



# REPORT ON EFFORTS TO PREVENT AND REDUCE THE RISK OF FORCED LABOUR AND CHILD LABOUR

# About Enerkem

Enerkem's mission is to deliver low-carbon solutions to the world. We aim to build a sustainable future where nothing is wasted.

Enerkem is a Canadian corporation founded in 2000 with its headquarters in Montreal. Enerkem also has offices in Sherbrooke and Westbury, Québec, as well as a limited number of employees in Europe, United States and the United Kingdom. On average Enerkem employed over 120 people in 2025.

## Our Business Model

### TECHNOLOGY LICENCE

Enerkem provides its clients and partners with a license agreement package to build and operate the facilities they need.

### SPECIALIZED EQUIPMENT

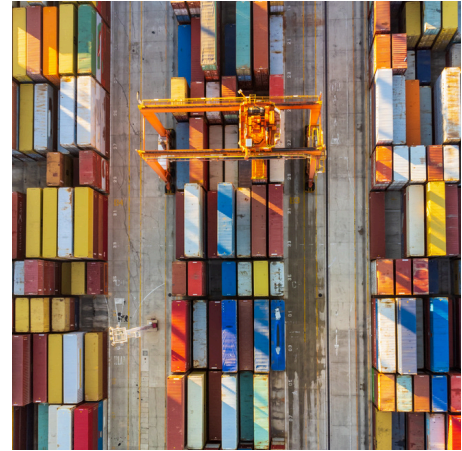
Enerkem designs and oversees the manufacturing of proprietary equipment associated with its technology (e.g., pressure vessels, heat exchangers, compressors, pumps, etc.). Our equipment is meticulously designed, engineered, and integrated to ensure the performance of our technology.

### SUPPORT SERVICES

Enerkem also provides support services, including technical support during project execution, training, and the development of tools to help teams carry out operations safely and efficiently, as well as ongoing technical services following plant performance testing.

# Context

Forced labour can be found in every country and every sector. According to Public Safety Canada, the International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses.



The [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) (the “Act”) requires certain federal institutions and private-sector entities to submit a report on the measures they are taking to prevent and reduce the risk of forced labour or child labour in their supply chains. This Act has been in effect since January 1, 2024, and Enerkem has determined that it is subject to it.

In this context, Enerkem submitted reports in 2023 and 2024 outlining its efforts to combat forced labour and child labour. This report outlines Enerkem’s efforts in 2025 and the progress made since the past years.

# Our Supply Chain

Enerkem sells licences and supports the development, construction, commissioning, and operation of facilities that use its technology. In other words, for each plant, Enerkem provides a complete technological solution that includes key equipment, engineering services, and support for commissioning and start-up following construction.

Following the supplier portfolio streamlining undertaken in 2024, Enerkem has established a more focused and strategic supplier base. This reduction in the number of suppliers has strengthened key partnerships, resulting in enhanced quality, reliability, and innovation. It has also streamlined supply chain management, strengthened performance and risk oversight, and driven to greater operational efficiency, improved regulatory compliance, and more informed decision-making. The headquarters of these companies are now located in eight countries worldwide, with a majority in Europe. Figure 1 provides an up-to-date overview of their locations.

Enerkem's main suppliers provide a range of equipment for its technology solutions, including pressure vessels, heat exchangers, compressors, instruments, and valves.

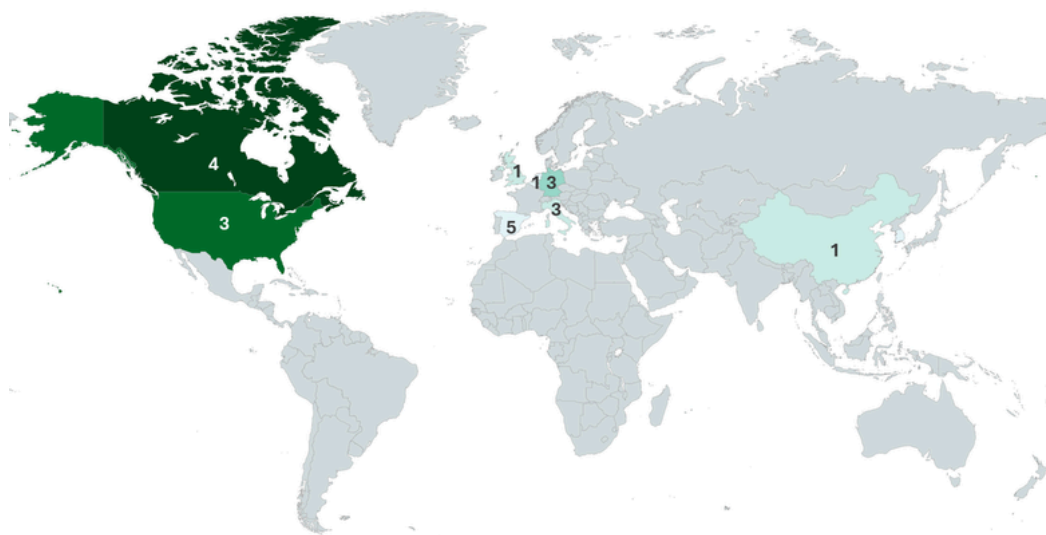


Figure 1: Location of Enerkem's key suppliers in 2025

Out of a total of 21 key suppliers, 33% are located in North America (19% in Canada and 12% in the United States), and 62% are in Europe, for a combined total of 95% across these two regions.

# Our Efforts in 2025

## Adoption of Enerkem's Sustainable Procurement Policy



**SUSTAINABLE  
PROCUREMENT POLICY**



Enerkem's First Sustainable Procurement Policy

Enerkem drafted its first Sustainable Procurement Policy in 2024, which is based on Enerkem's fundamental values and internal processes. It has officially been adopted by management in 2025.

The policy includes 5 key principles of sustainable procurement:

- Exemplarity
- Governance
- Fairness and efficiency
- Environmental integrity
- Socioeconomic development

This action fulfills our 2025 commitment to adopt the company's first sustainable procurement policy.



## Development and implementation of contractual clauses in Enerkem's main supply agreements

As part of its commitment to respect all Anti-Corruption Laws and to enforce its business ethics, Enerkem developed and implemented contractual clauses on those subjects in the agreements it concluded with its equipment suppliers in 2025.

Those clauses specifically require the suppliers to be compliant with all laws aiming to eliminate child labor and all forms of forced labor, and to ensure that all internationally recognised human rights are respected and protected. Those clauses are now an integral part of Enerkem procurement contracts and will continue to be included in subsequent agreements.



This initiative fulfills our 2024 commitment to develop and implement contractual clauses in Enerkem's main supply agreements aimed at reducing the risk of forced labour and child labour.

## Inclusion of supplier evaluation criteria based on their efforts to combat forced labour and child labour in Enerkem's selection processes



Over the past years, Enerkem has begun assessing its suppliers on their approach to combating forced labour and child labour in their supply chain. In 2024, a strong proportion of Enerkem suppliers answered a questionnaire on the subject through the Avetta platform.

In 2025, Enerkem strengthened its supplier assessment process by adding a dedicated section to its Manufacturer Appraisal Form. This new section includes targeted questions designed to evaluate each supplier's policies and practices for preventing forced labour and child labour. The responses are factored into the evaluation criteria used during the supplier qualification process, ensuring that efforts to combat forced labour and child labour are given meaningful weight in the selection of business partners.

In addition to the improvements and efforts made by Enerkem in recent years to address forced labour and child labour, Enerkem is determined to continue gathering additional information on its supply chain and suppliers. Enerkem has not yet systematically identified elements of its operations and supply chain that may pose an increased risk, nor has it taken steps to mitigate these risks.

With the exception of the actions described in this report, Enerkem did not take measures in 2025 to remediate forced labour or child labour. Therefore, no measures were put in place to remediate the potential loss of income of the most vulnerable families that could have resulted had Enerkem taken actions to eliminate the use of forced labour or child labour. Enerkem does not yet employ measures to evaluate the effectiveness of its efforts to avoid the risk of forced labour or child labour in its activities and supply chains.

# Our Commitments for 2026

In 2026, Enerkem will continue its commitment to combating forced labour and child labour through the following actions:

- Ensure all new members of the procurement team receive a training on forced labour and child labour in supply chains.
- Modernise the Code of Conduct for the employees and integrate the importance for Enerkem to raise awareness on forced labour and child labour.
- Evaluate potential risks, through the Manufacturer Appraisal Form, of Enerkem's main suppliers and their value chain regarding the forced labour and child labour.

In the longer term, Enerkem also aims to strengthen its approach to combating forced labour and child labour through the following measures:

- Encourage all of its key suppliers to adopt a responsible procurement strategy so they incorporate measures to combat forced labour and child labour within their supply chains.
- Map the supply chain of subcontractors (the suppliers of our suppliers).
- Identify potential risks for Enerkem's supply chain following the supplier assessments and develop an action plan with concrete steps to mitigate these risks.



# Report Update

An annual update process is planned for this report. Each report will be published on Enerkem's website on or before May 31 of each year.

## Signature

In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of Chief Executive Officer, attest that I have reviewed the information contained in Enerkem Inc.'s report and that the governing body of the entity has approved the report. Based on my knowledge, 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 within this report.



Michel Chornet  
Chief Executive Officer  
May 31, 2026

*I have the authority to bind Enerkem Inc.*

