

Modern Slavery Report 2023

NexSource Power Inc.

Identifying Information

NexSource's policies, practices, and procedures to assess and address the risk of modern slavery apply to our operations and supply chains Canada wide. This statement describes the actions taken by NexSource Power Inc. and its covered subsidiaries - NexSource Power Electric & Controls Inc. & NexSource Power Sales & Rental Inc. (hereafter collectively referred to as "NexSource") during the period of January 1, 2023 to December 31, 2023. The statement has been prepared in compliance with the requirements of Canadas Fighting Against Forced Labour and Child Labour in Supply Chains Act, also known as the Modern Slavery Act.

Steps taken to prevent and reduce the risk of forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity

NexSource complies with all federal and provincial legislation regarding age restrictions and minimum wage.

- NexSource does not produce goods outside of Canada
- Nexsource primarily purchases goods from vendors within Canada, however, sometimes is required to imports goods (electrical, instrumentation, generator and engine parts) into Canada from the United States. As far as Nexsource knows, the United States has similar labour standards to those in force in Canada.

Our Entity structure, activities, and supply chains

We currently provide services across Western Canada with branches in Sylvan Lake, Edmonton, Rocky Mountain House, Grande Prairie, Bentley and Drayton Valley.

- **Electrical & Instrumentation Services (NexSource Power Electric & Controls Inc.):** Our 24/7/365 Electrical and Instrumentation personnel excel in maintenance, construction, field services, programming and troubleshooting of E&I and control systems as well as meter proving, calibrations, and testing in the field or in-house on a wide variety of meters. We also provide burner management services ensuring CSA compliance.
- **Power Generation (NexSource Power Sales & Rental Inc.):** Full-service power solutions, catering multiple industries, with a wide range of natural gas- and diesel-powered generation equipment 20 kilowatt to multi megawatt units, we provide long and short-term solutions. We also offer fuel storage, fuel management, load management and picker truck delivery options.
- **Fabrication (NexSource Power Sales & Rental Inc.):** At our custom manufacturing 10k sq. ft. Bentley, AB. facility, our team works closely with clients to provide a turn-key site ready product. Our services include the design, engineering, fabrication, field installation, start-up and an ongoing maintenance program.
- **Rental Equipment (NexSource Power Sales & Rental Inc.):** A rental fleet including 1.2 million BTU portable flameless heaters, free standing 500 gallon to 100 bbl. double walled tanks, electrical distribution, cabling, transformers, panels and portable light towers; We offer complete design, engineering, equipment supply, and installation of temporary power solutions ranging from 20kw to multimegawatt units.
- **Automation (NexSource Power Electric & Controls Inc.):** Remote monitoring devices to manage production; Including pump off control, progressive cavity control, plunger lift control, variable frequency drive, electronic flow measurement, supervisory control, data acquisition, etc.

- **Compressor Maintenance and Optimization (NexSource Power Electric & Controls Inc.):** Including complete overhauls, start up and commissioning of natural gas compressors, process pumps, pump jacks, VRU, air compressors as well as laser alignments and maintenance scheduling/tracking.

NexSource purchases a broad range of materials and components in connection with our business activities. Most of the components used in NexSource's products and services are obtained from a single source or a limited group of suppliers. NexSource has long standing relationships with recognized and reputable suppliers such as, Waukesha, Caterpillar, WESCO, and EECOL. In 2023, all goods and services purchased by NexSource were sourced from the Canada or the United States.

Policies and due diligence processes in place related to forced labour and/or child labour

The Company Safety **Policy** of Nexsource includes the following:

NexSource and its vendors, contractors, sub-contractors, and NexSource personnel are required to comply with all procedures, working safely, protecting themselves and those who work around them, improving HSE measures, and complying with all applicable government legislation including employment, human rights, OH&S, and WCB legislation.

Has the organization identified parts of its business and supply chains that carry a risk of forced labour or child labour being used?

NexSource has not identified any instances of forced labour or child labour in our operations or supply chain. There is a risk that a product supplied by a manufacturer located in Canada or the US has used parts produced in a country with lax or no standards protecting workers. In 2024, Nexsource is developing screening tools intended to identify suppliers whose products may involve the use of forced or child labour.

Has the organization taken any measures to remediate any forced labour or child labour in its activities and supply chain?

No, At NexSource, we have not detected any instances or acquired evidence indicating the occurrence of forced labor or child labor within our operations or supply chains.

Has the organization taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains?

At this time, NexSource has not detected any instances of vulnerable families experiencing income loss due to measures implemented to eradicate forced labor or child labor within their operations and supply chains.

Does the organization currently provide training to employees on forced labour and/or child labour?

Nexsource had no such training in 2023. Nexsource is currently developing training programs for employees and management.

Does the organization currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?

NexSource is currently working on developing methods to evaluate the effectiveness of its measures in preventing forced labor and child labor within its operations and supply chains.

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 the entity or entities 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 NexSource Power Inc.

A handwritten signature in black ink, appearing to be the initials 'JH' followed by a long horizontal stroke.

Vice President of Operations

May 29th, 2024



NexSource Power Inc.
40 Industrial Drive
Sylvan Lake, AB, Canada T4S 2P1
(403) 887-4567 www.nexsourcepower.com