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# I Identifying Information

This report is being submitted by Enerflex Ltd., on its own behalf and on behalf of the wholly-owned (directly or indirectly) and controlled entities (as such term is defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (the “**Act**”)) identified below (collectively, the “**Enerflex Entities**”):

Entity Legal Name	Entity Business Number	Country headquartered or principally located	Province or Territory headquartered or principally located
Enerflex Ltd.	Corporation No.: 774811-6	Canada	Alberta
Enerflex Compression Services Mexico S de RL de CV	Company No.: VCS0304081R4	Mexico	Veracruz
Enerflex Energy F.Z.E.	FZE Registration No.: 79	United Arab Emirates	Sharjah
Enerflex Energy F.Z.E. – Kurdistan Branch	Registration No.: 31050	Iraq	Kurdistan
Enerflex Energy Systems Inc.	Tax ID: 76-0203321	United States of America	Texas
Enerflex Middle East L.L.C.	Company No.: 1073355	Oman	Ghala
Enerflex Middle East W.L.L.	Company No.: 78860	Bahrain	South Governorate
Enerflex Service Pty Limited	Company No.: 063 267 238	Australia	Queensland
Enerflex Services Argentina Srl	Inspeccion General de Justicia No.: 1802681	Argentina	Buenos Aires DC
Exterran Energy Solutions, L.P.	Tax ID: 75-2344249	United States of America	Texas
Exterran Middle East L.L.C.	Commercial Registration No.: 1807820	Oman	Ghala
Exterran (Thailand) Ltd.	Company No.: 0105542031616	Thailand	Bangkok

The financial reporting year to which this report relates commenced on January 1, 2023 and ended on December 31, 2023. This is not a revised version of a report already submitted this reporting year.

Pursuant to Rule 13p-1 under the Securities Exchange Act of 1934 (17 CFR 240.13p-1), as amended, Enerflex Ltd. is also required to file a Specialized Disclosure Report on Form SD. In addition, Exterran Energy Solutions, L.P. and Enerflex Energy Systems Inc. are subject to California's Transparency in Supply Chains Act.

Entity Name	Listed on a Stock Exchange in Canada?	Canadian Business Presence			Size Related Thresholds		
		Has a Place of Business in Canada?	Does Business in Canada?	Has Assets in Canada?	At least \$20 million in assets for at least one of its two most recent financial years	Generated at least \$40 million in revenue for at least one of its two most recent financial years	Employs an average of at least 250 employees for at least one of its two most recent financial years
Enerflex Ltd.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Enerflex Compression Services Mexico S de RL de CV	No	No	Yes	No	Yes	Yes	No
Enerflex Energy F.Z.E.	No	No	Yes	No	Yes	Yes	Yes
Enerflex Energy F.Z.E. – Kurdistan Branch	No	No	Yes	No	Yes	Yes	Yes
Enerflex Energy Systems Inc.	No	No	Yes	No	Yes	Yes	Yes
Enerflex Middle East L.L.C.	No	No	Yes	No	Yes	Yes	No
Enerflex Middle East W.L.L.	No	No	Yes	No	Yes	Yes	No
Enerflex Service Pty Limited	No	No	Yes	No	Yes	Yes	No
Enerflex Services Argentina Srl	No	No	Yes	No	Yes	Yes	No
Exterran Energy Solutions, L.P.	No	No	Yes	No	Yes	Yes	Yes
Exterran Middle East L.L.C.	No	No	Yes	No	Yes	Yes	Yes
Exterran (Thailand) Ltd.	No	No	Yes	No	Yes	No	Yes

In 2023, the Enerflex Entities operated in one or more of the following sectors or industries: Agriculture, Mining, Quarrying, and Oil and Gas Extraction, Utilities, Construction, Manufacturing, Professional, Scientific and Technical Services, and Management of Companies and Enterprises.

## Steps taken to prevent and reduce the risk that 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 – Section 11(1)

- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing anti-forced labour and/or – child labour contractual clauses
- Developing and implementing grievance mechanisms

Enerflex Entities are committed to conducting business to the highest standards of ethical business practice and conduct. Enerflex Ltd. has adopted a Modern Slavery and Human Trafficking Policy (the "Policy") which supports and substantiates this commitment and requires compliance with applicable laws relating to exploitation such as human trafficking, forced labour, child labour, and other slavery-like practices including debt-bondage. The Policy applies to all Enerflex Entities, was approved by the Board of Directors of Enerflex Ltd. (the "Board") and has been communicated to all employees of Enerflex Entities.

Under the Policy, Enerflex Entities strive to ensure that forced labour and child labour are not taking place in their supply chains and operations, including through their recruitment and employment practices. Enerflex Entities do not knowingly engage in forced labour or child labour or partner with any supplier who does. Enerflex Entities also conduct due diligence before contracting with certain third parties. This due diligence is, in part, designed to identify allegations that associate the third parties with forced labour and/or child labour practices.

Enerflex Ltd.'s Whistleblower and Compliance Hotline provides a mechanism through which management can address concerns regarding violations of policies.

Management prepares an annual report to the Board on the steps taken during the previous year to prevent and reduce the risk that forced labour or child labour is being used in its supply chain or operations.

## Entity structure, activities and supply chain – Section 11(3)(a)

**The entities in respect of which this joint report is submitted have the following structures:**

- **Enerflex Ltd.** – Corporation and ultimate parent company of other Enerflex Entities with approximately 700 employees
- **Enerflex Compression Services Mexico S de RL de CV** – Limited Liability Company, operating in Mexico with 3 employees
- **Enerflex Energy FZE** – Limited Liability Company, operating in the United Arab Emirates with approximately 270 employees
- **Enerflex Energy FZE – Kurdistan Branch** – registered branch office of Enerflex Energy FZE, operating in Iraq
- **Enerflex Energy Systems Inc.** – Corporation, operating in the United States of America with approximately 930 employees
- **Enerflex Middle East L.L.C.** – Limited Liability Company, operating in Oman with approximately 130 employees
- **Enerflex Middle East W.L.L.** – Limited Liability Company, operating in Bahrain with approximately 70 employees
- **Enerflex Service Pty Limited** – Limited Liability Company, operating in Australia with approximately 150 employees
- **Enerflex Services Argentina Srl** – Limited Liability Company, operating in Argentina with approximately 110 employees
- **Exterran Energy Solutions, L.P.** – Limited Partnership, operating in the United States of America with approximately 200 employees
- **Exterran Middle East L.L.C.** – Limited Liability Company, operating in Oman with approximately 240 employees
- **Exterran (Thailand) Ltd.** – Limited Liability Company, operating in Thailand with approximately 360 employees

The entities in respect of which this joint report is submitted are involved in the following activities:

Entity Name	Producing Goods (including manufacturing, extracting, growing and processing)		Selling Goods		Distributing Goods		Importing into Canada goods produced outside Canada	Controlling an entity engaged in producing, selling or distributing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada
	In Canada	Outside Canada	In Canada	Outside Canada	In Canada	Outside Canada		
Enerflex Ltd.	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Enerflex Compression Services Mexico S de RL de CV	No	No	No	Yes	No	Yes	No	No
Enerflex Energy F.Z.E.	No	Yes	No	Yes	No	Yes	No	Yes
Enerflex Energy F.Z.E. – Kurdistan Branch	No	No	No	Yes	No	Yes	No	No
Enerflex Energy Systems Inc.	No	Yes	No	Yes	No	Yes	No	No
Enerflex Middle East L.L.C.	No	No	No	Yes	No	Yes	No	No
Enerflex Middle East W.L.L.	No	No	No	Yes	No	Yes	No	No
Enerflex Service Pty Limited	No	No	No	Yes	No	Yes	No	No
Enerflex Services Argentina Srl	No	No	No	Yes	No	Yes	No	No
Exterran Energy Solutions, L.P.	No	Yes	No	Yes	No	Yes	No	No
Exterran Middle East L.L.C.	No	Yes	No	Yes	No	Yes	No	No
Exterran (Thailand) Ltd.	No	No	No	Yes	No	Yes	No	No

Headquartered in Calgary, Canada, Enerflex Ltd. and its subsidiaries, including the Enerflex Entities, provide energy infrastructure and energy transition goods and services to customers across the globe, delivering natural gas processing, compression, power generation, refrigeration, cryogenic, and treated water solutions. The Enerflex Entities' in-house resources offer a variety of capabilities, including one or more of the following: engineering, designing, manufacturing, constructing, commissioning, operating, and servicing hydrocarbon handling systems.

The Enerflex Entities purchase a broad range of materials and components in connection with their business activities. Some of the components used in Enerflex's products and services are obtained from a single source or a limited group of suppliers and Enerflex Ltd. has long standing relationships with recognized and reputable suppliers and OEMs, such as Ariel, Waukesha, Caterpillar, Jenbacher, and MAN. Supply chain teams within the Enerflex Entities operate regionally, adapting their approach based on local demands and business practices. In 2023, the majority of goods and services procured by the Enerflex Entities were sourced from the United States, Canada or domestically, based on the operational base of the Enerflex Entity.

### **Policies and due diligence processes in place related to forced labour and/or child labour – Section 11(1)**

**The following elements of the due diligence process have been implemented in relation to forced labour and/or child labour:**

- Embedding responsible business conduct into policies and management systems

Enerflex Ltd. has adopted a Business Code of Conduct (the "Code") which establishes specific standards of ethical business practice and conduct expected of all directors, officers, employees, and contractors of Enerflex Entities, including that they act with fairness and provide a safe and respectful work environment, where all individuals are treated with dignity and respect.

Enerflex Entities are also subject to the Policy which outlines a commitment to preventing serious forms of exploitation such as human trafficking, forced labour, child labour, and other slavery-like practices including debt-bondage. Under the Policy, Enerflex Entities strive to ensure that forced labour and child labour are not taking place in their supply chains and operations.

To monitor and reduce the risk of modern slavery within activities and supply chains, the Policy requires that Enerflex Entities endeavor to confirm that no modern slavery will be used by suppliers. Enerflex Entities conduct due diligence before engaging certain suppliers to identify adverse reports that might implicate suppliers in forced labour and/or child labour situations. Suppliers approved for business through this screening are then subjected to recurring screening intended to flag any new adverse reports that may emerge.

In line with Policy requirements, Enerflex Entities also maintain recruitment procedures and employment practices to facilitate compliance with applicable employment, labor and human rights laws.

### **Has the organization identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? – Section 11(3)(c)**

**Yes**, Enerflex Entities have started the process of identifying risks, but there are still gaps in their assessments.

**The Enerflex Entities have not identified any instances of forced labour or child labour in their operations or supply chain. Nevertheless, the risk of forced labour or child labour in the Enerflex Entities' supply chain remains on account of:**

- the sector or industry the Enerflex Entities operate in (e.g. oil and gas extraction and construction);
- the types of products the Enerflex Entities produce, sell, distribute or import;
- the locations of the Enerflex Entities activities, operations or factories;
- the types of products the Enerflex Entities source;
- the raw materials or commodities used in the Enerflex Entities' supply chains;
- tier two and tier three suppliers, as well as suppliers further down the supply chain;
- the use of outsourced, contracted or subcontracted labour; and
- the use of migrant labour.

The majority of inputs into the Enerflex Entities' supply chains in 2023 came from the United States and Canada where the risks of forced labour and child labour are low. Nevertheless, Enerflex Entities are potentially exposed to these risks when they source goods (directly or indirectly) from countries with a higher risk of modern slavery. Enerflex Entities refuse to knowingly partner with any supplier that engages in modern slavery, however it is possible these risks remain, especially for indirect (e.g. tier two, tier three and beyond) suppliers. Enerflex Entities have not identified any goods that were directly procured by any of the Enerflex Entities in 2023 which are included in the U.S. Bureau of International Labor Affairs list of goods associated with child labour or forced labour.

In certain parts of its operations in the Middle East and Southeast Asia, Enerflex Entities may periodically utilize manpower service companies to supplement their workforce to meet operational demands. In these instances, Enerflex Entities strive to ensure that the individuals retained are compensated by these manpower service companies in a way that is fair and decent, including that they are paid a living wage on time. This condition would typically be stipulated in the contractual agreements that Enerflex Entities enforce with the manpower service companies. Nevertheless, it is possible that these risks remain.

**Has the organization taken any measures to remediate any forced labour or child labour in its activities and supply chains? – Section 11(3)(d)**

**No.** We have not identified any forced labour or child labour in our activities and 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? – Section 11(3)(e)**

**No.** Enerflex Entities have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in their activities and supply chains.

**Does the organization currently provide training to employees on forced labour and/or child labour? – Section 11(3)(f)**

**No.** All employees and independent contractors providing services to Enerflex Entities are required to take training on Enerflex's Code at least once every 24 months. Senior leadership is required to undergo this training annually. The Code training is designed to ensure that personnel are aware of Enerflex Entities' standards of ethical business practice and expectations regarding ethical conduct, including the obligation to act with fairness and to provide a safe and respectful work environment, where all individuals are treated with dignity and respect. Training is conducted online via a portal containing content provided by Enerflex Entities. In 2023, Enerflex Ltd. commenced work to incorporate training on modern slavery, including forced labour and child labour, practices and risks into this compliance training for all Enerflex Entities.

**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? – Section 11(3)(g)**

**Yes.** The Enerflex Entities use the following methods to assess their effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains:

- Setting up a regular review or audit of the organization's policies and procedure related to forced labour and child labour
- The Policy provides that Internal audit will conduct periodic auditing on the application and effectiveness of Enerflex Entities' supplier screening for modern slavery risks
- Enerflex Entities encourage stakeholders to share concerns related to violations of the Code, policies or applicable laws via a confidential whistleblower system
- Management prepares an annual report to the Board on the steps it has taken during the previous year to prevent and reduce the risk that forced labour or child labour is being used in its supply chain or operations



## Attestation

In accordance with the requirements of the Act, and in particular section 11(4)(b) (ii) 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 Enerflex Ltd.



**Marc Rossiter**

CEO, President, and Director  
February 28, 2024



**Enerflex**

**Enerflex Ltd.**  
Suite 904, 1331 Macleod Trail SE  
Calgary, AB, Canada T2G 0K3  
1-403-387-6377 | [enerflex.com](http://enerflex.com)