

1. Introduction

This report (the "**Report**") is made on behalf of Anaergia Inc. ("**Anaergia**", the "**Company**", "**we**", "**us**" or "**our**") pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") covering our most recently completed fiscal year which ended December 31, 2023, and addresses the measures implemented to prevent and reduce the risk of forced labour or child labour being used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Company.

2. Entity structure, activities and supply chains

Anaergia Inc. was incorporated under the *Canada Business Corporations Act* on September 3, 2010. On December 21, 2018, the Company was continued under the *Business Corporations Act* (British Columbia). The Company's head office is located at 4210 South Service Road, Burlington, ON L7L 4X5, Canada.

The subordinate voting shares of the Company have been listed and posted for trading on the Toronto Stock Exchange under the trading symbol "ANRG" since June 23, 2021.

We have three main segments:

1. *Capital Sales*. Our Capital Sales segment consists of technology packaged solutions and services to third party customers, predominantly municipalities and project developers, and includes engineering services, proprietary product sales, engineering procurement and construction contracts, or a combination thereof. This segment operates in North America, Europe and Asia.
2. *Services*. Our Services segment offers third-party O&M and field service contracts, with customers that typically include municipalities and project developers that utilize our technology solutions. This segment operates in North America and Europe.
3. *BOO*. Our BOO segment has been building, owning, and operating greenfield or brownfield facilities. The BOO segment operates in North America.

For our European projects, we source the majority of third-party equipment and services from Western Europe. With respect to North American and Asian projects, such procurement is generally from suppliers within North America and Asia, respectively. We procure through strategic procurement processes, and continually challenge and develop our supply chain applying the same principles that we apply to ourselves, including accountability, innovation, continuous improvement, and commitment to the success of our projects. We acquire solids conveyance, pumping, tankage, process heating, biogas cleaning, instrumentation and controls along with multiple other plant components through a competitive bidding process.

3. Policies and due diligence processes

Anaergia recognizes that human rights considerations, often exacerbated by climate-related issues, are having increasingly material impacts on businesses around the world. As a company with strong ethical and sustainability aspirations, Environmental, Social and Governance ("**ESG**") risks are inherently addressed by the Board of Directors ("**Board**") and

executive management. We recognize that strong governance can play a key role in assessing and managing ESG risks for our business.

Forced labour and child labour considerations are inherently addressed by the Board when discussing risks stemming from government policy. Our Directors have decades of experience in the infrastructure, energy and water industries, and thus provide guidance and oversight in navigating the ESG challenges that are a part of working in the environmental technology field. In 2021, the Board voted to approve our Code of Conduct which mandates that all employees be committed to upholding human rights. We insist that all employees, as well as the suppliers and contractors that we work with, comply with all laws and regulations respecting the inalienable rights for all people to live their lives free from social, political or economic discrimination or abuse. The Board also enacted the Whistleblower Policy as an essential method to monitor and help enforce compliance with the Code of Conduct, and provided a method to report in good faith actual or apparent violations anonymously and with safeguards against retaliation.

Our CEO, as well as executive management, are tasked with ensuring that the policies adopted by the Board are carried out on a day-to-day basis by all relevant employees and, at times, vendors as well. Management also has a role in identifying ESG trends that may generate risks for our business.

Our onboarding of new employees includes obtaining acknowledgments of our Code of Conduct and agreement to adhere to our core values and applicable laws. We strive to establish a culture where employees feel free to express their concerns, including with respect to ethical procurement and labour rights.

4. Forced labour or child labour risk assessment and management

We plan to assess our supply chains to better understand certain risks associated with country-of-origin supply of components for our engineered systems, and in particular the supply chain risks of forced and child labour. Given the particular requirements of our components, some of which we source from our affiliates in Italy and Germany, our assessment is expected to indicate our supply chain has limited exposure based on the information available. Anaergia's policies implicitly address forced labour and child labour risks, and this is expected to be the subject of discussion with the Board. Management provides monitoring, oversight, and guidance on execution and plant operation activities globally, which is expected to enable prevention and quick responses to supply chain risks identified in our assessment. Measures such as our delegation of authority, monthly project dashboard reviews, and status are also expected to provide multiple layers of managing suppliers.

5. Remediation measures

Pursuant to our Whistleblower Policy, we have established a program to facilitate reporting of apparent and perceived misconduct, including with respect to our Code of Conduct guidelines on adherence to integrity in our procurement. The program is accessible to all Anaergia employees and includes anonymous reporting administered by an independent provider (Lighthouse), as well as prohibition of any retaliatory conduct. The Chair of the Audit Committee of the Board managed oversight of any such reporting, according to our Policy.

In 2023, there were no complaints received pertaining to forced labour or child labour and as a result, Anaergia did not identify any forced labour or child labour in its activities and supply chains and thus has not taken measures to remediate any forced labour or child labour nor the loss of income of the most vulnerable families that results from any measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

6. **Training**

As the number of Anaergia's operational facilities continues to grow, so will our need for monitoring and prevention of risks associated with suppliers engaged in forced labour and child labour practices. We intend to create a training program as part of onboarding, informed by results of our assessment of supply chain risks.

7. **Assessing Effectiveness**

In our normal course of business, our executive management monitors risk factors impacting the execution of Anaergia's business strategy. As part of the corporate internal audit functions within our operations, risks of forced labour and child labour are being identified in decision-making relating to procurement of our systems components. A risk nevertheless remains that lack of visibility in the entire supply chain of any affected components, particularly from indirect suppliers, could prevent the detection of sourced components impacted by forced labour or child labour. Although we have not identified any such issues in sourcing components for our integrated systems, we are committed to further developing our risk management procedures to address this issue. We intend to record our progress for subsequent reporting, as part of establishing and maintaining trust with our suppliers and Anaergia's stakeholders.

8. **Approval and attestation**

This report is made pursuant to section 11 of the Act and was approved on May 30, 2024 by the Board of Anaergia, pursuant to paragraph 11(4)(a) of the Act covering Anaergia's most recently completed fiscal year ended December 31, 2023.

Andrew Benedek

Andrew Benedek
Executive Chairman
Anaergia Inc.

May 30, 2024

I have the authority to bind Anaergia Inc.