, and were then asked a series of question relating to their own supply chain channels to determine their current processes for identifying and mitigating potential risks.

Once there is confirmed acknowledgment of either having developed a program themselves or a commitment to following Energera's established policy, by mutually striving to proactively identify and manage potential risks, a working vendor relationship can move forward.



REMEDIAL MEASURES

If Energera is made aware of any vendor in our supply chain that has violated the *Modern Slavery Act* we will first assess the scale and scope of the issue, determine if a supplier improvement plan is appropriate, and ask that the third party identify and remedy the situation including the needs of the minor worker(s). It may be necessary to terminate the relationship with the vendor.

At present, there are no outstanding situations known to Energera, which would require the implementation of remediation measures.

Remediation of Loss of Income

Energera has conducted a due diligence exercise which consists of identifying all vendors in our supply chain and distributing questionnaires which address a variety of areas such as awareness of situations of child labour or modern slavery in their direct operations, the operations of their sub-contractors, the actions taken to manage risks relating to child labour and modern slavery. This also includes vendor policies and guidance, and their engagement with sub-contractors as well as awareness relating to source countries for services and materials.

Energera is satisfied that there are no outstanding issues with regard to lost income by vulnerable families or children, negating the need for remedial income loss measures.

TRAINING

Energera has prepared a training program for all employees describing what the “*Fighting Against Forced Labour and Child Labour in Supply Chains Act*,” and the S-211 bill (“*Modern Slavery Act*”) is and why it was implemented, including;

- How forced labour and child labour are defined under the Modern Slavery Act;
- What the responsibilities of the Company are with regard to due diligence, completing the annual questionnaire, and making details publicly available online.



ASSESSING EFFECTIVENESS



Energera has committed to conducting annual supplier engagement exercises whereby we communicate with new or existing vendors, providing updated information on any changes which may take place with regard to Bill S-211 and all its components. This ensures that vendors possess the most up to date literature and information so they may

continually revise their programs to align with federal standards.

We have also committed to requiring the completion and submission of annual vendor questionnaires which will allow us to maintain situational awareness on the state of each vendors program so that we may assess potential exposure to risks associated with forced and child labour, and adjust accordingly to ensure continued compliance with legislation.

ATTESTATION

5/29/2024

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 for the entity or entities listed in this document.

Based on my knowledge, and Energera Inc. having exercised reasonable diligence, I attest that the information in the report to be true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.



J. Todd Van Vliet
Chief Executive Officer



I have the authority to bind Energera Inc. and all its subsidiaries.

ENERGERA'S MISSION

Energy powers everything that enables society to thrive and prosper; prosperity is only possible when energy is readily available and accessible to all. Uniting the industry's leading auto fuel system of **Frac Shack™** and field gas processing **NG SideKick™** units with the advanced technology built into **Sandtinel®** vortex separators, **Energera®** was born out of technology innovation.



By addressing the world's need for **Smarter, Greener, Safer,** and **Cleaner** enertech solutions, Energera is ushering in the next generation of energy and prosperity.

Welcome to World Class™



Platinum member



EY Entrepreneur Of The Year™

2015 & 2018 Award Winner





Changing the World of Energy™

● SMARTER ● GREENER ● SAFER ● CLEANER ●



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