
2025 Fighting Against Forced Labour and Child Labour in Supply Chains Act

This Report is made by **Citadel Drilling Ltd.** (“Citadel”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), which came into effect on January 1, 2024. This Report details the steps taken during prevent and reduce the risk of forced labour and child labour in our operations and supply chains.

Where the Report refers to “we,” “us,” or “our,” it refers to **Citadel Drilling Ltd.**

1. Organizational Overview

Citadel Drilling Ltd. operates a fleet of advanced TA²CT Series AC triple, self-moving drilling rigs across Canada and the United States. These rigs are designed for high-efficiency vertical and horizontal plays, and are built with performance, programmability, and sustainability in mind.

Citadel focuses specifically on AC triple rigs, and provides advanced drilling solutions through features like:

- Dual fuel/high line capability
 - Anti-collision programming
 - High pressure/high horsepower pumping
 - Efficient tubular and BOP handling
 - Rig mobility with minimal compaction impact
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2. Steps Taken to Prevent and Reduce Risk of Forced Labour and Child Labour

Citadel Drilling Ltd. has taken the following steps to comply with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*:

- **Enhanced Vendor Accountability:** Citadel Drilling has taken the steps to integrate a supplier questionnaire into our vendor/supplier platform to ensure vendors align with our values and comply with Canadian legislation, including Bill S-211.
- **Annual Government Reporting:** Citadel is committed to submitting its annual report and questionnaire to the Government of Canada, in line with the Act's transparency and accountability requirements.

- **Public Disclosure of Report:** This report will be made publicly available on our website to ensure transparency and stakeholder access to our efforts in preventing forced and child labour.
- **Policy Integration:** We embedded forced and child labour prevention measures into several internal policies, including our Ethics and Standards of Business Conduct Policy, Harassment and Violence in the Workplace Policy, and Whistleblower Policy.
- **Training and Awareness:** Expectations regarding forced and child labour have been incorporated into our Code of Conduct training, and we are exploring additional training initiatives for procurement and operational teams.

3. Relevant Policies

Citadel Drilling Ltd. maintains a comprehensive policy framework that reinforces our commitment to ethical labour practices, the protection of human rights, and the prevention of forced and child labour throughout our operations and supply chains. Key policies include:

- **Ethics and Standards of Business Conduct Policy**
This policy applies to all directors, officers, employees, and consultants/contractors (collectively referred to as “Representatives”). It outlines our expectation for legal and ethical behaviour across all jurisdictions in which we operate and guides conduct in alignment with our core values, vision, and purpose. We do not tolerate wrongdoing, unethical behaviour, or impropriety. Disciplinary action is taken immediately to address any violations.

The following elements of the policy are most relevant to the prevention of forced labour and child labour:

- **Avoiding unethical or illegal conduct:** All Representatives are expected to comply with applicable laws and regulations. Even where actions are not illegal, we require behaviour that meets the highest ethical standards.
- **Workplace harassment:** Citadel is committed to maintaining a respectful, harassment-free work environment. Harassment includes bullying, intimidation, and any unwanted or offensive behaviour.
- **Workplace health, safety, and environment:** All Representatives are responsible for upholding a healthy and safe workplace.
- **Harassment and Violence in the Workplace Policy**
This policy reinforces Citadel’s zero-tolerance approach to harassment and violence. We are committed to fostering a respectful, inclusive, and safe workplace for all.
- **Whistleblower Policy**
Our Whistleblower Policy provides a secure and confidential process for employees, board members, and third parties—including agents, consultants, suppliers, joint venture partners, distributors, and service providers—to report suspected violations of policies, laws, or ethical standards. This includes concerns related to forced labour, child labour, fraud, or other misconduct.

We encourage all Representatives and stakeholders to report known or suspected violations. This system supports transparency and accountability across all levels of our organization and supply chain.

4. Risk Assessment and Supply Chain Overview

Our workforce is located in **Canada, and the United States**, and we consider the risk of forced and child labour in our own operations to be **low**.

Currently 100% of our supplier spend is with vendors located in Canada and the United States, where the risk of forced labour and child labour is generally considered low. To further support ongoing due diligence, we have implemented a vendor questionnaire through our ISNetworld platform. This tool enables us to continuously assess potential risks within our supply chain. Should any concerns arise, we are committed to addressing them promptly and appropriately.

5. Supplier Due Diligence

To further manage risk, we are implementing:

- A formal **supplier onboarding process**, including due diligence questionnaires.
 - A process for identifying and engaging with suppliers in higher-risk geographies.
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6. Training and Awareness

Citadel has included expectations related to forced and child labour in our Code of Conduct Policy, which is reviewed and acknowledged annually by all employees and management. Additional awareness and training opportunities are being developed to target individuals involved in procurement and supply chain management.

7. Assessing Effectiveness

At present, Citadel has **not implemented a formal program to assess policy effectiveness** regarding forced and child labour. However, we are committed to:

- Enhancing our policy framework,
- Developing internal metrics for evaluation,

- Creating due diligence and monitoring processes to ensure ongoing compliance.
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8. Core Values and Ethical Commitments

Our corporate culture is anchored by the following values:

- **Courage:** The confidence to challenge and be challenged.
- **Communication:** Respectful, timely engagement with stakeholders.
- **Trustworthiness:** Accountability and ethical decision-making.

These values inform our approach to supplier selection and organizational behaviour.

9. Approval and Attestation

In accordance with Section 11 of the Act, I hereby attest that:

- I have reviewed the information contained in this report,
- The report was approved by the Board of Directors of Citadel Drilling Ltd.,
- Based on my knowledge and having exercised reasonable diligence, the information is true, accurate, and complete in all material respects for the purposes of the Act.

Name:

Dan Hoffarth

Position:

Chief Executive Officer

Date:

April 30, 2025

I confirm I have the authority to bind Citadel Drilling Ltd.