

# Kiwetinohk Modern Slavery Report 2023

## 1 Introduction

This Modern Slavery Report (“**Report**”) is made jointly by Kiwetinohk Energy Corp. and its wholly owned subsidiaries listed in Schedule “A” hereto pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The Report is made for the financial year ending December 31, 2023. Except where otherwise noted, references to “Kiwetinohk,” “the company,” “we,” or “our” in this Report refer to Kiwetinohk Energy Corp. and the entities listed in Schedule “A.”

## 2 Steps to prevent and reduce the risks of forced labour and child labour

We took the following steps during 2023 to attempt to prevent and reduce the risk of forced labour and child labour in our business and supply chains.

- We conducted a review of current Kiwetinohk mandates, policies and procedures as they relate to risks and responsibilities associated with forced labour and child labour.
- We created and implemented a Supplier Code of Conduct.
- In the first phase of Supplier Code of Conduct implementation, we conducted a preliminary assessment of the risks of forced labour and child labour in our supply chains.
- We engaged with select suppliers deemed to be at high risk of use of forced labour and child labour.
- We engaged external legal counsel to assess the legislative framework of the Act, and applicable *Customs Act* and *Customs Tariff Act* (and related tariff) provisions with respect to import bans on goods mined, manufactured or produced, wholly or in part, by prison labour and/or forced labour.

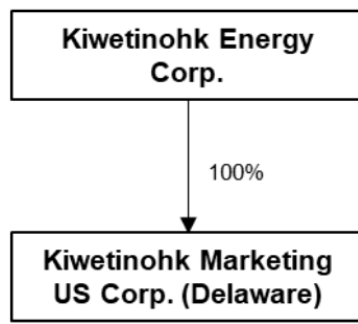
Details of the above actions are set out in this Report.

## 3 Structure, activities and supply chains

### 3.1 Structure

Kiwetinohk Energy Corp. is incorporated under the *Canada Business Corporations Act* and its shares are listed on the Toronto Stock Exchange.

The following organizational chart sets out the Company’s organizational structure and its material subsidiaries as of December 31, 2023.



Kiwetinohk Energy Corp. currently holds 100% ownership in limited partnership structures within its Power division (listed in Schedule “A”).

## **3.2 Activities**

Headquartered in Calgary, Alberta, Kiwetinohk's mission is to build a profitable energy transition business providing clean, reliable, dispatchable, and affordable energy. Kiwetinohk develops and produces natural gas and related products and is in the process of developing renewable power and natural gas-fired power generation projects with a goal of also incorporating carbon capture technology, and hydrogen production, all as a part of a broader portfolio of clean energy assets that will support energy transition in the markets that it serves.

All of Kiwetinohk's material operations and our portfolio of renewable power and natural-gas fired generation projects, including prospective carbon capture and hydrogen production operations, are located in Alberta, Canada. Kiwetinohk Marketing US Corp. is a wholly owned subsidiary of Kiwetinohk Energy Corp. and is domiciled in Delaware. Kiwetinohk Marketing US Corp. is an oil and gas marketing entity. Kiwetinohk currently has a contract to deliver 120 MMcf/d of natural gas for sale in the greater Chicago market until October 31, 2025.

Kiwetinohk has approximately 80 employees and 15 contractors working in professional office and field operations roles. All of Kiwetinohk's employees and contractors are located in Alberta with the majority located in Calgary, Alberta with field personnel working in Kiwetinohk's oil and gas production area near Fox Creek, Alberta. We strive to create a diverse, inclusive and respectful culture across our business operations and projects.

## **3.3 Supply Chains**

### **(a) Goods and services**

Kiwetinohk's global supply chain consists of goods and services suppliers ("**Suppliers**") engaged to deliver goods and services in Canada. We do business with a wide range of Suppliers, sourcing materials and services locally and globally, where required.

In 2023, the vast majority of Kiwetinohk's procurement activities related to the purchase of services in relation to its upstream oil and natural gas business. These services included well drilling and completion services and camp and catering services that support our operations and maintenance employees and contractors. Kiwetinohk also purchased manufactured goods such as valves, pipes, pumps, compressors and other engineered equipment.

Kiwetinohk conducts a pre-qualification assessment of its Suppliers which considers health, safety, environmental, technical compliance and financial criteria, among other supply chain management metrics. Our prequalification questionnaire for certain products imported from outside of North America includes questions to help us assess human rights and labour practices. We determine which Suppliers will be subject to our prequalification questionnaire based on risk assessments.

In 2023, Kiwetinohk initiated procurement for its first two power projects: Homestead Solar Project and Opal Firm Renewable, a natural gas-fired peaker project.

In our preliminary assessment of the risks of forced labour and child labour in our supply chains, we identified solar panel procurement as an area of high risk and have taken steps to further assess and manage that risk (see Section 4.5 "Assessing and managing our risk").

## **4 Policies, governance and due diligence processes**

### **4.1 Code of Conduct (the "Code")**

Kiwetinohk's Code of Conduct applies to all Kiwetinohk directors, officers and employees. The Code of Conduct addresses ethical conduct in our work environment, business practices and relationships with Indigenous nations and stakeholders. The principles set out in the Code of Conduct reflect Kiwetinohk's

belief that honesty and integrity foster a positive work environment, foster trust with Indigenous nations and stakeholders, and lead to overall improved business performance. The Code of Conduct details the requirements of all Kiwetinohk directors, officers and employees in their daily activities and dealings with others on behalf of Kiwetinohk. The Code can be found here: [kiweitnohk.com/governance](http://kiweitnohk.com/governance).

## **4.2 Supplier Code of Conduct**

In line with Kiwetinohk's vision for its Suppliers, Kiwetinohk engages with its supply chain on a priority risk basis. Our Supplier Code of Conduct addresses human rights, legal compliance, health and safety, environment, anti-corruption, ethics and governance concerns. The Supplier Code of Conduct can be found here: [kiwetinohk.com/governance](http://kiwetinohk.com/governance).

Our Supplier Code of Conduct specifically includes the following provisions prohibiting child labour and forced labour.

### *"3.28 Employment Practices & Human Rights*

1. Suppliers must abide by applicable employment standards, labor, non-discrimination and human rights legislation. Where laws do not prohibit discrimination, or where they allow for differential treatment, we expect Suppliers to be committed to non-discrimination principles and not to operate in a way that unfairly differentiates between individuals.
2. Suppliers must be able to demonstrate that, in their workplaces:
  - child, forced, and compulsory labour is not used;
  - discrimination and harassment are prohibited, including in the context of recruitment, hiring, promotion, compensation and employee development decisions;
  - retaliation for speaking up is prohibited and employees are free to raise concerns and speak up without fear of reprisal;
  - all wage and hour laws are complied with, including those relating to minimum wages, overtime, maximum hours, mandated benefits and other elements of compensation;
  - employees are allowed the freedom of association;
  - they do not engage in modern slavery and actively monitor and prevent modern slavery in their own supply chains; and
  - clear and uniformly applied employment standards are used that meet or exceed legal and regulatory requirements."

## **4.3 Reporting and non-retaliation**

In accordance with our Whistleblower Policy, Code of Conduct and Supplier Code of Conduct, should directors, officers, employees or Suppliers have concerns regarding forced or child labour, they have a responsibility to report their concerns. To that effect, Kiwetinohk provides multiple channels for them to report any potential breach, including access to confidential reporting directly to the chair of the board of directors. The policy forbids retaliation for the act of good faith whistleblowing regardless of the determination of any follow-up investigation. Our Whistleblower Policy can be found here: [kiweitnohk.com/governance](http://kiweitnohk.com/governance).

## **4.4 Assessing and managing our risk**

Kiwetinohk uses a risk-based approach to assess and manage its risk of forced labour and child labour. Our approach helps us prioritize our efforts and adjust our actions. Our methodology to identify risks in our supply chain considers a combination of country risk indicators and type of products/services offered by the supplier.

This assessment determines the level of due diligence to be performed, including with respect to forced and child labour, and the extent of ongoing monitoring and frequency of review required.

Our process to identify risks is based on:

- whether the Supplier is headquartered, or its manufacturing sites are located in, countries with a high score on the corruption perception index;
- whether the products/services come from or are delivered to one of the countries mentioned above;
- whether the supplier poses a risk according to the global slavery index based on the products supplied to Kiwetinohk; and
- whether the products offered by the supplier to Kiwetinohk include raw materials that originate from known countries or regions where forced labour and child labour are known to occur.

**(a) Solar panels**

In 2023, Kiwetinohk initiated its solar panel procurement process for its 400MW Homestead Solar Project and identified solar panel procurement as an area at high risk of exposure to direct and indirect forced labour and child labour because polysilicon is the most common material used to produce solar panels. Polysilicon is derived from quartz sandstone that is mined and then crushed, heated, and chemically refined. The refined polysilicon is then turned into ingots and photovoltaic wafers that are used to manufacture solar cells and panels.

The U.S. Department of Labor estimates that up to 45% of the world's supply of solar-grade polysilicon comes from Xinjiang. Kiwetinohk took the following steps to assess and manage our risk of exposure to Xinjiang forced labour.

- In July 2023 Kiwetinohk became aware of the report, *OVEREXPOSED: Uyghur Region Exposure Assessment for Solar Industry Sourcing* by Alan Crawford, Laura T. Murphy, and a team of anonymous researchers from Sheffield Hallam University, which detailed solar industry supply chains with focus on direct and indirect exposure to the Xinjiang region. The report can be found here: [www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/over-exposed](http://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/over-exposed)
- In September 2023, due diligence began with respect to forced labour concerns with a Chinese company (the "**Solar Company**") with whom Kiwetinohk was negotiating a solar panel purchase agreement
- Kiwetinohk engaged external counsel to provide advice regarding legal compliance with the Act and other applicable provisions of the *Customs Act* and *Customs Tariff Act* (and related tariff), all in relation to the purchase of solar panels.
- On September 26, 2023, the U.S. Department of State, together with the Department of the Treasury, Department of Commerce, Department of Homeland Security, the Office of the U.S. Trade Representative, and the Department of Labor, issued an Addendum to their 2021 Updated Xinjiang Supply Chain Business Advisory to call attention to the People's Republic of China's ongoing genocide and crimes against humanity in Xinjiang and the evidence of widespread use of forced labor there. The Addendum can be found here: [www.state.gov/xinjiang-supply-chain-business-advisory](http://www.state.gov/xinjiang-supply-chain-business-advisory).
- Kiwetinohk engaged with Export Development Canada's human rights experts, a human rights non-governmental organization and a researcher and author of *OVEREXPOSED: Uyghur Region Exposure Assessment for Solar Industry Sourcing*, to deepen its understanding of forced labour risks with respect to the Solar Company specifically and solar panel procurement generally.
- In December 2023, as due diligence continued with the Solar Company, Kiwetinohk determined that it could not procure the specific solar panels offered due to forced labour concerns.
- In December 2023, Kiwetinohk entered into an Amending and Assignment Agreement ("Amending Agreement") with the Solar Company pertaining to procurement of new solar panels made at manufacturing facilities in Vietnam or Malaysia using materials and parts with a lesser risk of exposure to forced labour or child labour.
- The December 2023 Amending Agreement provides that Kiwetinohk only intends to purchase these panels if such panels can be lawfully imported into Canada.

- The December 2023 Amending Agreement includes representations and warranties from the Solar Company that:
  - None of the new solar panels (including components thereof) to be provided and none of the work performed by the Solar Company, its affiliates and its subsidiaries, or any of their respective vendors or subcontractors of any tier who form part of the supply chain, in providing these panels will be in violation of any applicable laws in force regulating the importation of products (or components thereof) made with forced labour or child labour, including without limitation, the Act and subparagraph 132(1)(m)(i.1) of the *Customs Tariff* (Canada).
  - None of the PV module panels (including components thereof) provided by the Solar Company, its affiliates or its subsidiaries or the work performed by the Solar Company, its affiliates and its subsidiaries, or any of their respective vendors or subcontractors of any tier who form part of the supply chain, in providing PV module panels to customers in Canada or the United States have been found by a court of competent jurisdiction (or applicable regulatory body) to be in violation of any applicable laws in force regulating the importation of produces (or components thereof) made with forced labour or child labour, including without limitation, the Act and subparagraph 132(1)(m)(i.1) of the *Customs Tariff* (Canada).

## **5 Remediation Measures**

Our Code of Conduct and Supplier Code offer a reporting mechanism for our staff and suppliers to report ethical or legal violations, among other concerns. Our Supplier Code also includes information on the Whistleblower process and email address, which suppliers can use to raise concerns. As noted above, whistleblower complaints may be made anonymously, directly to the chair of the board of directors of Kiwetinohk.

To date Kiwetinohk has not identified any cases of forced labour or child labour in its operations or supply chain, therefore remediation measures have not been required.

If a situation of non-compliance is identified, Kiwetinohk will work to develop and implement a corrective plan to improve and remedy the situation.

## **6 Training**

Kiwetinohk staff receive regular training on ethical topics and our policies. All new employees are assigned a mandatory onboarding training package which includes training on our Code of Conduct.

On an annual basis, all employees are required to certify their abidance by our Code of Conduct. We track annual certification using a digital compliance tool.

In 2024, Kiwetinohk intends to Supplier Code of Conduct policy training to large and high-risk suppliers that will include child and forced labour.

## **7 Assessing effectiveness**

Based on a preliminary assessment of our current and proposed Suppliers, Kiwetinohk identified solar panels as an area of high risk for forced labour and child labour, conducted the required due diligence, and took concrete steps to ensure compliance with the Act and applicable *Customs Act* and *Customs Tariff Act* (and related tariff) provisions with respect to forced labour.

We believe the steps taken to reduce the risk of forced labour and child labour in our procurement of solar panels in 2023 have been effective and we will continue our risk assessments and due diligence regarding solar panel procurement and other imported goods generally as required.

Outside of the identified risk with solar panel procurement, Kiwetinohk believes our operational modern slavery risk is low. Our employees and contractors are comprised of oil and gas and electricity industry professionals, operators and administrative workers located in Canada. As a result of recruitment, compensation and compliance measures throughout our operations, there is low risk that any of our staff are engaged in or subject to modern slavery.

Kiwetinohk will continue to assess and report the risk of modern slavery in our operations and supply chain over the long term. We also continue to assess opportunities to enhance and continuously improve our current framework and processes to manage modern slavery risks.

### **Approval and Attestation**

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Kiwetinohk Energy Corp.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for Kiwetinohk Energy Corp. and the entities listed in Schedule "A" hereto.

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.

/s/ Pat Carlson

Pat Carlson  
President & Chief Executive Officer and a Director of Kiwetinohk Energy Corp.

*I have the authority to bind Kiwetinohk Energy Corp. and the entities listed on Schedule "A" hereto.*

Date: March 6, 2024

## Schedule "A"

Wholly owned subsidiaries of Kiwetinohk Energy Corp.

- Kiwetinohk Marketing US Corp.
- 2360239 Alberta Inc
- KEC Homestead Solar GP Corp.
- KEC Homestead Solar LP
- KEC Opal Power GP Corp.
- KEC Opal Power LP
- KEC Phoenix Solar GP Corp.
- KEC Phoenix Solar LP