



# Centerfire Energy Group

---

Forced Labour and Child Labour in Supply Chains Company  
Assessment

# Table of Contents

---

Introduction .....	2
Structure, Activities & Supply Chain.....	2
Policies & Due Diligence Processes.....	3
Supply Chain Risk Assessment.....	7
Remediation of Forced & Child Labour .....	9
Remediation of Vulnerable Family Income Loss .....	9
Awareness Training .....	9
Assessing Effectiveness .....	9
Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour .....	10

## Introduction

---

This report is **Centerfire Energy Group of Companies** (“Centerfire”) response to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

**The Company** satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

The financial reporting year of **Company** covered by this report is January 1, 2023 to December 31, 2023.

## Structure, Activities & Supply Chain

---

### Structure

Centerfire Energy Group of Companies is a group of Canadian oilfield service contractors headquartered in Fort McMurray, Alberta, with primary operations being in Northern Alberta. We have project work in Ontario and British Columbia, and all operations and business affairs are within Canada.

Centerfire Energy Group consists of:

- Centerfire Limited Partnership – Parent Company;
- Alcor Facilities Management Inc. – A wholly owned subsidiary;
- Club Industrial Trailers Ltd. – A wholly owned subsidiary;
- Alcor Mechanical Services Inc. – A wholly owned subsidiary;
- Element Process and Controls Ltd. – A majority owned subsidiary;
- Fort McKay Alcor Limited Partnership – A joint controlled partnership.

The businesses have had a long operating history in the Fort McMurray region dating back to 1972. Our services range from heavy equipment contractors to on-site facilities maintenance and management, construction, electrical contracting, and automation and controls.

### Activities

The core business operates as oilfield service contractors servicing major oilsands and SAGD operations in Fort McMurray, Alberta. Project work extends to Ontario and British Columbia. Primary customers are Canadian Natural Resources, Suncor Energy Group, Imperial Oil, ConocoPhillips, and CNOOC, and Enbridge.

Through all business units, we operate with an average employee count through the year of approximately 1,000 per annum.

### Supply Chain

The Company performs work in various competencies such as trades in the form of plumbing, electrical, HVAC and carpentry. In addition, the Company operates heavy equipment for civil construction and right of way clearing activities. The Company also provides automation and control services.

In order to facilitate the operation of core activity, parts and materials are purchased from numerous suppliers. The suppliers where the majority of our materials purchases are local to the Regional Municipality of Wood Buffalo or the City of Edmonton.

As a First Nation Company our policy is to prioritize First Nation vendors as per our Indigenous Engagement policy. When a First Nation vendor is not competitive or not available we utilize a preferred vendor list for obtaining material quotes. Our preferred vendor list is comprised of leading suppliers in the construction industry that will meet the quality requirements of material supply in the oil and gas industry. This preferred vendor list includes National leading suppliers in the respective trades such as, but not limited to the below recognized vendors:

- Wolseley Canada;
- Acklands Grainger;
- Eecol Electric;
- Home Hardware;
- Greggs Distributers;
- Brandt Tractor.

The Company utilizes these industry leaders who have franchises in every major city to ensure the level of quality, availability and procurement practices are met when supplying materials.

## Policies & Due Diligence Processes

Any policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and in their supply chain. Describe the document and the policy around it. If any of these helps reduce the risk for forced or child labour or uphold employee rights, describe these. State if or how child/forced labour is referenced. If not, statements may say: "Questions specific to the risk of child labour or forced labour have not yet been incorporated."

Policy (Example)	Description	Support in Mitigating the Risks of Forced Labour and Child Labour
------------------	-------------	---

<p><b>Health and Safety</b></p>	<p>This Health and Safety policy covers:</p> <ul style="list-style-type: none"> <li>• Management Commitment &amp; Policies</li> <li>• Public Visitors &amp; Contracted Employees</li> <li>• Health &amp; Safety Committees</li> <li>• Training &amp; Communication</li> <li>• Hazard Assessment</li> <li>• Hazard Control</li> <li>• Practices &amp; Procedures</li> <li>• Inspections &amp; Maintenance</li> <li>• Emergency Response</li> <li>• Investigations</li> <li>• Program Administration</li> <li>• Fit For Duty Program</li> <li>• Environmental Management</li> <li>• Commercial Transportation</li> </ul>	<p>By prioritizing health and safety, the Company ensures employees have a secure workplace environment. In such an environment, the risk of exploitation, including forced labour and child labour, is minimized. In addition, emphasizing health and safety also demonstrates broader organizational values, ethical conduct, and transparency within the organization. This transparency can extend to labour practices, making identifying and addressing any instances of forced labour or child labour easier.</p>
<p><b>Workplace Violence and Harassment</b></p>	<p>Policy outlining the Company Policy statement on building and preserving a safe, productive and healthy working environment for its employees.</p>	<p>The Company highlight the process followed Internally in reporting and addressing workplace violence and harassment events.</p> <p>Therefore, the workplace violence and harassment policy, can be leveraged and adapted in future if an issue were to arise related to forced labour or child labour. The similar framework process is a mechanism in place to identify and alert the management/ another role at the Company who then</p>

		would tend to the resolution efforts.
<b>Supplier Code of Conduct</b>	This policy outlines supplier Compliance Requirements, Performance Standards and Social Responsibility outlining Forced Labour, Child Labour and Equality.	The Company highlight the requirements of a supplier selection and outlines the requirement of social responsibility such as not utilizing Forced Labour and Child Labour by the supplier or any of its subcontractors.
<b>Supplier Onboarding Process / Document</b>	This document is to qualify the supplier for meeting the criteria set out in the Supplier Code of Conduct	<p>The Company highlights the process internally how a supplier is shortlisted, evaluated and onboarded into the Company's eco-system as a long term supplier.</p> <p><i>(General Note)</i> This document is in development to be introduced in 2024. The current supplier onboarding framework will be adapted in future to incorporate review and ongoing reporting of on forced labor or child practices, and an review of their practices, especially when operating in industries with inherent risk of forced or child labor exist in their supply chain practices. Additionally, if a supplier operates using forced and child labor, the Company will disqualify them as a supplier.</p>
<b>Procurement Terms and Conditions</b>	These are general terms and conditions listed to all suppliers and subcontractors.	<p>The Company existence of such terms and conditions ensures that suppliers are bound to comply with listed product standards and other terms &amp; conditions of the business.</p> <p><i>(Generic Note)</i> Though existing purchase contracts or purchase order terms &amp; conditions do not incorporate supplier compliance with non use of forced labor and child labor practices in production or their supply chain; Centerfire Energy Group and the Procurement Manager / COO will ensure there is adequate reporting and compliance terms built and communicated</p>

		in new contracts to ensure expected results are achieved.
<b>Code of Conduct &amp; Business Ethics</b>	This document reviews our Company key values and is built to ensure Management and Employees by them and all laws, regulations, policies and procedures.	The Company ensures that managers and employees operate with integrity and abide by all laws and regulations. It outlines and employee’s right to bring forward any circumstance of a breach of the Company Code of Conduct as well as the right of the employee to ask questions regarding any such topic. If any employee suspects or confirms any vendor of utilizing Forced Labour or Child Labour this document outlines the step to take with reporting as well as the option to remain anonymous while doing so.

**Internal Policies**

The Company has various policies such as the above to ensure our corporate Code of Conduct is adhered to. In addition to the policies noted, the Company utilizes a web based system called Workhub which has all policies readily available for all employees to review from any device such as a cell phone or computer. Workhub has direct web links to laws and legislation for ease of access to employees to review if ever needed.

An employee handbook is provided to every employee with direct access through the Workhub portal. The employee handbook covers a wide range of information that an employee would need to understand the rules and rights as an employee.

Other policies that were not previously noted include but are not limited to:

- Sustainability Policy;
- Diversity, Equity and Inclusion Policy;
- Violence and Harassment Prevention Plan;
- Discipline and Dismissal of Employees.

The Company believes in the development of the youth and will work with organizations such as NEXGEN on student development in the trades. In the case of a summer student or youth working for the Company that youth will be no less than 16 years of age and assigned a mentor for the duration of his employment. The student worker will not perform duties on any medium or high risk work. No worker under the age 18 is allowed to perform work on any active construction sites where the work is considered

medium to high risk.

The Company's Discipline and Dismissal of Employees policy outlines the steps taken in the breach of any corporate policy, law or regulation. All breaches of policy are investigated by the Human Resource team with involvement of the safety department where required as well as involvement from senior management.

### **Due Diligence Processes**

The Company has developed an orientation for all new employees that outlines the Company expectations on adherence to laws and regulations as well as internal policies.

A supervisor training program is established where weekly training modules are completed with supervision and management on the most up to date corporate policy and expectations. The supervisor training modules are:

- Supervisor Training Overview – Available online please complete at your earliest convenience in Workhub/Online Training/Supervisor Training/Supervisor Training Overview;
- Leadership;
- Communication;
- General Operations;
- OHS Legislation;
- Safety Management;
- Incident Management & Investigation;
- Documentation & Record Keeping;
- Emergency Response Management;
- Environmental Management;
- Human Resources;
- QA-QC;
- Subcontractor Management;
- Supply Chain;
- Vehicles & Equipment;

## **Supply Chain Risk Assessment**

---

A risk assessment over our industry, including the goods procured and used in Centerfire's product was performed over our material direct suppliers. This risk assessment used two separate indices to conclude on inherent risk of child and/or forced labour related to goods and countries - *Walk Free's Global Slavery*



*Index and the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour.* These indexes use in-depth research in forced labour and child labour.

### Industry of Operation

Centerfire operates in the construction and contracting industry. Using the two indices noted above, the construction industry has an inherent risk exposure regarding child labour and forced labour. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis.**

However, there is an increased inherent risk which necessitates closer scrutiny by Centerfire to ensure those risks do not flow through to our supply chain and with whom we do business.

### Goods Procured

Centerfire procures all types of goods and services. There is a very high percentage of our cost profile which is related to different forms of material acquisition. Expanding on this, Centerfire procures many different forms of goods, but the most common fall under the following: steel, copper, concrete, lumber/timber products, and glass. The following have high/extreme inherent risk exposure to forced and child labour:

Good Procured	Goods Risk	Supplier Country	Country Risk
Concrete	High	Canada	Low
Lumber (Timber)	Extreme	Canada	Low
Steel	High	Canada	Low
Glass	High	Canada	Low
Copper	High	Canada	Low

**The Company does not have any knowledge of forced or child labour being used in its supply chains and as of now has not adopted any approach of verifying this with its suppliers. No evidence of forced labour or child labour was found to support this risk analysis** but that there is an increased inherent risk which necessitates closer scrutiny by the Company to ensure those risks do not flow through to the goods we procure. This includes investigating where our suppliers receive their goods, continued monitoring the types of goods we procure, and the risk of forced labour and child labour associated

with this class of good.

### **Countries From Which Goods Are Procured From**

This report focuses on direct material suppliers only—those accounting for at least one percent of the total supplier spend during the 2023 fiscal year—for the purposes of assessing the risk in the countries where our goods are procured. Based on our vendor data, all goods that met the materiality threshold were procured from Canada – specifically Edmonton.

## **Remediation of Forced & Child Labour**

---

At Centerfire we are committed to trying to prevent and remediate human rights incidents and violations within our operations and supply chain. Although there is room for us to implement more potential controls, currently in our supplier code of conduct policy documents (which is reviewed yearly) we clearly state our zero tolerance for child labour, the definition of forced labour, and our resistance against working with suppliers who support such activities.

## **Remediation of Vulnerable Family Income Loss**

---

To date, Centerfire has not identified instances or risks of the use of child labour or forced labour within their or suppliers' operations. The Company is continuing to examine its procurement practices to strengthen the thoroughness of its due diligence procedures, which also involves increasing awareness among its suppliers. If any cases in the future do happen to come up, Centerfire is committed to remediating vulnerable family income loss.

## **Awareness Training**

---

Centerfire currently lacks specific training on child labor and forced labor. However, among the policies outlined, the Company does provide training for new employees through the Employee Handbook. As part of the onboarding process, new hires review the handbook to grasp the Company's standards and expectations, which encompasses sections addressing child labor, forced labor, abuse, harassment policies, and employee conduct. Recognizing the need for improved training in this regard, we plan to assess suitable training for staff in the near future.

## **Assessing Effectiveness**

---

To track Centerfire's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place, with some being future opportunities to integrate with suppliers:

### **Centerfire Activities**

1. **Total harassment incidents** – Centerfire has a zero-tolerance for workplace harassment. All claims made regarding harassment will be reported through the human resources department, and elevated to the senior management team as applicable, including an action plan to resolve the issue in a timely manner.
2. **Conduct and behaviour incidents** - Centerfire has a zero-tolerance for inappropriate conduct and behaviour. All claims made regarding this will be reported through the human resources department, and elevated to the senior management team as applicable, including an action plan to resolve the issue in a timely manner.
3. **Employee training**: Centerfire will continue to track employee training completion metrics to ensure the completeness of mandatory courses.
4. **Supplier Policy**: This policy highlights zero tolerance for child labour and forced labour.

#### Supplier Activities

1. **Supplier questionnaire**: A phased-in approach will be adopted to have suppliers complete a Supplier Questionnaire which will include specific questions regarding child and forced labour. This phased approach will begin with the largest suppliers first and will continue across the full supply chain within a reasonable period. For each questionnaire submitted, Centerfire will collect responses in a centralized system, to understand how the risk of child labour or forced labour affects suppliers.

## Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

---

Centerfire has taken some of the following steps to prevent and reduce the risk of child labour or forced labour in our activities and supply chain:

1. Centerfire has mapped their supply chain to complete a risk assessment to align with the Act.
2. Conducted an internal assessment of risks of forced labour and/or child labour by identifying the good(s) within zero tolerance that have inherent risks of child labour and/or forced labour.
3. Developed employee-specific policies to create a channel where employees feel safe reporting workplace violence, harassment, and bullying.
4. Centerfire has also engaged external consultants, with expertise in the legislation, to assist with identifying further risk mitigation opportunities.

Going forward, the following remediation measures against forced/child labour will be implemented, especially for our supply chains:

5. Identified the opportunity to integrate anti-forced labour and/or child labour standards/conduct into supplier and subcontractor contracts.
6. Centerfire will utilize supplier questionnaires and onsite visits for key suppliers to monitor supplier relationships. Both mechanisms have been identified as opportunities to evaluate the use of

forced labour and/or child labour.

7. Centerfire has identified the opportunity to develop employee training relevant to child and/or forced labour.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Centerfire Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

**Full Name:** Shane Chana

**Date:** May 30, 2024

**Title:** CFO

**Signature:** *Shane Chana*

I have the authority to bind the various entities with the Centerfire Energy Group to which this report is relevant. This report covers fiscal year January 2023 to December 2023.