

# Modern Slavery Report

## 1 Introduction

- 1.1 At Shale Gas Investment Canada Ltd. ("**SGIC**") and Cutbank Dawson Gas Resources Ltd. ("**CDGR**") (collectively, the "**SGIC Group**"), we are committed to acting ethically and with integrity in all of our business dealings and relationships, and to promote compliance with applicable laws and protect the dignity and rights of all people connected to our business. We strive to work ever more closely with our suppliers to ensure their workforce, and the workforce of their supply chains are treated with respect and dignity. At the heart of our mission lies a commitment to fostering inclusive workplaces and sourcing products responsibly.
- 1.2 This is SGIC Group's first modern slavery report pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the "**Supply Chains Act**"), and covers the fiscal year ending March 31, 2024. We acknowledge that stamping out modern slavery and human trafficking risk is a process that will take time. Our reporting outlines the measures we have in place and the efforts we have commenced to assess and address risks of modern slavery and human trafficking in our business and supply chain.

## 2 Our organisational structure, business operations and supply chains

- 2.1 SGIC and CDGR are part of the Mitsubishi group of companies, where Mitsubishi Corporation ("**MC**") is the ultimate parent company.
- 2.2 SGIC is a wholly owned subsidiary of MC and a holding company with a 100% stake in CDGR. It has no employees and no business operations. Its office is registered in Canada.
- 2.3 CDGR is a wholly owned subsidiary of SGIC and has a forty (40) % working interest in an Alberta partnership named Cutbank Ridge Partnership ("**CRP**"), whose managing partner is Ovintiv Canada ULC ("**Ovintiv**"). CDGR's main business is to provide investment management, governance and monitoring of CRP. CRP's business is to develop a natural gas asset located in Northeast British Columbia, Canada within the Montney formation. Ovintiv assumes operational responsibility of CRP. Ovintiv and CRP are reporting under the Supply Chains Act separately.
- 2.4 As part of CDGR's role in the commissioning / startup process of a pipeline within Canada, CDGR supplies gas from CRP.

## 3 Our modern slavery risk profile

- 3.1 Within our internal operations, we have assessed our risk profile as low. All of our employees are white-collar workers employed in Canada, and we have fair and responsible employment practices in place to protect and promote workers' rights.
- 3.2 That said, we recognise that risks of modern slavery may be present in our supply chain, considering the fact that we operate in the oil and gas sector, a sector that typically carries a higher risk of modern slavery. This risk is lowered by the fact that SGIC, CDGR and CRP's activities are currently limited to Canada, where risks of forced labour and child labour are relatively low. Nevertheless, we remain attentive to the risks of modern slavery that could arise as we develop our business in the coming year.

## **4 Actions taken to combat slavery risks**

- 4.1 The SGIC Group is currently in the process of developing and implementing strategies in order to:
- (a) Assess and better understand areas of potential risk in our business and supply chain;
  - (b) Monitor potential risk areas in our business and supply chain; and
  - (c) Reduce or mitigate the risk of slavery and human trafficking occurring in our business and supply chain.

## **5 Our policies on modern slavery**

- 5.1 We adhere to MC's Code of Conduct, which reflects our commitment to acting ethically and with integrity in all our business relationships and to enforcing effective systems and controls to prevent modern slavery from taking place in our business and supply chain. Such Code of Conduct can be found at: [Mitsubishi Corporation Code of Conduct | Mitsubishi Corporation](#).
- 5.2 We also have a whistle blower policy and expect employees to contact the compliance hotline provided by an independent third party on an anonymous basis when finding a violation of any regulations or internal policies, including our Code of Conduct.

## **6 Our due diligence processes**

- 6.1 In order to identify and manage risks of modern slavery and human trafficking in our own business, we carry out background checks and periodically reassess our employment practices to ensure we meet or surpass employment standards where we operate.
- 6.2 We are in the process of reviewing and improving our approach to supplier due diligence with the aim of ensuring a more robust action plan to address modern slavery risks. As part of our initiative to identify modern slavery risks in our supply chain, we are currently in the process of completing a supplier risk-mapping assessment.

## **7 Training**

- 7.1 We currently have an e-training program on our Code of Conduct that is mandatory for all employees, which includes certain information with respect to forced labour and child labour prevention.
- 7.2 In addition, in order to further implement the above-mentioned policies, we plan to include information regarding modern slavery risks in our employee onboarding materials. Taking a risk-based approach, we are also in the process of developing training for key personnel in procurement, human resources and management positions on how to detect and report human trafficking and all forms of modern slavery risks.

## **8 Remediation measures**

- 8.1 To date, we have not identified any instances of modern slavery or human trafficking in our business and supply chains, therefore, we have not been required to take remedial measures.

## 9 Remediation measures relating to loss of income to vulnerable persons

- 9.1 We recognise that instances of modern slavery and human trafficking often impact the human rights of particularly vulnerable groups, such as migrant labourers, unskilled labourers, indigenous people, women, or children. To date, we have not discovered instances of modern slavery in our business and supply chain, therefore, we have not been required to take measures to remediate the would-be loss of income to vulnerable families.

## 10 Effectiveness in combatting modern slavery risks


- 10.1 To date, the SGIC Group has not taken any actions to assess the effectiveness of our actions in preventing and reducing risks of modern slavery in our activities and supply chain. Going forward, we will assess the effectiveness of our actions by evaluating key performance indicators, namely the number of staff trained, the number of suppliers and contractors screened, the number of reported breaches, and the instances of remedial actions being taken.

## 11 Approval of the Report

- 11.1 This report is made in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and constitutes SGIC and CDGR's joint modern slavery report for the financial year commencing on April 1<sup>st</sup>, 2023 and ending on March 31<sup>st</sup>, 2024.
- 11.2 This report was approved by the Board of Directors of SGIC pursuant to Paragraph 11(4)(b)(ii) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* on May 15<sup>th</sup>, 2024.

In accordance with the requirements of the Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for SGIC and CDGR. 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 Supply Chains Act for the reporting year indicated above.

Signed

By:   
Akira Konuma  
Chief Executive Officer  
Date: May 17<sup>th</sup>, 2024

I have the authority to bind SGIC.