

Introduction

At NXL Technologies Holdings Inc. we have set our vision to be the premier global manufacturer of technical solutions through next-level innovations and unparalleled client service. We are committed to supporting the eradication of the risks and human impacts of forced labour and child labour within our supply chain.

The document herein is a joint report prepared by NXL Technologies Holdings Inc., NXL Technologies Inc., NXL Technologies LLC, and Nexus Energy Technologies FZE, (“NXL Technologies” or “we”) in adherence to Section 11 of Bill S-211 (“the Act”). It showcases the actions and measures NXL Technology has undertaken in the prior fiscal year, spanning from January 1st - December 31st, 2024, to prevent and reduce the potential risks of forced labour and child labour being used in our activities, operations, and supply chain.

For the purposes of the Act, NXL Technologies, meets the definition of an entity by having a place of business, doing business, and having assets in Canada. In addition, for the prior fiscal year, NXL Technologies meets two of the three entity size threshold requirements relating to revenue and assets. By selling goods in Canada, and importing goods into Canada, NXL Technologies meets the criteria of a reporting entity.

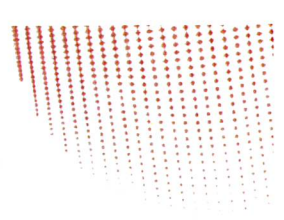
Section A: Structure, Activities and Supply Chains

NXL Technologies is a privately held corporation headquartered in Alberta, Canada, and has satellite locations in Canada, the United States, United Arab Emirates, and Saudi Arabia.

NXL Technologies is a globally recognized manufacturing company that creates custom coiled tubing and wireline pressure control equipment solutions for oil and gas operations. NXL Technologies provides services to its customers, which include engineering design, manufacturing, machining services, recertification and repair, equipment rentals, and pressure control equipment training.

To deliver on our customer’s expectations, we focus on sourcing and procuring the highest quality supplies and materials for our operations by working directly with our suppliers, vendors, and agents. Our supply chain includes the procurement of materials, including but not limited to, metals, seals, thread components, electronic components, and electric motors with all material vendors in Canada and the United States.

Given our global operations, we have developed a rigorous vendor selection process, which currently focuses on quality, the ability to audit their sites, and having recognized standards such as ISO or API. In line with the provisions of Bill S-211, the following report highlights our approach to assessing, understanding, and proactively managing the potential risks associated with forced labour and child labour within our supply chain and activities.



Section B: Policies and Due Diligence Processes

Over the course of the prior fiscal year, NXL Technologies has developed and implemented a Supplier Code of Conduct, which includes clauses that strictly prohibit the use of forced labour and child labour and was distributed to all vendors in October 2024.

For the prior fiscal year, vendors were subject to two additional documents being the Supplier Contractor Request Form and the Supplier Questionnaire.

The Supplier Contractor Request Form, includes, but is not limited to:

- A detailed description of the goods and/or services that are provided from a critical supplier / outsourced process;
- Outlining having a registered Quality Management System to a recognized standard such as ISO, API or CWB; and
- A critical supplier having at least one of the following First Article Inspection, on-site audit and/or Test Coupon / Technical Report.

The Supplier Questionnaire includes, but is not limited to:

- Identifying quality assurance measures including No Quality Program, Non-Registered Quality Program, Quality Assurance Department and/or a Quality Control Department;
- Identifying if there is a formal customer complaint system with corrective action procedures in place;
- Identifying if there is a documented procedure for identification and traceability of products; and
- Identifying if the supplier has a documented Quality Policy.

In addition, the Supplier Questionnaire includes a disclosure that per NXL Technologies Quality Management System, the API Q1, and ISO 9001:2015 standard, require NXL Technologies maintain surveillance over and conduct periodic audits of critical suppliers based on NXL's risk assessment including vendors, distributors, and subcontractors.

Employees at all levels of the organization are required to have reviewed and signed-off on both the Code of Business Conduct and Ethics, and our Anti-Corruption and Bribery Policy.

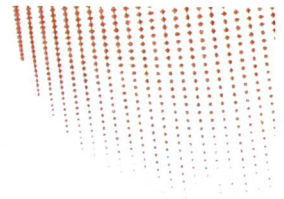
Our Code of Business Conduct and Ethics includes, but is not limited to:

- Outlining mechanisms to report violations and the steps that will be taken;
- Demonstrating our commitment to conducting our business with integrity; respecting the law, culture, dignity, and rights of individuals in all countries where the company operates in; and
- Outlining our beliefs as an organization regarding diversity and inclusiveness.

The Anti-Corruption and Bribery Policy, includes but is not limited to:

- Outlining that the company has zero tolerance for corrupt activities of any kind; and
- Highlighting that failure to comply to this Policy or Anti-Corruption Laws will be grounds for disciplinary action up to and including termination of employment or other relationship with the Company, may require restitution, and may lead to civil or criminal action against individual Company Personnel.

We are dedicated to ensuring that we manage our supply chains in an ethical and transparent manner, by ensuring that our suppliers adhere to our policies and procedures, and that our employees are empowered to make well informed decisions as it relates to activities that impact our supply chain.



We are committing to ensuring that our policies and procedures are updated should we identify a material change within our supply chain and in particular with supplier and vendor purchasing activities, including supplier location and product type.

Section C: Forced Labour and Child Labour Risks

Over the course of the prior fiscal year, NXL Technologies did not undertake a formalized risk assessment focusing on forced labour and child labour within our supply chain and activities. However, in May 2025, we undertook a high-level risk assessment aimed at highlighting areas of concern and risk in our supply chain.

It should be stated that our assessment does not assess the use of forced labour and child labour within our supply chains, rather this assessment was undertaken to analyze, determine, and understand our current risk profile and to support the organization in identifying and assessing where risks may arise in the future, should any material changes occur in our supply chain.

For this analysis, our methodology consisted of evaluating our supplier spend against the Walk Free Global Slavery Index, which provides information on the prevalence of modern slavery by country in addition to the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, which supports in the identification of risks linked to specific goods and their corresponding geographical regions. By triangulating our geographical assessment with an at-risk-goods analysis, we were able to further refine our approach and analysis of our supply chain.

Our assessment and analysis also stipulate that every industry and region face a certain level of risk regarding forced labour and child labour. By having weakened regulatory frameworks and corresponding enforcement mechanisms, in certain geographical areas, these can obscure inherent risks and vulnerabilities.

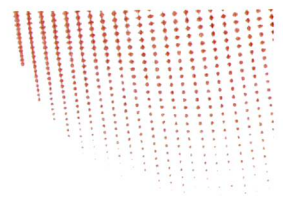
Risk Assessment Findings

With the assessment we conducted, based on source jurisdiction, we have identified that approximately 90% of our supplier spend is in Canada, followed by 10% in the United States. These countries have a prevalence score of 1.8, and 3.3 which estimates the number of people in modern slavery per 1,000 population per the Walk Free Global Slavery Index for Canada and the United States, respectively. In addition, we completed a cross-reference check against the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor and did not identify any products that were subject to the risk of being associated with modern slavery, which includes forced labour and child labour.

Based on our assessment, we have determined that our overall risk assessment within our supply chain for forced labour and child labour is low.

It should be noted that all our goods are manufactured in Canada at our facilities in Red Deer and Blackfalds, Alberta. Our satellite locations in Canada, the United States, United Arab Emirates, and Saudi Arabia sell, rent, and service the manufacturer equipment for their customers in their respective regions. The satellite locations get the majority of their parts and materials from our Canadian manufacturing facility - only non-proprietary parts are sourced from local vendors.

As we outline in our Supplier Code of Conduct, we are committing to analyzing our supply chain on a continual basis to identify any risks associated to forced labour and child labour, and to take the appropriate measures and actions to update our policies and procedures, if required.



Section D: Remediation Measures

Over the course of the prior fiscal year, we have not identified any forced labour and child labour in our activities or supply chain. Therefore, we have not had to implement any remediation measures.

If any risk factors were to be identified in our activities or in our supply chain, we will explore the available options, commit to responding in a timely manner, and action the necessary remediation measures, if required.

Failure in the audits we conduct will result in action being taken including, and up to termination of supplier contracts.

Our proposed actions relating to remediation would be in alignment with the United Nations Guiding Principles on Business and Human Rights, as well as the key requirements of Bill S-211.

Section E: Remediation of Loss of Income

Over the course of the prior fiscal year, we have not identified any activities or risks in our supply chain relating to forced labour and child labour and have therefore not had to take any remediating measures to manage the loss of income associated to those risks.

As we continue to monitor our operations and sourcing practices, if we identify any risks relating to forced labour and child labour in our activities and supply chains, in the future, we will explore the available options and analyze the necessary remediation measures to manage any loss of income for vulnerable families.

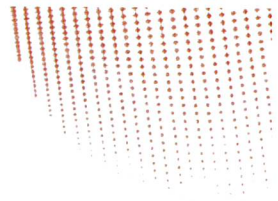
Section F: Training

Over the course of the prior fiscal year, we did not provide our employees with specific training relating to forced labour and child labour.

However, all our employees are expected to uphold our Code of Business Conduct and Ethics, and our Anti-Corruption and Bribery Policy, which aim to equip our employees with knowledge on our guiding values and principles as it relates to the way in which we conduct our business. Employees must review and attest to having read and understood both documents, which are then filed with our Human Resources department for tracking and compliance.

If we identify the need to provide training to our employees, as it relates to forced labour and child labour, we will analyze the available training options and partner with subject matter experts and develop the corresponding training programs for our employees to complete.

We are committing to review our current Code of Business Conduct and Ethics, and our Anti-Corruption and Bribery Policy on an annual basis to determine if there is an opportunity to update these documents to reflect our efforts to eliminate the risk of forced labour and child labour in our supply chain. As well as provide the corresponding training to ensure awareness and understanding of the risks.



Section G: Assessing Effectiveness

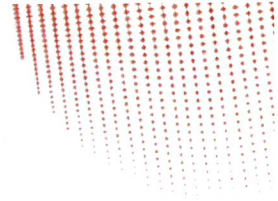
Over the course of the prior fiscal year, we have not undertaken any processes or measures to assess effectiveness relating to our risk management of forced and child labour as our supply chain risk is currently determined as low.

However, should our risk assessment materially change, we will explore the options available to ensure we review the effectiveness of our processes and evaluations to undertake the development of the necessary policies and procedures.

While we have not yet implemented any mechanisms to assess effectiveness, our plan includes options for our organization to consider moving forward. We will remain dedicated and committed to developing the necessary policies and processes to enhance our efforts to prevent forced labour and child labour in our supply chain.

Conclusion

At NXL Technologies, we are focusing on ensuring we operate in an ethical and transparent manner across our supply chain. We are taking the necessary steps to explore opportunities to further develop our accountability mechanisms and work collaboratively with our suppliers and vendors to eliminate the risks associated with forced labour and child labour.




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 entities listed above and that it has been approved by the governing body of the entities. 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.

Dale Kaufmann
Full name

President & CEO
Title

May 27, 2025
Date


Signature

I have the authority to bind NXL Technologies Holdings Inc., NXL Technologies Inc., NXL Technologies LLC, and Nexus Energy Technologies FZE.