



2023

**Environmental, Social, and
Governance Report**

Table of Contents

Overview

- 03 Message from the President
- 04 Our Commitment
- 05 About Kings Energy Services
- 06 Our Certifications
- 07 Our Core Values
- 08 ESG At A Glance

09 Environment

- 10 Environmental Management
- 11 Energy & Emissions Management
- 12 Land, Water & Waste

15 Social

- 16 Social at a glance
- 17 Community Engagement
- 18 Health and Safety
- 19 Talent Development

20 Corporate Governance

- 21 Governance at a Glance
- 22 Risk Management
- 23 Compliance and Reporting
- 24 Code of Business Conduct
- 25 Leadership Team
- 26 Conclusion



Our Team Strategy

Kings Energy Services is pleased to present our Environmental, Social, and Corporate Governance (ESG) report for 2023. This report reflects our commitment to sustainability and responsible business practices. At Kings Energy, we believe that by integrating ESG considerations into our operations, we can create long-term value for our clients, contribute to the well-being of our employees and communities, while helping protect the environment. Our ESG initiatives are aligned with our vision to be a leader in the energy industry while promoting sustainability and social responsibility. We recognize that addressing environmental and social challenges is not only crucial for our business, but also for the overall betterment of society. Through this report, we aim to transparently communicate our progress, achievements, and future goals in these areas.



Scott Fraser – President



Our Commitment

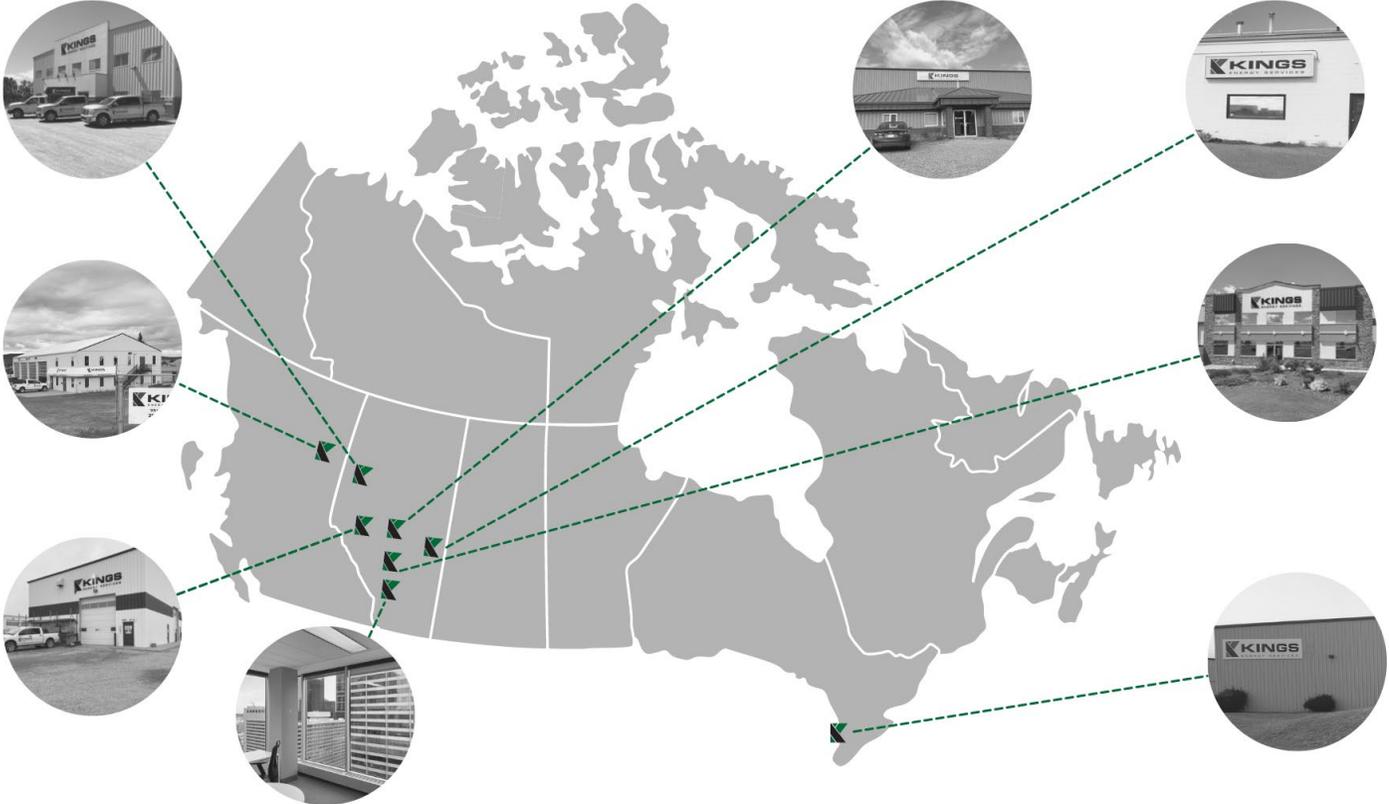


Growth, Opportunity, Excellence & Sustainability

Kings Energy Services will employ practical measures to protect the environment. We will conserve and protect the water, air, and land resources we use. We will strive to eliminate any releases to land, air or water that may harm human health or the environment. Continuous improvement in our environmental performance will be our commitment. We will create procedures that will comply with federal, provincial and municipal regulations. We will provide training to our workers to ensure our workers are aware of and can follow these procedures.

About Kings Energy Services

Kings Energy Services Ltd. is a well-established Canadian company specializing in valve, electrical, instrumentation, and measurement services. With an extensive range of high-quality products available for distribution and in-house manufacturing. Since its establishment in 1977, the company has experienced significant growth, expanding to eight facilities throughout Canada. Supported by a dedicated team of over 60 professionals, Kings Energy boasts an impressive track record of over four and a half decades of trusted service in the industry.



8 Locations across Canada

1 Mobile Valve Servicing Unit

60+ Team Members

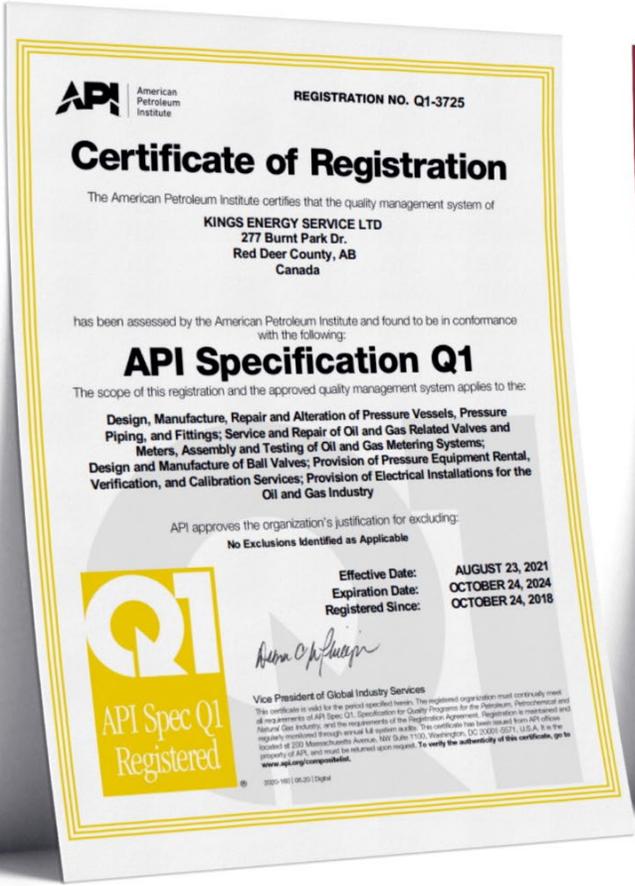
45+ Years in Business

Dawson Creek | Grande Prairie | Red Deer | Drayton Valley | Nisku | Provost | Sarnia | Calgary



Our Certifications

We work hard at Kings Energy to provide top quality products and services and we maintain these results through the implementation of API Q1 and ISO 9001:2015 certifications. These continuous improvement programs highlight Kings Energy Services' dedication to providing our clients with the best solutions possible



General Certifications

- ASME B16.34 design code
 - CRN to ASME B16.34
- Compliance to ASME B31.3, CSA Z245.15
- API Spec 6FA for fire safe certification to come
 - ASVS-50 Quality Management Systems

On-site Specific Certifications

- API Q1
- API 6D
- ISO 9001:2015
 - AQP -1536
- TSSA QA 05696



Our Core Values

Trust, Accountability, Commitment and Teamwork are our core values that guide how we do business.

At Kings Energy Services we strive to implement our core values of T.A.C.T into every aspect of our organization.

TRUST

Absolute confidence in our team members

ACCOUNTABILITY

Provide solutions, not problems

COMMITMENT

Driving high results through quality & safety

TEAMWORK

Positive collaboration approach to solutions

VISION

To be a leading provider of quality products and services to industries globally.

MISSION

Committed to excellence for all stakeholders

Kings Energy Services continues to hold onto its grassroots by maintaining a philosophy of "Quality Products, Quality Services, and Quality People". This philosophy has been the cornerstone of our organization and continues to drive our success.

ESG At A Glance

At Kings Energy Services, we are committed to implementing and improving our environmental, social and governance (“ESG”) practices. We believe in maintaining a safe environment for our teams, families and the communities that surround us.



ENVIRONMENT

Kings Energy Services is committed to providing all workers, contractors and customers with a safe environment in which to work or conduct business with. We are committed to minimizing the environmental impacts that our business may have in the areas in which we operate. We strive to meet or exceed all applicable federal, provincial and municipal legislation and regulations regarding environment, health and safety in the specific areas that we work.



SOCIAL

Kings Energy Services is committed to protecting and maintaining the health and safety of all our Employees including Physical, Psychological and Social Well-being. As well as the environment in which we operate.



GOVERNANCE

Kings Energy Services is committed to adhering to corporate governance practices that meet or exceed industry standards. Having good corporate governance is important to our families, our clients, our communities and to all of us at Kings Energy Services.

Highlights

Diversity & Inclusion

- 69** Average Number of Team Members
- 18%** Female Team Members
- 16%** Identify as Visible Minority*

*The term “visible minority” is used in statistics to designate racialized (non-white) and non-Indigenous people, as defined by Canadian law.

ENVIRONMENT



Environment At A Glance

Environmental stewardship lies at the heart of Kings Energy Services operations. We are committed to minimizing the environmental impact that our business may have in the areas in which we operate. We strive to meet or exceed all applicable federal, provincial and municipal legislation and regulations regarding environment, health and safety in the specific areas that we work.

Our Environmental Footprint



Our Environmental Footprint

At Kings Energy Services we strive to limit our environmental footprint by implementing the following strategies amongst our facilities



LED Lighting

All Kings locations will be transitioning to LED lighting to reduce energy consumption



Improve supply chain management

By working with our suppliers to ensure that they also follow sustainable practices, such as reducing their carbon footprint and using sustainable materials



Use eco-friendly materials

As much as possible we will implement the use of eco-friendly materials such as biodegradable lubricants and coatings, and recyclable metals

Environmental Management

At Kings Energy Services we believe in partnering with our clients to achieve their ESG goals, and we continue to innovate and explore alternate ways to decrease both our own and our customers' environmental footprints.

Environmental Policy

Protection of the Environment

We will employ practical measures to protect the environment. We will conserve and protect the water, air, and land resources we use. We will strive to eliminate any releases to land, air or water that may harm human health or the environment. Continuous improvement in our environmental performance will be our objective.

Waste Management Policy Statement

Whenever possible we will work to prevent waste and pollution at the source. We will make efforts in our operations to use processes designed to minimize the environmental impacts of our operations.

Recycling and Waste Disposal

We will support recycling programs where practical and will use environmentally safe treatment and disposal practices for waste that is not eliminated at the source or recycled.

Compliance

We will implement programs and procedures to assist in being compliant. We will strive to conduct compliance audits and monitor procedures and practices to evaluate our performance.

Disclosure

We will endeavor to keep our workers informed of our environmental efforts. We will cooperate with the authorities and regulatory agencies in responding to inquiries. We will encourage our workers to report any conditions to the company that they believe could be harmful to the environment or pose health or safety hazards so we can investigate and look for corrective actions.

Product Innovation

At Kings Energy Services we emphasize product innovation that prioritizes environmental benefits. Through continuous research and development, we aim to deliver solutions that reduce energy consumption, enhance efficiency, and contribute to a more sustainable future for the industries we serve.

One of our current projects is refining our in house manufactured Focus 2.0 Optical Flow Meter (OFM)

The Focus 2.0 flare gas optical flow meter (OFM) uses precise lasers to measure the gas flow by sensing the velocity of microscopic particulates naturally occurring in gas. The Focus OFM 2.0 can be used for:

- Gas flow measurement for flare and vent gas applications
- Flare monitoring for reducing waste & increasing process efficiency
- **Emissions measurement** for compliance with environmental regulations



Measuring your companies' emissions prove to be an effective way to be aware and reduce your companies carbon footprint. New features in development include:

New Accuracy Ranges

0.1 m/s – 12 m/s – 2.0%
(original was 2.5-5.0%)
12 m/s - 100 m/s – 2.5%
100 m/s – 150 m/s – 5.0%

IEX EX Certificate

International recognized as intrinsically safe

Direct Mount Electronics

Bluetooth Communication

Allowing communication with OFM via OFM Monitor software without the use of a hard lined communications cable

Land, Water & Waste

Whenever possible we will work to prevent waste and pollution at the source. We will make efforts in our operations to use processes designed to minimize the environmental impacts of our operations.

Any Spills are to be reported and investigated on Kings Energy Services EHSMS-7.0 F4 Spill Response form

Number of Reported/Investigated Spills

2021	2022	2023
0	0	0

Spill Prevention and Response

All Kings Energy Services team members are trained on Spill prevention and response procedure. When hazardous waste or hazardous recyclables are released into the environment, there is the potential for immediate and significant adverse effect. A spill is the discharge of a pollutant into the natural environment from a structure, vehicle or other container.

The safety and protection of the Environment is of primary concern. The following is expected by employees to contain and report all spills:

- All chemicals, oils lubricants and solvents are to remain in their original containers and stored in such a way as to minimize any potential for a spill.
- Kings Energy Services will ensure that spill response materials or spill kits are readily available.
- The contents of spill kits will be periodically inspected to ensure that they are adequate.

Tree Planting Initiative

At Kings Energy Services, we recognize the urgent need to address environmental challenges and embrace sustainable practices. As part of our ongoing commitment to environmental stewardship, we are excited to introduce our tree planting initiative.

Trees play a vital role in mitigating climate change, enhancing air quality, conserving water, and preserving biodiversity. With this understanding, our dedicated team at Kings Energy Services is enthusiastic about contributing to a greener future by planting trees.

Through this initiative, we aim to make a positive impact on the environment and demonstrate our commitment to sustainability. By planting trees, we are actively engaging in the restoration and conservation of natural ecosystems. This endeavor aligns with our broader environmental objectives, including reducing our carbon footprint and promoting sustainable practices throughout our operations.

We will collaborate with local environmental organizations and communities to identify suitable planting sites and tree species that align with the unique ecological needs of each region. Our dedicated team members will actively participate in tree planting events, ensuring that we collectively contribute to the reforestation efforts.



SOCIAL



Social At A Glance

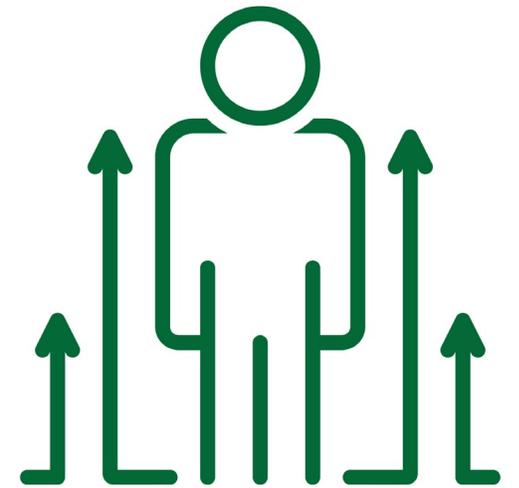
At Kings Energy, we recognize that our success is driven by our people and the communities in which we operate. We are dedicated to fostering a diverse, inclusive, and safe workplace while actively engaging with our team members. Key social initiatives include:



Community Engagement



Health & Safety



Talent Development

Community Engagement

At Kings Energy Services we believe in actively engaging with the communities in which we operate, seeking to understand their needs and contribute to their development. We support local initiatives, participate in charitable programs, and encourage our employees to volunteer their time and expertise to make a positive social impact.

Kings in the Community

Our Kings in the Community program provides opportunities for employees to support the causes important to them through volunteering, sponsorships, donations, and community support initiatives.



2022

Kings Energy Services team members raised over **\$7000** towards community initiatives in 2022.

Community Initiatives

The following are examples of some of the Kings in the community initiatives our team has had the opportunity to support :



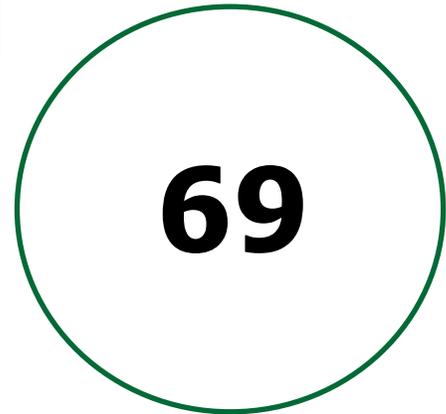


Health & Safety

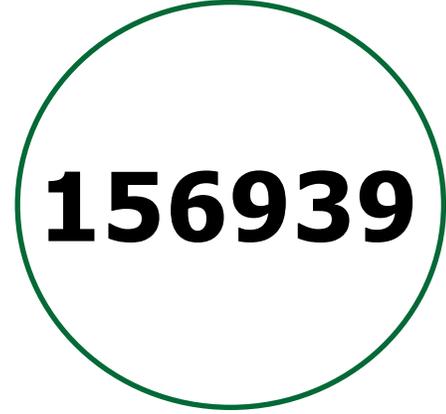
At Kings Energy Services we prioritize the health and safety of our employees, contractors, and the communities we serve. We maintain robust safety protocols, provide regular training, and promote a culture of safety awareness throughout our organization. Our goal is to ensure that every employee returns home safely at the end of each day.

We aim to continuously improve our tracking and reporting while implementing additional policies and procedures where applicable.

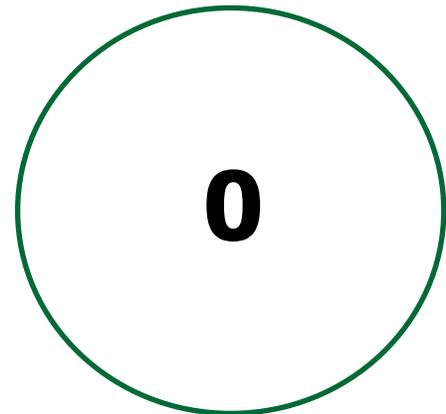
2022



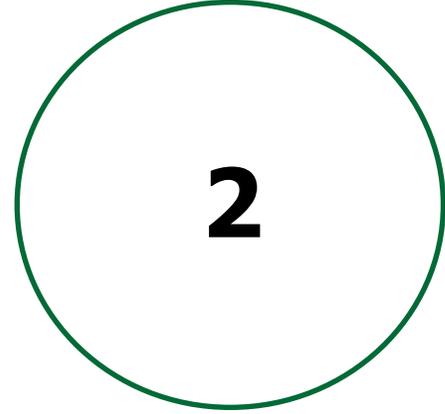
Avg # of Employees



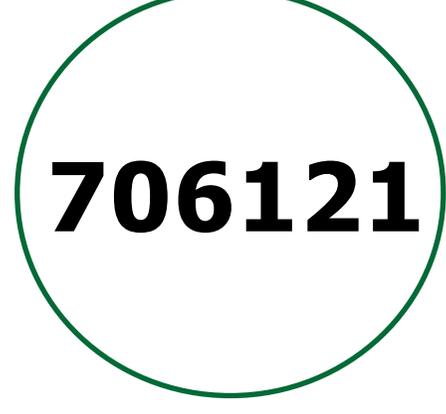
Total Hours Worked



Lost Time Days



Vehicle Incidents



KM Driven

Talent Development

We invest in the professional growth and development of our employees, providing them with ample opportunities for learning, skill enhancement, and career progression. We believe that a well-trained and motivated workforce is crucial to our long-term success.

Training examples include but are not limited to:

- ✔ Safety specific training such as First Aid or Hazard Identification
- ✔ Proper use and maintenance of equipment
- ✔ Any applicable process, procedure, or document / record in the Quality Management System as defined in the QMS Training Matrix
- ✔ Any cross training between positions to ensure that position requirements can be satisfied by more than one person

Training comes in many different forms. Department Heads will use one or more of the following methods to ensure training is completed:

- ✔ On the job training by demonstrating a method or technique
- ✔ Verbal review of policy, processes, procedures, or instructions
- ✔ Formal classroom training, either at or away from a King's Energy Services facility
- ✔ Mentoring new hires towards an increased competency level



Employee Development

Kings Energy Services commits to rolling out a new Training Program in 2023 and investing in the development of our team members through internal and external training



First Aid/CPR/AED Level C



CORPORATE GOVERNANCE

Corporate Governance At A Glance

At Kings Energy, we are committed to maintaining the highest standards of corporate governance. We believe that strong governance practices foster transparency, accountability, and long-term value creation. Key corporate governance initiatives include:



Risk Management



Compliance and Reporting



Code of Business Conduct

Risk Management

By adopting a formalized risk management framework to identify, assess, and mitigate risks that may impact our operations and reputation. King's Energy Services will perform risk assessment to the consideration of severity, risk detection methods, and probability of occurrence. Risk assessments associated with product and services quality and associated delivery will be considered. The Preventive Action process is performed using the Risk Assessment procedure and is used to identify and prevent potential internal and supply chain nonconformities.

As a minimum, assessments will be performed for risks associated with:

- ✓ facility/equipment availability and maintenance, including condition of equipment
- ✓ supplier performance and material availability/supply, including their supply chain controls
- ✓ delivery of nonconforming service or service-related product to the customer
- ✓ availability of competent personnel

Number of Risk Assessments

2022	
Green/Yellow	Red
11	12

The Risk Assessment will determine the probability, severity, and a description of the risk and how the risk relates to personnel, equipment, environment, public image, and customer satisfaction, as required.

Green and **Yellow** Risks – Risk assessments will be controlled (mitigated) when they are determined to have a potential LCM Value of 1 – 10. Controls will be listed on the QF14.2 Issues, Interest, and Improvement Matrix.

Red Risks - Risk assessments will be controlled (mitigated) when they are determined to have a potential LCM Value greater than 10. Controls will be listed on the Issues, Interest, and Improvement Matrix. A Contingency Plan will be completed detailing the alternative plan (the Plan B).

Compliance & Reporting

At Kings Energy Services, our commitment lies in strict adherence to all regulatory and legal obligations. We maintain a diligent monitoring process to ensure that our operations consistently align with the directives set forth by regulatory authorities. Our operations has and will continue to successfully stand by the following standards:

- **ISO 9001:2015** Quality Management System Requirements
- **API Q1 (9th Edition)** Specifications for Quality Programs for the Petroleum and Natural Gas Industry
- **API 6D – (24th Edition)** Specification for Pipeline and Piping Valves
- **ABSA (Alberta Boilers Safety Association)** is the pressure equipment safety authority for Alberta.
- **CAOEC (Canadian Association of Energy Contractors)** represents Canada's energy service contractors operating close to the wellhead.
- **TSSA (The Technical Standards and Safety Authority)** promotes and enforces public safety for Ontario.
- **Technical Safety BC** oversees the safe installation and operation of technical systems and equipment across British Columbia.
- **Certificate of Recognition (COR)** is awarded to employers who develop health and safety programs that meet established standards



In addition to the above standards our team commits to maintaining compliance with

- **ISN Network**
- **Complyworks**

Kings Energy Services commits to achieving API 6D certification for our in house manufactured Saf-T-Matic ESD in 2023

Code of Business Conduct

Kings Energy Services upholds its commitment to conducting business with transparency and integrity. We have established a workplace culture built upon the pillars of trust, accountability, commitment, and teamwork. To ensure the highest ethical standards are maintained throughout our organization, we have implemented a robust **Code of Ethics Policy**. All members of our team are expected to be well-versed in this code and unwaveringly uphold its expectations.

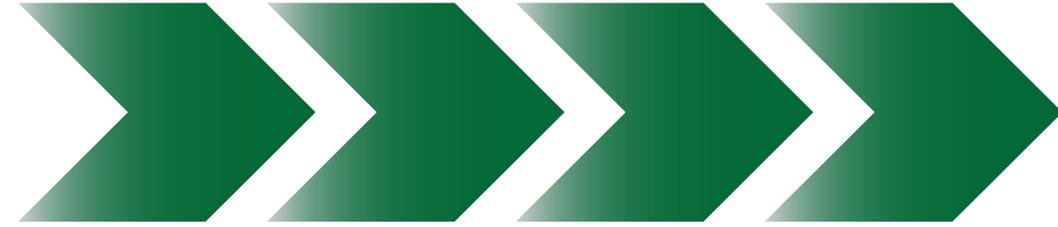
Expectations

- ✔ All employees at Kings Energy Services will demonstrate a workplace built on trust, accountability, commitment, teamwork, and openness, both individually and collectively.
- ✔ Disclose any conflicts of interest as defined in a company, conflict of interest policy regarding their position at Kings Energy Services
- ✔ Report, and he says suspected violations of a company policy.
- ✔ Kings Energy Services will not be party to the intent or appearance of unethical or compromising practices in its business relationships.
- ✔ Violence, harassment or discrimination will not be tolerated.
- ✔ Improper use of company trading secrets will not be tolerated.
- ✔ Employee shall not use corporate assets or business relationships for personal use or gain.

Whistleblower Policy

Kings Energy Services is committed to integrity and ethical behavior in the workplace and will foster and maintain an environment where employees can work safely and appropriately, without fear of retaliation. This policy has been adopted to ensure that all employees understand that they may report any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large, without fear of retaliation or a negative impact on their employment status at Kings Energy Services.

Leadership Team



Jason King
CEO



Scott Fraser
President



Clinton Todd
VP, Finance



Trevor Hunt
VP, Business Development & Marketing

Conclusion

At Kings Energy Services Ltd, we remain steadfast in our commitment to ESG principles and the pursuit of sustainable business practices. By prioritizing environmental responsibility, fostering social well-being, and upholding strong corporate governance, we aim to create long-term value for our teams and contribute to a more sustainable future for the industries we serve.

This ESG report reflects our ongoing commitment to sustainability and responsible business practices. We are proud of the progress we have made thus far and remain dedicated to continuous improvement. By integrating ESG considerations into our strategies, we aim to contribute to a more sustainable future.



2023

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