

# BUILDING A 100 YEAR BUSINESS



## 2022 ESG REPORT



# 2022



## About the Artist

360 is very proud to feature the art of **Stephanie One Spot** throughout this report. Stephanie is from the Tsuut'ina Nation, just west of Calgary. She is a third-year student at the Alberta University of the Arts, and an emerging Artist in the Tsuut'ina and surrounding area. She was raised on the Tsuut'ina reserve by the Buffalo Paddocks, where she would venture out and enjoy the land. She is inspired by her natural surroundings, gardening with her mother, and the traditional stories told to her by her Father. An entrepreneur at heart, she is always creating new projects and finding strength through traditional knowledge.



S.O.S.DESIGNS001



# 2022

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# OPENING REMARKS

## Building a 100 Year Business

Crafting a business that stands the test of time is a daunting task.

At 360 we believe a relentless focus on the 100-year business model will help guide us through the daily challenges we face. Taking a lens towards doing the right things today instead of the quick or easy things has lent itself well to building a resilient and adaptable business. This long-term philosophy forces our team to understand the broader market, ensure we can react quickly to change, and to pay attention to the people who will guide us there along the journey.

As we reflect on our year that was 2021, we recognize that this was a year like no other. We faced unprecedented growth, multiple upheavals in the market and an enhanced push to consistently deliver on our commitment to world-class culture and client obsession. Inside of all of this, the 360 team consistently outperformed expectations and rose to every occasion.

360's team is our greatest asset.

The confidence and courage we gain from the results of this year will further strengthen our resolve to pay attention to the human side of business. As a purpose driven entity (Closure Makes a Difference), we are committed to helping change peoples' lives as a result of working with 360. We take pride in the results and efforts of the team which are highlighted in this report. The crystallization of our corporate culture and the consistent feedback of our team reinforces our direction and this resolve.

The future is bright.

Looking forward can be a tricky task. Look too far, and risk being labelled a dreamer. Don't look far enough, and risk being passed by. At 360 we feel like we've struck a sound balance between delivering on today's promises while also sourcing opportunities to grow. With a mantra of ready, fire, aim, we constantly seek to explore new avenues and test new theories. While some work and some don't, we always learn from each endeavour and are constantly refining our "aim". This will always be a hallmark of our long-term thinking.

100 years in the making.

2022 marks the 7th year in business for 360, and the spirit of the 100-year business is that we will always strive for continuous improvement. To some, this may seem difficult, but to us it represents opportunity and excitement. We know that the 360 team will look forward to the challenge, welcome the difficulties, and will occasionally remember to reflect on our successes.

With the words of Winston Churchill, **"Success is not final; failure is not fatal: it is the courage to continue that counts"**.

Thank you to all,  
Ryan, Bryce and Mark



# COMPANY PROFILE

**Closure Made Simple.** For every well, pipeline, facility or site at the end of its productive lifespan, 360 is there to help understand costs, manage obligations, and define risks. From stratification of assets through to site retirement, 360 provides industries with full cycle closure solutions.

## LIABILITY ASSESSMENT & STRATEGY

- Asset Retirement Obligation (ARO) evaluation and methodology support, data collection and strategy building
- Regulatory expertise and guidance
- **>\$12.5 Billion in ARO Assessments** executed
- **>115,000 wells reviewed** across 2 continents:



## SITE ABANDONMENT & DECOMMISSIONING

- Full-scale management and execution for Well Abandonment, Pipeline and Facility Decommissioning
- Engineering and Field Supervision
- Area Based Closure (ABC) program coordination
- Abandonment Programming
- Prime Contractor Program Management
- Gas Migration and Surface Casing Vent Flow Testing and Repair
- Regulatory Submission and Non-Routine Applications
- **>2,000 wells abandoned**

## ENVIRONMENTAL RECLAMATION & REMEDIATION

- Environmental Management System Design, Budgeting and Execution
- Risk-Based Analysis and Site Stratification for Environmental Planning
- Environmental Site Assessment, Remediation and Reclamation
- Regulatory and Stakeholder Engagement
- **>8,500 site closure activities** executed
- **120+ years of experience** in Environmental Closure

## SKYE ASSET RETIREMENT

- Engaging with 360 also offers the unique option of **Skye Asset Retirement**
- Skye is a closure company which acquires liabilities, transfers the risk, and completes full closure as efficiently as possible
- Non-producing assets are transferred to Skye at a fixed market value, providing operators an immediate removal of liability

SKYE <sup>AR</sup>



# PURPOSE AND MISSION

360 exists to create an organization which enables people to unleash their full potential, an environment where internal champions lead the way, and leadership supports progressive change and evolution. Our Purpose and Mission guides us towards our goal of a 100-year business.

## Our Purpose

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### Because Closure Makes a Difference

The work we do makes a difference for the planet, for our people, and for our stakeholders

## Our Mission

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### Closure Made Simple

Our mission is to deliver simple solutions to complex environmental site closure problems

### 360's Four Foundational Pillars

- 1) 360's Standards of Excellence
- 2) Health, Safety and Wellness
- 3) Client Obsession
- 4) Empowering Our People



# 360'S STANDARDS OF EXCELLENCE

The Standards of Excellence are the guiding principals, moral compass, and underlying values of 360.

## 1) No Dickheads Allowed (N.D.A)

- The team comes first
- Make strong, morally sound choices
- Seek diverse opinions
- Be open to growth

## 2) Candor Builds Trust

- Candid, actionable, and timely feedback is an expectation of 360 team members
- Feedback must be delivered and accepted with the most positive intentions by all team members

## 3) Watch the Pennies

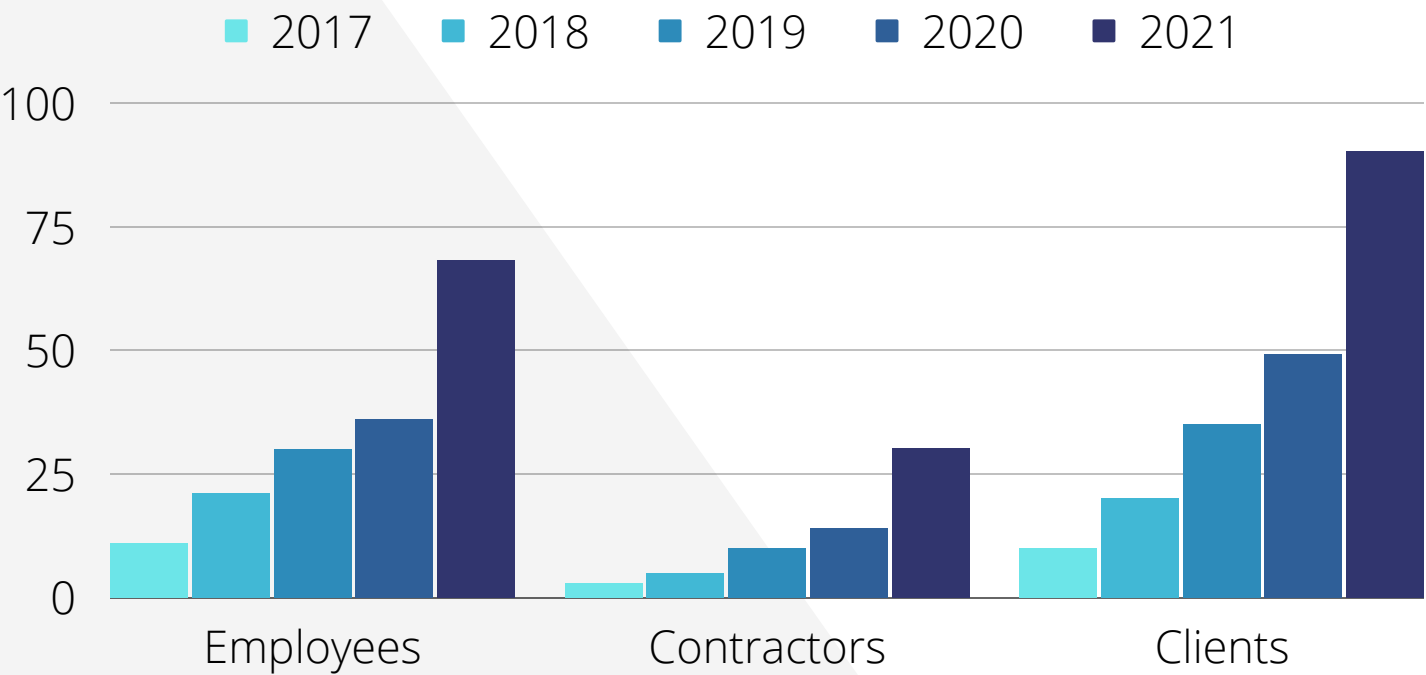
- Pay attention to the details - for our industry partners and for the business
- Make spending decisions that are for the betterment of 360
- Ensure you can stand in front of your peers and justify expenses
- Do not under-fund important decisions

## 4) Borrow the Best

- Always seek improvement
- Emulate those who inspire you
- Use what is relevant to you and discard the rest - perfection is unattainable but striving for it creates greatness
- Celebrate our wins and our failures as opportunities to grow

# GROWTH AND ECONOMIC IMPACT

2021 was a significant growth year for 360. Led by government funding programs, regulatory changes, and renewed focus on liability management, the year was a springboard for the business. Employee, contractor, and client count all grew in significant numbers, and through this growth 360 supported more than **785 vendors and services** in 2021.



## Strategic Roadmap for Continued Growth





# ABOUT THIS REPORT

2022 marks 360's 3rd annual ESG Report which continues to evolve. This year, we are committing to moving towards the Sustainability Accounting and Standards Board (SASB) ESG reporting standard, and combining that standard with 360's values and ESG targets. Our 2022 report focuses on the following SASB themes:



## E ENVIRONMENT

- Environmental & Biodiversity Impacts
- Carbon Footprint Reduction
- Greenhouse Gas Emissions

- Workforce Diversity and Engagement
- Human Rights and Rights of Indigenous Peoples
- Culture and Well-Being
- Community Relations and Initiatives

## S SOCIAL

## G GOVERNANCE

- Workforce Health and Safety
- Critical Incident Risk Management
- Business Ethics and Transparency
- Management of the Legal and Regulatory Environment





**ENVIRONMENT**



# ENVIRONMENTAL IMPACT

As a business solely focused on site closure, we believe we can be part of the long-term, sustainable energy development cycle and are excited to continue to lead the way. 360 strives for progressive, measurable, and impactful operational practices which improve the environmental impact across Canada and the globe as technologies, regulations and focus on environmental closure continue to evolve.



## 2021 Closure Activity Summary:

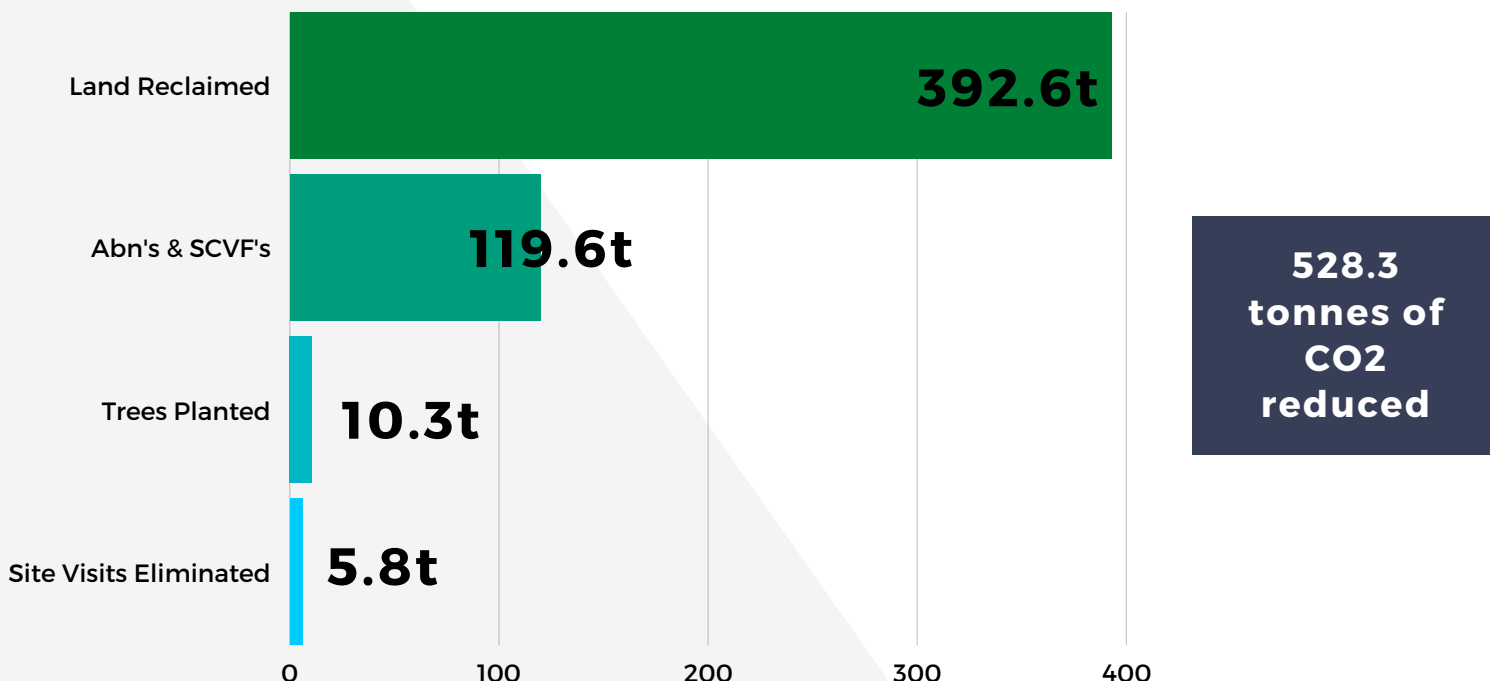


## Biodiversity Impacts

360 works to sustainably decommission and close oil and gas sites at the end of their lifecycle. Our purpose and business is restoring disturbed land to provide habitat and repair terrestrial and freshwater ecosystems. Starting with an understanding of the original land use, 360 develops the site specific restoration goals for each site. While executing work we follow environmental management practices to reduce our impact. For example, we have a Target Zero strategy for cement waste disposal on downhole abandonments reducing waste hauled to landfills. We use flameless air heaters instead of conventional boilers during winter months reducing emissions, and when feasible we use air vac over a hydrovac which reduces both waste and water use. On all closure activities we combine work across clients in an area-based approach which uses local service providers, thereby decreasing travel time for equipment and personnel and reduces fuel consumption and emissions.

# CARBON FOOTPRINT REDUCTION

As a closure focused company, 360 is proud to provide professional environmental and engineering services in a manner that eliminates Scope 3 GHG emissions at the source as part of all aspects of our operations. Through abandonment and environmental activity, working with our industry partners, 360 helped eliminate over 528 tonnes of CO<sub>2</sub> in the calendar year of 2021.



## Greenhouse Gas Emissions

360 is committed to being a 100-year business and will continue to set financially achievable and responsible Green-House Gas emission targets. In 2021, we matched our 2020 financial commitment in carbon offset credits, we achieved our corporate GHG emission goal of greater than 50% reduction in paper usage, and we moved our head office to a LEED Platinum Certified property. But most importantly, we have committed to conform with the Sustainability Accounting and Standards Board (SASB) ESG monitoring and reporting for GHG.

As part of our ongoing commitment to a net zero strategy, we will complete the following:

- Implementation of data collection and compilation system to reliably collect internal Scope 1 emissions in a format consistent with SASB standards (2022);
- Establish methodology to measure GHG reductions and provide clients quantitative achieved GHG emission sources through engaged activity (2024);
- Commit to having 25% alternative fuel fleet by 2030
- Develop and implement baseline internal metrics and KPI's to identify and reduce emission sources.
- Create a Sustainability Committee to drive these initiatives and commitments forward





**SOCIAL**



# CULTURE, VALUES AND EMPOWERMENT

*"360 will promote autonomy and agile decision making. This agility will be fostered by sound, safe processes and emphasized by training individuals and teams together. Micro-managing and pedantic process will not be tolerated"*

Ryan Smith, CEO

360 has built a culture with minimal hierarchy, based on empowering smaller teams within teams. Creating agile working groups with clear strategic direction allows for autonomy, personal growth, stronger client obsession, and eliminates compartmentalization. The back of the mullet is just as important as the front - 360 will always have fun and encourage creating lasting relationships.

## Unlimited Vacation Policy

360 has implemented an "Unlimited Vacation" for our employees. We encourage trust, accountability to the team, and well-being by eliminating the tracking of vacation days and encouraging time away from work to re-charge.

*"Trust great people to do great things"*



360 Family Stampede Breakfast



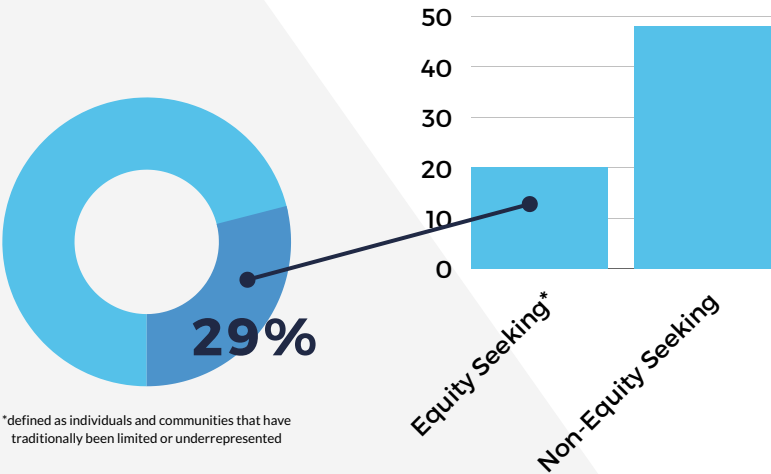
360 Mullets for Mental Health



360 Christmas Food Drive Challenge

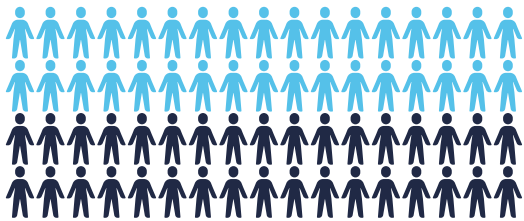


# EQUALITY AND DIVERSITY



Average Employee Age = **33**

Total Employees = 68  
(as of Dec 31, 2021)



Gender Diversity = 50%  
(Company)



Gender Diversity = 27%  
(Leadership Team)



## Workforce Diversity and Engagement

360 truly believes that a diverse workforce gives power to broader thinking. We continue to build a more diverse workforce which brings unique perspectives, skillsets and experience forward to continually improve the business.

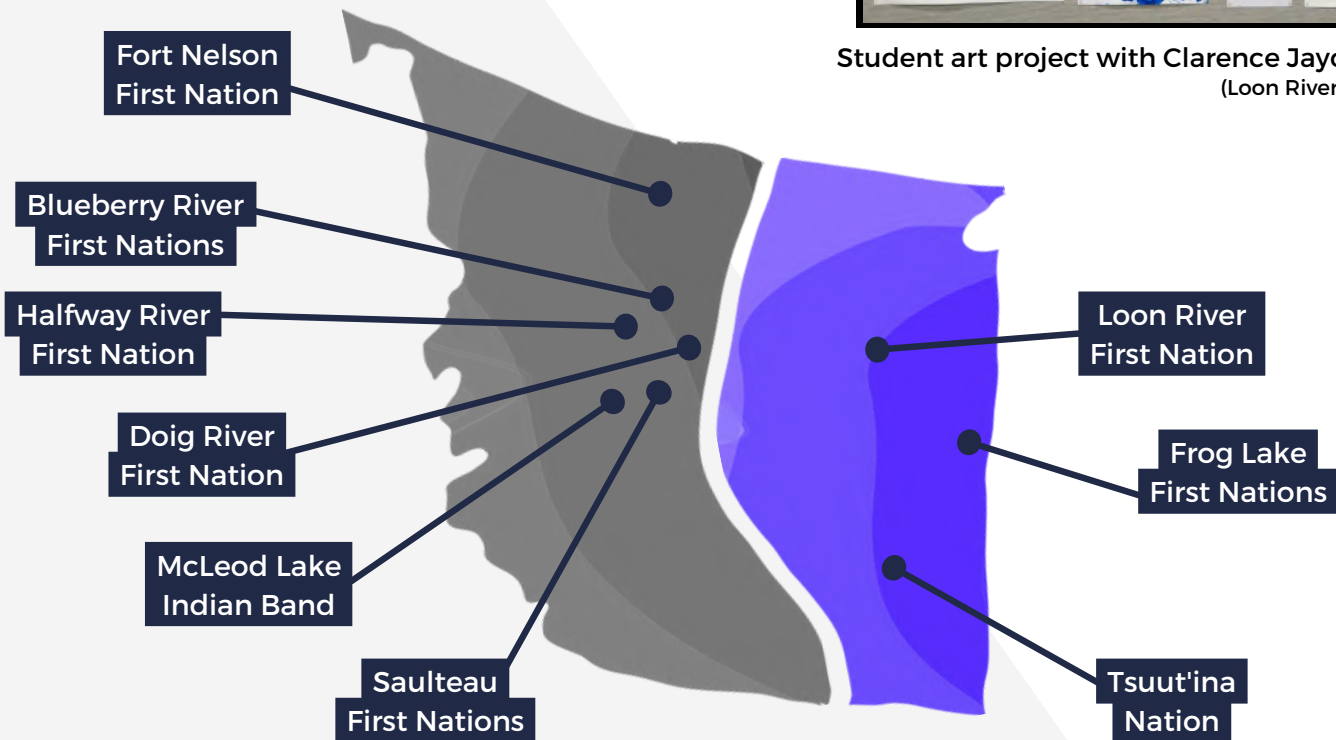


# INDIGENOUS PARTNERSHIPS

360 continues to grow partnerships and relationships with the Indigenous communities in which we operate. Through our growth into new regions the past year, we have forged new relationships with several First Nations communities across Alberta and BC. We are committed to utilizing Indigenous-owned businesses for products and services whenever possible in the regions we perform closure work, and encourage our clients to support this initiative.



Student art project with Clarence Jaycox School (Loon River First Nation)



## Human Rights and Rights of Indigenous Peoples

As a commitment to our Indigenous partnerships, we have implemented the Nisto Link Social Impact Reporting Platform into our business. Nisto Link is a Canadian Indigenous-owned business which tracks metrics through our supply chain and business operations to help achieve our goals of Indigenous impact, equity, equality, and diversity.





# WELL-BEING

360 invests time and resources into developing healthy people and a safe work place.

## Psychological Safety at the forefront

Open dialogue, transparent policies, and supported feedback loops promote trust

## Activity and movement will always be encouraged

360 support initiatives that promote health, movement, and wellness

## Teams and leaders check-in on mental health regularly

Formal and informal networks provide outlets for open conversations

### Steppin' for \$tacks Initiative

360's 2021 wellness initiative encouraged physical activity through an annual cash incentive for all employees who achieved more average steps per day throughout the year.

	TIERS
< 5,000 STEPS/DAY	\$500
5,000-5,999 STEPS/DAY	\$750
6,000-6,999 STEPS/DAY	\$1,000
7,000-7,999 STEPS/DAY	\$1,250
8,000-8,999 STEPS/DAY	\$1,500
9,000-9,999 STEPS/DAY	\$1,750
> 10,000 STEPS/DAY	\$2,000

Participants:

42

Date Range:

Feb 1 - Nov 30

Avg Steps/Day:

7,921

Total Steps:

2,392,027



That's  
11,538  
Calgary  
Towers!



CIBC Run for the Cure



Fuelled Fit 12



Woods Homes Hike for Humanity

# COMMUNITY RELATIONS AND INITIATIVES

Commitment to the communities we live and work in is an ongoing focus year over year, not only in monetary contributions, but volunteering time. 360 increased community initiatives in 2021 by contributing funds and volunteer time to over 20 charitable organizations through various fundraisers and campaigns.



"As a recent Sait graduate, I am pleased to say that your generosity is greatly appreciated and has allowed to further motivate my career in the Oil and Gas industry. It provided me with financial support to further my professional training and certification goals towards a promising future career development in this industry"

**Carla Bantaya,**  
Recipient of the 360 Energy Liability  
Management Scholarship Award





**GOVERNANCE**



# WORKFORCE HEALTH AND SAFETY

360's HSE Management System is driven by leadership and commitment from senior management and its readiness to provide resources. 360 is committed to providing a productive, safe, and healthy work environment for our workers, contractors, clients, customers, and visitors.

360 monitors the implementation of our HSE management system on a continual basis. A set of proactive indicators have been developed to ensure consistent implementation is occurring. These proactive indicators are used to measure the effectiveness of safety efforts on the frontline as well as to assist with safely managing operations. Proactive indicators serve as a real-time tool for workers/contractors to identify, evaluate, communicate, and eliminate or control hazards.

Our HSE standards and procedures have been developed over time and are updated and revised when new opportunities are identified through an annual audit process, and through worker and contractor feedback. A "Quality Loop" exists at various levels to ensure that the management of HSE is continuously improved upon.

Q1

Q2

Q3

Q4

2021

	Q1	Q2	Q3	Q4	2021
TOTAL EXPOSURE HRS	20,544	21,236	24,890	34,478	101,148
TRIF	0	0	0	0	0
LTIF	0	0	0	0	0
EMPLOYEE KMS	12,364	27,494	25,879	57,078	122,815
NEAR MISSES	0	0	1	0	1
FIRST AID	0	0	0	0	0

## What tools do we provide to our employees to be proactive?

- Standard Operating Procedures
- Safe Work Agreements/Permits
- Task Hazard Assessments
- Field Level Hazard Assessments
- Pre-job Safety Meetings
- Behaviour Based Observations
- Hazard Identification
- Near Miss Reporting
- Trending
- Open Communication and Feedback





# CRITICAL INCIDENT RISK MANAGEMENT

360 has a robust Health, Safety, and Environment Management System which includes training, review, and continuous improvement. 360 fosters open communication and feedback throughout our organization as well as maintaining a HSE Open Door Hotline.

Our in-house Health & Safety Manager ensures new worker orientation, employee training, safety statistics tracking and trending, safety bulletin awareness and acknowledgement, certification, and safety audits are on-going. This promotes and nurtures our safety culture as a constant and transparent work process and a core part of our business.



In conjunction with our HSE MS, peer-reviewed Standard Operating Procedures (SOPs) and Safe Work Practices (SWPs) are used to capture previous technical and safety learnings aligning with best practices. Written job work procedures mandate the use of daily safety permits, operating procedures, permits for hot work, confined space, or similar specialized activities, pre-start up safety reviews with hazard/risk assessment and mitigation, a formal management of change process, incident investigation, emergency planning and response, and audits. All primary safety systems also include a work process flow chart to guide workers and management to maximize use and benefits of the system.

In addition to annual internal audits, external audits of safety systems and practices are conducted inside of our Certificate of Recognition (COR) safety system audit verification program.

Joint operations with sub-contractors or other vendors are coordinated under our system for clarity. All workers are required to comply with and be involved in site safety orientations, worker certifications, use of SOPs and SWPs, documented pre-start up safety meetings, documented hazard/risk assessment and mitigation reviews, vendor (contractor or sub-contractor) audit and management, safety statistics tracking and analysis.

*"Health and safety is not a separate function at 360, but an integral part of every business activity. 360 is dedicated to continuously strive for safety excellence through dedicated leadership, operational effectiveness and enthusiastic participation in our Health and Safety programs."*

**Tina Hapienko,**  
Health & Safety Manager

# BUSINESS ETHICS AND TRANSPARENCY

360 holds itself and everyone it conducts business with accountable for upholding ethical and transparent business practices. In doing this, we can be proud of not only what we accomplish, but also how we accomplish it.

360's Standards of Excellence and Code of Business Conduct and Ethics are manifestos that reinforce the ethos with which our people choose to conduct themselves. These include socializing potential conflicts of interest, exercising strict confidentiality, exhibiting zero tolerance for illicit payments or payments to officials, and complying with all laws, rules, and regulations in the jurisdictions where we conduct business. 360's financials are also readily shared with all employees to demonstrate transparency and invite scrutiny of our corporate behaviour. 360 created an Advisory Board in 2021 to ensure these practices are being upheld. We will build on independent oversight best practices by implementing a Governance Board in 2022.



**A P E G G S**  
Association of Professional Engineers  
& Geoscientists of Saskatchewan



**ENGINEERS &  
GEOSCIENTISTS**  
BRITISH COLUMBIA

**esaa** | Environmental  
Services Association of  
Alberta



**WIA**  
Society



**ALBERTA INSTITUTE  
OF AGROLOGISTS**



## Management of the Legal and Regulatory Environment

360 ensures its policies, procedures and practices adhere to the respective legal and ethical jurisdictions it operates in. Internal documentation processes ranging from service agreements to safety are reviewed and updated on a continual basis to mitigate risk to the organization. Policy aimed at reducing our corporate carbon footprint are reviewed and updated annually to ensure we continue to be leaders in all aspects of our business.

360 values its relationship with jurisdictional regulators and routinely engages with them on an informal and formal basis. Government policy on liability management in oil & gas has evolved at a heightened pace since 2015. Risk is mitigated for 360 by actively engaging in industry committees and working with Government Relations firms to ensure the interests of 360 and its stakeholders are served. 360 builds its reputation as a thought leader by regularly sending updates, interpretations, and forecasts on the latest regulatory trends.

Technological advances continue to push our industry in new directions and 360 works hard to forge relationships with like minded companies working creatively in our industry. This allows 360 to stay on the forefront of change to ensure our business model adapts and evolves with the changing liability management landscape, and continues our path towards building a 100-year business.





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