

Total Energy Services Inc. Fighting Against Forced Labour and Child Labour 2023 Report



Introduction

Total Energy Services Inc. (“**Total Energy**”) is incorporated under the *Business Corporations Act* (Alberta). The head office of Total Energy is located at 1000, 734-7th Avenue S.W., Calgary, Alberta T2P 3P8.

Total Energy, through its operating subsidiaries, provides a variety of products and services to the energy and other resource industries in Canada, the United States and Australia, including contract drilling services, the rental and transportation of equipment used in energy and other industrial operations, the fabrication, sale, rental and servicing of gas compression and process equipment and well servicing.

Entity Categorization and Financial Reporting Year

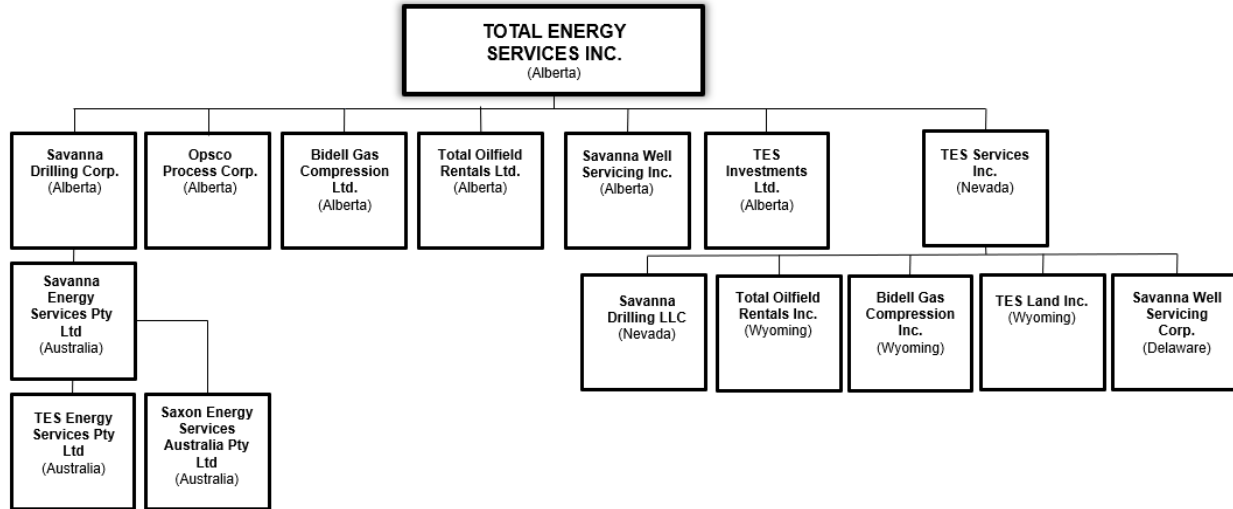
This report has been prepared by Total Energy, an “entity” as defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) for the 2023 financial reporting year. Total Energy’s common shares are traded on the Toronto Stock Exchange.

Joint Report and Organizational Structure

This is a joint report prepared with respect to Total Energy and its Canadian operating subsidiaries, which include:

- (a) **Savanna Drilling Corp.**, a contract drilling services provider utilizing a fleet of drilling rigs with operations based in Alberta;
- (b) **Total Oilfield Rentals Ltd.**, which provides rental and transportation of drilling, completion, and production equipment in Canada with operations based in Alberta, British Columbia, and Saskatchewan;
- (c) **Bidell Gas Compression Ltd.**, a supplier of reciprocating and rotary screw gas compressors with operations based in Alberta, and a provider of parts, service and maintenance services with operations based in British Columbia and Alberta;
- (d) **Opsco Process Corp.**, a leading supplier of professional drafting and fabrication for a wide range of process and structural equipment with operations based in Alberta; and
- (e) **Savanna Well Servicing Inc.**, which provides completion, workover, maintenance and abandonment services to oil and gas producers with operations based in Alberta.

The following organizational chart sets out information concerning the structure of Total Energy as at the date hereof, excluding non-material and inactive subsidiaries. Unless otherwise indicated, Total Energy owns and controls, directly or indirectly, 100% of the voting securities of each of the following subsidiaries. The jurisdiction of incorporation, continuation, formation, or organization, as applicable, for each company is provided in parentheses.



Total Energy and its Canadian operating subsidiaries are referred to as “**Total Energy**” throughout this report.

Total Energy’s Commitment to an Ethical Supply Chain

Policies and Management Systems

Total Energy is committed to responsible business conduct. Specific policies that address Total Energy’s commitments and obligations with respect to forced labour and child labour include its Code of Business Conduct, Modern Slavery and Human Trafficking Policy, and Whistleblower Policy.

Total Energy’s Code of Business Conduct provides that Total Energy must conduct its business with honesty, integrity, fairness, and courtesy, and at the highest ethical standards by its employees, officers, directors, and contractors. It also provides that Total Energy is committed to respecting internationally recognized human rights throughout its global operations.

Total Energy’s Modern Slavery and Human Trafficking Policy provides certain supplier standards with respect to modern slavery, a supplier assessment and verification process, and a reporting requirement for any suspected contravention of that policy.

Total Energy’s Whistleblower Policy provides a means for employees and vendors, suppliers, and contractors to report any compliance issues with respect to forced labour and/or child labour.

Certain of Total Energy’s policies can be found at <http://www.totalenergy.ca/about-us/corporate-policies/>.

Supplementing these policies is a compliance management system, structured as follows:

System Accountability	Vice President, Legal, General Counsel and Corporate Secretary Manager, Corporate Operations
Due Diligence (Internal)	Operations and Human Resources Groups
Due Diligence (External)	Operations and Supply Chain Groups
Managing non-compliance	Operations and Legal Groups
Training	Operations and Legal Groups

Total Energy's Supply Chain

Total Energy's supply chain is comprised primarily of local vendors, suppliers, and contractors. Most of these vendors, suppliers and contractors are Canadian corporations, but may include Canadian subsidiaries of large international corporations. Where Total Energy is importing goods for use in its manufacturing or service operations, such goods are primarily imported from the United States and Australia, with some goods imported from China.

Due Diligence Process

Internal

The Human Resources groups of Total Energy are responsible for ensuring that all employees are permitted to work in the jurisdiction in which they are employed and that the terms and conditions of employment comply with all applicable laws, including laws with respect to forced labour and child labour. The Human Resources departments work with Total Energy's Legal group to ensure compliance with these requirements.

External

During 2023, Total Energy reviewed its due diligence process with respect to compliance with forced labour and child labour laws, regulations, and the Total Energy policies described above. The process is comprised of:

- (a) training of Total Energy's employees with respect to Total Energy's obligations with respect to forced labour and child labour and Total Energy's policies with respect to the same;
- (b) requiring an initial and periodic assessment of existing and new vendors, suppliers, and contractors to identify areas of potential risk; and
- (c) ensuring appropriate contractual commitments from its vendors, suppliers and contractors that align with Total Energy's commitments with respect to forced labour and child labour.

The Total Energy Operations and Legal groups provides periodic training to employees of Total Energy and its Canadian operating subsidiaries, including Supply Chain Managers, Finance Controllers, and other employees with responsibility for managing and qualifying vendors, suppliers, and contractors. This training includes Total Energy's obligations, policies and procedures that apply to forced labour and child labour, and clarifies Total Energy's due diligence process with respect to forced labour and child labour, identifying potential risks, how to assess and manage those risks, and how to report or disclose any adverse impacts. In addition to the targeted training for those dealing with Total Energy's supply chain and finance activities, every employee of Total Energy and its subsidiaries reviews the Code of Business Conduct and certain related policies annually.

Total Energy Services has conducted an initial assessment of its supply chain. Total Energy has required its existing vendors, suppliers, and contractors to complete an assessment questionnaire relating to forced labour and child labour to identify potential risks. New vendors, suppliers and contractors will be asked to complete this assessment questionnaire prior to Total Energy or its subsidiaries engaging with them. The responses to these questionnaires have and will be reviewed, as applicable, and any risks will be elevated to Total Energy's Operations and Legal groups.

Total Energy has reviewed and, where applicable, updated its standard form contracts, terms and conditions, and procedures to ensure it is receiving appropriate contractual commitments with respect to

forced labour and child labour from its vendors, suppliers, and contractors. Vendors, suppliers, and contractors are also required to understand and adhere to these policies as a condition of doing business with Total Energy and its subsidiaries. Deviations from these commitments are elevated to Total Energy's Operations and Legal groups.

Areas of Risk

The forgoing due diligence process conducted by Total Energy has noted that the risk of forced labour and/or child labour in our operations is generally low. However, there are materials and items utilized in the conduct of Total Energy's operations that are imported into Canada by Total Energy's vendors, suppliers, and contractors from locations where forced labour and/or child labour may occur. Total Energy has engaged with specific suppliers to conduct additional due diligence.

Remedial Action

Total Energy's due diligence process has not identified any utilization of forced labour and/or child labour, or loss of income by vulnerable families. As a result, Total Energy has not taken any remedial action.

Attestation

This report has been approved by the Board of Directors of Total Energy in accordance with applicable laws, by-laws, and internal policies.

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 Total Energy Services Inc.



Daniel K. Halyk
President and Chief Executive Officer
Total Energy Services Inc.
May 29, 2024