



Report on Fighting Against Forced and Child Labour in Supply Chains For the Year Ended December 31, 2023

This report is made pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in the Supply Chains Act.

Element Technical Services Inc. (“Element” or the “Company”) is committed to respecting human rights by preventing modern slavery in our own operations and supply chains and expect our suppliers to share this commitment.

Structure, Activities, and Supply Chains

This report has been prepared as a joint report. Element was incorporated on September 27, 2010, under the laws of the province of Alberta. On November 10, 2023, Element acquired Essential Energy Services Ltd, a publicly listed company on the TSX, and its subsidiaries, Essential Coil Well Service Limited Partnership (“ECWS”) and Tryton Tool Services Limited Partnership (“Tryton”). Both partnerships are registered in the province of Alberta. The general partners of these two partnerships are Essential Coil Well Services Ltd. and Tryon Ltd. respectively and both of these corporations were incorporated under the laws of the province of Alberta. Element also has subsidiaries that operate in the United States, Element Technical Services USA Holdings LLC and Essential Energy Services USA Inc. are the parent companies of the US subsidiaries.

Element’s core business is the operation of specialized fracturing stimulation and coil tubing services in Western Canada as well as the state of Wyoming in the United States.

ECWS provides oilfield services with coil tubing and fluid and nitrogen pumpers in Western Canada. Coil tubing rigs provide completion, stimulation, and other work-over services on long-reach horizontal wells. Fluid and Nitrogen pumpers support the coil tubing rig operations.

Our direct suppliers are predominantly located in North America. Element procures goods and services only from financially stable, technically qualified, and reliable sources. We require that our suppliers comply with the laws and regulations in their

jurisdiction, or with industry guidelines where they exist and are more stringent than the local law. Although the direct suppliers in our supply chain are predominantly located in North America, we recognize the potential for labour rights violations in our supply chain and have focused our efforts on where we believe that the risk is greatest. Element is committed to respecting human rights by preventing modern slavery in our supply chains and to upholding worker welfare standards throughout our operations, and we expect our suppliers to do the same.

Policies and Due Diligence

Element is committed to respecting Human rights as a fundamental principle in our operations. The Company does not utilize forced or child labour. All employees of the Company are recruited and provided with working conditions that comply with applicable laws and regulations. Our Human Rights policy is in place to ensure our employees are provided with meaningful employment that is ethical and fair and in compliance with all applicable employment, and human rights legislation. This policy also includes a mechanism to report complaints.

With regards to the Company's supply chain, we seek to collaborate with suppliers who share our commitment to respecting human rights. Element expects our suppliers to comply with all applicable laws with respect to their employees and impose similar expectations on their subcontractors and suppliers.

Risk of Forced or Child Labour in Element's Supply Chain

As the vast majority of our direct suppliers are located in North America and comply with laws and regulations in the province, state, or country where they operate, we believe our direct supplier risk is low. We believe that we procure products and services from high quality and high integrity suppliers. However, we recognize the potential for labour violations in our supply chain. Our efforts this year were focused on our direct suppliers with a supply chain that we knew extended beyond North America. From the suppliers identified, we requested a self-assessment questionnaire or a copy of their Modern Slavery Report. To date, we have no indications that forced or child labour is being used by our suppliers.

Measures Taken to Remediate any Forced Labour or Child Labour

Our preliminary analysis of our supply chain does not indicate that forced or child labour is being used, therefore we did not take any measures to remediate the use of forced or child labour.

Measures Taken To Remediate the Loss of Income to the Most Vulnerable Families that Result from any Measures taken to Eliminate the Use of Forced or Child Labour in our Activities or Supply Chains

Our preliminary analysis of our supply chain does not indicate that forced or child labour is being used, therefore we did not take any measures to remediate loss of income to the most vulnerable families as a result of the elimination of the use of forced or child labour.

Training Provided to Employees

The Modern Slavery Act has raised awareness of the potential use of forced or child labour in our industry with our employees. As we are in our first year of compliance, training has been limited but we are committed to identifying appropriate training for the next reporting period.

Assessment of Effectiveness

We acknowledge that we are at the start of addressing the potential for modern slavery in our supply chain and are committed to aligning with good practice in our industry. Our focus for the next reporting period will be to strengthen existing due diligence and to raise awareness with our employees.

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.

Brendan Nelson
CFO

May 31, 2024

I have the authority to bind Element Technical Services Inc & Subsidiaries