

## NorthRiver Midstream

# *Fighting Against Forced Labour and Child Labour in Supply Chains Act Report*

(Fiscal Year 2023)

## 1. Introduction

This Modern Slavery Report (“**Report**”) is for NorthRiver Midstream Holdings Inc. (Registration No. 1097352-1) and its wholly owned and controlled entities which together form the NorthRiver Midstream corporate group. In this Report, the NorthRiver Midstream corporate group is referred to as ‘NRM’ or ‘the Group’.

NRM is subject to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This is NRM’s first annual Report under the Act, which requires it to outline its structure, operations and supply chains and what is being done to identify, assess and address forced labour and child labour risks within them. This Report covers the reporting year January 1 to December 31, 2023, and was prepared in accordance with the Act and the guidelines released by Public Safety Canada.

Forced labour and child labour involves serious abuses of human rights and serious crimes. They include human trafficking, slavery, servitude, forced marriage, debt bondage and deceptive recruiting for labour or services. It represents one of the world’s most complex human rights issues that we face. NRM is committed to protecting human rights within areas it has control and adhering to the Act’s principles and requirements. NRM wholly supports the Canadian government’s processes to identify and address forced labour and child labour risks, to maintain safe and transparent supply chains.

### Joint Report

This Report is a joint statement, made on behalf of all reporting entities in the Group.<sup>1</sup> A reporting entity under the Act is a corporation or a trust, partnership or other unincorporated organization that does business in Canada and that meets at least two of the following conditions for at least one of its two most recent financial years: (i) it has at least \$20 million in assets, (ii) it has generated at least \$40 million in revenue, and (iii) it employs an average of at least 250 employees. Not all businesses within the Group are reporting entities.

The measures to combat forced labour and child labour in this report are applied across the Group. The reporting entities in the Group operate in the same industry and have similar risk profiles, making a joint report appropriate.

## 2. Structure, Activities and Supply Chains

### NRM’s Structure and Activities

NRM is a natural gas midstream entity that owns, operates, and develops natural gas gathering and processing infrastructure to service customers with operations in the North Montney, Central Montney Basin, and Horn River catchment areas located in northeast British Columbia and northwest Alberta. NRM’s facilities include 16 owned and operated natural gas processing plants with a total processing capacity of 2.9 billion cubic feet per day and more than 3,400 kilometers of active associated gas gathering pipelines.

All NRM’s assets and operations are in the Montney Basin and the adjacent Horn River Basin. NRM’s natural gas processing plants and gathering pipelines provide our customers with diverse downstream connectivity to most major demand markets, including the U.S. Pacific Northwest, U.S. Midwest, and Alberta, Canada. NRM’s assets are connected to all major egress pipelines in northeast British Columbia with significant take-away capacity.

---

<sup>1</sup> The reporting entities in the NRM corporate structure are: (i) NorthRiver Midstream Holdings Inc.; (ii) NorthRiver Midstream Operations LP; (iii) NorthRiver Midstream Partners; (iv) NorthRiver Midstream G and P Canada Limited Partnership; (v) McMahon Power Holdings Limited Partnership; (vi) NorthRiver Midstream Inc.; (vii) NorthRiver Midstream Security LP; (viii) NorthRiver Midstream Holdings GP Inc.; (ix) NorthRiver Midstream G and P Canada Inc.; (x) McMahon Power Holdings Inc.; (xi) NorthRiver Midstream Operations GP Inc. (xii) NorthRiver Midstream Operations Holdings LP; (xiii) NorthRiver Midstream Operations Holdings GP Inc.; and (xiv) NorthRiver Midstream Finance LP.

NRM's corporate structure is designed to efficiently hold its operating assets, with specific entities owning groups or clusters of related assets. Although NRM splits ownership of assets between entities, NRM's procurement, supply chain and other corporate functions are centralized and service all of the entities.

### **NRM's Supply Chains**

Supporting NRM's operations are the following key supply chains:

- a. Subcontracted on-site and off-site services, including trades, skilled, semi-skilled and unskilled labour;
- b. Purchase of major process equipment designed and built to specified project requirements;
- c. Purchase of steel pipe, extruded and machined steel fittings and process control equipment for incorporation into gas transportation and processing infrastructure;
- d. Plant and equipment hire and maintenance;
- e. Transport, travel and accommodation, including work camps; and
- f. Purchase and hire of vehicles, construction equipment and tools, construction materials and consumables, clothing, footwear, branded products, IT and electronic equipment and furniture.

These key supply chains are managed by a central procurement group within NRM, which services all of the NRM entities.

#### *Labour*

All the Group's employees are employed under union agreements or individual workplace agreements (permanent, fixed term, part-time or casual contracts) that meet or exceed the minimum requirements of applicable federal or provincial labour legislation. Labour is also provided to projects by subcontractors as part of the services performed. The Group uses standard conditions of subcontract to hold subcontractors accountable for meeting legislative requirements. The Group's operating entities also use third-party staffing agencies to provide labour or specialized skills.

#### *Materials / Equipment*

During 2023, NRM's procurement managed approximately 1,000 active suppliers providing goods and services to our operations. Our suppliers provide engineering, procurement and construction services, general facilities maintenance and technical support services, transportation services, operations maintenance and support services including safety supplies, security and cleaning, corporate services such as information technology, audit, tax, accounting, recruitment, training, environmental testing, trades services including electrical, civil and mechanical, and goods and equipment.

The majority of NRM's materials, equipment and services are sourced from vendors and sub-vendors located in Canada and the United States. At times, NRM will also source materials and equipment from vendors and sub-vendors based in Western Europe or the United Kingdom.

### 3. Policies and Due Diligence Processes

In 2023 and before, NorthRiver took the following steps or instituted the following policies and due diligence processes to begin to identify and quantify the risks of forced and child labour in its business and supply chains:

1. Stated, in NRM's *Code of Business Conduct and Ethics*, that it is committed to conducting business in a manner that prohibits forced and child labor. All employees of NRM are required to read and acknowledge acceptance of the *Code of Business Conduct and Ethics* at the outset of their employment.
2. Began to integrate the use of the due diligence tools Navex Global and ISN Transparency One, by NRM's finance, legal and procurement teams, to identify the counterparties in contractual agreements that have a heightened risk of forced and child labour in their businesses or supply chains.
3. Considered and updated its internal written policies and practices using the United Nations' Guiding Principles on Business and Human Rights and Universal Declaration of Human Rights and the International Labour Organization's protocols and conventions regarding forced labour.
4. Engaged external legal counsel to provide training on the Act to NRM's legal team.
5. NRM's legal team provided a training presentation to its corporate services and procurement personnel on the Act and the risks of forced and child labour in its business and supply chains.
6. Updated its *Supplier Code of Conduct* to require that suppliers do not engage in forced or child labour practices and must comply with all mandated labour and employment laws in the jurisdictions in which they operate. NRM expects that its suppliers will require the same of their suppliers.
7. Began to incorporate forced and child labour provisions into its template procurement and services contracts, which are used to procure contractors and equipment for all projects.

### 4. Risks of Modern Slavery in NRM's Business and Supply Chains

The Group recognises that the risk of forced and child labour is greater where NRM's operating entities do not have direct knowledge of the contractual terms and conditions between NRM's suppliers and their supplier's employees and sub-suppliers, particularly in supply chains with a higher prevalence of forced and child labour.

NRM has identified the following characteristics of its supply chains related to a risk of forced and child labour:

- NRM is a purchaser of electronics, which are one of the top-five classes of goods at-risk of forced and child labour imported into Canada. However, electronics are a small portion of the goods procured by NRM;<sup>2</sup>
- Additionally, procurement of the following products present a risk, based on the US Department of Labor's 2022 List of Goods Produced by Child Labor or Forced Labor:

---

<sup>2</sup> *Global Slavery Index 2023*, Walk Free Foundation, page 4.

- Garments, footwear and branded products that may have been manufactured, or may include raw materials that have been produced, under forced and child labour conditions (e.g., cotton, leather, textiles, yarn or rubber);
  - Structural timber, which could have originated from a country with forced and child labour risk for timber production; and
  - Metal containing products, including steel, gold, tin and copper, which may be procured as formed product (e.g., steel pipes) or be incorporated in plant, tools and equipment; and<sup>3</sup>
- All of NRM's operations and assets are in Canada, a jurisdiction that has a top-twenty rated government response to modern slavery score, and the lowest prevalence of modern slavery in the Americas (the region with the lowest prevalence internationally).<sup>4</sup>

NRM has taken the steps outlined in Section 3 to begin to assess and manage the risks presented by the potential presence or use of forced or child labour in its supply chains and business.

## 5. Remediation Efforts by NRM

### Remediation of Forced Labour or Child Labour

NRM has not identified any instances of forced or child labour in its supply chains or business. Therefore, NRM has not conducted any efforts to remediate the occurrence of forced or child labour in its supply chains or business.

Nonetheless, NRM is committed to remediating occurrences of forced or child labour it identifies in its supply chains or business. If a supplier were to be found to violate NRM's *Supplier Code of Conduct* NRM would insist that the supplier undertake corrective action.

### Remediation of Income Loss

To date, NRM has not created policies or procedures concerning how to remediate income loss to vulnerable families from elimination of forced or child labour in its supply chain or business. If NRM identifies forced or child labour in its supply chains or business, it will evaluate how to remediate income loss caused by the actions it takes to eliminate the forced or child labour.

## 6. Training Provided by NRM to Employees

NRM employees receive annual training on anti-corruption and bribery, which includes discussion on supply chain related due diligence procedures. Although the focus of this training is not on forced or child labour, it both encourages general awareness of employees to issues in supply chain management and educates employees on issues that may be adjacent or act as markers for the presence of forced or child labour.

Additionally, NRM employees receive training on, and are required to review, NRM's *Code of Business Conduct and Ethics*, which states that NRM is committed to conducting business in a manner that prohibits forced and child labor.

---

<sup>3</sup> 2022 List of Goods Produced by Child Labour or Forced Labour, United States of America Department of Labour, pages 38 – 43.

<sup>4</sup> Global Slavery Index 2023, Walk Free Foundation, page 25, Table 1 and page 54.

Finally, NRM is committed to developing training, in 2024 and beyond, for employees addressing identification and remediation of forced labour and child labor.

## 7. Assessment of the Effectiveness of the Group's Actions

The Group's focus in its first reporting year has been to establish processes to identify and address the risks of forced and child labour within its operations and supply chains. The assessment of the effectiveness of this process will be monitored over the course of the next twelve months and reported within future annual reports.

## 8. Future Commitments

The following commitments are made by NRM to further its goal strengthening its policies and due diligence procedures regarding forced and child labour:

1. **Obligations in Template Contracts:** NRM has begun adding provisions addressing forced and child labour into its template contracts as these contracts come up for semi-annual review. NRM will continue to revise its template contracts to require that suppliers and partners identify and remediate any incidences of forced or child labour in their business or their suppliers' businesses, and report these to NRM.
2. **Training:** NRM is committed to developing and requiring, in 2024 and beyond, training for employees addressing identification and remediation of forced and child labor. Enhanced training may be provided to the business groups within NRM that are essential to identifying forced and child labour, such as the legal or procurement groups.
3. **Whistleblower Policy:** NRM will expand its whistleblower policy to include reporting on forced labour or child labour slavery violations.
4. **Supplier Certification:** NRM will request that key suppliers certify to NRM that their businesses and supply chains are free from forced and child labour.

## 9. 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 this joint report for NRM. 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.

### **NORTHRIVER MIDSTREAM HOLDINGS INC.**

By:  \_\_\_\_\_

Name: Brian Baker

Title: Member of the Board of Directors of NorthRiver Midstream Holdings Inc.

Date: April 30, 2024