

ACT Energy Technologies Ltd. (formerly called Cathedral Energy Services Ltd.)**Modern Slavery Report - 2024****1. Introduction**

This joint report (the “**Report**”) is the second Modern Slavery Report prepared and filed by ACT Energy Technologies Ltd. (formerly called Cathedral Energy Services Ltd.) and certain of its subsidiaries listed below (individually or collectively as the context requires, “**ACT**”, the “**Company**”, “**we**” or “**our**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”). This Report covers the Company’s most recently completed financial year ending December 31, 2024 (the “**Reporting Period**”). The subsidiaries covered by this Report are the following:

- Cathedral Energy Services, Inc.
- Altitude Energy Partners, LLC.
- Rime Downhole Technologies, LLC

The Report outlines the steps we have taken during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used at any step of the production, importation and selling of goods in Canada or elsewhere by the entity or by the Company.

2. Steps Taken in the Previous Financial Year to Prevent and Reduce Risks of Forced Labour and Child Labour

ACT values and supports high standards of ethics and business conduct in all our business dealings, and the dignity and human rights of all people globally. During the Reporting Period, the Company took several steps to prevent and reduce the risk of forced labour or child labour in our business and supply chains including:

- Developed a modern slavery framework to improve our child labour and forced labour risk mitigation practices over the medium and long term;
- Articulated our commitment to address forced labour and child labour risks in a revised *Code of Business Conduct and Ethics*;
- Developed a *Supplier Code of Conduct*;
- Establish a governance framework and structure to identify and begin to identify risk areas related to forced labour and child labour including assigning oversight of ACT’s modern slavery response to the Governance Committee of the Board;
- Conducted a risk assessment for tier 1 suppliers to identify areas within our operations and supply chains that carry a risk of forced labour and child labour; and



- Developed a remediation plan to outline how we will respond to allegations of forced labour and child labour.

3. Our Structure, Activities and Supply Chains

3.1 Our Structure

ACT is based in Calgary, Alberta, Canada, and is incorporated under the *Business Corporations Act* (Alberta). ACT operates in Canada and in the United States of America (“**U.S.**”) under “*Altitude Energy Partners*”, and in the U.S. only under “*Discovery Downhole Services*” and “*Rime Downhole Technologies*”. All of ACT’s subsidiaries are 100% owned, directly or indirectly, by ACT. ACT’s common shares are publicly traded on the Toronto Stock Exchange under the symbol “ACX”.

ACT is a trusted partner to North American energy companies requiring high performance directional drilling services and related downhole technologies. We work in partnership with our customers to tailor our equipment and expertise to meet their specific geographical and technical needs. Our experience, technology and responsive personnel enable our customers to achieve higher efficiencies and lower project costs.

As of December 31, 2024, we had approximately 330 employees of which 140 are in Canada and 190 are in the U.S. Outside of our direct employee base, we also utilize the services of consultants to perform field work and some office work, and we have approximately 310 in Canada and 235 in the U.S.

3.2 Activities

Altitude Energy Partners specializes in providing oil and gas companies in Western Canada and the U.S. with directional drilling services. This includes both horizontal and directional drilling.

Discovery Downhole Services rents drilling motors within the U.S. market.

Rime Downhole Technologies is an engineering business that specializes in building products for the downhole measurement-while-drilling (“**MWD**”) industry in the U.S. and Canada.

Altitude Energy Partners

“Altitude Energy Partners” is the brand under which we provide directional drilling services in the U.S. and Canada. Our U.S. head office is situated in The Woodlands, Texas, with operating facilities strategically placed in Casper, Wyoming; Houston, Texas; and Midland, Texas, with employees stationed at each of these locations. In Canada, we have operations staff, MWD repair services, and technology personnel located at the Company’s head office in Calgary, Alberta. Additionally, there is a sales office in downtown Calgary and a drilling motor repair facility in Nisku, Alberta.



Discovery Downhole Services

“Discovery Downhole Services” is the operating name of Cathedral Energy Services Inc. Discovery Downhole Services rents drilling motors in the U.S. from operating facilities located in Dickenson, North Dakota; Casper, Wyoming; and Conroe, Texas, with employees situated at each of these facilities.

Rime Downhole Technologies

“Rime Downhole Technologies” is a Texas-based engineering business, specializing in the fabrication of products for the downhole MWD industry. It offers a diverse range of proprietary MWD components, such as pulsers, pulser drivers, shock isolators, and gamma modules. Rime Downhole Technologies constitutes ACT’s U.S. segment for MWD sustainment and new development engineering services. Operating facilities are situated in Benbrook, Texas (serving as the head office) and Conroe, Texas, with employees stationed at each of these locations.

Additional information on ACT’s structure and activities can be found in ACT’s 2024 Annual Information Form which you can locate on our website (<https://actenergy.com/investors/financial-public-filings/>) and on SEDAR+ (www.sedarplus.ca).

3.3 Our Supply Chain

Supply Chain

ACT’s supply chain can be sub-divided into two segments: 1) direct materials and services that are integrated into ACT’s service offering or products sold; and 2) indirect materials and services that are not directly incorporated into our services or products sold.

Most of the items within our direct materials and services segment includes items such as castings, forgings, electronics and machined parts. Indirect materials and services include professional services, tools, shop and office supplies and telecommunications. Approximately 99% of ACT’s direct and indirect material and service purchases are from tier 1 suppliers located in Canada and U.S., where we consider the risk to be low due to Canada and U.S. having developed economies that generally have better labour standards and worker protections and both countries have laws in place to combat modern slavery and human trafficking. ACT has 8 non-Canadian / non-U.S suppliers, as follows: China (3), UK (2), Japan (1), India (1) and Singapore (1).

4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

We recognize the importance of safeguarding human rights throughout our supply chain and business activities and are dedicated to taking concrete steps to achieve this goal. As part of our commitment to embedding human rights due diligence into our business processes, in 2024 we created a Supplier Code of Conduct, updated our Code of Business Conduct and Ethics to include a commitment to address



forced labour and child labour risks, and developed a modern slavery framework which includes our due diligence processes in relation to forced labour and child labour.

4.1 Code of Business Conduct and Ethics

ACT's *Code of Business Conduct and Ethics* (the "**Code**") reflects our commitment to a culture of honesty, integrity, respect, and accountability and outlines the basic principles and policies with which all directors, officers, employees, and contractors are expected to comply with while working with us. The Code applies to all entities covered by our joint report.

The Code outlines our commitment to treating our employees with dignity, fairness and respecting their rights as well as their contribution to our success. Within the Code's "Human Rights" section, reference is made to "prohibiting child labour, forced, involuntary, compulsory or slave labour, or modern slavery practices; and respecting fundamental freedoms of all individuals as enshrined in the United Nations Universal Declaration of Human Rights, the Canadian Charter of Rights and Freedoms and applicable law in the United States". We require our employees to respect and obey the laws in all jurisdictions in which we operate. All new employees of all divisions are required to certify their understanding and agree to comply with the Code. ACT's directors, officers and other members of management are required to certify compliance with the Code annually.

4.2 Supplier Code of Conduct

Our *Supplier Code of Conduct* ("**Supplier Code**") outlines our expectations in the areas of business conduct and ethics with suppliers and specifically addresses compliance with laws, child labour, slavery, human trafficking and forced labour. The Supplier Code was developed and approved in 2024.

4.3 Whistleblower Policy

We encourage all of our personnel (including in our subsidiaries) to report illegal or unethical behavior, or violations of the Code or the Supplier Code, to ACT's senior management, or the chair of ACT's board of directors. To that end, ACT maintains a confidential and anonymous reporting system called the "Business Ethics Hotline". The Business Ethics Hotline is available to employees, third parties and external stakeholders to report concerns about violations of our Code or the Supplier Code, any aspect of the Company's operations, or any violation of any law, anonymously without fear of retaliation.

The Business Ethics Hotline can be accessed as follows:

- Toll free at: 1-866-921-6714 (Canada & U.S.)
- Email: actenergy@integritycounts.ca
- Web: <https://www.integritycounts.ca/org/actenergytechnologies>



- Mail: ACT Energy Technologies Ltd.
6030 – 3rd St. S.E.
Calgary, Alberta T2H 1K2
Attention: Chair of the Audit Committee OR Legal Department

ACT's Whistleblower Policy applies to all entities covered by our joint report.

4.4 Due Diligence Processes

In 2024, ACT developed a modern slavery framework which includes due diligence processes related to its operations and supply chain. For our supply chain, a risk matrix was developed that takes into consideration the supplier's geographic location, industry, nature of goods/services and the supplier specific considerations. Due diligence procedures have been developed for each level of supplier risk assessment – low, medium and high.

5. The Parts of Our Business and Supply Chains that Carry a Risk and Steps Taken to Assess and Manage that Risk

ACT is of the view that the risk of modern slavery within our operations is low, and the risk of modern slavery is greater within our supply chain which is not directly under the control of ACT. Hence, ACT's focus is on supply chain-related exposure. ACT's recently developed modern slavery framework outlines the Company's steps to assess and manage child labour and forced labour.

6. Measures Taken to Remediate Forced Labour or Child Labour

To date we have not identified any instances of forced labour or child labour in our activities or supply chains and therefore have not undergone steps to remediate any harm of child labour or forced labour. Our Code includes information on the corporate Business Ethics Hotline, providing a platform for employees, contractors, suppliers, and other third parties to make anonymous complaints via phone, email, or on the applicable website. This hotline serves as a mechanism to raise any concerns, including forced labour or child labour. In 2024, ACT developed a Modern Slavery Response Protocol which outlines our remediation framework.

7. Remediating the Loss of Income to the Most Vulnerable Families

We recognize that efforts to prevent and reduce the risks of forced labour and child labour can have the unintended consequence of contributing to a loss of income for the most vulnerable families. Currently, we are not aware of any instance to date where our efforts to mitigate the risk of forced or child labour in our activities and supply chains may have contributed to a loss of income for vulnerable families. We understand that remediation is a key step in this process and ACT will endeavor to clearly outline the expectations for addressing remediation for individuals identified as victims of modern slavery in future reporting periods.



8. Training Provided to Employees on Forced Labour and Child Labour

While we do not currently provide training to employees on forced labour and child labour risks, all key staff involved in our supplier activities are aware of our Supplier Code. We recognize that it is important to begin to enhance the capacity of our staff to identify, understand and effectively manage the risks of modern slavery within our operations and throughout our supply chains. Our current expectation is that any such training would be developed, finalized and rolled out in future Reporting Periods.

9. Assessing Our Effectiveness in Ensuring Forced Labour and Child Labour Are Not Being Used in our Business and Supply Chains

ACT has yet to establish a framework for measuring the effectiveness of our forced labour and child labour risk mitigation efforts. We remain committed to developing an approach to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks. Our aim is to continually improve our ability to assess and mitigate modern slavery risks across our operations and supply chains over time.

10. Attestation Statement

This Modern Slavery Report for 2024 was approved by ACT's Board of Directors on May 8, 2025.

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.

A handwritten signature in blue ink, appearing to read "Tom Connors", is written over a horizontal line.

Tom Connors
President & CEO
May 8, 2025

I have the authority to bind ACT Energy Technologies Ltd.