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ENVIRONMENTAL, SOCIAL, GOVERNANCE POLICY

Purpose of ESG

The Environmental, Social, and Governance (ESG) Program demonstrates STRAIT’s commitment to global sustainability. The success of this program is achieved by setting, maintaining, and reviewing tangible actions and goals.

The ESG sets out STRAIT’s approach to sustainable purpose and forms the basis of our decisions by focusing on business ethics, compliance, people, culture, and our community involvement. With this program as a guide, STRAIT demonstrates:

- We are a trusted partner providing a diverse service offering.
- We value our employees, stakeholders, clients, vendors, and Indigenous partnerships, with a focus on supporting our local economies.
- We are a steward of social and environmental sustainability.
- Our organization is invested in facilitating long-term growth with our clients and partners.



Intent

The ESG documents STRAIT’s governance and compliance framework supported by policies and procedures to ensure that the highest levels of personal and professional integrity are maintained. With the support of procedures and systems STRAIT has already implemented, along with the incorporation of new policies and practices, this program will ensure that the highest levels of compliance are embedded across STRAIT operations.

Related Policies

The Environmental, Social, and Governance (ESG) Policy is related to and refers to several other STRAIT policies and procedures. For more information on related topics and policies, please refer to the following STRAIT documents:

- Code of Conduct and Ethics Policy
- Socio-Economic Policy
- Indigenous Relations Policy
- Health, Safety and Environment (HSE) Program

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ENVIRONMENTAL

Purpose

At STRAIT, we recognize the importance of our own internal environmental and decarbonization goals in reducing our carbon footprint. In this section, we focus on direct operational impact management and performance at our office locations in Calgary, Fort St. John, and Grande Prairie.

We continue to look company-wide for opportunities to improve on our environmental program and related reporting.

Managing Our Impact

STRAIT’s approach to managing our environmentally 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 Policy guides employees to act with ethics, accountability, and transparency in their daily activities to support environmental management. The Health and Safety (HS) Program provides clarity on STRAIT initiatives that support environmental safety, including the Environmental Program and the Green Strategy. These programs outline areas STRAIT is proud of in our actions towards the health and safety of our employees and the stewardship of our global environment.



Health and Safety (HS) Program

The Health, Safety (HS) Program is a guide for management and employees, providing information and direction of the implementation of STRAIT’s overall HS Management System. This document provides a practical guide to complying with legislative and regulatory requirements. Additionally, the program recognizes the existence of standards and industry recommended practices for inclusion into STRAIT’s HS 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 practice. 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, and that our operations comply with all applicable health and safety legislation.

STRAIT’s leadership and employees all have the responsibility and accountability to establish and maintain comprehensive health and safety management systems. STRAIT management assesses health and safety performance and act to continuously improve performance. We provide proactive positive communication, instruction, training, and supervision necessary for employees and contractors to fulfil their health and safety

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obligations. STRAIT works in collaboration with employees and contractors to promote a safe and healthy working environment and works in cooperation with the Joint Health and Safety Committee to promote ongoing improvement of health and safety performance. At STRAIT we will all work cooperatively toward the prevention of incidents.

Environmental Protection



STRAIT’s Environment Management Program outlines measures that STRAIT implements to reduce or eliminate adverse environmental impacts resulting from activities related to pipeline and facility construction. This is achieved through:

- Careful planning, monitoring, and environmental and engineering design 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 and stakeholders, in collaboration with our clients
- Ongoing and effective communication with Client environmental staff
- A comprehensive spill management plan

All activities adhere to current provincial and federal environmental laws, regulations, and guidelines, as well as the conditions outlined in project approvals and permits issued by regulatory authorities. STRAIT strives to meet or exceed industry recognized environmental standards and best management practices.

When required STRAIT will develop Site-Specific Environmental Protection Plans (SSEPP) to identify the environmental issues. Mitigation plans and monitoring measures can then be implemented for individual projects. Information contained on alignments sheets, line lists, project environmental reports and in environmental approvals will form the basis of the SSEPP development. The SSEPP is a living document embracing the philosophy of adaptive management. Environmental protection measures are subject to a structured, iterative process of review and robust decision making to reduce uncertainty over time via ongoing monitoring. Environmental decision making will therefore meet environmental management and protection objectives and accumulate information to improve future environmental management of the project.

Our Environmental Program represents a major component of STRAIT’s overall management system. STRAIT ensures that our project management teams understand and implement our environmental management

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system in compliance with the requirements of the Client, government regulators, Indigenous communities, the public and all project stakeholders.

Green Strategy

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 Green Strategy is aligned with our corporate Environmental Management Program, and our environmental protection management strategies.

Reducing our carbon footprint is a shared responsibility and STRAIT supports every effort made for the betterment of our planet. Knowledge and action contribute to the sustainability of our environment for the benefit of future generations. To help support and maintain our carbon footprint reduction and environmental sustainability goals, STRAIT's implementing 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.

Establishing a 'green' culture includes encouraging and communicating our goals to all employees, clients, suppliers, and other stakeholders. While maintaining responsible and environmentally friendly operations, we must lead by example. STRAIT has implemented the following activities and will continue to improve its sustainability:

- Reduction in office waste with green recycling initiative
- Utilization of energy efficient lights throughout the offices and shops
- Implementation of digital documentation and filing, thus minimizing paper use with electronic methods.
- Automated energy management – automated computer shutdowns and lights when not in use
- Idling Policy for fleet vehicles
- Optional work from home policy for office staff to reduce the amount of cars on the road.

Our carbon footprint reduction and environmental sustainability is key to our future. STRAIT is dedicated to the continuous improvement in our daily activities and the complete implementation of the Green Strategy into 2021.

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SOCIAL

Purpose

Social responsibility is an integral part of STRAIT’s business activities and culture and we continue to build internal competency through regular communication. As a corporate goal to maximize contribution to sustainable development, STRAIT regularly reviews its actions and practices related to social responsibility. STRAIT recognizes its place as a global participant and forms part of a shared responsibility to promote healthy ecosystems, social equality, and good organizational governance.

STRAIT emphasizes diversity and inclusion in the workplace and is committed to developing, growing, and sustaining the Indigenous and local communities where we operate. We believe that local employment and procurement opportunities are key to sustaining healthy, vibrant communities. We are dedicated to building and maintaining positive relationships with Indigenous and non-Indigenous peoples.

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



Community Involvement and Investment

STRAIT remains committed to being a good neighbour by building and maintaining positive, reciprocal relationships with the communities where we conduct work. Community development and investment is a consideration in all business practices through support of various local programs that promote health, education, and social services, culture, and environment. STRAIT will maintain partnerships that build healthy communities through the development of an improved quality of life and provisions for economic opportunity.

STRAIT is committed to help provide essential funding for a variety of community initiatives. STRAIT invests back into the community, through donations and volunteer activities supporting local charities, educational programs, children’s sports groups, Indigenous events, and kids’ camps. STRAIT is committed to continuing our support of a variety of Indigenous and non-Indigenous local community programs that provide socioeconomic benefits and to help develop and build lasting relationships based on mutual trust and respect.

Indigenous Relations

STRAIT recognizes the history, diversity, and capabilities of local Indigenous peoples. STRAIT operates within traditional Indigenous lands, and as such, recognizes its responsibility to foster and preserve relationships with local Indigenous communities by establishing and maintaining mutually beneficial relationships. We understand that when Indigenous communities can benefit through employment, education, investment, and revenue sharing, all parties succeed.

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The STRAIT Indigenous Relations Policy outlines our commitment to developing and maintaining long-term mutually beneficial relationships with Indigenous communities and organizations throughout Canada. STRAIT’s approach to building reciprocal relationships are based on transparency, accountability, and trust.

Progressive Aboriginal Relations with the Canadian Council for Aboriginal Business

STRAIT is recognized as a Bronze Level Certification in Progressive Aboriginal Relations (PAR) with the Canadian Council for Aboriginal Business (CCAB). This outlines STRAIT’s overarching commitment to building mutually beneficial relationships with Indigenous communities and sets forth STRAIT’s responsibility to Indigenous inclusion towards social and economic participation.

Adoption of UNDRIP and Truth and Reconciliation

In the spirit of reconciliation, STRAIT recognizes the principles of the United Nations Declaration of Indigenous Peoples (UNDRIP) and respect the rights of Indigenous Peoples in Canada. STRAIT engages with Indigenous communities in a courteous manner and 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 and Reconciliation and the framework set out in Calls to Action # 92. STRAIT’s Indigenous Relations Policy applies the principles from UNDRIP into the policy formation and will set forth sustainable goals and targets, placing emphasis in the following areas:

Engagement



We are committed to early engagement and recognize the importance of developing strong mutually beneficial relationships.

Socioeconomic Participation

We engage with communities and give opportunities to participate in social and economic development activities.

Employment and Training

Our employees participate in Indigenous Relations Training as part of their onboarding. STRAIT is committed to supporting employment and training opportunities with Indigenous peoples in the areas where we operate. Our ongoing target is to have up to 10% of our overall workforce represented by local Indigenous employees, and implements ongoing recruitment through job fairs, resume workshops and community engagement.

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Subcontracting, Vendor and Procurement

STRAIT is committed to engaging with Indigenous business owners and entrepreneurs to provide meaningful subcontracting, vendor, and procurement opportunities when work is not able to be performed by STRAIT directly.

Indigenous Partners



STRAIT has a formal Strategic Business Alliance with Blueberry River First Nation; and has formed 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 that STRAIT remains a visible partner within these prominent Indigenous communities.

In addition to agreements with the Blueberry River First Nation and Aseniwuche Winewack Nation, STRAIT prides itself for having positive working relationships Indigenous communities across Western Canada, such as:

- Halfway River First Nation
- Doig River First Nation
- West Moberly First Nation
- Prophet River First Nation
- Saulteau First Nation
- Kitsumkalum First Nation
- Kitselas First Nation
- Duncan's First Nation
- Carry the Kettle First Nation (SK)
- Sturgeon Lake Cree Nation
- Horse Lake First Nation
- Louis Bull First Nation

When STRAIT is not able to perform certain scopes directly on a project, our goal is to collaborate with the above First Nations to provide meaningful subcontracting opportunities. We will also work with the above Nation's confirming employment, training, and socioeconomic opportunities are extended to ensure goals and targets that are set forth in the Indigenous Relations Policy are met.

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GOVERNANCE

Purpose

STRAIT recognizes the importance of contributing to long-term sustainable growth through accountable and responsible governance practices. Effective governance practices ensure that appropriate business is conducted through corporate strategy, policy, programs, and procedures are in effect and maintained by all STRAIT employees. STRAIT conducts business through honest, ethical, and legal business practices, as outlined in our Code of Conduct and Ethics. Each employee endeavors to respect the rights and 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 and inclusion of our people, by bringing value to our stakeholders and by being rooted in a culture driven by safety and quality.

Executive Structure

STRAIT's Executive structure is accountable, cooperative, and adheres to ethical business conduct practices outlined in our MSA's and MOU's with key Indigenous partners, clients, and stakeholders. We remain dedicated to our strategic alliances, partnerships, contracts, and agreements by upholding high standards in every aspect of our business.



STRAIT's Executive Roles include: President, Senior Vice President, Vice Presidents and Directors. These are key decision makers who ensure our company is being guided with ethical practices, equal opportunity, diversity, and inclusion, and sustain a safety and quality-driven culture.

Code of Conduct and Ethics

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

Executives and leaders have the responsibility to:

- Educate employees on this Code and the requirements applicable to your employees' work activities.
- Promote compliance with this Code and other relevant policies, standards, and procedures.
- Report employee misconduct in accordance with company procedures

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STRAIT’s Code of Conduct and Ethics provides a framework for employees in the following areas:

- Work Environment
- Business Ethics and Practices
- Compliance with the Code of Conduct
- Legal Notice

With the compliance of STRAIT’s Code of Conduct and Ethics, all employees and subcontractors will abide with STRAIT’s ethical standards which ensure that our working environments are safe for all employees.

Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion 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 are more innovative and perform better, and workplace diversity leads to higher employee engagement. STRAIT is committed to diversity within the workplace and our talent acquisition, promotion, and retention.

Equal Opportunity Employment

STRAIT is committed to the fundamental principles of equal employment opportunity. We welcome diversity and the synergy stemming from all perspectives because of diverse backgrounds, cultures, and experiences. STRAIT applies fair provincial and federal labour practices, and values the individual contributions that employees offer. Our company complies with international, national, and local legislation affecting its operations and strives to follow the best practices in corporate governance.

All STRAIT employees, potential and existing, are treated fairly with dignity and respect. Equal employment opportunities for available positions are given to all company employees and applicants based upon an individual’s qualifications and performance – free from discrimination and harassment, irrespective of their race, colour, ancestry, religion, gender, sex, sexual orientation, maternity, marital status, family status, disability, age, or national origin. These practices contribute towards all functions of employment including recruitment, hiring, training, transfer, promotion, compensation, benefits, discipline, demotion, dismissal, and layoffs. STRAIT will practice honest evaluation of each individual’s qualifications and business contributions.

Safety & Quality Culture

Our employees are an integral part of our growth and success, and 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 safety 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 as per our HSE requirements, or in accordance with 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.

Annual Evaluation

The programs and initiatives outlined in the ESG documents will be tracked where practical and reviewed annually to ensure the metrics collected reflect adherence to the spirit of the document. Corrective action will be taken to align with desired outcomes and from time to time the ESG may be adjusted to reflect changes.