

Task Force on Climate-Related Financial Disclosures Report

2023

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SECURE assesses and confirms the accuracy of our reports before publication in accordance with the law as well as industry and international best practices. SECURE also dates its publications, so that readers can understand that statements are made as of the date of publication.

SECURE’s ESG-related activities, goals, commitments and plans are overseen by dedicated committees and subject to regular internal reporting and review. SECURE’s sustainability and ESG disclosures involve forward-looking information related to known and unknown risks, assumptions, uncertainties, and other factors that may cause actual results to differ materially from those contained within our sustainability and ESG disclosures. Although SECURE believes these statements to be reasonable, no assurance can be given that the anticipated results included in such forward-looking statements will prove to be correct and such forward-looking statements included in our sustainability and ESG disclosures should not be unduly relied upon.

Introduction

As SECURE advances its ongoing commitment to climate action, we are pleased to release our second climate-related disclosure report guided by the Task Force on Climate-Related Financial Disclosures (TCFD) framework for the fiscal year ending December 31, 2023. This report aligns with the TCFD recommendations by setting out our expected governance, strategy, risk management, and metrics and targets as they relate to climate impact. Climate-related financial disclosure continues to evolve, necessitating diligent monitoring and adaptation on our part. In a significant development, the International Sustainability Standards Board (ISSB) released its first two sustainability standards in June 2023: IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-Related Disclosure). These new standards incorporate the recommendations of the TCFD, marking a pivotal moment in climate governance. With the TCFD's work complete, and the responsibilities transitioned to the ISSB, we are closely following these developments. As a result, we anticipate our climate disclosure will evolve over time to remain in step with the latest in financial and sustainability reporting.

In addition to the information provided in this report, SECURE's Annual Information Form (AIF) also identifies climate-related risks inherent in SECURE's business. SECURE also releases annual Sustainability Reports that showcase our strategy and outline our short- and long-term goals that are established to achieve meaningful change on the path to a lower emission future. Our past Sustainability Reports can be found [here](#), and our AIF can be found [here](#).

The terms "we," "our," "us," "Corporation," "company," "organization," and "SECURE" refer to SECURE Energy Services Inc. and our subsidiaries.





Message from Chair of the ESG Committee – Sue Riddell Rose

As we navigate the challenges and opportunities of the 21st century, the balance required between energy security, the economy and the environment has become increasingly apparent. Energy security allows economic security which underpins environmental security. Recognizing this, SECURE is committed to contributing to energy and economic security and to transparency and accountability in our approach to climate-related risks and opportunities. In alignment with the recommendations of the TCFD, we are pleased to present our 2023 TCFD Report.

We believe that a strategic and pragmatic approach to managing climate risks and opportunities is not only a matter of environmental responsibility but a driver of long-term sustainability and crucial to create value for all our stakeholders. All credible independent energy forecasts call for increasing demand for energy in all forms, and that hydrocarbons will remain in the global energy mix for decades. Reliable, responsible and cost-effective energy is important for a strong economy to drive ever cleaner environmental performance through to energy transformation. SECURE's Board of Directors (the Board or the Board of Directors) and Senior Leadership team are committed to guiding our business strategy and enhancing our governance framework

to support the energy transformation and to mitigate climate change through cost-effective emission reduction initiatives, energy efficiency, and investment in viable technology related to lower-carbon opportunities.

Over the past year, we have taken significant steps to integrate climate considerations into our strategy, governance, risk management, and metrics and targets. As a leader in the environmental and energy infrastructure business, we are focused on enhancing the sustainability and environmental performance of our customers while driving continuous improvement in our own business operations. Our Board of Directors, supported by our dedicated Environment, Social and Governance (ESG) Committee (the ESG Committee), oversees our climate-related

initiatives, ensuring they align with our strategic decision-making processes. The ESG Committee actively assesses and manages climate-related risks and explores opportunities to innovate in our products, services, and operations.

Our commitment extends beyond compliance; it is about leadership in a changing world. We are enhancing our resilience, reducing our environmental footprint, and focusing our energy on assisting our customers with their efforts to be more environmentally and socially responsible. Meeting Canada's emissions reduction commitments will take collaboration with our partners, investors, employees, and communities as we aim to drive positive change to lay the foundation for a sustainable future.

In 2023, we accomplished the following to support our customers with their climate action and emission reduction goals and in support of our own goals:

- Displacing 140,000 trucks because of our pipeline infrastructure network, resulting in a reduction of customer Scope 3 emissions and supporting United Nations Sustainable Development Goal 3 of good health and well-being for all by reducing the potential for vehicle accidents.
- Helping our onsite customers reduce transport created CO₂ emissions by recovering crude from slop oil on their sites

instead of transporting the slop oil

- Continuing to engage all levels of our organization by providing climate awareness training and promoting engagement in emission reduction and energy efficiency initiatives through our ESG ID program, a program where employees submit ESG ideas, which has contributed to significant reductions in our greenhouse gas (GHG) emission intensity for the past two years.

Meeting Canada's commitment to a lower-emission future will undoubtedly take significant effort on all fronts and SECURE is committed to this future. We are motivated by the progress

that we have already made through our intentional focus over the past three years and the opportunities that innovation will unlock in the journey ahead. We value the support and mutual commitment of our stakeholders as we collectively build a resilient, sustainable and prosperous future for everyone.



Sue Riddell Rose
Director





Message from President & CEO - Allen Gransch

I am pleased to present SECURE's second annual TCFD report. This report reflects our ongoing commitment to transparency, accountability, and leadership in climate-related financial reporting. Climate change poses risks and opportunities for SECURE and we recognize the importance of incorporating climate-related considerations into our strategic planning, risk management, and investment decisions. Our TCFD report outlines our efforts to understand and mitigate climate-related risks, capitalize on climate-related opportunities, and seek ways to contribute to a more sustainable future without sacrificing energy security.

In 2023, we took meaningful steps to advance our strategy as a leading waste management and energy infrastructure company. We successfully completed a sales process mandated by the Competition Bureau for 29 facilities acquired in our 2021 merger with Tervita Corporation. The sale to an affiliate of Waste Connections, Inc., was completed in February 2024 and begins to highlight the value of SECURE's business and affirms our standing in the waste management industry. We also completed our strategic portfolio rationalization by divesting of non-core oilfield service businesses that did not align with our core waste management and energy infrastructure strategy. Our repositioning provides our stakeholders with a clearer understanding of our core business operations, and better positions us for future growth, diversification, and the ability to respond to an ever-evolving economy.

We recognize that future sustainability requires building business resilience into our strategic planning. Our strategy promotes resilience and diversity by capitalizing on our technical and operational expertise and our extensive infrastructure network to explore opportunities for growth. In 2023, we incurred \$114 million of growth capital, primarily directed towards two major projects providing critical infrastructure for the safe and reliable handling of production volumes for our customers. By facilitating pipeline volumes, these projects contribute to removing trucks from the road, reducing the carbon footprint associated with our customers' operations. We also invested in metal processing capabilities to position us to be a more versatile and competitive service provider among our peers. Additionally, our specialty chemicals business invested \$6 million in research and development to advance sustainability efforts

with chemical products that increase production and longevity of assets.

Every year we set climate and sustainability targets and goals using our internal Corporate Playbook (the Playbook). The Playbook guides the execution of our climate strategy acts as a vehicle to drive accountability and show our progress to our Board of Directors. By incorporating our sustainability and climate goals into our Playbook we have successfully started to integrate sustainability into our business strategy. We will continue to incorporate climate considerations and climate-related scenarios into our business planning, risk management and operational activities when it provides value.

Some key advancements in 2023 related to our climate objectives included:

- Reducing our year-over-year corporate GHG emission intensity by 5%. Since 2021, we have reduced our corporate GHG emission intensity by 12.9%, positioning us well to meet our 15% reduction target by the end of 2024.
- Decreasing our corporate GHG emission intensity by 21% year over year in our Metals, Mining and Rail Business Unit through the purchase of more energy efficient processing equipment and streamlining our operations to promote operational and energy efficiency.
- Updating our materiality assessment, which was initially completed in 2021, where both climate and energy security were identified as material issues, reinforcing our necessity to balance the demands of supporting energy security with long-term decarbonization in our planning and strategy.
- Conducting physical climate scenario analysis for three global warming scenarios and nine climate perils. The results of the modelling will help inform future climate strategy and

planning and to highlight where our highest potential risks lie (in the future).

- Implementing a GHG data management system to ensure greater accuracy with data captured and reported to provide better transparency and to introduce processes and controls similar to those used for financial reporting, which is anticipated to “go live” in 2024.

Achieving the highlighted successes would not be possible without the engagement, active participation, commitment, and collaboration of our field operations, ESG, engineering, and business intelligence teams. Together, we are working to make our operations and those of our customers more sustainable.

Our participation in the TCFD initiative underscores SECURE’s dedication to playing a proactive role in addressing challenges related to climate. We believe that by aligning our financial disclosures with TCFD recommendations, we are enhancing our resilience and adaptability in a rapidly changing world.

Climate-related financial disclosure continues to evolve, necessitating diligent monitoring and adaptation on our part. In a significant development, the ISSB released its first two sustainability standards in June 2023: IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-Related Disclosure). These new standards incorporate the recommendations of the TCFD, marking a pivotal moment in climate governance. With the TCFD’s work complete, and the responsibilities transitioned to the ISSB, we are closely following these developments. As a result, we anticipate our climate disclosure will evolve over time to remain in step with the latest in financial and sustainability reporting.

Thank you for your attention. We look forward to engaging with our stakeholders as we continue to work together to build a more sustainable future.



Allen Gransch
President & CEO

Governance

Governance is managed at the highest level by the Board, providing effective corporate governance around climate-related risks and opportunities on behalf of all stakeholders by offering strong and thoughtful leadership and oversight of risk identification, assessment, management and mitigation, compliance with all laws and by adhering to the highest ethical standards. SECURE's Code of Conduct guides all business activities to be carried out in an honest and ethical manner. In addition, SECURE maintains robust policies and procedures relating to, among other things, diversity and inclusion, corporate disclosure and trading in securities that promote best governance practices throughout the organization. Our governance library can be found at secure-energy.com/governance.



Board Oversight

The Board has four committees, Audit, Corporate Governance & Nominating, Human Resources & Compensation and ESG. SECURE has established an effective internal governance structure to help implement sustainability strategies and deliver on our sustainability commitments across the business through the ESG Committee. This committee assists the Board in fulfilling its oversight responsibilities concerning ESG issues, including climate-related matters that impact SECURE by monitoring management systems and processes relating to the identification, assessment and management of climate-specific risks and opportunities. Climate-related risks and

opportunities are also a standing agenda item at the quarterly board meetings, discussed with the ESG Committee.

The Board, in consultation with its committees, oversees and monitors climate-related metrics and targets used by SECURE to assess and manage relevant climate-related risks and opportunities. The Board ensures that climate-related issues are incorporated into its business strategy.

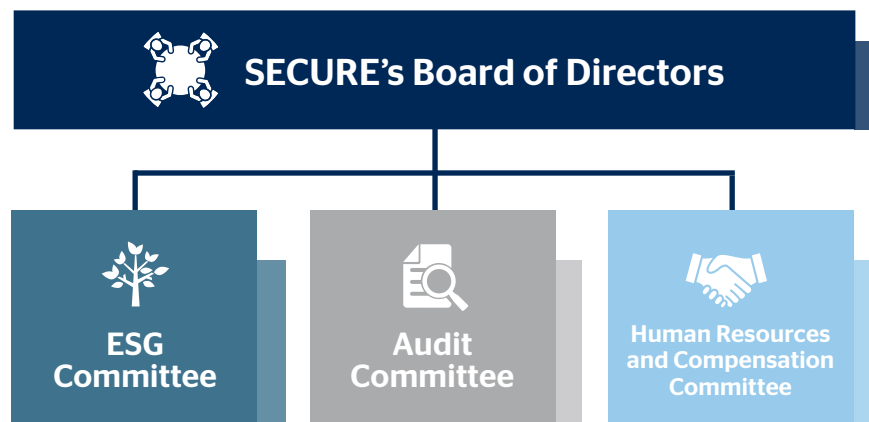
Climate-related risks are also described in the AIF and other public disclosure documents filed by SECURE, which are reviewed and approved by the Audit Committee.

In addition, 25% of our executive compensation performance share unit criteria is linked to ESG factors which are reviewed and approved by the Human Resources and Compensation Committee.

Additional information regarding the Board's role in climate risk oversight is included in the Sustainability Strategy and Governance sections of SECURE's 2023 Sustainability report and in our March 11, 2024 [Management Information Circular](#).

Board of Directors

The figure below summarizes how the Board of Directors and the Board Committees interface on climate-related issues.



SECURE's Board of Directors Provides oversight of SECURE's ESG issues that impact SECURE which includes climate change risk management and climate strategy to ensure shareholder interests are represented.

ESG Committee Non-executive Directors appointed by the Board to review and advise on ESG policies, practices, programs, management systems, processes and goals relating to the identification and management of ESG risks and opportunities including those specific to climate-related issues.

Audit Committee Non-executive Directors appointed by the Board to monitor the principal risks that could affect the financial reporting of SECURE and periodically discuss with management the steps that management has taken to monitor and control such risks, including those related to climate change.

Human Resources and Compensation Committee Non-executive Directors appointed by the Board to set remuneration and remuneration policies in alignment with Corporate Strategy and to review and monitor the link between executive compensation and SECURE's performance on both short- and long-term ESG goals and targets including those related to climate, for example emission reduction.

Senior Leadership's Role

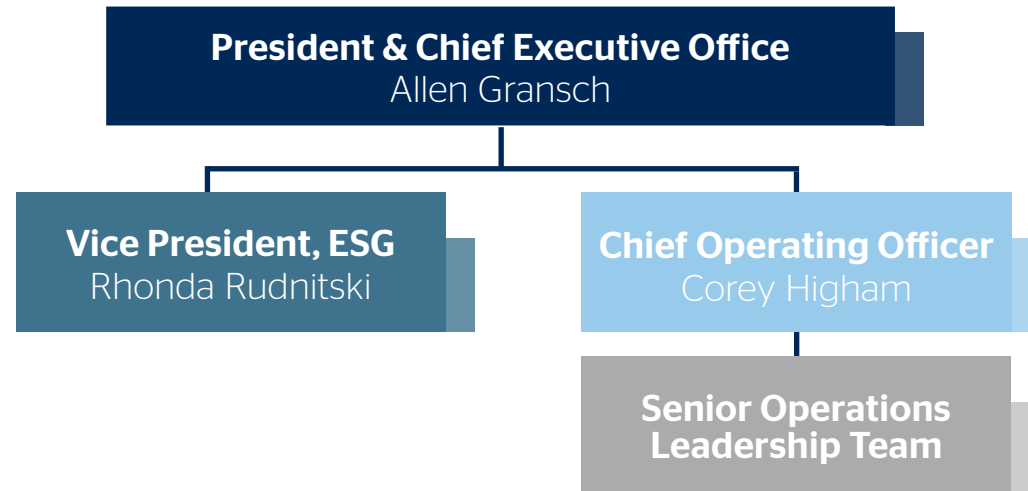
Led by the President and CEO, SECURE's Senior Leadership Team oversees our climate-risk within the organization to ensure oversight into all areas of our business. The Senior Leadership Team helps identify, assess and manage climate-related risks and opportunities and bring them to the President and CEO where they are reviewed and discussed quarterly as part of strategy sessions where climate and emissions are recurring topics.

The Senior Leadership Team is responsible for setting SECURE's strategic direction and making managerial decisions about operations, resource management, and setting corporate goals to support the execution of the strategy, including as it pertains to sustainability initiatives. Members of the Senior Leadership Team report to the ESG Committee on SECURE's climate-related performance quarterly.

Senior Leadership Team

The Chief Executive Officer, Rene Amirault, President, Allen Gransch, Chief Operating Officer, Corey Higham, and Vice President, ESG, Rhonda Rudnitski are the most senior individuals in the organization responsible for climate-change risk management.

¹The Corporate Playbook is an internal document that contains annual targets and goals that are created to execute the Corporate Strategy. The Senior Leadership Team is responsible for delivering the goals and meeting the performance targets within the Corporate Playbook. Playbook performance is reported to the Board of Directors quarterly and is linked to Senior Leader compensation. ESG goals and targets, specifically related to climate and emission reduction are integrated into the Corporate Playbook.



President & Chief Executive Officer: Allen Gransch Oversees all climate-related matters including progress on delivery of strategy, climate-related disclosures, corporate performance, and the governance of climate-related matters. Responsible for overseeing the integration of climate-related matters into the business strategy including the development of goals and initiatives that will enable successful execution of the business strategy through the Playbook. Also accountable for the allocation of resources and budget to support ESG and climate-related initiatives included in the business strategy.

Vice President, ESG: Rhonda Rudnitski Provides strategic and functional direction for ESG initiatives and monitors SECURE's performance on key sustainability indicators. Responsible for reviewing emerging ESG risks and opportunities relative to SECURE's business including those specific to climate. Collaborates with the COO and the Leadership Team to successfully execute the business strategy. Partners with Operations Senior Leadership to achieve operational excellence including initiatives that support the successful execution of the climate strategy such as the reduction of Scope 1 and 2 emissions. Responsible for overseeing climate-related monitoring and reporting and sets targets that support the successful delivery of climate-related strategy. Works with Business Development to identify and assess climate-related opportunities such as carbon sequestration and storage.

Chief Operating Officer: Corey Higham Responsible for overseeing the integration of climate-related matters into the business strategy including the development of goals and initiatives that will enable successful execution of the business strategy through the Corporate Playbook¹. Also responsible for allocation of resources and budget to support ESG and climate-related initiatives included in the business strategy.

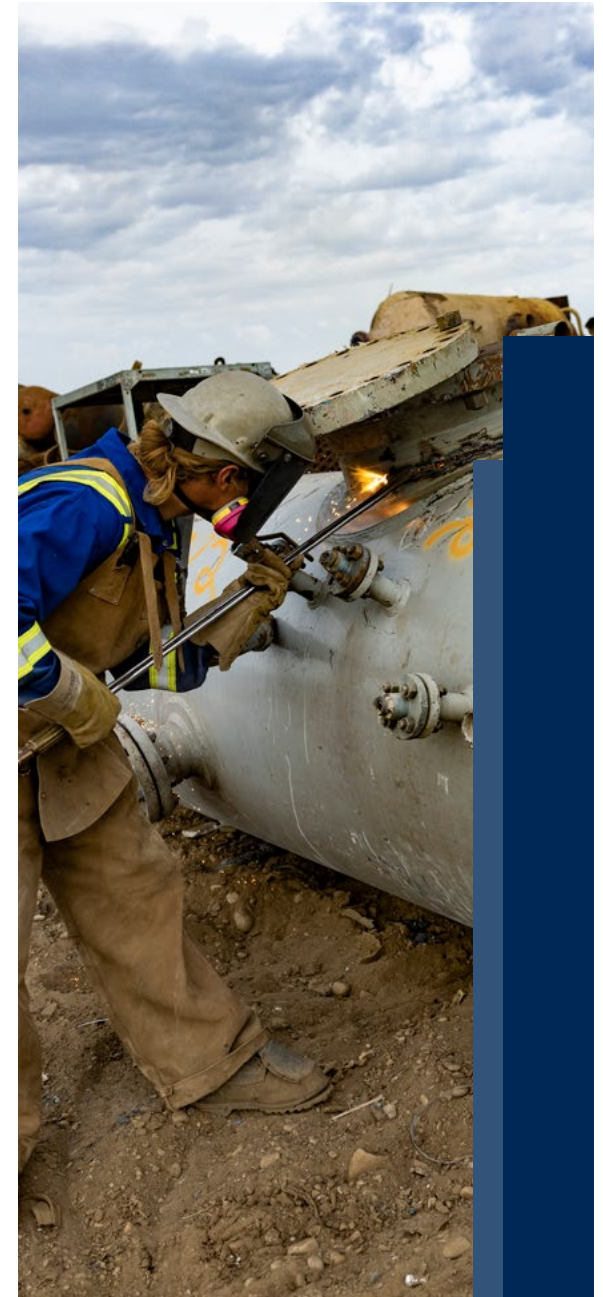
Senior Operations Leadership Team Responsible for each of their operational business units and executing plans and actions specific to their business to achieve goals that drive the strategy. Each operational business unit creates ESG specific goals to support the overall ESG strategy and are responsible for monitoring the ESG performance of their business units.

Strategy

The introduction of SECURE's Climate Action Plan in 2022 reinforced the need to refresh our materiality assessment to further understand and assess climate change as a business risk. As the science around climate change evolves, climate-related business risk will be re-evaluated, and materiality assessments refreshed, to reflect emerging scientific understanding and balance the demands of supporting global energy security through responsibly produced energy with long-term decarbonization. These findings and factors will guide our sustainability strategy, future reporting and confirm alignment with stakeholders.

In 2023, we completed the materiality assessment refresh by surveying a broader stakeholder group and conducting a double materiality assessment by seeking to understand both global impacts and impacts on SECURE's business. Global ESG climate topics that were identified in the materiality assessment as extremely important to SECURE's stakeholders included: water management and water security, climate change, and energy security. Additional details about our 2023 materiality assessment can be found in our 2023 Sustainability Report.

As SECURE's ESG maturity evolves, SECURE is better able to integrate its climate strategy into its business strategy. The table shows the linkage of specific business strategy elements to climate-related action.



SECURE Strategy Element

- Link to Climate Action

Enhance business with best-in-class customer service and effective optimization of our infrastructure

- Help our customers meet their goal of environmentally and socially responsible energy production by:
 - Providing pipeline connectivity from customers to SECURE disposal facilities where viable to reduce emissions associated with transportation of produced water.
 - Offering onsite waste processing and recovery solutions so that customers can receive the environmental benefits of product recovery, water reuse, and waste volume reduction while minimizing Scope 3 emissions.
 - Reducing emissions within our own operations, through viable, cleaner sourced energy solutions, energy conservation and energy efficiency programs so that our customers receive the lowest emission and cost-effective waste solutions while minimizing operating costs.
 - Installing landfill stage caps to reduce operating cost associated with leachate disposal by reducing leachate generation during intense precipitation events.

Execute a digital transformation

- Develop and optimize opportunities driven from within our current business that utilize our knowledge, experience and technical capabilities, and enable diversification. Two examples in 2023 include:
 - Launching WiQ a digital application that SECURE built in-house. WiQ assists customers with waste classification, regulatory compliance and regulatory reporting and in the future, will provide them with Scope 3 emission data.
 - Implementing a GHG data management system to accurately capture, manage, and monitor data used for GHG emission management and reporting which is expected to “go live” in 2024.

ESG focused growth - target opportunities adjacent to our core business that leverage organizational opportunities

- Seeking opportunities to participate in emerging new markets that are aligned with the energy transformation and decarbonization; examples include carbon capture and sequestration and lithium extraction from wastewater.

Strategic acquisitions - increase size, scale and diversification

- Seeking acquisitions to expand diversification of existing business segments including metal recycling, specialty chemicals, and landfill.
- Target acquisitions that align with SECURE's waste management and energy infrastructure focus that will benefit from SECURE's operational expertise and technical capabilities while growing the diversified asset portfolio.

As SECURE's internal processes mature, SECURE will further align its business and climate strategies and incorporate climate-related considerations into existing business processes and strategies where practical and feasible.

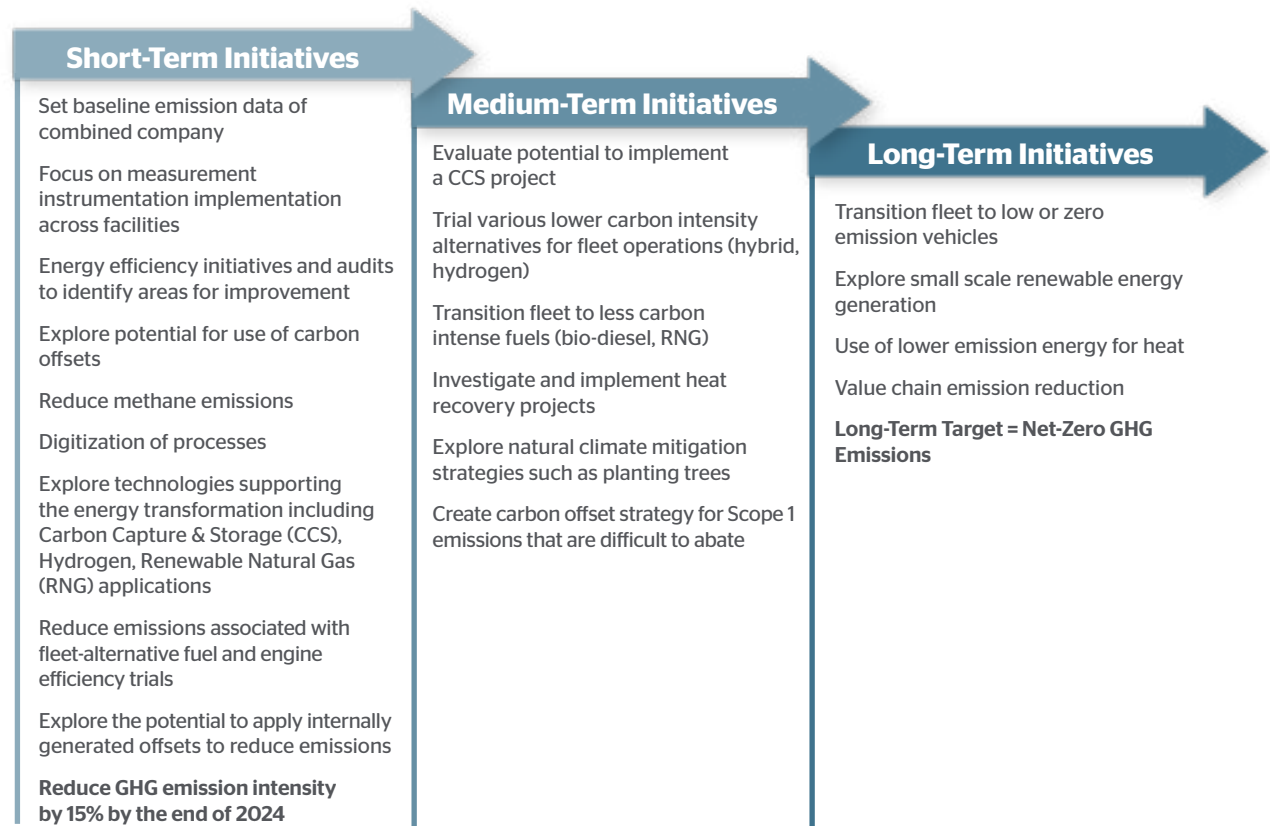


Climate-Related Risks & Opportunities

SECURE engages at all levels of the organization to work towards meeting our climate change objectives. Our long-term target is to achieve net-zero GHG emissions by 2050. Our path, to reducing GHG emissions, provides the framework for our climate strategy. To achieve our long-term target we are setting short-, medium- and long-term milestones that align with the path. We post our milestone goals and progress towards completing them on our external website and in our annual Sustainability Report. SECURE's ESG Committee provides guidance on our Climate Action Plan and our emission reduction goals while management reports its progress towards achieving these goals. In alignment with TCFD recommendations SECURE has initiated the process of assessing the potential size and scope of identified climate related risks and those details are provided in the Climate-Related Risks section below. As SECURE completes additional work on identifying and mitigating climate-related risks it will update the Climate-Related Risks section of this report.

SECURE uses the following timelines when referring to short-, medium- and long-term time horizons which are aligned with our path to reducing GHG emissions by 2050.

Path to Net-Zero Greenhouse Gas Emissions by 2050



Climate-Related Risks

SECURE has identified the following climate-related risks in the organization's business, strategy and financial planning.

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
TRANSITION - GENERAL	<p>If the demand for oil and gas and other hydrocarbons decreases for any reason, including policy and/or regulatory changes or social pressure, SECURE risks a shrinking customer base as production declines. Existing regulatory approval frameworks are currently not conducive to bringing new technologies online in an accessible or accelerated manner which may result in delays in commercializing technology necessary to achieve emission reduction targets and potentially sustain production levels.</p> <p>SECURE has announced certain targets and ambitions relating to ESG and GHG emissions, specifically, a target to achieve net-zero GHG emissions by 2050. To achieve this target, among others, and to respond to changing market demand, as applicable, SECURE may incur additional costs and be required to invest in new technologies. It is possible that the return on these investments may be less than what SECURE expects, which may materially and adversely affect the business, financial condition, results of operations and cash flows.</p> <p>Energy Reliability and Affordability - With the transformation to lower emission technologies comes the risk of potential disruptions to energy reliability and affordability where SECURE's operations may be impacted. This has the potential to negatively impact both our customers and SECURE's operations.</p>	<p>These major changes may materially and adversely affect the business, financial condition, results of operations and cash flows. Assessing the potential impact of this risk depends on a variety of factors and the specific financial impacts have not yet been quantified.</p> <p>Time frame: long-term - The timing and extent of energy transformation is unknown, and many global factors can accelerate or decelerate the timing of transition. For example, the war in Ukraine resulted in consideration of re-prioritization of energy security over decarbonization.</p> <p>Demand for oil in Canada has been reported as projected to decline 12% by 2050 but exports are expected to triple by 2050 helping to stabilize production.¹ The same report also predicts that the demand for natural gas production will still exist in 2050 but will be less than what it was in 2030 but natural gas will be required in the medium-term and long-term to produce hydrogen, compressed natural gas (CNG) and liquified natural gas which are all predicted to be part of global energy transformation.</p> <p>Likelihood: More likely than unlikely</p>	<p>Exploring Opportunities in the Energy Transformation Market, Organic Growth and Acquisition - SECURE is exploring the potential to develop projects, within the energy transformation space, where SECURE's operational expertise and/or technical knowledge adds value while creating business diversification for SECURE. SECURE's mitigation plans align with SECURE's business strategy and include:</p> <ul style="list-style-type: none"> Seeking long-term contracts with existing customers to buffer SECURE from market fluctuation that may occur because of decarbonization and provide revenue certainty for the specified period of the contract. Further expanding its customer base outside oil and gas producers to reduce long-term reliance on these customers. Targeting acquisitions that fit our growth strategy and that are buffered from or resilient to decarbonization, for example, investing in our metals, mining and rail; and speciality chemical businesses; and Focusing some organic growth on projects that draw on SECURE's operational expertise and technical knowledge and that have the opportunity, in the long-term, to provide services to a broader and more diverse customer base or adjacent businesses that are linked to energy transition or decarbonization: for example, carbon capture and sequestration and lithium extraction from wastewater. <p>The Intergovernmental Panel on Climate Change (IPCC) acknowledges that carbon sequestration is a critical element to reaching net-zero emissions by 2050.²</p> <p>New Technology Markets - SECURE is exploring opportunities that align with our operational skillset, technical expertise and that use our existing infrastructure to participate. These technologies may include opportunities associated with blue hydrogen production and lower emission CNG as a fuel which support near-term emission reduction strategies.</p> <p>Supporting our customers with Remediation and Reclamation - When producer operating sites close, there are opportunities for SECURE to generate revenue from the services rendered from the demolition and reclamation of these sites through landfill and wastewater disposal and metal recycling.</p>

¹ DNV Energy Transition North America 2023, Page 60

² Intergovernmental Panel on Climate Change, Climate Change 2022: Mitigation of Climate Change https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
GENERAL CONT.			<p>Energy Reliability and Affordability - In the short- and mid-term, SECURE will continue to provide services for its customers, supporting the delivery of the lowest emission fossil fuels possible. Low emission sustainably produced hydrocarbon fuels will be a necessary part of the energy transformation. This also has the potential to create opportunities for SECURE by optimizing our facility infrastructure and services to support our customers through the energy transformation.</p>
TRANSITION - MARKET	<p>Concerns around climate change and increased demand for reduced-emission intensity energy could impact the demand for our products and services. Mergers and acquisition activity amongst oil and gas exploration and production companies may reduce demand for some of SECURE's services. If SECURE cannot adequately diversify a portion of its business in-line with market changes, such climate-related impacts on the oil and gas industry may materially and adversely affect the business, financial condition, results of operations and cash flows.</p> <p>Risks associated with supply chain constraints on emission reduction technology solutions could adversely impact, among other things, SECURE's ability to reach its emission reduction goals. For example, waiting to trial lower emission fleet vehicles which may have limited availability which impacts SECURE's ability to implement emission reduction solutions within its planned timeline.</p>	<p>The potential impact of this risk has not been fully assessed or quantified financially yet.</p> <p>Changes to customer's and SECURE's business diversification decisions may result in higher or lower revenue, among other things, and/or higher or lower earnings than current operations.</p> <p>Supply chain shortages or constraints could, among other things, increase operating costs through increased pricing.</p> <p>Financial penalties such as being taxed for not reaching emission targets could increase operating costs, among other things.</p> <p>Time frame: edium- to long-term</p> <p>Likelihood: More likely than unlikely</p>	<p>As a customer-focused organization, SECURE works closely with its customers to provide sustainable solutions as market demands shift. An example of a sustainable solution is supporting our customers through the Government of Alberta's Site Rehabilitation Program to fund well, pipeline and oil and gas site closure and remediation work and the Alberta Energy Regulator's annual mandatory spend requirements.</p> <p>SECURE's risk mitigation response to shifting market demands resulting from a lower emission economy includes leveraging our comprehensive service offering as it relates to water treatment and recycling, metal recycling, specialty chemical production and remediation and reclamation and expanding these diverse business lines. In addition, SECURE's readiness to explore new technologies such as carbon capture and storage is a risk mitigation tactic to participate in shifting market demand and supporting our customers in their goal of emission reduction and responsible production.</p> <p>To address supply chain constraints, SECURE is exploring multiple options for emission reduction solutions instead of a single source. For example, lowering the carbon intensity of our fleet though the use of lower carbon intensity fuels (CNG, renewable natural gas (RNG), biofuels) and/or transitioning to alternate fuel vehicles (hybrid, hydrogen, electric), in conjunction with seeking opportunities to improve efficiency in existing combustion engines.</p>
TRANSITION - REPUTATIONAL	<p>SECURE's reputation could be impacted if we do not achieve our climate-related targets, resulting in negative sentiment from stakeholders (including employees and investors), media attention, legal concern, customers seeking out alternative providers, or potential credit rating impacts.</p>	<p>If SECURE fails to effectively manage its reputation, it could result in, among other things, revenue loss, a reduced customer base, employee retention challenges, decreased share price and decreased access to financing.</p> <p>Time frame: Medium- and long-term</p> <p>Likelihood: Unlikely</p>	<p>In April 2022, SECURE released its Climate Action Plan that details its roadmap to achieving its GHG emission reductions with short-term targets and long-term aspirations. SECURE reports on its climate action through several mediums, including annual sustainability reporting, a dedicated sustainability microsite, press releases and social media.</p> <p>Reducing emissions in SECURE's operations is included in our operational excellence initiatives and is tied to executive remuneration through metrics to help drive accountability for performance improvement.</p>

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
REPUTATIONAL CONT.			<p>SECURE is strategically transforming its business as a waste management and energy infrastructure company. SECURE has increased investment in its metal recycling and specialty chemical business units building resilience through diversification.</p> <p>SECURE refreshed its materiality assessment in 2023. In the materiality survey, SECURE's stakeholder's most important ESG topics largely aligned with SECURE's business and ESG strategies.</p>
RISK: TRANSITION - POLICY AND REGULATORY	<p>SECURE's operations are subject to a variety of federal, provincial, state and local laws, regulations and guidelines, including laws and regulations relating to the environment, health and safety, the conduct of operations, and the manufacture, management, transportation including by pipeline and rail, storage, and disposal of certain materials used in SECURE's operations.</p> <p>Governmental policies and regulations continue to focus considerable attention on the effects of GHG emissions in relation to the hydrocarbon industry and their potential role in climate change. Changes in environmental regulations related to efficiency standards, the requirement for alternatively fueled vehicles or other government initiatives aimed at conserving energy or lowering GHG emissions, may materially and adversely affect the business, financial condition, results of operations and cash flows. Present and future regulations with respect to the control and taxation of GHG emissions in the jurisdictions in which SECURE operates could have, among other things, a material impact on the nature of oil and natural gas operations of our customers, which may materially and adversely affect the business, financial condition, results of operations and cash flows.</p> <p>Some new technologies that promote a lower carbon economy are only viable with high carbon pricing, driven by government regulations. Should these regulations change, project economics could be negatively impacted.</p>	<p>The potential impact of this risk has not been fully assessed or quantified financially yet.</p> <p>SECURE voluntarily participates in Alberta's Technology Innovation and Emissions Reduction (TIER) system and Saskatchewan's Output-Based Pricing System (OBPS). Participation in these programs benefits SECURE through reduced carbon tax. If these programs were to change or end, SECURE would be exposed to greater risks associated with the carbon tax. If SECURE could not reduce its emissions or purchase offsets, the financial cost to SECURE for its Scope 1 emissions from stationary combustion sources, based on the federal carbon tax increasing \$15/tonne annually, is estimated to be \$13.7 million in 2030 and \$38 million by 2050, assuming no material changes to SECURE's business and emission profile.</p> <p>Scope 1 emissions were calculated using "2020 BC Best Practices Methodology for Quantifying Greenhouse Gas Emissions", "Alberta Greenhouse Gas Quantification Methodologies", "IPCC's Fifth Assessment Report" and the "Greenhouse Gas Protocol". Additional details are included in the "Metrics and Targets" section of this report and on page 98 of the 2023 Sustainability Report.</p> <p>Time frame: Short-, medium- and long-term</p> <p>Likelihood: Likely</p>	<p>SECURE continues to actively monitor changing federal and provincial policies and regulations related to GHG emissions and the impact it may have to our business and that of our customers. SECURE's ESG Team and SECURE's environmental, government affairs, and financial consultants closely monitor regulations and policies help to guide SECURE's climate strategy and adequately assess risks and opportunities linked to climate.</p> <p>SECURE actively participates in Industry Associations to better understand the impacts of upcoming regulatory and policy changes not only on SECURE but also on its customers. Industry Association participation enables the exchange of best practices, provides insights and access to subject matter experts, provides peer and stakeholder perspectives on emerging issues, and facilitates keeping abreast of upcoming changes to policy and regulation.</p> <p>SECURE retains a third-party Government Relations firm to assist with monitoring relevant regulatory and policy changes.</p> <p>Industry Associations that SECURE participates in include British Columbia Environmental Industry Association, Canadian Association of Petroleum Producers, Environmental Services Association of Alberta, Enserva, North Dakota Solid Waste and Recycling Association, and Saskatchewan Environmental Industry & Managers Association.</p>

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
RISK: PHYSICAL	<p>Acute</p> <p>Acute physical risks from the increased, likelihood, severity and frequency of extreme weather events, such as drought, severe storms, wildfire and flooding caused by climate change that could potentially impact SECURE's operations. These conditions may cause acute physical impacts on our operations and have the potential to cause business interruption and damage assets in both our own business and those of our customers.</p> <p>Climate scenario modelling and analysis was completed for eight climate perils, with flood, wind and wildfire identified as the highest potential to have material impact in the future. Additional details are provided in the Scenario Analysis section of this report.</p> <p>Chronic</p> <p>Those chronic physical risks from longer-term shifts in climate patterns could result in business interruption and damage assets in both our own business and that of our customers.</p> <p>Physical climate-related impacts may materially and adversely affect the business, financial condition, results of operations and cash flows.</p>	<p>The potential impact of this risk has not been fully assessed or quantified financially yet.</p> <p>Potential annual average loss, based on loss and climate modelling provided by Jupiter Climate Intel, for the three climate scenarios is:</p> <p>Flood loss: \$350,000/year Wind loss: \$393,000/year Wildfire loss: \$122,000/year Total - \$865,000/year</p> <p>Note: Cost to insure may increase or insurance coverage may not be available in the future which will impact these estimates.</p> <p>Jupiter Climate Intel uses climate science, historical data and statistical and machine learning to predict the likelihood and impact of various climate perils including wildfire. It models associated losses using actual operating data provided by SECURE and integrates it with socioeconomic data.</p> <p>Timeframe:</p> <p>Physical Acute Risk time frame: short-, medium- and long-term</p> <p>Physical Chronic Risk time frame: short-, medium- and long-term</p> <p>Likelihood: Likely (refer to Scenario Analysis section for additional details)</p>	<p>Acute</p> <p>Emergency Preparedness - SECURE takes a proactive approach to planning for operational and non-operational emergency situations to minimize risk to our business and stakeholders. Emergency preparedness scenarios include those related to severe weather. SECURE has also recently initiated proactive planning to mitigate the impacts of wildfire such as firebreaks and SECURE plans to develop a wildfire pre-season checklist and has added a tri-level warning and trigger system to be better prepared for evacuation and facility closure.</p> <p>Wind - SECURE incorporates assessment of prevailing wind direction in facility planning and design to mitigate the impacts of wind. In areas where high winds are more prevalent additional inspections of roofs and structures are completed to minimize the potential of property damage or injury.</p> <p>Chronic</p> <p>Staged Capping on Landfills - Staged capping is a method used to cover landfill cells with a welded synthetic liner, preventing precipitation from entering the landfill cell. The liner blocks the precipitation from encountering the underlying waste, preventing it from producing leachate. Precipitation runs off the liner surface and into surface water management ditches around the landfill site, which is then collected in storm water retention ponds. Storm water is tested to ensure water quality and then released back into the natural environment (water shed). Approximately \$1.2 million in leachate avoidance operating cost was saved in 2023 by applying staged capping technology in 2023 and since 2020, SECURE has invested \$33.4 million in staged capping.</p> <p>Asset Integrity - Asset integrity management is material to SECURE due to the asset-based nature of our operations (waste management facilities and energy infrastructure). Our integrity management programs, including the associated systems, processes, analysis and documentation, are designed and implemented to ensure proactive management of our waste management and energy facilities and infrastructure, and to meet or exceed regulatory requirements, resulting in world class safety, reliability and longevity throughout an asset's lifecycle. A robust asset integrity program is a mitigating factor to ensure our assets are positioned to withstand climate change impacts over the long-term.</p>

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
RISK: FINANCIAL	<p>There is potential that in response to regulatory pressure and/or changes, SECURE may need to accelerate the timeline of its emission reduction targets. This would result in SECURE increasing investments in low-emission technology at a more rapid rate than currently anticipated or budgeted. The cost and viability of many of these technologies, in commercial applications, including on an accelerated basis, is still unknown.</p> <p>There is also a risk that some or all the expected benefits and opportunities of achieving various emission reduction targets may fail to materialize, may cost more to achieve or may not occur within the anticipated time periods. In addition, there are risks that the actions taken by the Corporation in implementing targets and ambitions relating to sustainability and emissions may have a negative impact on its existing business and operations and increase capital expenditures, which may materially and adversely affect the business, financial condition, results of operations and cash flows.</p>	<p>The potential impact of this risk has not been fully assessed or quantified financially yet.</p> <p>Time frame: Short-, medium- and long-term</p> <p>Likelihood: Less unlikely than likely</p>	<p>To meet financial obligations, SECURE may adjust capital spending, reduce the amount of its dividends, draw on its revolving credit facility up to the covenant restrictions, divest assets, issue subordinated debt, obtain equity financing or reallocate funds from other business areas, goals or initiatives.</p> <p>To mitigate financial risk associated with capital intensive emission reduction projects, SECURE implemented internal requirements for emission reduction projects to meet criteria that are like the criteria applied to assess any other capital project. SECURE also seeks opportunities to take advantage of government incentives to offset the cost of emission reduction projects. Examples in 2023, and to date in 2024, includes the Kindersley Treater Project, the Dawson Creek Lighting Upgrade Project, and the two CNG commercial vehicles that have been ordered for SECURE's transport fleet.</p>

Climate-Related Risks

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
EMISSION REDUCTION- NEW TECHNOLOGIES & APPLICATION OF EXISTING TECHNOLOGIES	<p>SECURE is investigating new technologies and application of existing technologies to find opportunities to reduce emissions at our waste processing and energy infrastructure facilities, including the utilization of instrumentation and measurement equipment to garner a better understanding of our natural gas and electricity consumption.</p> <p>In 2023 SECURE continued with the phased implementation of onboard telematics devices within some of our heavy equipment and vehicle fleet to better monitor and understand our fleet fuel consumption.</p>	<p>The potential impact of this opportunity has not been fully assessed or quantified financially yet.</p> <p>Time frame: Short-, medium- and long-term</p> <p>Likelihood: Likely</p>	<p>Leveraging SECURE's facility network and expertise across business segments, provides many opportunities to apply new and existing technology to reduce emissions, including:</p> <p>Pipeline Connectivity - Pipelines provide a safe and low emission means to transport fluids. SECURE works with large "anchor" tenant customers to provide pipeline connectivity to transport water and oil safely and efficiently. Taking trucks off the road reduces the emissions generated from moving the water and oil from the customer sites to SECURE. SECURE currently has 34 pipeline connected facilities and continues to seek additional opportunities to add more.</p> <p>Onsite Services - SECURE provides waste processing and recovery solutions on customers sites. This option enables customers to have the environmental benefits of SECURE's oil recovery and water reuse on their own sites with the reduction of Scope 3 emissions generated from offsite transport.</p> <p>CNG Filling Stations - SECURE is working with a large natural gas producer to explore the viability of working together to create CNG filling station infrastructure to facilitate transition from gasoline and diesel to CNG which has a lower carbon intensity without loss of reliability for both SECURE and customers.</p> <p>Carbon Capture & Hydrogen - SECURE is leveraging our existing infrastructure and expertise to explore carbon capture and sequestration and hydrogen opportunities.</p> <p>Fleet Emission Reduction - SECURE is exploring various technologies to improve combustion efficiency in its heavy equipment and heavy-duty transport fleet. If viable, this will provide an opportunity for immediate reduction in emissions in the short-term while more sustainable long-term options are investigated and assessed.</p> <p>Bioplastic Filters - SECURE uses filters in its own processes and manages waste filters for a wide array of customers across several industries. SECURE is working with a technology innovator to assess the suitability, commercial viability and full cycle emissions footprint of a filter media made from bioplastic. If the trials are successful, SECURE will be able to offer this environmentally superior filter to its customers which will enable SECURE and its customers an opportunity to participate in the circular economy. Substituting bioplastic for plastic directly supports the lower carbon economy and aligns SECURE with low carbon economy business opportunities.</p>

INDUSTRY AND BUSINESS DIVERSIFICATION	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
	<p>SECURE strives to drive continuous improvement and diversify our business by seeking new opportunities that complement our existing service offerings and further assist our customers in meeting their climate action plans.</p>	<p>The potential impact of this opportunity has not been fully assessed or quantified financially yet.</p> <p>Time frame: Short- and medium-term</p> <p>Likelihood: More likely than unlikely</p>	<p>Emergency Response Services - SECURE's Metals, Mining and Rail Business Unit provides emergency response services, such as repairs to impacted sections of railways, during acute weather situations, such as the atmospheric rivers experienced in the lower mainland of Vancouver in the fall of 2021. As climate-related events become more frequent these services will become increasingly more important and vital.</p> <p>Carbon Capture and Sequestration - SECURE is exploring the potential to develop a carbon capture and sequestration project in Western Canada to provide our customers with an opportunity to lower their carbon intensity and diversify our business to drive business resilience. SECURE's expertise with disposal well operations (sub-surface injection) and midstream infrastructure (pipeline transport) aligns with what is required to successfully operate sequestration projects.</p> <p>Lithium Extraction - SECURE continues to monitor technical advances in the recovery of lithium from wastewater. Resource recovery aligns with SECURE's business philosophy and lithium has been identified as a critical element in the lower-carbon economy.</p> <p>Industry Diversity - SECURE provides waste management and environmental services to a variety of industries outside of the oil and gas sector, including mining, infrastructure and municipal projects. SECURE supports our customers with the full life cycle of renewable energy projects, such as wind farms, requiring safe decommissioning, demolition, disposal services and site remediation.</p> <p>Business Diversification - SECURE continues to invest in and grow its metals, mining and rail recycling and specialty chemicals business units to further diversify its business and to build resilience. SECURE is also exploring opportunities to increase its capability in water treatment.</p>

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
CARBON CREDIT OPPORTUNITIES	<p>SECURE voluntarily participates in both Alberta and Saskatchewan's emission programs.</p> <p>Saskatchewan's OBPS was originated to reduce emission intensity across industrial sectors in the province. The OBPS is a made-in-Saskatchewan industrial emissions pricing system under the Province's Prairie Resilience climate change plan. Performance standards are set based on the emissions per unit of production. SECURE's Kindersley Waste Processing Facility enrolled in the program in 2021 and is required to reduce emission intensity to meet the aggregate facilities benchmark. SECURE is held to a performance standard of 15% emission intensity reduction from the 2021 baseline set for the OBPS program.</p> <p>In addition, since 2020, SECURE has voluntarily participated in the TIER program with its network of Waste Processing Facilities in the province of Alberta. After establishing a benchmark based on 2019 performance for the legacy Tervita aggregate facility, SECURE lowered its emission intensity over the required 10% and received its first set of emission performance credits in 2022. Emission intensity improvements resulted from enhanced facility utilization and optimization efforts to reduce natural gas consumption.</p>	<p>The potential impact of this opportunity has not been fully assessed or quantified financially yet.</p> <p>Time frame: short-term</p> <p>Likelihood: Likely</p>	<p>In 2023, use of our recovery processes (oil and scrap metal) and pipelines resulted in the avoidance of 135,658 tonnes of CO₂e, enough to offset all our Scope 1 Emissions.</p> <p>CO₂ Avoidance in 2023:</p> <ul style="list-style-type: none"> scrap metal processing (for recovery) = 93,942 tonnes CO₂e oil recovered from waste (226,000 m³ recovered) = 28,431 tonnes CO₂e pipelines (removing 140.333 trucks) = 13,285 tonnes CO₂e We will explore the potential to validate these as offset credits in the future. <p>For the 2021 compliance year we received 982 tonnes of CO₂ credits in the Alberta TIER program and 571 tonnes of CO₂ credits in the Saskatchewan OBPS program. Third-party verification confirmed that credits will likely be generated for the 2022 compliance year. Analysis and verification for the 2023 reporting year is in progress.</p> <p>SECURE believes that there is value in recovering products from waste. SECURE continues to work with a third-party consultant to utilize life cycle analysis to try and quantify a carbon credit offset value resulting from product recovery from waste.</p>

	Description	Potential Impact (Business, Strategy & Financial Planning)	Risk Mitigation & Opportunities
OPERATIONS RESOURCE EFFICIENCY	<p>SECURE has identified several opportunities to efficiently manage its resources to reduce Scope 1 and Scope 2 emissions, such as:</p> <p>Fleet Optimization - Monitoring and evaluating our heavy equipment and transport fleets to identify opportunities to reduce fuel consumption. SECURE sees opportunities to lower the carbon intensity of our fleet through the use of lower carbon intensity fuels (for example CNG, RNG, biofuels) and/or transitioning to alternate fuel vehicles (hybrid, hydrogen, electric).</p> <p>Energy Efficiency - SECURE is implementing operational efficiency best practices across our organization, including economically effective solutions for key processes and systems that will decrease energy intensity across our operations. SECURE is also empowering employees to reduce facility emissions through our ESG ID program where employees submit ESG-related ideas for evaluation and potential implementation. Successful ESG IDs are developed into best practices to facilitate corporate knowledge transfer.</p> <p>Energy Intensity Reduction - Pursuing energy intensity reduction initiatives to reduce our overall electricity consumption including the utilization of instrumentation and measurement equipment to gain meaningful insights on our electricity consumption and responding through implementation of operational changes. In 2023, SECURE realized the benefits of this program with a reduction in absolute Scope 2 emissions over the previous year.</p> <p>Renewable Energy Projects - SECURE is evaluating the potential to repurpose closed and suspended sites for conversion to small renewable energy projects. In addition, SECURE is investigating the use of small-scale renewable infrastructure, like the use of solar panels to power our instrumentation, to reduce our use of energy supplied from the grid.</p>	<p>The potential impact of this opportunity has not been fully assessed or quantified financially yet.</p> <p>Time frame: Short-term</p> <p>Likelihood: Likely</p>	<p>As a result of our initiatives, 2023 over 2022 GHG Emission Intensity was:</p> <ul style="list-style-type: none"> • down 4% for Waste Processing Facilities • down 21% for Metals Recycling • up 2% for Landfills; and • down 5%for Corporate (where Corporate represents the entire company).



Scenario Analysis

SECURE is committed to reducing emissions and disclosing material impacts of climate-related risks and opportunities to the company's business, strategy, and financial planning. In 2023 we assessed the resilience of our operational locations and our inactive sites by modelling three climate scenarios to examine the range of possible outcomes. The three scenarios were developed using the Intergovernmental Panel on Climate Change Assessment Reports, where:

- **Scenario 1** - Modeled unconstrained global growth with limited global efforts to reduce emissions ("SSP5 - RCP8.5"). This scenario assumes the greatest exposure to climate-related impact. In this scenario, global emissions continue to rise at current rates and little additional effort is made to constrain them with global temperature rises predicted to be around 4.4°C in 2100 compared to a 1986 - 2005 baseline average.
- **Scenario 2** - Models sustainable global economic growth and equality paired with

intense emission mitigation to limit global warming by 2050 ("SSP1 - RCP2.6"). This scenario assumes a stringent mitigation scenario whereby global government policies impact business to keep global warming at an anticipated 1.8°C in 2100 compared to a 1986-2005 baseline average; and

- **Scenario 3** - Models global economic trends that follow historical patterns where emissions increase before declining and limited global warming occurs after 2050 ("SSP2 - RCP4.5"). This scenario assumes an expected global temperature rise of 2.7°C in 2100 compared to a 1986-2005 baseline average.

To understand the potential implications of physical climate-related risks on our operations, 107 locations in Canada and five locations in the United States were assessed for nine climate perils, (including heat, cold, wildfire, flood, wind, hail, precipitation, drought, and water stress) using Jupiter Intelligence's ClimateScore Global¹ modeling and prediction tool. The tool includes a 1995 baseline in its reporting output for comparison purposes; it does not reflect any of SECURE's baselines that are used in setting reduction targets.

Changing weather patterns and rising mean temperatures are climate risks that may affect organizational performance. Scenario modelling

Definitions

SSP - Shared Socio-economic Pathways

RCP - Representative Concentration Pathways

¹ Jupiter Intelligence, Climate Score Global Modelling and Prediction Tool, <https://www.jupiterintel.com/>

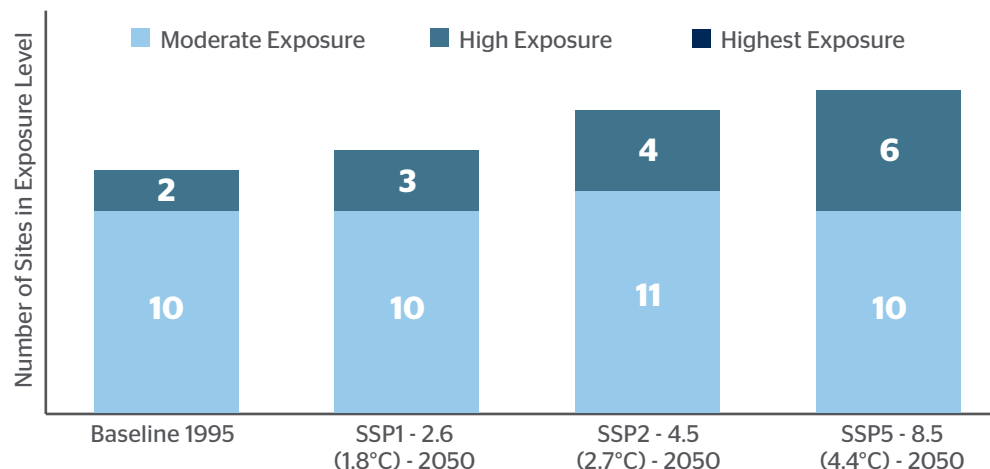
conducted over a 30-year period predicted that the number of extreme heat days and the annual probability of wildfire increases steadily over time in all three scenarios with Scenario 1 having slightly more impact than Scenario 2 or 3.

In Scenario 1, the modelling identifies eight SECURE locations that are water strained throughout the time frame that was modelled (2020 to 2050). The modelling also predicts drought at a small number of SECURE's locations. Low water levels from dry conditions can lead to tightening restrictions from regulators and reduced water supplies. Although our operations are not water intensive, we acknowledge that water scarcity challenges can negatively impact the communities where we operate and our customers' ability to operate. We continue to responsibly manage water use. Water recycling and wastewater treatment may be opportunities to provide water to some impacted stakeholders.

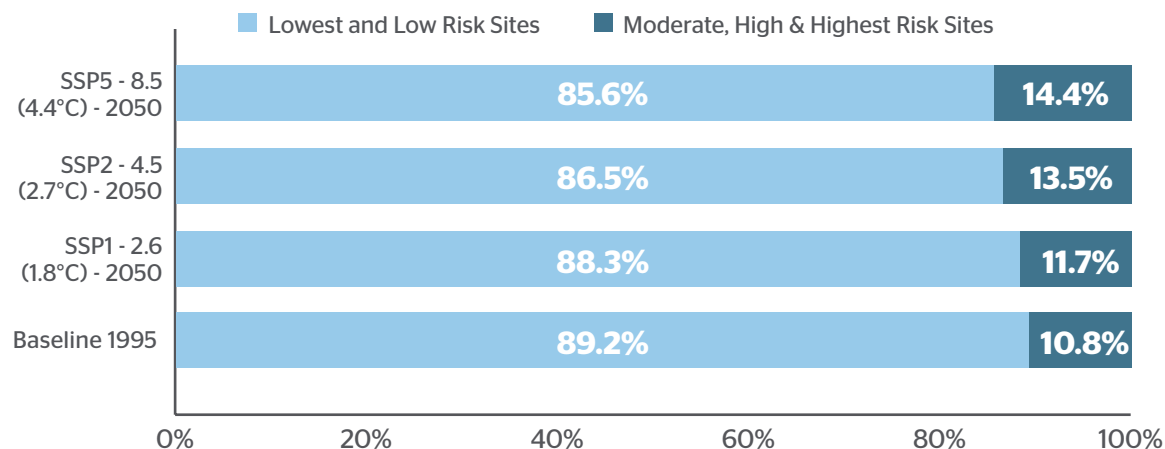
Climate scenario modelling delivered the necessary data to assess potential future states and risk to our assets. Furthermore, the results provide us with the opportunity to plan accordingly and will be used to inform project site selection, determine the need for additional engineering studies, and support the need for increased operational and mitigative controls in the future.

The materiality of climate risks will be regularly reviewed with key stakeholders and the leadership team to ensure priorities and risks are aligned.

Scenario Comparison - Fire Exposure 111 Sites in 2050



Scenario Comparison - Fire Exposure



Scenario Modelling Results

Scenario modelling enables us to inform our strategy, and the results of the analysis will influence future planning ranging from new project site selection to additional engineering studies and controls at locations with higher exposure to the weather perils that have the highest future risk.

No materially significant impacts were predicted by the modelling in the short-term. Some significant impacts were predicted by modelling in the medium- and long-terms with more intense impacts in the long-term. We assessed climate-related physical risks associated with our operating locations and identified changing weather patterns and rising mean temperature as longer-term shifts that may affect the organization's financial performance.

Modeling in all three scenarios showed increased risk in 2050 compared to 2020 in the number of extreme heat days where extreme heat is defined as temperatures over 35°C. For the same period, the number of locations with drought increased. Wind is the climate peril where SECURE has the largest number of assets in the highest risk bands.

Drought risk was determined by assessing the duration per year where the rolling three-month average Standardized Precipitation Evapotranspiration Index is considered extremely dry. Dry conditions can lead to low water levels, tightening water restrictions from

regulators, and reduced availability of viable freshwater. We have set a freshwater usage reduction target of 5% for 2025, using 2022 as a baseline. As part of our analysis, we also modelled and mapped areas of water stress based on the World Resources Institute. We are monitoring water withdrawn from areas identified as high stress areas. While limited freshwater supply is a risk, increasing demand for water has also been identified as a growth opportunity and can potentially lead to business opportunities in water treatment as part of its service offering, SECURE performs on-site water and waste treatment for clients.

The percentage of locations in the medium to high-risk peril bands for wildfire increase steadily over time in all scenarios modelled. The modelling supports the extreme wildfire conditions experienced by SECURE operations in 2023 when multiple facilities close to fires were secured and shut-in temporarily. Facilities were restarted once hazards and risks were assessed and managed however, the fires disrupted business increasing downtime.

In March 2023, in response to elevated fire risk, SECURE began using an Emergency Response Mapping System to better prepare for and manage fire risk. The tool allows the organization to visualize wildfires that have occurred and provides the data required to make decisions on how to handle a

response. Additional proactive measures taken to strengthen the business' emergency management program include continual investment in planning resources and training to ensure we are prepared to handle all possible extreme-weather related events. Clearing brush and vegetation around lands prior to fire season and investigating setback distances and design standards are also being incorporated into planning and operational activities to reduce wildfire risk.

Modelling of the three climate scenarios selected in 2023 allowed SECURE to develop a better understanding of physical risks across our sites. The next step is to assess financial impact further at sites with exposures in moderate, high- and highest-risk peril bands to determine if further due diligence is required and to determine the resilience of the company's strategy. The need to incorporate physical and transitional climate risks further in our operation, development, and acquisition policies will continue to be assessed. Entrepreneurial spirit and helping the customer are core values at SECURE. We believe in staying informed about evolving policy and changes in the energy and environmental spaces. As a company we are open to change, flexible, and strategic in how we conduct our business. This allows us to take advantage of climate-related opportunities and helps improve our resilience and risk mitigation.

Risk Management

The Board of Directors is responsible for oversight of the organization's annual strategic plan which considers, among other things, the opportunities and risks of SECURE's business and monitoring performance against the plan. In addition, the Board works with management on an ongoing basis to identify the principal risks of SECURE's business and ensure the implementation of appropriate enterprise risk management and mitigation systems; adopt policies and processes to identify business risks; and assess which risks are acceptable to SECURE and ensure that systems and actions are put in place to manage them. SECURE refreshed its materiality assessment in 2023. Results from the refreshed materiality assessment indicated that climate change registered as a material global issue, but it did not register with the majority of SECURE's stakeholders as being material to SECURE. As a result, it was determined to have moderate impact. Additional details are provided on pages 78 - 79 of the [2023 Sustainability Report](#).

Specific to climate-related risks, the Board, in consultation with the ESG Committee, has the responsibility to oversee ESG issues that impact the organization, including monitoring management systems and processes relating to the identification, assessment and management of climate-related risks. Under SECURE's refreshed materiality assessment, ESG business-related risk will be integrated into SECURE's corporate enterprise risk management processes. The Senior Leadership Team reports to the ESG Committee on SECURE's climate-related performance on a quarterly basis.

Each business segment throughout the organization is responsible for continuously identifying, assessing and managing risks within their respective areas. An example of this is the Asset Integrity Program in SECURE's waste management facilities and energy infrastructure business lines. Asset Integrity is material to SECURE due to the asset-based nature of these operations and proactively managing our assets to limit the number of leaks is paramount to protect our stakeholders and the environment and demonstrating our efforts to manage climate-related risk. Our integrity management

programs, including the associated systems, processes, analysis and documentation, are designed and implemented to ensure proactive management of our waste processing facilities and energy infrastructure, and to meet or exceed regulatory requirements, resulting in world class safety, reliability and longevity throughout an asset's lifecycle.

Metrics and Targets

SECURE currently focuses on climate-related targets. To formalize our goal of minimizing our impact on the environment and climate change, short- and long-term targets were created to achieve meaningful change on the path to a low emission future. Building a more sustainable future is important to SECURE, our customers and all our stakeholders. Our actions to decrease GHG emissions in our operations and for our customers will help mitigate the impacts of climate change.



SECURE currently has the following emission reduction targets in place to measure our progress in reducing climate-related risks:

- Long-term target: Achieving net-zero GHG emissions by 2050
- Short-term target: Reducing GHG emission intensity by 15% by the end of 2024

The table below provides a summary of our progress with respect to emission performance over the past two years.

Scope 1 & 2 Emissions	Unit	2023	2022	2021
Scope 1 - Direct Emissions	tCO ₂ e	135,729	120,726	116,713
Scope 2 - Electricity	tCO ₂ e	119,705	117,470	107,785
Scope 1 and Scope 2 Emissions	tCO ₂ e	255,434	238,196	224,498

Scope 1 & 2 Emissions Intensity (kg CO ₂ e/unit received or shipped)	2023	2022	2021
Metals	22.33	28.4	29.4
Landfills	1.95	1.8	2.1
Waste Processing Infrastructure	9.58	9.2	10.2
Corporate (entire company)	9.58	9.6	10.4

Note: 2021 and 2022 data has been restated to reflect new methodology which includes fugitive emissions and venting, updates to flaring and updated Global Warming Potentials (GWP). Additional details on our methodology are provided in the 2023 Sustainability Report at page 98.

To learn more about SECURE's specific emission reduction initiatives, and additional emission data, please refer to [SECURE's 2023 Sustainability Report](#).

As we improve our data collections systems and data quality, there may be updates or revisions to our reported figures.

Focus Areas in Reducing Emissions

As SECURE strives to reduce our GHG emissions, we are focusing on the following areas to make the largest positive impact in the short-term:

Reducing Scope 1 Emissions

Waste Management Facilities and Infrastructure

- Investigating new technologies and application of existing technologies to find opportunities to reduce fugitive emissions at our Waste Processing facilities.
- Using of instrumentation and measurement equipment to better understand our natural gas consumption.
- Leveraging our existing infrastructure and expertise to explore carbon capture and sequestration and hydrogen opportunities.

Fleet

- Monitoring and evaluating our heavy equipment and transport fleets to identify opportunities to reduce fuel consumption including our idling reduction initiatives.
- Lowering the carbon intensity of our fleet through the use of lower carbon intensity fuels (for example CNG, RNG, biofuels, and/or transitioning to alternate fuel vehicles (hybrid, hydrogen, electric).

Energy Efficiency

- Setting meaningful emission reduction goals based on baseline data .
- Implementing operational efficiency best practices across our organization.
- Seeking economically effective solutions for key processes and systems that will decrease energy intensity across our operations.
- Empowering our employees to reduce facility emissions through the ESG ID Opportunity program.

Carbon Offsets

- Creating a carbon offset strategy for Scope 1 emissions that are difficult to abate.

Reducing Scope 2 Emissions

- Seeking opportunities to purchase lower carbon intensity electricity where viable.
- Pursuing energy intensity reduction initiatives to reduce our overall electricity consumption.
- Using instrumentation and measurement equipment to gain meaningful insights on our electricity consumption and respond through the implementation of operational changes.

- Evaluating the potential to repurpose closed and suspended sites for conversion to small renewable energy projects.
- Investigating the use of small-scale renewable infrastructure, like the use of solar panels to power our instrumentation, to reduce our use of energy supplied from the grid.

Scope 3 Emissions

- Monitoring ESG frameworks and regulatory reporting requirements to determine when and how to accurately quantify Scope 3 emissions.



Advisories

Forward-looking Statements

Certain statements contained in this report constitute “forward-looking statements” and/or “forward-looking information” within the meaning of applicable securities laws (collectively referred to as “forward-looking statements”). When used in this report, the words, “anticipate”, “believe”, “commit”, “continue”, “could”, “estimate”, “expect”, “focus”, “future”, “goal”, “intend”, “maintain”, “may”, “ongoing”, “opportunity”, “plan”, “prioritize”, “progress”, “remain”, “should”, “strive”, “target”, “will”, “would” and similar expressions, as they relate to SECURE or its management, are intended to identify forward-looking statements. Such statements reflect the current views of SECURE with respect to future events and operating performance and speak only as of the date of this report. In particular, this report contains or implies forward-looking statements pertaining to: SECURE’s commitment to, and prioritization of, climate-related action; SEUCRE’s climate-related reporting; SECURE’s ESG and climate-related goals and its position to achieve such targets; that hydrocarbons will remain in the global energy mix for decades; the ability of the Board and management to guide the business and enhance SECURE’s governance framework to manage climate-related risks and objectives; the implementation of SECURE’s GHG data management system; the evolution of SECURE’s climate disclosure with updates to financial and sustainability reporting; SECURE’s ability to help its clients achieve their ESG and climate-related goals; SECURE’s business strategy and the integration of ESG, including growth with targeted opportunities to participate in emerging new markets; successful execution of SECURE’s business strategy through the Corporate Playbook; the strategies and timelines to achieve such priorities, targets, goals and commitments; SECURE’s Climate Action Plan; SECURE’s alignment of its sustainability strategy and future reporting with stakeholders; SECURE’s ability to integrate its business strategies with climate-related actions; SECURE’s roadmap to achieve net zero emissions by 2050 and the addition of a climate-related scenario thereto; SECURE’s refreshed materiality assessment and the results thereof; investments in technology to further ESG-related goals and targets, such as carbon capture, hydrogen, and filter media made from bioplastics; SECURE’s evaluation and execution of ESG related projects and the effects thereof; the re-evaluation of climate-related risks and opportunities to minimize physical risks of climate related events; environmental regulations, including efficiency standards; the advances in lithium extraction; climate-related risks including transitional, physical, market, financial, reputational and regulatory risks, the impacts on SECURE should any such risks materialize and SECURE’s risk mitigation activities and management and the Board’s ability to identify any such risks; the anticipated climate-related impacts and opportunities available to SECURE; the type, nature, timing, likelihood and financial impact of the materialization of any of the identified risks or opportunities; SECURE’s ability to validate emission reductions as offset credits and generate offset credits in the future; SECURE’s emission reductions goals and strategies to achieve them; the design, implementation and results of SECURE’s integrity management systems; the implementation and utilization of wastewater treatment and water recycling; the impact of SECURE’s and its customer’s actions to decrease emissions; and updates to SECURE’s progress towards its emission reduction targets.

Forward-looking statements are based upon certain assumptions that SECURE has made in respect thereto as at the date of this report regarding, among other things: the ability of the Board and management to carry out SECURE’s objectives as it relates to climate-related policies and the ability to mitigate climate-related risks; economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; the impact of any pandemic or epidemic and geo-political events, including government responses related thereto and their impact on global energy pricing, oil and natural gas industry exploration and development activity levels and production volumes; the demand for our services; capital markets; the governmental, regulatory and legal environment; our business and the impact of environmental and climate-related matters thereon; an increased focus on ESG, sustainability and environmental considerations in the oil and natural gas industry; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation’s and our subsidiaries’ services; SECURE’s ability to participate in carbon credit programs on a go-forward basis; the Corporation’s ability to achieve its ESG and sustainability targets and commitments and the likelihood, timing and financial impact of certain events.

Forward-looking statements involve significant known and unknown risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements including, but not limited to the risks described in this report and under the headings “Risk Factors” in the AIF and “Business Risks” in our quarterly management’s discussion and analysis (if applicable), in each case as filed on SEDAR+ at www.sedarplus.com. Readers should refer to “Forward-looking Statements” included in such documents.

Although forward-looking statements contained in this report are based upon what SECURE believes are reasonable assumptions, SECURE cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this document are expressly qualified by this cautionary statement. Unless otherwise required by law, SECURE does not intend, or assume any obligation, to update these forward-looking statements.