



# **2026 ANNUAL REPORT: FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS**

**FINANCIAL YEAR ENDING DECEMBER 31, 2025**

## About The Report

At Enwave Energy Corporation (“Enwave”), we remain unwavering in our commitment to ethical business practices and social responsibility. As an organization deeply rooted in the energy industry, we understand the importance of not only providing sustainable and reliable energy solutions but also ensuring that our operations adhere to the highest standards of ethical conduct.

Enwave controls certain subsidiaries that engage in activities related to the production, procurement, or importation of goods. Based on management’s assessment for the 2025 financial year, none of Enwave’s subsidiaries independently met the reporting thresholds under the Act. This report (“Report”) therefore addresses Enwave and its controlled entities on a consolidated basis. Should this assessment change, Enwave will update its reporting approach accordingly.

This Report constitutes the third report prepared by Enwave pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and sets out the steps taken by Enwave to reduce the risks of child labour and forced labour in our organization and in our supply chain for the financial year ended December 31, 2025. In this Report, unless otherwise stated, references to “Enwave”, “we”, “us”, “our” and similar expressions are references to Enwave. Monetary amounts in this Report are expressed in Canadian dollars, unless otherwise stated.

**MAY 22, 2026**

## Our Company

### Our Structure

Enwave was originally incorporated by statute in 1969 as a not-for-profit corporation for the purpose of bringing together the heating operations of three Toronto hospitals. In 1999, the Ontario Legislature enacted the *Toronto District Heating Corporation Act, 1998*, which continued Enwave as a for-profit corporation incorporated under the *Business Corporations Act* (Ontario) and granted to Enwave certain rights and privileges relating to its business.

Enwave has several subsidiaries, all of which are governed by the laws of Ontario, and none of which are themselves reporting entities for purposes of the Act.

### Our Business

Enwave is a leading energy transition platform focused on commercial solutions to decarbonize energy for the built environment in North America. Our district energy systems provide a valuable alternative option for the cooling, heating and power needs of our customers using innovative technologies. Enwave has evolved over time from its origins as a steam producer serving Toronto hospitals to a multi-city diversified energy solutions provider owned by Ontario Teachers' Pension Plan and IFM Investors.

Headquartered in Toronto, Ontario, Enwave, either directly or through its subsidiaries, currently serves customers in Toronto, London, Windsor, and Markham, Ontario, as well as Charlottetown, Prince Edward Island. Furthermore, Enwave and its subsidiaries are developing new greenfield systems and deploying assets in Mississauga and Brampton, Ontario. Enwave's customers include municipalities, educational campuses, residential buildings, hospitals, data centres, and commercial buildings.

## **Our Supply Chain**

District energy systems rely on critical inputs such as natural gas, oil, wood, water electricity and chemicals for their operations and use third party suppliers to provide these commodities, as well as professional services, equipment and business support. Enwave collaborates with a diverse network of suppliers, carefully selected to offer a range of competitive and accessible goods and services. To manage supply chain risk, Enwave sources materials responsibly, standardizes processes across our supply chain and does business with suppliers that share our commitment to responsible corporate standards.

In 2025, Enwave, and its subsidiaries, directly engaged with 508 unique direct (Tier 1) suppliers, primarily based in Canada and the United States, with a few additional suppliers from Europe (Netherlands, Austria, Germany, Croatia, France), and a single supplier from South Korea. While labour laws in these countries are generally strong, Enwave recognizes that risks of forced labour or child labour can exist in global supply chains. As part of onboarding and as part of Enwave's Supplier Qualification Process described below, all suppliers are required to confirm that they do not engage in forced or child labour to be eligible to supply to Enwave.

Enwave controls subsidiaries that are producing, importing, or otherwise engaged in covered activities; however those subsidiaries themselves are not entities that are required to independently report under the Act. This Report also addresses those controlled entities and their supply chains for completeness.

A high-level breakdown of Enwave and its subsidiaries' direct suppliers in 2025 is set as below:

Description	2025 Spend (%)	Primary Products	Primary Countries
Commodities			
Natural Gas	19%	Gas	Canada
Oil	3%	Oil	Canada
Wood	1%	Wood	Canada
Water	2%	Water	Canada
Electricity	8%	Electricity	Canada
Chemicals	1%	Chemicals	Canada
Business Support Services	10%	Maintenance services, IT, general and administrative services	Canada, US
Professional Services and Equipment	56%	Construction services, consultants, operations, major equipment including electrical and mechanical equipment	Canada, US, Netherlands, Austria, Germany, Croatia, France and South Korea

## Steps Taken to Reduce Risks

Enwave acknowledges that its business has a duty to comply with and respect the Act. Enwave is committed to operating ethically and legally, partnering with suppliers that are aligned to the values of the company.

In general terms, Enwave took the following steps during its 2025 financial year to prevent and reduce the risk of forced labour or child labour in its business and supply chains:

- Leveraged tools to execute due diligence on High-Risk Contractors (as defined under *Our Due Diligence Process* below)
- Reenforced governance and policies addressing ethics and forced labour or child labour risk in our supply chain
- Maintained our anonymous reporting hotline, allowing anyone to report suspected unethical, illegal or unsafe behavior in our operations or by our suppliers
- Started discussions with key suppliers of goods and equipment on upstream (Tier 2, 3) supply chains to initiate efforts of mapping Enwave's supply base

## Our Policies & Governance

### A) *CODE OF CONDUCT AND BUSINESS ETHICS*

Internally, Enwave has adopted a Code of Business Conduct and Ethics (“Code of Conduct”), which is endorsed by Enwave’s Board of Directors annually, and sets out the commitment that all directors, officers, and employees must make as part of the Enwave team. It has always been, and remains, Enwave’s policy that all activities should be conducted with the utmost honesty and integrity and in full compliance with all legal and regulatory requirements. The Code of Conduct sets forth basic principles and standards that each Enwave team member must adhere to. The full Code of Conduct can be found on Enwave’s website here: [Code of Conduct – Enwave Energy Corporation.](#)

The Code of Conduct includes a reporting hotline, managed by an independent third party, which allows anyone to call anonymously to report, in English and other languages, suspected violation of the Code of Conduct, including unethical, illegal or unsafe behavior.

Upon joining Enwave, each team member is provided with a copy of the Code of Conduct and is required to sign an acknowledgement of its contents. On an annual basis, each Enwave team member is also required to re-certify compliance with the Code of Conduct as a condition of continued directorship or employment.

### B) *SUPPLY CHAIN MANAGEMENT POLICY*

Enwave has established a Supply Chain Management Policy (“SCM Policy”), which sets forth the principles and requirements for sourcing and procurement of goods and services at Enwave. It is intended that sourcing and procurement is to be performed in a consistent, controlled, and ethical manner in accordance with sound business practices. The SCM Policy establishes rules and guidelines for sourcing goods and services to ensure, among other things, that Enwave meets its legal and ethical obligations in the acquisition of goods and services. The SCM Policy is read in conjunction with the Code of Conduct.

### C) *SUPPLIER STANDARDS OF CONDUCT*

Enwave believes that it has both an ethical and a business imperative to be a responsible corporate citizen. This includes establishing a set of minimum standards of conduct for its suppliers of goods and services. Enwave wants to do business with suppliers that share its commitment to corporate responsibility. Building off the Ten Principles of the UN Global Compact ([The Ten Principles | UN Global Compact](#)), Enwave has established its Supplier Standards of Conduct (“Supplier Standards of Conduct”), covering topics such as safety culture, human rights, labour standards, the environment and business ethics. The Supplier Standards of Conduct explicitly require that suppliers support and respect the protection of internally proclaimed human rights and not engage directly or indirectly in any form of forced or compulsory labour or child labour practices.

More information about Enwave’s approach to supply chain responsibility is available on Enwave’s website at [Supplier Standards of Conduct - Enwave Energy Corporation](#).

As part of Enwave’s Supplier Qualification Process, each of Enwave’s suppliers of goods and services are required to acknowledge the Supplier Standards of Conduct upon becoming a supplier to Enwave and High-Risk Contractors (as defined under *Our Due Diligence Process* below) are required to re-confirm their compliance with the Supplier Standards of Conduct on an annual basis.

### Our Due Diligence Process

Since 2023 Enwave has used a supplier due diligence platform, known as ISN, as part of its Supplier Qualification Process and to enhance its third-party risk management for High-Risk Contractors (as defined below). Enwave uses this platform to screen suppliers for various third-party risks such as disclosed health and safety violations by such supplier, if such supplier is part of any sanctioned countries list, compliance by such supplier with workers compensation obligations, and creditworthiness of such supplier (if available). Enwave has customized its platform to incorporate confirmation of its Supplier’s Standards of Conduct by its High-Risk Contractors on an annual basis. As part of its Supplier Qualification Process, Enwave also requires all of its Low-Risk Contractors (as defined below) who do not participate in

the ISN platform to re-confirm their compliance with the Supplier Standards of Conduct on an annual basis.

Step 1: Risk Level Identification	
High Risk Contractor (ISN Required)	Low Risk Contractor (ISN Not Required)
<p>A contractor who has access to site operations where such access, and the nature of the work performed on site, create the reasonable potential for harm to the employees of the company, others in the area, company assets or the environment.</p>	<p>A contractor whose access to operations and the nature of the work performed on site does not create a reasonable potential for harm to the employees of the company, others in the area, company assets or the environment.</p>
<p><b>Example Contractor work types to be included in this category (including, but not limited to):</b></p> <ul style="list-style-type: none"> <li>• Ammonia System Maintenance &amp; Installation</li> <li>• Boiler repair &amp; maintenance</li> <li>• Chemical &amp; process cleaning</li> <li>• Demolition contractor</li> <li>• Electricians and Instrumentation technician</li> <li>• Engineering Construction</li> <li>• Environmental investigation, remediation, monitoring activities</li> <li>• Equipment and process maintenance, installation and/or inspection</li> <li>• Excavation</li> <li>• Facilities maintenance</li> <li>• Fire suppression services</li> <li>• Hazardous waste handling and/or transport</li> <li>• Heavy equipment operators</li> <li>• High Pressure Piping Maintenance and Installation</li> <li>• Hot Work (Welding, Brazing, Grinding)</li> <li>• Maintenance, construction, and demolition contractors</li> <li>• On-site sampling/gauging activities</li> <li>• Roofing</li> <li>• Steam Systems Maintenance and Installation</li> </ul>	<p><b>Example Contractor work types to be included in this category (including, but not limited to):</b></p> <ul style="list-style-type: none"> <li>• Landscaping services</li> <li>• Janitorial services</li> <li>• Office support &amp; repairs (computers/printers)</li> <li>• Consultants</li> <li>• Local municipal utilities</li> </ul>
	<p><b>Step 2: If Low Risk, answer the below questions.</b></p> <ol style="list-style-type: none"> <li>1. Will the contractors work require a permit, be performed at heights, in a process area or involve a critical safety process?</li> <li>2. Could the contractors work harm our environment or cause property damage?</li> <li>3. Could the contractors work cause harm to themselves, our employees, or our company's reputation?</li> <li>4. Will the contractor be working with compressed gasses, hazardous materials, process materials or generate hazardous waste?</li> <li>5. Will the contractor require access to a company network, access sensitive data, or work on connected production equipment?</li> </ol>
	<p>If the answer is 'Yes' to any of the above, the contractor is considered High Risk <u>ISN Required</u></p>

## Assessing & Managing Risks

Enwave is committed to upholding the highest ethical standards across its operations and supply chain. In 2025, Enwave reviewed and refreshed its existing risk assessment of the potential presence of forced or child labor within its business activities by using supplier geography, industry risk, and contractual controls as key inputs. Based on this assessment, it was determined that the overall risk of forced labour or child labour occurring within Enwave's activities and supply chain is low. This determination was made based on the following key factors:

### Risk Within Our Operations

Given that Enwave's workforce is largely comprised of specialized team members in its Canadian plants and office workers, Enwave believes that there is a low risk of forced labour or child labour in its direct operations. In addition, the entirety of Enwave's workforce is employed or contracted in Canada, and the vast majority are employed or contracted directly by Enwave.

In addition, Enwave's operations are predominantly the provision of a service (district heating, cooling) to its customers, as opposed to the sale or delivery of goods or equipment.

### Risk Within Our Supply Chain

Enwave's current visibility is primarily limited to direct (Tier 1) suppliers. While certain inputs (such as fuels and equipment) may incorporate upstream raw materials, Enwave does not yet have comprehensive Tier 2 or Tier 3 visibility and has begun targeted engagement to improve mapping.

In 2025, Enwave's direct suppliers (Tier 1) were located in Canada, the United States, a few European countries (Netherlands, Austria, Germany, Croatia, France), and South Korea, all of which have a low prevalence of modern slavery according to the Walk Free Global Slavery Index. ([Global Slavery Index | Walk Free](#)). Based on this, Enwave has determined that there is low risk of forced labour or child labour in its supply chain.

While no current significant risks were uncovered in the above-noted risk assessment, Enwave recognizes that instances of forced labour or

child labour can still occur within its activities and supply chain, specifically in the production of equipment or sub-components of equipment, that are imported by or for Enwave. In this regard, in 2025 Enwave continued to enforce its policies and supply chain governance as they relate to identifying, addressing, and prohibiting the use of forced labour and child labour within its supply chain. Enwave also intends to continually assess the risks of forced labour or child labour in its activities and supply chain and review its internal policies and practices to ensure compliance with applicable laws and regulations and will take prompt action of a remedy if it becomes aware of any violations of legal obligations. Enwave will continue to maintain its reporting hotline, allowing anyone to report suspected violation of the Code of Conduct, including unethical, illegal or unsafe behavior in its operations or by its supplier.

## Remediation Measures

Enwave is not currently aware of any instances of forced labour or child labour in its activities or supply chain in 2025. As such, it has not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

Any confirmed or suspected use of forced labour or child labour by an Enwave supplier would be treated as a serious matter. Enwave would take appropriate containment and investigative steps, require the removal of such practices from the supply chain, and assess the effectiveness of remediation through applicable contractual rights, including audits. Where remediation is unsatisfactory, further actions, up to and including termination, may be pursued. Identified instances would be escalated to senior leadership to ensure appropriate oversight and remediation.

## Training

Based on Enwave's 2025 risk assessment and supplier profile, it has not implemented employee training on forced labour and child labour in its supply chain at this time. However, Enwave does require its team members to annually re-certify compliance with the Enwave Code of Conduct as a condition of continued directorship or employment. The Code of Conduct re-iterates that all Enwave activities should be conducted with the utmost honesty and integrity and in full compliance with all legal and regulatory requirements, affirming Enwave's commitment to ensuring everyone working on behalf of Enwave adheres to the highest ethical standards.

Enwave recognizes that training and awareness are important components of effective risk management and will continue to evaluate whether targeted training initiatives are appropriate as its due diligence practices evolve.

## Assessing Effectiveness

Enwave's Legal and Supply Chain teams assess the effectiveness of Enwave's efforts to prevent and reduce the risks of forced labour and child labour through a combination of governance, contractual, and risk-based diligence measures. These include implementing supplier requirements, reviewing supplier disclosures (a total count of 95 new disclosures for 2025), and exercising contractual rights where appropriate to assess compliance with Enwave's expectations.

Enwave's assessment focuses primarily on suppliers with whom it has a direct contractual relationship (Tier 1). Findings and emerging risks are reviewed internally and used to inform necessary enhancements to Enwave's policies, supplier qualification, and risk mitigation measures over time.

## Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the boards of directors of Enwave and its parent company, Enwave Canada Investment Holdings Inc (“Enwave Parent”).

In accordance with the requirements of the Act, and in particular section 11 thereof, we, the undersigned, attest that we have reviewed the information contained in this Report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of the board of directors of Enwave for and on behalf of the board of Enwave.



**Carlyle Coutinho**  
**Chief Executive Officer and Director**  
**May 21, 2026**

I have the authority to bind Enwave.

I make the above attestation in my capacity as a director of the board of directors of Enwave Parent for and on behalf of the board of Enwave Parent.



**Michael Bernstein**  
**Independent Chair**  
**May 21, 2026**

I have the authority to bind Enwave Parent.