



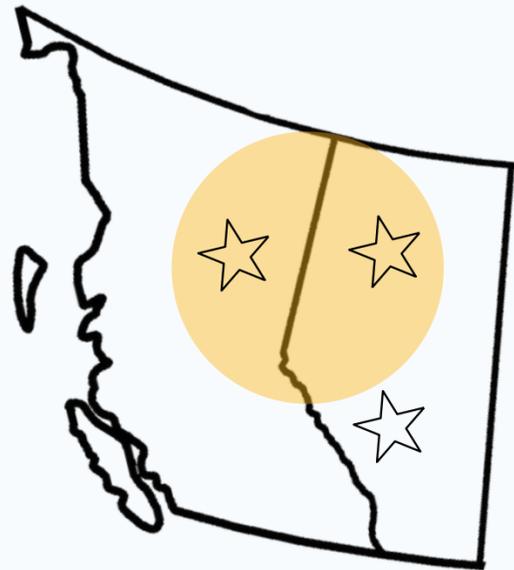
STRAIT

**ENVIRONMENTAL,
SOCIAL,
GOVERNANCE
ESG REPORT**

2020

STRAIT Overview

STRAIT Geographic Region



Head Office:
Calgary, AB

Operations:
Fort St. John, BC
Grande Prairie, AB

2020 Company Mergers



Joining STRAIT Group Ltd in 2020:

- Viper Innovation Inc. joined May 15, 2020
- IPAC Services Corp. joined Sept. 30, 2020

We operate as STRAIT Pipeline & Integrity Ltd. providing services outside the fence and STRAIT Mechanical work inside the fence.

CCAB Bronze Level Certification

STRAIT is committed to the continuous development of goals and action plans towards obtaining mutually beneficial relationships with Indigenous Communities.

Progressive
Aboriginal
RELATIONS

BRONZE
LEVEL

Indigenous Community Investment

In 2020, STRAIT contributed over **\$19.44 Million** towards Indigenous Communities in Alberta and British Columbia!

Contribution towards:

- Profit-share Agreements
- Community Donations
- Indigenous Subcontractor Spend
- Indigenous Employee Spend

Our Diverse Service Offering

Pipeline

- Construction
- Integrity

Mechanical

- Facility Construction
- Turnaround/ Maintenance
- Insulation
- Scaffolding

Manufacturing

- Structural Steel
- Process Piping
- Modular Construction
- Equipment/ Skid Pkgs

Industrial Blasting & Coating

- Field and Shop Services



Purpose of ESG

The Environmental, Social, Governance (ESG) Program demonstrates STRAIT's commitment to global sustainability. This program sets out our approach to sustainable purpose and it forms the basis of our decisions by focusing on business ethics and compliance, people, culture and our community involvement.

With the ESG as a guide, we pledge:

- We are a trusted partner in providing diverse services
- We value our employees, stakeholders, and Indigenous partners
- We are a steward of social and environmental sustainability
- Our organization is invested in facilitating long-term growth with our clients and partners

ESG Focus



Environment

We are establishing Environmental Stewardship across our organization.

Societal Impact

We are engaged with our Indigenous Partners and Local Communities.

Governance & Leadership

We are committed to incorporating ESG into everyday practice.



ENVIRONMENT

Health, Safety & Environment (HSE)
Environmental Protection & Sustainability
Carbon Footprint



SOCIETAL IMPACT

Indigenous & Community Engagement
Socioeconomic Impact
Community Investment



GOVERNANCE & LEADERSHIP

Executive Accountability
Code of Conduct & Ethics
Safety & Quality Culture

INTEGRITY | AGILITY | INNOVATION



Integrity

Our Integrity Regarding First Nation and Community Engagement



Agility

Our Agile One-Stop-Shop in the North & Considered "Local"



Innovation

Our Innovative Programs and Systems

Environment

We strive to be an employer that implements sustainable practices for the betterment of the environment, and the health of our people and communities.



Managing Our Environmental Impact

STRAIT recognizes the importance of our own internal environmental and decarbonization goals in reducing our carbon footprint. We recognize the positive role we can take in transitioning into a low-carbon economy, as well as the risks involved in that transaction. We are in the process of refreshing our company-wide assessment of environmental related risks, and establishing internal capabilities to enhance our future environmental related reporting.

Our approach to manage environmental related risks is based on understanding and measuring our environmental impacts and doing our part in reducing them. The STRAIT Code of Conduct and Ethics guide our employees into acting with high moral standards, accountability, and transparency in their day-to-day activities to support environmental sustainability.

STRAIT manages environmental impact through the following programs and policies:

Health, Safety and Environment (HSE) Program

Environmental Protection Policy

Environmental Sustainability and Carbon Footprint Policy

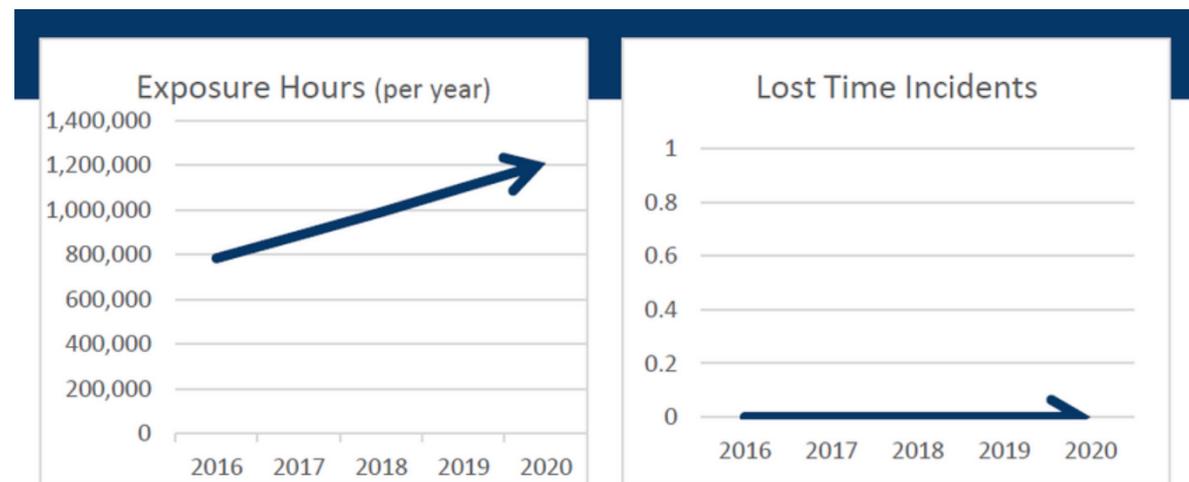
Environment

Health, Safety and Environment (HSE)

Our Health, Safety and Environment (HSE) Program is a guide intended to provide information and direction for all STRAIT personnel in the implementation of our overall HSE Management System.

STRAIT is committed to the protection and maintenance of our employees' health, safety, psychological and social well-being. We acknowledge that employees have the right to a safe and healthy workplace. We strive for continuous improvement of our management systems, consistent with recognized standards and industry best practices. Our goal at STRAIT is to promote safe work behaviors by encouraging continuous proactive identification and mitigation of workplace hazards. It is our aim that no harm shall come to our people, the public, or the environment and that our operations comply with all applicable health, safety and environmental legislation.

We provide proactive positive communication, instruction, training and supervision necessary for employees and contractors to fulfil their health, safety and environmental obligations. STRAIT works in collaboration with employees and contractors to promote a safe and healthy working environment and works in cooperation with Joint Health and Safety Committee to promote ongoing improvement of our HSE performance. At STRAIT we will all work cooperatively toward the prevention of incidents and the protection of the environment.



2020

**1.2 Million
Manhours**

ZERO Lost Time Injuries

To Date:

**7.9 Million
Manhours**

ZERO Lost Time Injuries

Environment

Environmental Protection

The Environmental Protection Policy (EPP) outlines general measures that STRAIT implements to reduce or eliminate adverse environmental impacts resulting from pipeline and facility construction. This is achieved through:

- Careful planning, monitoring and engagement in a manner which works to mitigate, respond to, and manage potentially adverse environmental effects using systematic, effective, and pre-approved methods
- Training, including regular tailgate meetings that include discussion of environmental issues and mitigation
- Ongoing communications with regulators, stakeholders, and environmental staff
- Comprehensive spill management plan



Environmental Sustainability and Carbon Footprint

STRAIT is committed to our carbon footprint reduction through the identification of corporate strategies in protection, enhancement and reduction of any environmental impacts associated with our work activities. STRAIT's Carbon Footprint Policy is aligned with our corporate Health, Safety and Environmental Program, and guides employees to reducing their carbon footprint, and support every effort made to the betterment of our planet.

To help support and maintain our carbon footprint reduction and environmental sustainability goals, STRAIT has implemented the **Green Strategy** with tangible actions for employees to carry out.

STRAIT's Green Strategy is focused on waste management:

- **Reduction** – minimizing or elimination of a waste stream
- **Re-use** – many waste products can be used again with little or no treatment
- **Recycle** – repurpose materials at every opportunity
- **Recover** – extraction of impurities from an otherwise useful material
- **Repair** – repair rather than throw away

Social

We strive to be an employer that actively contributes to the development of a sustainable society.

Societal Impact

A corporate goal of STRAIT is to maximize its contribution to sustainable development and societal impact within the Indigenous and Local Communities we engage with. STRAIT emphasizes diversity and inclusion in the workplace and we're committed to development, growth, and sustainability in Indigenous and local communities where we operate. We believe that local employment and procurement opportunities are key to sustaining healthy and vibrant communities. We are dedicated to building and maintaining positive relationships with Indigenous and non-Indigenous peoples.

Social Statistics

132
Women
14% OF TOTAL EMPLOYEES

913
Employees
AT PEAK IN 2020

Community Investment

We are committed to help provide essential funding for a variety of community initiatives and local charities by investing in educational programs, sponsoring children's sports programs, Indigenous community events, and children's camps.

In 2020, STRAIT contributed \$4.4M to Indigenous communities, through profit share agreements, and charitable donations!



Social

Indigenous Relations

In the spirit of reconciliation, STRAIT recognizes the principles of the United Nations Declaration of Indigenous Peoples (UNDRIP) and respects the rights of Indigenous Peoples in Canada. STRAIT engages with Indigenous communities in a courteous manner that supports ethical resource development practices in Indigenous Traditional Territories and on Treaty Land. By supporting UNDRIP, STRAIT recognizes Indigenous peoples rights to use, develop, and control the lands and territories they possess; and, to pursue their inherent right for self-determination.

STRAIT acknowledges Truth & Reconciliation and the framework set out in Calls to Action #92. STRAIT's Indigenous Relations Policy applies the principles of UNDRIP and sets forth sustainable goals and targets, that places emphasis in the following areas:

- Conducting meaningful engagement
- Socioeconomic opportunities
- Employment and training opportunities
- Subcontracting, vendor, and procurement opportunities

Progressive Aboriginal Relations

STRAIT Mechanical is proudly recognized under the Bronze Level Certification for Progressive Aboriginal Relations with the Canadian Council for Aboriginal Business (CCAB). This demonstrates the commitment from STRAIT to continue to provide the highest standard of engagement with Indigenous communities across Canada.

Progressive
Aboriginal
RELATIONS

BRONZE
LEVEL

2020 Indigenous Statistics

\$19.44 Million towards
**Indigenous Communities
in Alberta and British Columbia**

Indigenous Community Spend

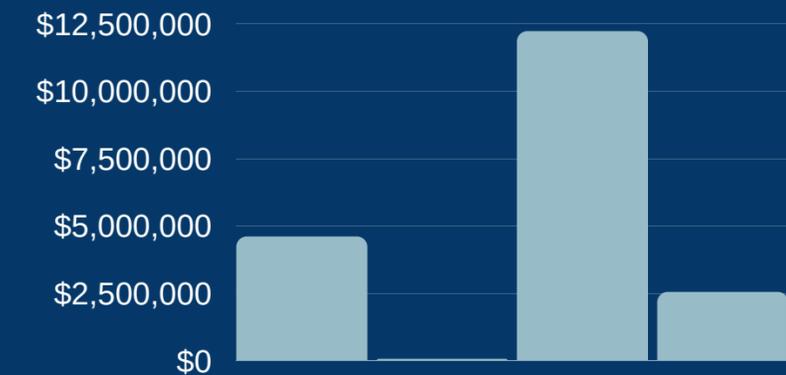
24%

Indigenous Employee Spend

13.1%

Indigenous Subcontractor Spend

62.8%



115,802

INDIGENOUS MANHOURS

Social

Indigenous Partnerships

STRAIT has a formal Strategic Business Alliance with Blueberry River First Nation and has a Strategic Business Relationship Agreement with Aseniwuche Winewack Nation. With the formation of these partnerships, STRAIT is focused on community capacity development by providing significant economic opportunities for both nations. We are devoted to the progression of these relationships by offering a significant number of opportunities in training and employment, and by providing priority subcontracting and vendor procurement. This ongoing community involvement ensures STRAIT remains a visible partner within these prominent First Nations.

Aseniwuche Winewak Nation



Indspire's Building Brighter Futures

Indigenous students from Aseniwuche Winewack First Nation and local communities in AB and BC attending post-secondary institutions have been able to apply for scholarships with Indspire if in the following trades:

Welder, Steamfitter-Pipefitter, Construction Craft Labourer-Worker, Crane & Hoisting Equipment Operator, Gasfitter - Class A & B, Heavy Equipment Technician, Industrial Construction Crew Supervisor, Industrial Mechanic (Millwright), Insulator, Carpenter, Ironworker, Metal Fabricator, Painter & Decorator, and Heavy Equipment Operator.

STRAIT Mechanical committed towards a 3 year sponsorship, totaling \$15,000 in support of the Indspire Indigenous Trades Scholarship.

Blueberry River First Nations



Light Duty Mechanic Apprenticeship

STRAIT started a Light Duty Mechanic Apprenticeship with youth from Blueberry River First Nation. The Light Duty Mechanics are being mentored to diagnose equipment problems and determine repairs needed for the continuous improvement of our operations, decrease turnaround time, and streamline work processes.

Governance

We strive to be an employer that is driven by the highest ethical standards.

Governance & Leadership Structure

STRAIT is a private company whose executive structure and strength is vital to the success of our business objectives, including our ESG Program.

STRAIT recognizes the importance of contributing to long-term sustainable growth through accountable and responsible governance practices. Our effective governance is driven through our corporate strategy, policies, programs and procedures, which are implemented and upheld by all STRAIT employees. We conduct business through honest, ethical, and legal business practices. Each employee endeavors to respect the rights to deal fairly and transparently with STRAIT clients, vendors, competitors and other employees.

Ethical business governance begins with an Executive structure that is motivated by the diversity, equity and inclusion of our people by bringing value to our stakeholders and being rooted in a culture driven by safety and quality.

Code of Conduct & Ethics

Our Code of Conduct and Ethics provides a framework for all employees and subcontractors of STRAIT to be committed to the highest possible standards of corporate and personal integrity in all aspects of the company's business. The code of conduct establishes moral and ethical standards and expectations for conduct required of all employees and subcontractors, thus ensuring that each person is responsible for their own behaviour relative to the company's code of conduct or any other ethical standard.

Diversity, Equity & Inclusion

Diversity within our workforce is important to STRAIT as it represents a growing opportunity to include a variety of perspectives into our daily activities. It is recognized that diverse teams perform better, and workplace diversity leads to higher employee engagement. STRAIT is committed to diversity within the workplace and is actively working towards being more inclusive in our talent acquisition and retention.

STRAIT is committed to the fundamental principles of equal employment opportunity. Our company complies with international, national, and local legislation impacting our operations and strives to follow best practices in corporate governance.

Governance

Safety & Quality Culture

Our employees are an integral part of our growth and success. When our employees are safe, healthy, and engaged we are most productive in our operations and day to day activities. Safety is at the core of our operations and allows us to deliver excellence for our stakeholders and be part of an organization that is trusted and committed to its employees.

Quality control and continuous improvement programs ensure we provide consistent and superior services and products to our clients. Quality is an attitude that is demonstrated in all we say and do.

STRAIT is dedicated to the ongoing establishment of a safe and quality driven culture, and follows provincial, federal, local and industry guidelines in our daily operations from the field to the office. STRAIT requires employees to promptly report to their supervisor (or in accordance with the Reports and Compliance section of the Code of Conduct and Ethics) of any incident, injury or unsafe equipment, practices or conditions, violent behavior or any unethical or moral behaviour. We are committed to a safe, healthy work environment for all employees and subcontractors.



Unique ESG Measures

COVID-19 Response

We recognize that ESG measures are unique to every organization, which is why STRAIT felt it would be beneficial for our stakeholders to be aware of the response and measures put into place to protect our employees and subcontractors against COVID-19.

STRAIT has implemented a number of measures to reduce the impacts of COVID-19 in our day-to-day activities at our offices and on our work sites. These measures are to protect the health and safety for employees, subcontractors, clients and communities. These include:

- COVID-19 Temperature Screening and Sign In
- Exposure Control Plan COVID-19
 - This outlines STRAIT's commitment to providing a safe and healthy workplace for our staff
 - Responsibilities for all levels of employees and management
- Health Screening Questionnaire App
 - Effective March 2020, STRAIT implemented Health Q - a daily questionnaire for employees, and is completed prior to each employee starting work
 - In December this daily questionnaire was pushed out as an App that employees are able to send through Microsoft Teams accessible through their mobile devices and/ or computers
- Office/ Shop/ Yard Field COVID-19 Mitigation Plan
- Site Specific COVID-19 Safety Plan
 - Risk Assessment for COVID-19
 - Enhanced surface cleaning and disinfection



Looking Ahead to 2021

Incorporating ESG into daily practice

STRAIT is incorporating the Environmental, Social & Governance Program into daily practice for all areas of business. We have worked towards establishing the ESG program into business operations, and we are looking ahead to where we can adapt more ESG practices into daily efforts.

This includes the complete adoption of the following policies, procedures and practices:

- Environmental Sustainability and Carbon Footprint Policy
- Communication to employees for the Green Initiative Strategy
- Establishing more KPI's around diversity, equity and inclusion to enhance future ESG reports

STRAIT understands that the Environmental, Social, Governance Program is a new initiative that is being undertaken by the company and our goal to implement the program fully throughout the year 2021.

