

Modern Slavery Report for Computer Modelling Group Ltd. (“CMG”)

Introduction

This report is prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ending March 31, 2024 (the “Reporting Period”). The report outlines CMG's efforts and commitments towards ensuring that our operations and supply chains are free from modern slavery, child labour, forced labour, and human trafficking.

Steps Taken to Prevent and Reduce Risks

In general terms, CMG took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- established an internal working group comprised of management representatives from supply chain, legal and human resources to review the impact of the Act on CMG;
- began the process of mapping our supply chains;
- augmented our supplier selection processes and implemented regular assessments; and
- conducted an initial internal assessment of the risks of forced labour and/or child labour in our activities and supply chains.

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

Our Structure and Activities

CMG (TSX:CMG) is a corporation incorporated under the Alberta Business Corporations Act and is headquartered in Calgary, Alberta, Canada. CMG has wholly owned subsidiaries or offices in the United States, the United Kingdom, Colombia, Brazil, India, the United Arab Emirates, and Malaysia. As at the end of the Reporting Period, CMG had 193 employees, of which 121 in Canada.

CMG is a global software and solutions company that combines science and technology with deep industry expertise to solve complex subsurface and surface challenges for the new energy industry around the world. CMG markets its products and services in approximately 60 countries.

Our Supply Chains

CMG's supply chain is comprised of outsourced activities, functions, and services that would otherwise be undertaken by CMG, and any other arrangement that involves the provision of goods and services, or the storage, use or processing of data, or the delivery of business activities, functions, or services to CMG customers.

CMG procures goods and services from a range of third parties in different businesses including, but not limited to, information technology, telecommunications, real estate management, human resources firms, research and analytics, marketing, and consulting services.

The majority of third parties that CMG procures goods and services from are based in Canada and the U.S., with subsidiaries and regional offices relying on the provision of goods and services from a number of local third parties.

Major supply chains include both local and international provision of:

- (i) Cloud computing infrastructure;
- (ii) Software products and “Software-as-a-Service” services;
- (iii) Computer equipment and hardware;
- (iv) Consulting and professional advisory services;
- (v) Human resources and recruitment services;
- (vi) Real estate and premises management services.

Policy Framework

CMG's commitment to ethical conduct is underscored by our comprehensive policy framework, which includes our Code of Business Conduct, Whistleblower Policy, Anti-Corruption Policy, and other relevant policies aimed at preventing unethical practices.

Due Diligence Processes

CMG has due diligence processes in place to assess and mitigate risks related to modern slavery and child labour in our operations and supply chains. This includes regular supplier reviews and assessments, and continuous monitoring of our supply chain.

CMG manages the risk of forced labour and child labour via its policies, practices, and processes. We prioritize the adoption of responsible, equitable sourcing practices while ensuring effective management of our supply chain. For instance, CMG expects that the suppliers it does business with will be able to demonstrate that child labour and forced labour are not used in their activities.

Governance and Compliance

CMG's governance and compliance framework ensures that ethical business practices are deeply embedded in our corporate culture. The Board of Directors, through its Talent Management, Governance, and Nominations Committee, oversees CMG's strategies and policies related to governance, compliance, and ethical conduct.

Risks of Forced Labour and Child Labour in our Operations and Supply Chains

Operations

CMG's operations include presence in Colombia, Brazil, India, the United Arab Emirates, and Malaysia. We recognize that the United Arab Emirates is included in the Global Slavery Index 2023 as being one of the countries with the highest prevalence of modern slavery. CMG complies with all labour laws in the jurisdictions of our operations and all workers are paid more than the applicable minimum wage. In addition, CMG has in place policies to mitigate against the risk of forced labour in our operations. We do not hire anyone under the age of 18 in any of our areas of operation. We do not retain the passport or other identity document of any of our workers. Finally, each of our workers has a written contract of employment in place.

Supply chains

CMG strives to work with suppliers who share our commitment to meet the highest ethical standards. In that regard, we conduct regular reviews of our suppliers' codes of conduct or similar instruments, conduct interviews where possible, and utilize questionnaires to understand our suppliers' commitments, policies, procedures, and controls.

During the regular supplier reviews and assessments conducted during the Reporting Period, we did not encounter any specific concerns. That said, we have utilised the 2022 KnowTheChain Information and Communications Technology Benchmark report as part of our due diligence process and appreciate that some of the IT-related services that we source may be at higher risk for forced labour.

Remediation Measures

During the Reporting Period, CMG did not identify or receive any reports of forced labour or child labour in our operations or supply chains. As a result, we have not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families.

CMG has taken various steps to strengthen our governance, compliance, and ethical conduct. We are in the process of developing remediation measures in the event these become necessary.

Training

During the Reporting Period, we conducted general training sessions for employees on ethical business practices. We intend to begin offering training sessions addressing forced labour and child labour risks in 2024.

Assessment of Effectiveness

CMG understands that it has a responsibility to continue to assess and mitigate the risk of modern slavery in its operations and supply chain over the long term. We have begun to take steps to

understand and reduce these risks and to review the effectiveness of our policies and processes by evaluating the outcomes of our vendor assessments and making necessary adjustments to our strategies. However, we have not yet taken other actions to assess the effectiveness of our actions more broadly.

Future Commitments and Improvements

CMG is dedicated to continuous improvement of our labour compliance and ethical conduct policies. We are committed to being at the forefront of ethical business practices in the technology sector.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Computer Modelling Group Ltd.

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 the entity listed above. 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.

I have the authority to bind Computer Modelling Group Ltd.

Per: 

Name: PRAMOD JAIN

Title: CHIEF EXECUTIVE OFFICER

Date: MAY 22, 2024