



Pacific Canbriam Energy

2021 Report on Sustainability

Producing positive energy, together.

Published August, 2022



Contents

Introduction	03	Climate and Ecosystem Protection	21
President's Message	04	Emissions Reduction	22
About this Report	06	Land Management	25
Our Profile	07	Water Management	26
Our Purpose	08		
Our Sustainability Approach	09	Responsible Production	27
2021 Sustainability Highlights	11	Corporate Governance	28
Material Topics	12		
		Appendix	29
Transformative Indigenous Partnerships	13	Our Sustainability Strategy	30
Indigenous Peoples' Rights and Engagement	14	Sustainability Performance Table	31
Our Engagement Approach	15	GRI Content Index	33
		SASB Content Index	35
Inclusive Development	17		
Our People	18		
Community Engagement	19		
Health and Safety	20		

Introduction

- » President's Message
- » About this Report
- » Our Profile
- » Our Purpose
- » Our Sustainability Approach
- » 2021 Sustainability Highlights
- » Material Topics

Message from

Our President



Paul Myers

President, Pacific Canbriam Energy Ltd

To begin, I acknowledge the Treaty 8 territory on which Pacific Canbriam Energy Limited (Pacific Canbriam Energy) operates. This is the traditional and ancestral territory of the Dunne-Za (ᑕᑕᑕ or Beaver), Nêhiyawak (ᑕᑕᑕᑕᑕᑕ or Cree), Anishinaabe (ᑕᑕᑕᑕᑕᑕ or Ojibwe), and Métis Peoples. We also acknowledge the many Indigenous Peoples who have lived on and cared for these lands for generations. We are grateful for the Traditional Knowledge Keepers and Elders who are still with us today and those who have gone before us.

At Pacific Canbriam, sustainability has been an integral part of our founding vision and we are proud of the accomplishments our team has made since our 2007 inception. Our mission is to improve lives by developing resources responsibly, with the vision of supplying growing economies with low emission energy through the sustainable use of natural resources. I am pleased to present Pacific Canbriam Energy's inaugural 2021 Sustainability Report, which provides both an introduction to our sustainability initiatives and the progress made to achieve our mission.

Since our beginnings, Pacific Canbriam has fostered a culture with sustainability at its core. We recognized that natural gas would be an important part of the global energy supply in the future and that sustainable development would not only create a competitive advantage – it is the right thing to do. From day one, we have integrated best-in-class solutions into our development approach. Early on, we invested in a water recycling hub and water distribution pipelines with a vision to ultimately connect the entire field and eliminate emissions from water trucks. We are now fully connected, and in 2021 we recycled 92 per cent of our produced water. Pacific Canbriam's facilities continue to be developed with the most innovative technology available. In addition to our pipeline-connected field, we utilize innovations such as waste heat recovery at our main gas plant to completely eliminate the need for gas-fired process heat, vapour recovery units to capture processing vent gas, and electrification of control systems at multi-well pads to eliminate methane-emitting pneumatic devices. We are very proud of these deliberate design tactics that exemplify the integration of land, technology, and people, as we now hold one of the lowest emissions intensities amongst our peer group. In 2022, we have ambitious emissions management goals which include developing a five-year Emissions Reduction Plan and a Climate Change Strategy. Our journey has

led us to where we are today – producers of Certified Responsibly Sourced Gas (C-RSG).

In 2021, Pacific Canbriam reached a milestone in our sustainability journey as we became the second producer in North America to achieve EO100™ Standard Certification from Equitable Origin. We received this certification by demonstrating our commitment to the highest environmental, social, and governance standards – confirming our leadership in the use of innovative and transparent practices to produce some of the world's most sustainable natural gas. Importantly, certification is not a one-time “stamp of approval”, but a process for continuous improvement, monitoring, and evaluation. It sets a transparent, data-driven culture throughout our organization and creates alignment across our field and corporate operations.

Pursuing Equitable Origin certification was a natural step in our evolution as a growing company and is aligned with our values. Certification has also realized new and unique opportunities, such as the generation and transaction of Methane Performance Certificates (MPCs) - tradeable instruments that unlock the market value of low methane intensity gas production. This achievement marks the beginning of a new, more transparent era of natural gas development in Canada



Message from

Our President

where we show the world that our resources are, and will continue to be, developed to the highest standards of environmental and social responsibility.

Foundational to our development approach at Pacific Canbriam is our strong relationships with Indigenous Rights Holders. We deeply value these relationships and are committed to continued collaboration as we look to the future. Indigenous engagement is fundamental to the achievement of responsibly produced natural gas and our sustainable development goals. We work to build long-lasting partnerships and respond to the Truth and Reconciliation Commission's (TRC) Call to Action for Business (Section 92). Early engagement with local Indigenous Rights Holders allows for open and upfront dialogue on culturally sensitive areas where Pacific Canbriam operates. This includes biweekly planning meetings with the lands department and listening to understand issues and requests. We then make operational changes based on these meetings so that we are completely aligned with Indigenous Rights Holders – this partnership is of paramount importance to us. Engaging in this way allows us to develop a clear and mutually agreed-upon path forward, and a strong working relationship with Indigenous Rights Holders beyond the regulatory framework. In 2021 our team engaged in the University of Alberta Indigenous

Canada course, and we are working toward achieving 100 per cent employee training on relevant Indigenous history, rights and culture in 2022.

At Pacific Canbriam, we are committed to building shared value and capacity for our employees and local communities by fostering safe, inclusive, and equitable environments. To this end, we conduct meaningful community engagement and consultation regarding project impacts and uphold industry-leading safety standards. In collaboration with Indigenous Rights Holders and stakeholders, we work to build a shared vision for a sustainable future.

As we look forward, Pacific Canbriam remains committed to continuous improvement throughout our sustainability practices. We are proud of the manner in which natural resources are developed in Canada and especially at Pacific Canbriam. Natural gas will continue to meet a growing global energy demand and supplying responsibly produced Canadian gas ultimately translates to lower environmental impacts. This speaks to the importance of the integration with our affiliate company Woodfibre LNG in British Columbia. Pacific Canbriam will supply the natural gas to be liquefied and exported overseas to help meet increasing demand for lower emission sources of energy. There has been tremendous innovation in

our industry to address long-term sustainability and we have only scratched the surface of this industry-wide effort. The sustainability landscape will continue to evolve and Pacific Canbriam, as it always has, will strive to lead that evolution and deliver sustainable energy for our customers. I am extremely proud of the accomplishments our team has made in 2021 that will be described throughout this report.

Sincerely,



Paul Myers



About this Report

Definitions

The terms “Pacific Canbriam Energy Limited”, “PCE”, “Pacific Canbriam”, “Pacific Canbriam Energy”, the “Company”, “our”, “us”, “we”, all refer to Pacific Canbriam Energy.

Reporting Period

This 2021 Report on Sustainability, published on August 22, 2022, represents our inaugural sustainability report. It covers the period of January - December 2021, and refers to sustainability initiatives and activities undertaken since the company’s 2007 inception.

Reporting Frameworks

This report has been prepared with reference to the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) where possible. PCE acknowledges that it is not fully in alignment with these reporting frameworks and we look forward to increasing our alignment in the future as our reporting develops.

Verification

This report has been vetted by PCE’s Executive Team and our 2021 GHG data has been verified by the GHD Group, an independent verification body.

Forward-Looking Statements

This report contains forward-looking statements as to PCE’s expectations of future performance. Such statements may relate to our goals and targets, vision and sustainability objectives. Use of any of the words “plans”, “strategy”, “targets”, “seeks”, “believes”, “continues”, “strives”, “will”, or similar expressions are intended to identify forward-looking statements/information. Readers are cautioned that these forward-looking statements are only predictions and are subject to uncertainties. PCE includes this information to assist readers in understanding our vision and goals.

Photography

All watermarked photos are by Dre Anderson. Dre is a photographer local to Northeastern British Columbia, a member of West Moberly First Nations and part of the Dokkie family. Photos reflect areas local to our operations. View Dre’s work on [Facebook](#) and [Instagram](#)

Contact

For any questions relating to this report, please email: sustainability@pacific-canbriam.ca



Williston Lake Reservoir



Our Profile

Sharing Canadian natural gas with the world

PCE is a leading private exploration and production company focused on liquids rich natural gas development in the Western Canadian Sedimentary Basin. PCE is a subsidiary of Pacific Energy Corporation Limited.

Founded in 2007, we are headquartered in Calgary, Alberta with primary field operations in the Altares and Kobes Montney regions in Northeastern British Columbia.

We are proud to be an industry leader in the production of Certified Responsibly Sourced Gas (C-RSG), where our unique ownership of all field infrastructure allows us to ensure sustainability is embedded throughout all operations.

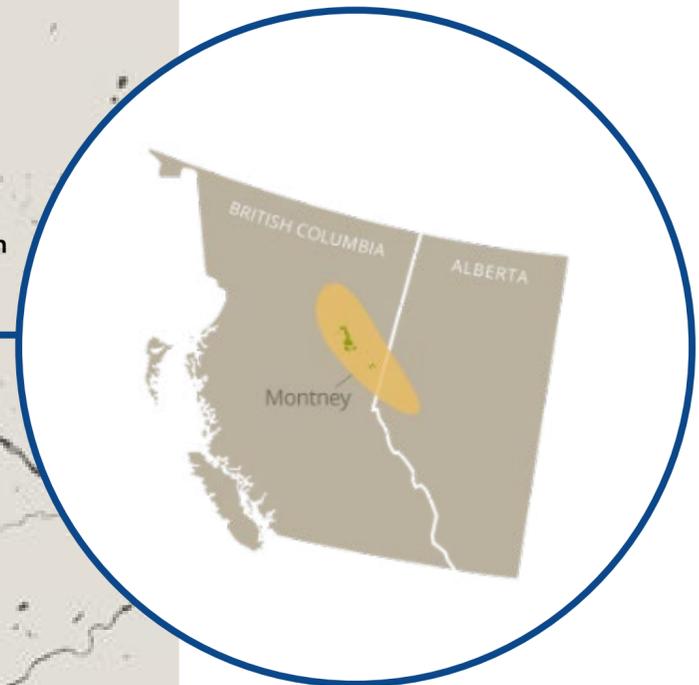
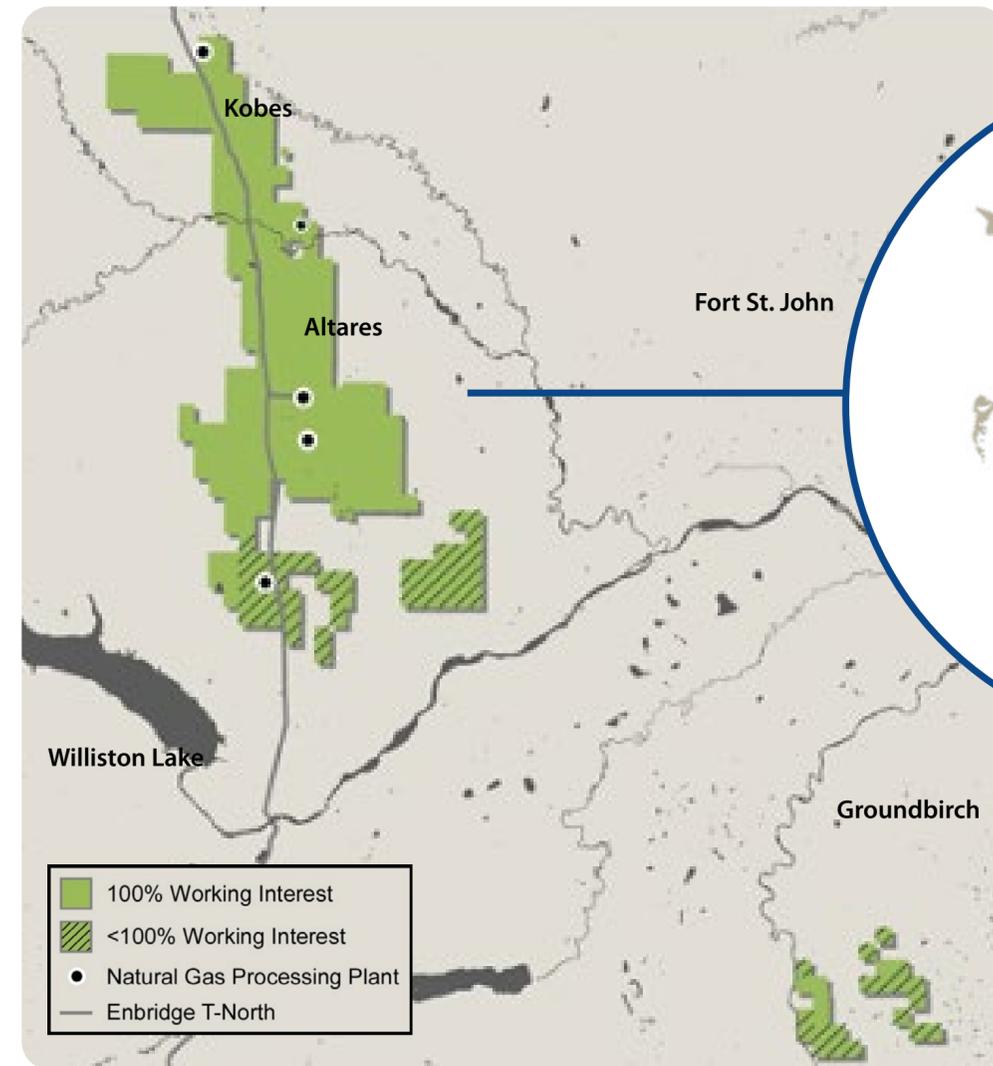
2021 Key Operational Statistics

- » Average annual production of 39,000 BOE/day
- » Land base ~85,000 hectares
- » ~100 employees and contractors
- » Focus on low cost structure and full cycle profitability

Our Natural Gas

Operating in British Columbia, PCE adheres to some of the world's most stringent regulatory standards in energy production. The CleanBC Roadmap to 2030 outlines a pathway for industry to achieve net-zero climate pollution by 2050.

[*Roadmap 2030 | CleanBC \(gov.bc.ca\)](#)

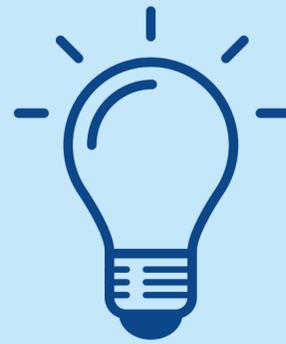


The Montney formation is an exemplary resource and the Altares region is among the highest quality areas.



Our Purpose

Improving lives by developing resources sustainably



Our Vision

To supply growing economies with clean energy, with the best management fully committed to the sustainable use of natural resources.



Our Core Values: TOPICC

- » We are aligned by our common purpose and work together as a complementary **Team**.
- » We take **Ownership** to achieve outstanding results and seek value at all times.
- » We develop **People** to grow with us.
- » We act with **Integrity** at all times.
- » We understand our **Customers** and deliver best value to them.
- » We act with zero complacency and always strive for **Continuous** improvement.



Our 5 C's Business Philosophy

“Do what’s good for the **Community**, what’s good for the **Country**, what’s good for the **Climate**, and what’s good for the **Customer**. Only then will it be good for the **Company**.”



Our Sustainability Approach

Pacific Canbriam is helping to lead the way in their industry by not only meeting the stringent requirements of the EO 100™ Standard, but also going above and beyond in many areas including human rights, inclusive engagement, good faith consultation and land rights.

- Soledad Mills, Chief Executive Officer of Equitable Origin

C-RSG Explained

Under the umbrella of sustainability and building on the concept of ESG (Environment, Social and Governance), we use the term Certified Responsibly Sourced Gas (C-RSG) throughout our report. C-RSG is used to describe natural gas that has been certified by a third party to ensure it is sourced through responsible practices. This includes a commitment to best practices that far exceed regulatory requirements throughout all operations.

Our C-RSG status has been verified in 2021 by Equitable Origin (EO), making us the **second natural gas producer in North America to achieve the EO100™ Standard for Responsible Energy Development**. This milestone accomplishment sets the bar for regular measurement, benchmarking, and continuous improvement for PCE.

Equitable Origin certifies energy producers via third-party independent verification that evaluates their commitment to the highest environmental, social and governance standards. EO100™ certification provides a comprehensive analysis of ESG risks and inputs, demonstrates leadership in sustainability and aligns with international standards.

Importantly, certification is not a one-time 'stamp of approval'. PCE is committed to a continuous improvement plan that ensures measurable progress and accountability year over year. In 2022, PCE will progress towards adopting PT2 EO100™ Standard Certification.



Dre Anderson Photography

Chetwynd



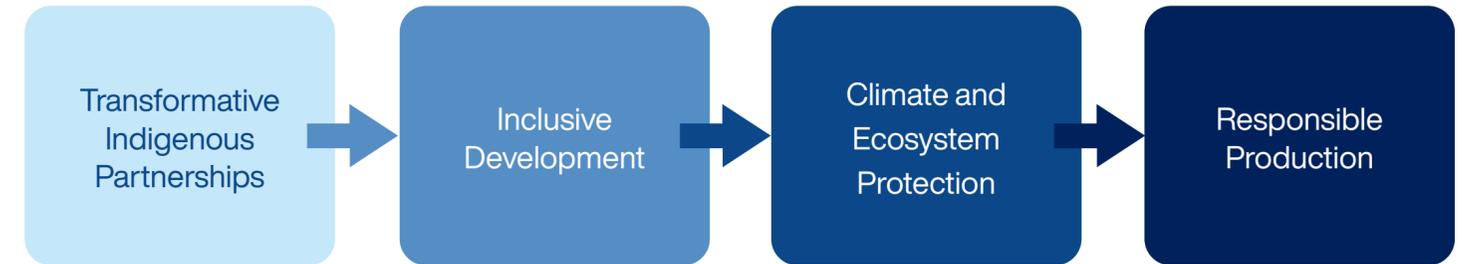
Our Sustainability Approach



Dre Anderson Photography

Moberley Lake

Four Pillars of Our Sustainability Strategy



The four pillars guide our sustainability goal setting, targets and strategy into 2030. **We highlight our sustainability performance through these four pillars in this report.**

[Learn more about our strategy](#) →

Our Sustainability Strategy aligns with key United Nations Sustainable Development Goals and is rooted in the Equitable Origin Principles of:

1. Corporate Governance, Transparency and Ethics
2. Human Rights, Social Impact and Community Development
3. Indigenous Peoples' Rights
4. Fair Labour and Working Conditions
5. Climate Change, Biodiversity and Environment



2021 Sustainability Highlights



EO100™

Achieved certification as the second North American producer of C-RSG under the EO100™ Standard for Responsible Energy Development



29%

Reduction in Emissions Intensity since 2014



41%

Women in the Workforce



1st MPC

Agreement
Executed the first Methane Performance Certificate (MPC) Trade



0.31_{TRIF}

Total Recordable Incident Frequency in 2021



92%

of Produced Water Recycled



48%

Reduction in Methane Intensity since 2014



100%

of Executive and 70% Employee Completion of the Indigenous Canada Certificate
University of Alberta Indigenous Canada Certificate

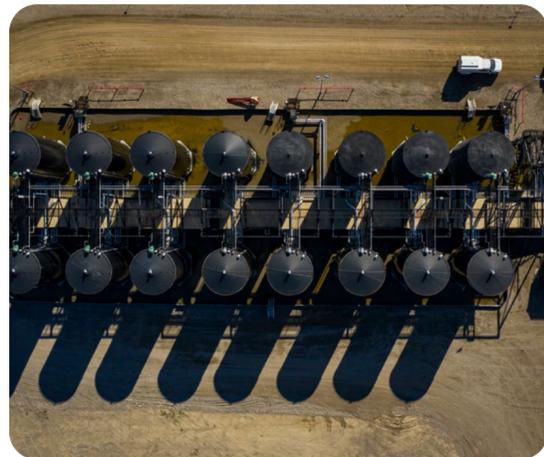


Material Topics

Materiality Assessment

In 2021, PCE undertook a materiality assessment to gain a comprehensive understanding of our sustainability context and determine how we can best meet future challenges and maximize opportunities. The identified topics form the basis of our sustainability reporting.

Using the principle of “double materiality”, our leadership team identified and prioritized the topics most likely to influence PCE’s success, as well as areas where we could hold the greatest impact on the environment, economy and people.



Material topics were first identified through research into best practices, industry standards, global trends, and frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

To analyze these potential material issues, interactive workshops were held with internal stakeholders to prioritize the most significant topics to guide our sustainability priorities. We look forward to including external stakeholders in our assessment as our reporting process evolves.

2021 - 2022 Material Topics

- Indigenous Peoples' Rights and Engagement
- Emissions Reduction
- Water Management
- Land Footprint, Reclamation and Abandonment
- Diversity, Equity and Inclusion
- Community Engagement
- Employee Wellbeing and Development
- Health and Safety
- Corporate Governance



Transformative Indigenous Partnerships

Topics

- » Indigenous Peoples' Rights and Engagement
- » Our Engagement Approach

Key United Nations Sustainable Development Goals



Indigenous Peoples' Rights and Engagement



Dre Anderson Photography

Babcock Falls, Tumbler Ridge

Operating on the traditional Indigenous lands of the West Moberly First Nations (WMFN), Halfway River First Nation (HRFN), Saulteau First Nations (SFN), Blueberry River First Nations (BRFN), and Métis Nation of British Columbia, we acknowledge Indigenous Peoples as Rights Holders and strongly believe that developing long-term, sustainable partnerships is foundational to the production of C-RSG.

While our primary approach to engagement with Indigenous Peoples is documented in this section, PCE's partnerships with Indigenous Rights Holders will be reflected throughout this report, as Indigenous knowledge and engagement underpins many areas of sustainability. Guided by our Indigenous Engagement Policy, PCE advocates for the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Declaration on the Rights of Indigenous Peoples Act (DRIPA). We are working to embed the Truth and Reconciliation Commission's Call to Action # 92 across our organization.

>45

biweekly land and Joint Management Advisory Committee (JMAC) meetings held in 2021

100%

of the PCE Executive Team completed the University of Alberta Indigenous Canada Certificate

13.9%

of total operational spend is with Indigenous vendors

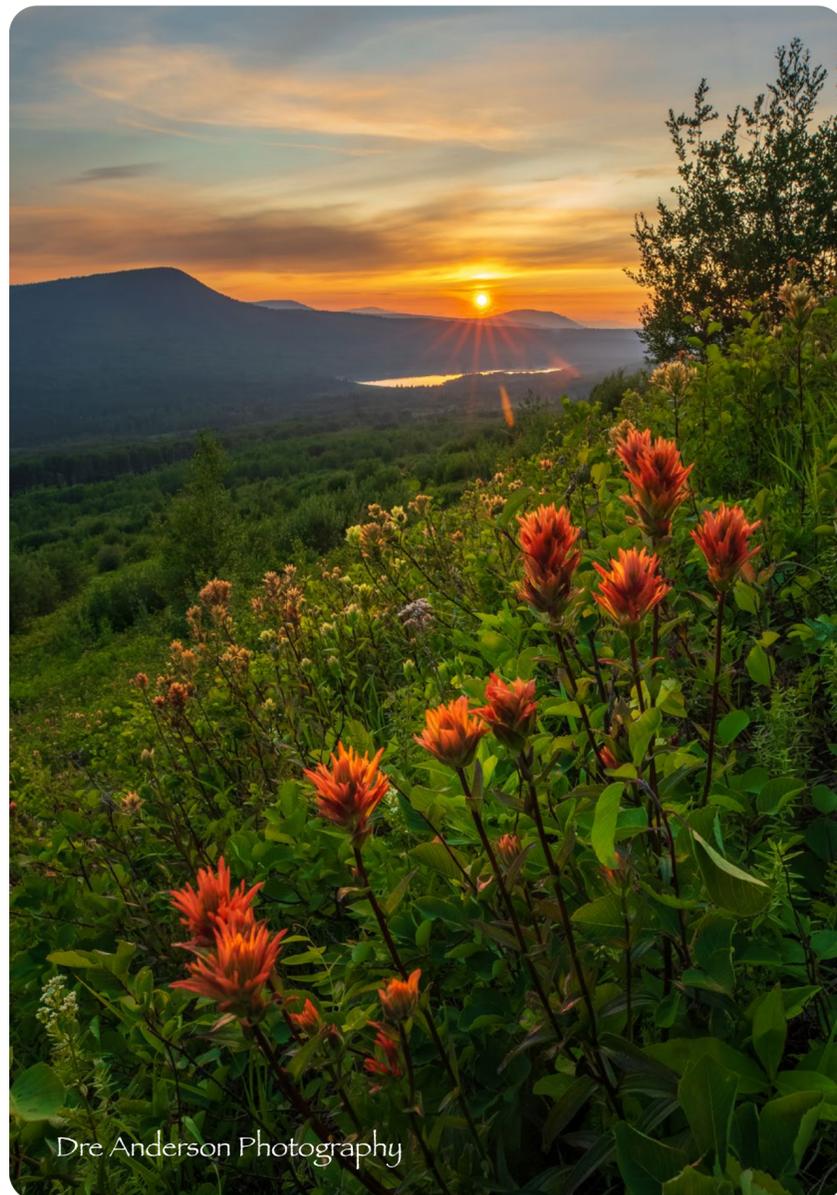
>50%

of total community investment goes towards Indigenous organizations and communities

PCE deeply respects and values the relationships we have built with Indigenous Rights Holders and approaches engagement in a spirit of partnership, collaboration and mutual respect. Recognizing that Indigenous Rights Holders are the stewards of the resources on their land, we work to respect these rights and build long-lasting partnerships over and above the regulatory framework.



Our Engagement Approach



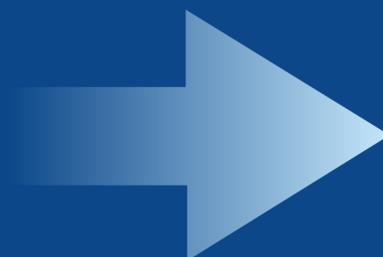
Dre Anderson Photography

Towards Truth and Reconciliation

PCE's commitment to Truth and Reconciliation is embedded in our Indigenous Engagement Policy and reflected in our Sustainability Strategy Pillar #1: Transformative Indigenous Partnerships.

In response to the Truth and Reconciliation Commission's Call to Action for Business (Section 92), PCE's engagement approach takes the form of a Truth and Reconciliation Action Plan.

The following four goals and 11 actions guide PCE's current and future engagement approach and efforts to advance the rights, perspectives and prosperity of Indigenous Peoples.



Goal One: Early Engagement and Upfront Dialogue

- » **Action 1:** Meaningful engagement and commitment to the principles of Free Prior and Informed Consent (FPIC).
- » **Action 2:** Ensuring alignment with Rights Holders through biweekly meetings that allow PCE to gain understanding of issues and requests and make any resulting operational changes.
- » **Action 3:** Quarterly Joint Management Advisory Committee (JMAC) meetings provide two-way communication and potential issue resolution.

Goal Two: Increase Employee Knowledge of Indigenous History, Rights and Culture

- » **Action 4:** Provide employees with training courses on Indigenous history, rights and culture.
- » **Action 5:** Celebrate and support Indigenous Peoples through:
 - » Honouring Indigenous Peoples Day, where employees engage in important learning exercises and discussions regarding Indigenous history, culture and reconciliation.
 - » Observing the National Day for Truth and Reconciliation, a federal statutory holiday also known as Orange Shirt Day, and providing employees with the opportunity to spend time on learning opportunities.
 - » Supporting the Moose Hide Campaign and the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) Calls to Justice to end gender-based violence against Indigenous women, girls and 2SLGBTQQIA people to improve the individual, family and community wellbeing of Indigenous people.



Our Engagement Approach

Goal Three: Building Long-term, Sustainable Opportunities

- » **Action 6:** Prioritizing opportunities for qualified local Indigenous vendors to participate in new development projects as well as daily operations, where Rights Holders are provided advanced notice of these opportunities to enable their capacity to participate.
- » **Action 7:** Contributing to training programs, social investment funds and mitigation payments.



Goal Four: Strong Partnerships

- » **Action 8:** Mitigating impacts to culturally and environmentally sensitive areas through collaboration with Rights Holders.
- » **Action 9:** Inviting Indigenous Monitors to pre-disturbance field reviews to ensure concerns are identified and mitigated prior to applying to regulatory bodies for permits.
- » **Action 10:** Developing Community Relationship Agreements.
- » **Action 11:** Participating in the Regional Strategic Environmental Assessment (RSEA) and Land and Resource Management Plan (LRMP) working groups to address cumulative impacts from industrial activity in area.

Looking Forward



Here's a snapshot of what you can expect from us in 2022:

- » Increased reclamation partnerships with Indigenous communities
- » 100% employee training on relevant Indigenous history, rights and culture
- » Implementing the results of RSEA and the LRMP



Hudson's Hope



Inclusive Development

Topics

- » Our People
- » Community Engagement
- » Health and Safety

Key United Nations Sustainable Development Goals



Our People

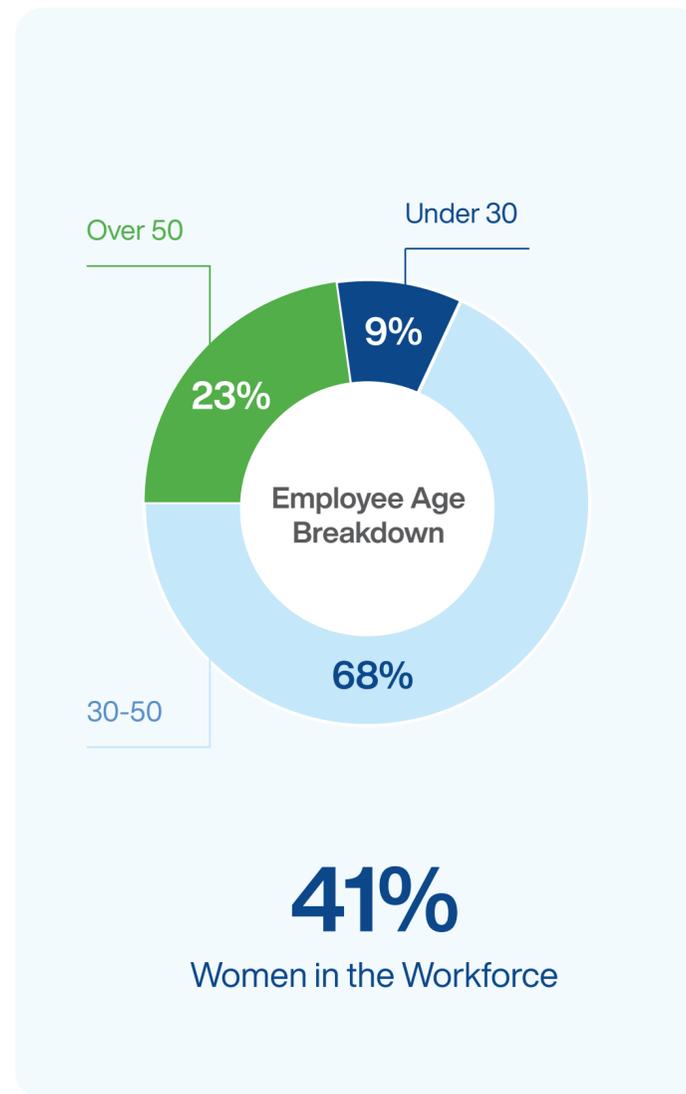


Fostering an Inclusive and Respectful Workplace

At PCE, our people are the foundation of our success. The quality of our resource is undeniable, but without a quality team, a superior resource can lead to nothing. We firmly believe that having a diverse team not only celebrates our differences, but also drives innovation while optimizing performance. We are committed to fostering a diverse, equitable and inclusive environment, where talented people collaborate to continuously improve.

At Pacific Canbriam Energy we:

- » Provide our employees with competitive compensation and benefits
- » Budget annually for employee training and development opportunities
- » Create open dialogue through semi-annual employee feedback and goal-setting sessions
- » Continue to provide flexibility through hybrid work options
- » Adhere to all human rights and Canadian employment laws




Looking Forward

In 2022, we will continue to develop an inclusive and respectful work environment at PCE by:

- » Advancing equal opportunities
- » Publishing our Equal Opportunity Employer statement
- » Providing 100% of employees with training on diversity, equity and inclusion
- » Creating individual development plans for all employees
- » Updating our Employee Handbook to reflect our respect for workers' rights





Community Engagement

At PCE, we understand that our operations have an important impact on local stakeholders, and we are committed to building healthier and more resilient communities.

We prioritize engaging early and engaging often with local stakeholders because **what is important to local communities is important to us**. We work to build trust and create meaningful relationships with individuals and groups that can affect or be affected by our organization's activities. Engagement is an important pre-requisite for responsible business practice and the production of equitable, inclusive, sustainable energy.

Through continued transparency and open dialogue, PCE proactively strives to create alignment within the communities where we work. We conduct meaningful community engagement and consultation regarding project risks and impacts that allow for broad participation and meaningful input from local stakeholders. Developing a skilled local workforce, reducing transient labour needs and participating in active partnerships with local communities is central to our business practice. We believe that identifying opportunities for community education and training is an essential part of ensuring long-term, equitable and inclusive sustainable development. PCE supports the recruitment, retention and advancement of qualified individuals and local businesses, and supports economic development of vendors in the areas in which PCE operates.

Our Social Investment Strategy

At PCE, we identify and prioritize social, health, economic, and environmental community investment programs. Our annual plans are developed with the participation of local communities through inclusive consultation. PCE provides financial contributions and in-kind support that benefits all communities and residents in a timely, equitable and appropriate manner based on stakeholder needs and interests.

>15

partnerships with local organizations in 2021, including:

Northern Lights College Awards & Scholarships

Fort St. John Women's Resource Society

Fort St. John Association for Community Living

North East Native Advancing Society (NENAS)



Looking Forward

Here's a snapshot of what you can expect from us in 2022:

- » Application of our Stakeholder Engagement Strategy to identify stakeholders and enable their participation
- » Implementing a Local Content Policy to maximize the economic value realized by local communities from our operations



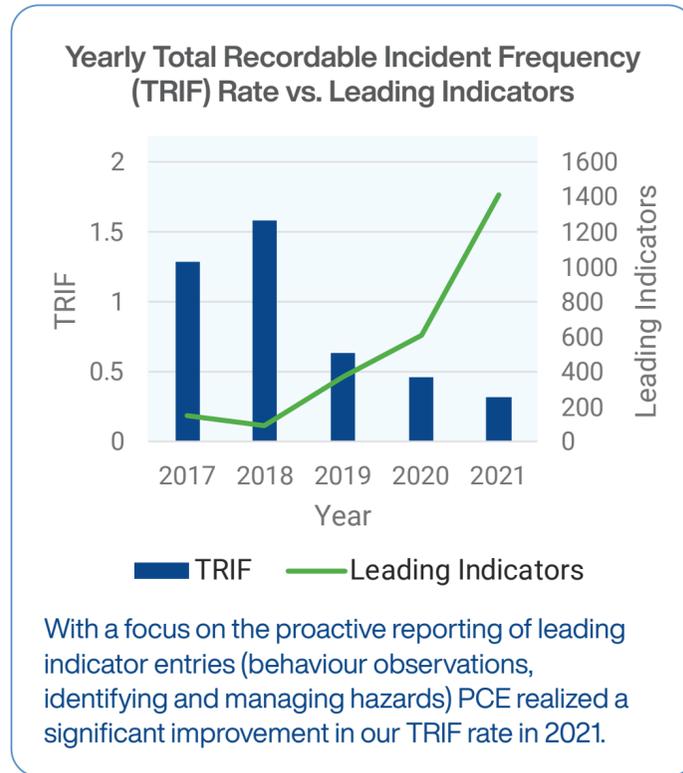
Health and Safety



PCE is committed to safeguarding the health and safety of all employees in our operations and endeavours. We expect excellence in health and safety performance through the support and active participation of management, employees and contractors working for PCE.

We are proud that throughout the COVID-19 pandemic our operations and open camps have remained outbreak free, due to our focus on self-health assessments and encouraging workers to stay home when experiencing any symptoms of illness.

Reducing Incidents and Promoting Safe Practices



- » **Hazard Identification:** In 2021, PCE experienced the lowest recordable injury frequency in the company's history, with higher exposure hours than in previous years. Over 500 hazards were identified and managed through our increased focus on leading indicator entries. All workers actively report hazards and log job observations through our WorkFront system.
- » **Preparedness and Planning:** Health and Safety is managed by our extensive Health, Safety, and Environmental Management System. This includes annual tests of our Emergency Response Plan (ERP), with drills as well as desktop and full-scale exercises. We conduct after-action reviews for continuous improvement with feedback from stakeholders and the British Columbia Oil and Gas Commission (OGC).
- » **Contractor Management:** Our newly revised Contractor Management process and system has resulted in increased contractor engagement with PCE safety culture, ensuring contractors across all business units clearly understand the PCE expectation that everyone goes home safely.



2021 Highlights

0.31_{TRIF}

over a 50% decrease in Total Recordable Incident Frequency since 2019

>1.8M

hours worked

Zero

recordable incidents or injuries in Phase 3 plant construction

100%

of field workers completed onsite training

Looking Forward

Here's a snapshot of what you can expect from us in 2022:

- » Increased focus on regulatory compliance and spill mitigation
- » Achieving a TRIF of <0.31 and zero lost-time incidents
- » Increased focus on emergency response training



Climate and Ecosystem Protection

Topics

- » Emissions Reduction
- » Land Management
- » Water Management

Key United Nations Sustainable Development Goals





Emissions Management

Our Approach

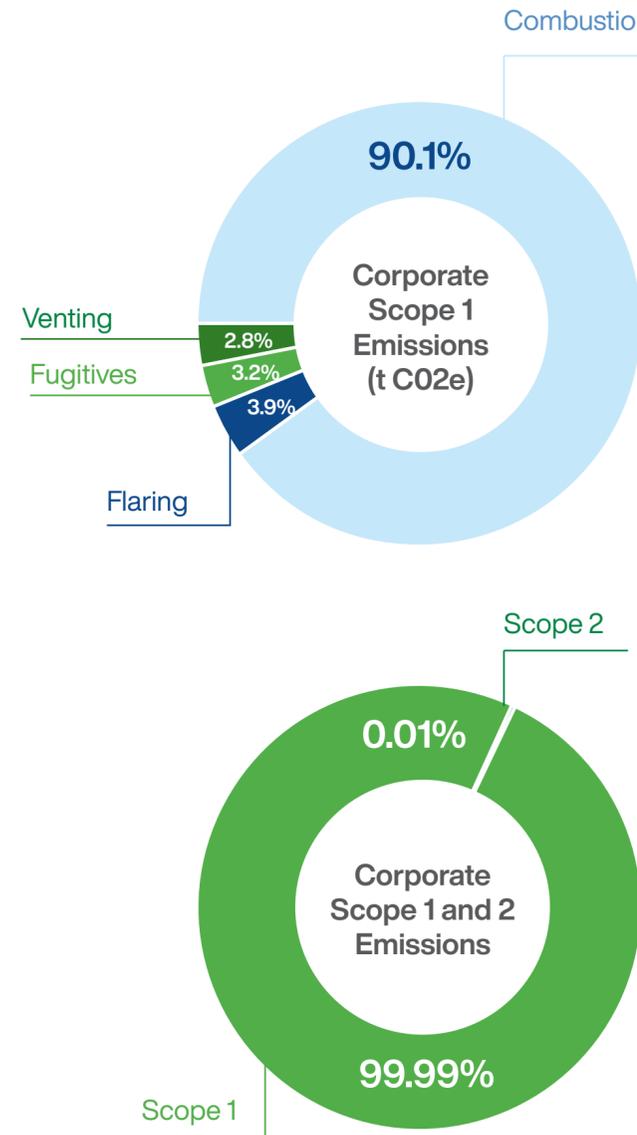
We recognize the important role of the Canadian energy industry in championing emissions reduction projects, and at PCE we are committed to driving down our emissions intensity.

As producers of Certified Responsibly Sourced Gas (C-RSG), PCE aspires to be an energy leader of the future, playing an important role in the transition to a lower carbon economy. We measure, monitor and report our Scope 1 direct emissions and Scope 2 indirect emissions (~0.01% of our overall emissions). Our annual GHG inventory is produced in alignment with the Western Climate Initiative (WCI), in accordance with ISO 14064 Greenhouse Gases, and is verified by an accredited third party.

¹<https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#typical-passenger>

Since 2014, we have reduced our emissions intensity by 29%, through innovations such as:

- » **Pipeline Connected Field:** Our main field is entirely connected by water pipelines and has a dedicated liquid sales pipeline. As a result, we have phased out trucking for regular operations. To date, we have displaced the trucking of over 4.4 billion litres of fluids, eliminating 20,200 tonnes of CO₂e.
- » **Waste Heat Recycling:** Our new Phase 3 Altares gas processing facility recycles waste heat to maximize our energy efficiency. These waste heat recovery systems reduce our GHG emissions by more than 6,000 tonnes of CO₂e/year.
- » **Diesel Displacement:** We have increased the use of fuel gas to displace diesel from our drilling and completions operations. Our fuel gas emits 24% less GHG emissions than diesel, and to date, we have displaced 12.6 million litres of diesel, equating to 1,810 cars being taken off the road for a year¹.
- » **Zero Routine Flaring:** Both of our gas processing facilities utilize recycle compressors to conserve process gas, and have zero routine flaring.





Methane Management

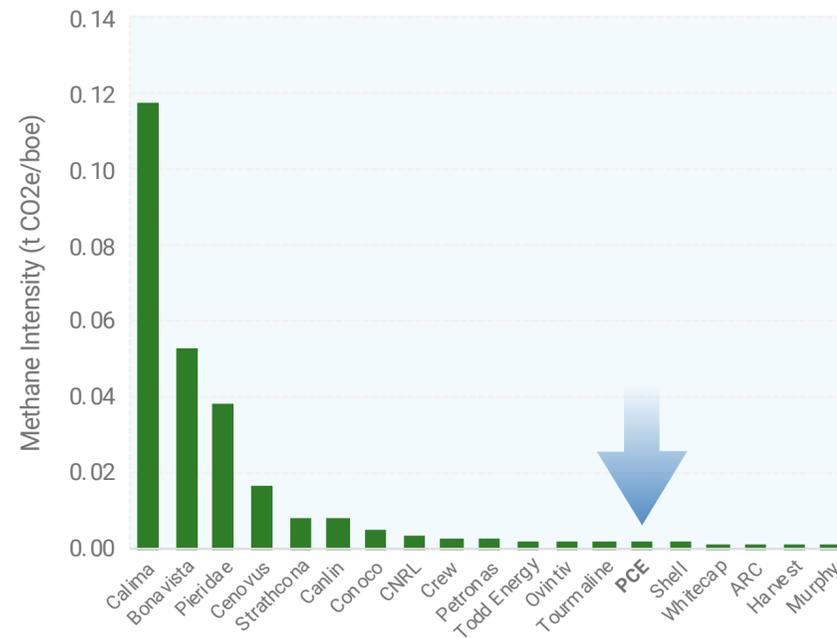
Methane is a global warming agent that is 25 times stronger than carbon dioxide. Hence, minimizing methane emissions is one of the paramount environmental priorities at PCE.

Since 2014, we have reduced our methane intensity by 48% through innovations such as:

- » **Minimizing Venting Emissions:** Our b-72-A/94-B-08 gas processing facility has vapour recovery units (VRU) to recycle the flash gas from our liquids and water tanks. Each year, we conserve over 13 million cubic feet of gas through the VRU, eliminating 5,300 tonnes of CO₂e of venting emissions.
- » **99% Zero or Low Bleed Pneumatic Devices:** In addition to both our gas processing facilities running fully on instrument air, **99% of the pneumatic devices in our wellsite facilities are either zero-bleed or low-bleed.**
- » **Robust Leak Detection and Repair (LDAR) Program:** All of our gas processing facilities and compressor stations are surveyed three times a year, and where possible, repairs are completed immediately after leak identification.

BC Benchmarking – Methane Intensity

Our methane intensity is one of the lowest in our sector in British Columbia*.



Note: our methane intensity includes emissions from PCE's company-owned gas plant, which accounted for ~80% of our total emissions in 2021.

2021 Methane Intensity
0.0016
t CO₂e/boe

Our methane intensity is 89% lower than the US industry average¹ and 97% better than the global average²

¹As estimated by Platts based on the data reported to EPA under Subpart W of the Greenhouse Gas Reporting Program (GHGRP); 2020 production and emissions data

²Derived from bp Statistical Review of World Energy and IEA Methane Tracker; 2019 production and emissions data

48%
reduction in methane intensity since 2014

Key Accomplishment: Methane Performance Certificates

In 2021, PCE executed the first Methane Performance Certificate (MPC) trade between PCE and industrial gas customer Skeena Bioenergy Ltd., demonstrating the market value of reducing the environmental impact of natural gas production.

Only natural gas with a methane emissions intensity of <0.1% qualifies for MPC generation.

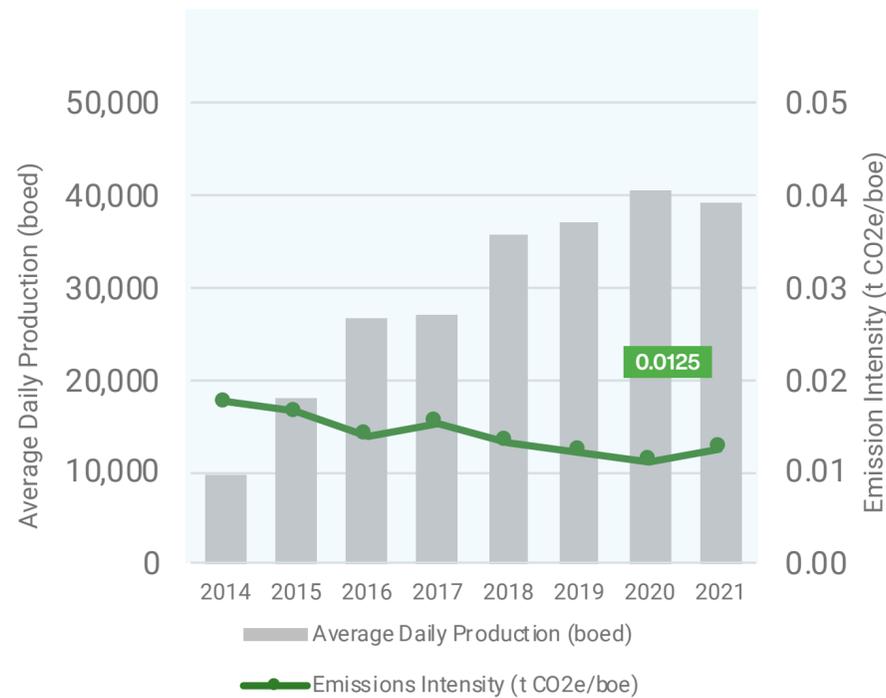


Contributing to a Net Zero Future



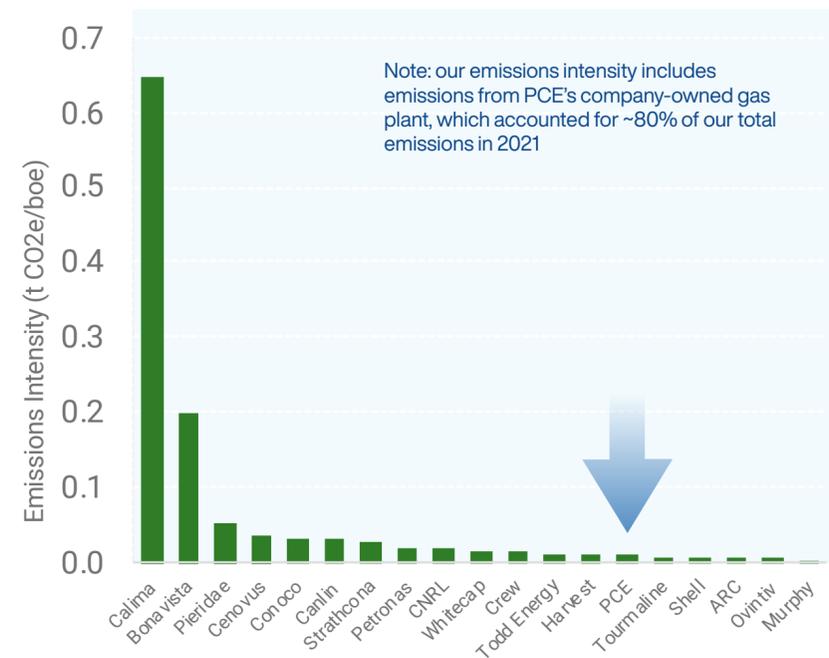
Our Emissions Intensity (t CO2e/boe)

Since 2014, our overall emissions intensity has decreased by 29%. In 2021, we completed six times more wells than in 2020, leading to a small increase in emissions intensity for the year. The number of wells were increased in preparation for the expansion of our gas processing facility. Additionally, production decreased due to the maintenance turnaround at our main gas processing facility and the shut down of wells for completions preparation.



BC Benchmarking – Emissions Intensity

2021 Emissions Intensity **0.0125** t CO2e/boe



Our emissions intensity is one of the lowest in our sector in British Columbia.

Looking Forward

In 2022, PCE is working to achieve our continuous improvement commitments as part of our EO100™ Standard Certification. Here's a snapshot of what you can expect from our emissions goals this year:

- » Zero-Bleed Devices: Effective 2022, we only procure electric or zero-bleed devices for all projects
- » Rod Packing Vent Capture at our gas processing facilities to eliminate compressor vent emissions
- » Continuous Monitoring Pilot for GHG Emissions
- » Setting a 5-Year Emissions Reduction Plan
- » Developing a Climate Change Strategy
- » Evaluating Carbon Capture Potential
- » Assessing Waste Heat Recovery Options for Existing Facilities
- » Exploring Electrification Opportunities





Land Management

Protecting our shared environment through minimizing land disturbance and protecting biodiversity is of fundamental importance to PCE, as it is to Indigenous Rights Holders, communities and our customers.

Land Footprint

PCE works to minimize its footprint and preserve biodiversity through reducing and optimizing well pads and collaborating with other tenure holders. Our multi-well pad development plan greatly reduces the number of pads and pipelines needed. Multi-well pad development means concentrating the surface disturbance to one localized, small area. This reduces surface footprint which will minimize cumulative impacts over time.



In addition, we work to protect biodiversity through:

- » Conducting extensive landscape field assessments to identify wetlands or endangered species and changing development plans to avoid environmentally sensitive areas.
- » Mitigating risk to culturally and environmentally sensitive areas including the protection of wildlife and wildlife habitat. We collaborate by including Indigenous Rights Holders from each affected community as monitors in field reviews prior to application to regulatory bodies, and sharing biodiversity related decision-making in an adaptive manner.

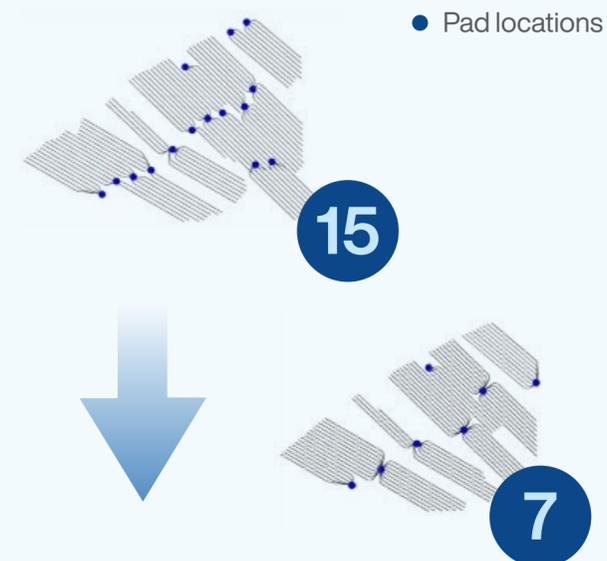
Practices are guided by PCE's Indigenous Engagement Policy along with strict adherence to government regulations such as the Environmental Protection Management Regulation (EPMR).

Remediation and Reclamation

In 2021, PCE worked closely with Indigenous Rights Holders to develop and execute our Dormant Site Abandonment Program. The 2022 program will continue to be managed through Halfway River Ventures LP, a wholly owned business of HRFN, and the sub contractors will also be comprised of predominantly Indigenous-owned and partnership companies. The 2022 revegetation program will be executed by West Moberly DWB LP, a WMFN business, and the plants required for the program were sourced from Twin Sisters Nursery, a partnership between SFN and WMFN. This type of collaboration with Indigenous communities will be standard practice going forward and PCE aspires to be a leader in this collaborative approach.

Case Study: Well Pad Reduction

With technological enhancements, we are able to increase the number of wells drilled from each well pad, thus reducing the total planned pads from 15 to 7 in this specific area. As a result, ~ 228,000m² less land will be disturbed. In addition, ~ 5.5km of road and pipeline are saved, resulting in an additional ~ 330,000m² of land preserved.



~60%
less well pads needed in future development planning with continual technological improvements

1.65%
surface utilization

\$13M
investment into reclamation

Looking Forward

Here's a snapshot of what you can expect from our land management goals in 2022:

- » Over 20 sites scheduled for Well Abandonment and Remediation/ Reclamation
- » Increased partnerships with Indigenous companies
- » Develop a biodiversity action plan and mitigation hierarchy



Water Management



Responsible Water Use

PCE is committed to managing our water resources responsibly with the goal of minimizing the need for fresh water use in our operations as much as possible. To achieve this, we have invested in a centralized water recycling facility that allows us to **re-use up to 99 per cent of our produced water**.

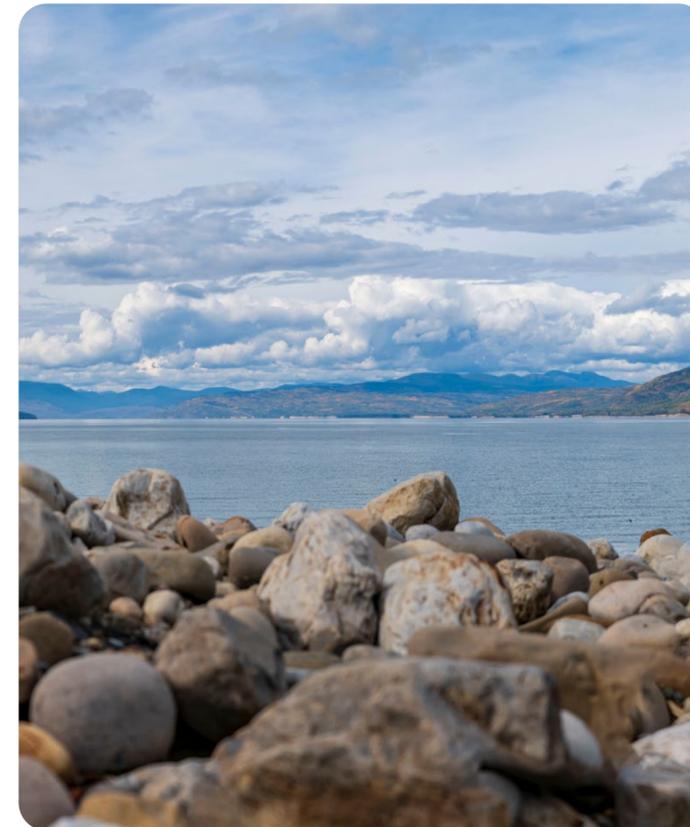
While PCE strives to avoid using freshwater, we recognize that for the sustainable long-term development of our asset, we will at times require more water than we produce and re-use. When required, we source water from the man-made Williston Lake Reservoir, which is **connected via pipeline to our facilities – eliminating the need for water trucks**. As part of our founding vision, PCE holds a unique 20-year licence to source water from this reservoir. Our water line is one of only two water pipelines that source Montney completions from the Williston Lake Reservoir. This water sourcing strategy will sustainably supply PCE’s development needs long term, with minimal usage of natural water sources.

Industry-Leading Approach to Water Management

At PCE, we take a lifecycle approach to water management:



Produced water is piped to the water recycling facility where it is treated and stored for future use. Any wastewater is disposed through a series of PCE operated disposal wells, which are continuously monitored by our passive seismic monitoring array. This closed system supports the efficient handling and distribution of water. Since inception, PCE has invested over \$90 MM dollars in major water infrastructure projects to secure water supply for our operations, maximize our water recycling capabilities and to minimize our impact on the environment.



100%

of new pad development is water pipeline connected

92%

of produced water recycled in 2021

Looking Forward

Here’s a snapshot of what you can expect from our water management goals moving forward:

- » Minimizing freshwater usage through water treatment upgrades, such as increasing produced water storage capacity, water quality, and performance
- » Continued focus and commitment to increasing water reuse with up to \$30MM forecasted in future water infrastructure enhancement projects



Responsible Production

Topics

» Corporate Governance

Key United Nations Sustainable Development Goals



Corporate Governance

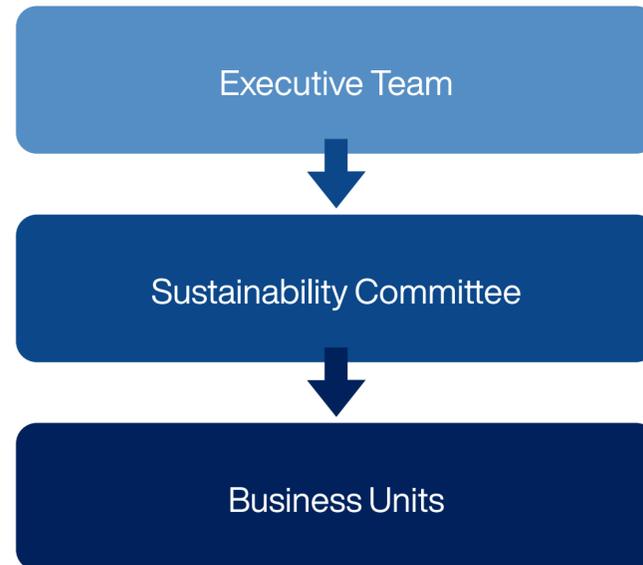


Sustainability Management

PCE is committed to protecting people and the environment through responsible natural resource development. In support of this commitment, our corporate culture and ethical leadership promotes social and environmental best practices, equity, diversity and inclusion into our daily business processes and decisions. We are focused on partnerships with Indigenous Rights Holders, local communities and the municipalities in which we operate, to strengthen and stimulate sustainable future opportunities.

PCE complies with all applicable laws and regulations with honesty and integrity. Above and beyond regulatory requirements, we are continuously improving and integrating the Equitable Origin EO100™ Standard throughout our operations, culture and decision-making. Importantly, we incorporate sustainability performance in our corporate scorecards.

We work to build shared value across our organization and embed sustainability into our corporate culture. Sustainability topics are championed by the Executive Team and managed by leaders across PCE's business units. In 2021, PCE established a Sustainability Committee that meets biweekly to manage our Equitable Origin continuous improvement commitments and sustainability goals.



Key Policies

Our commitment to responsible production is represented in the following policies:

- » Workplace Respect Policy
- » Whistleblower Policy
- » Corporate Health, Safety, and Environment Policy
- » Code of Business Conduct
- » Indigenous Engagement Policy



Looking Forward

In 2022, we are working towards the following goals:

- » 30% women on PCE's Board of Directors
- » Increasing alignment with sustainability reporting standards, including a TCFD-based risk analysis to guide future governance decisions
- » Continuing to implement the EO100™ Standard at each stage of our operations
- » Progressing to adopt PT2 EO100™ Certification
- » Ensuring responsible supply chain through increased vendor diversity and the establishment of our vendor sustainability assessment framework



Appendix

- » Our Sustainability Strategy
- » Sustainability Performance Table
- » GRI Content Index
- » SASB Content Index

Our Sustainability Strategy

Strategy Map

Strategy Pillars

Transformative Indigenous Partnerships

Inclusive Development

Climate and Ecosystem Protection

Responsible Production

Sustainable Development Goals Addressed

10 REDUCED INEQUALITIES



17 PARTNERSHIPS FOR THE GOALS



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



6 CLEAN WATER AND SANITATION



15 LIFE ON LAND



13 CLIMATE ACTION



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



EO100™ Principles Incorporated

Principle 3:
Indigenous Peoples' Rights

Principle 2:
Human Rights, Social Impact, and
Community Development

Principle 4:
Fair Labour and Working
Conditions

Principle 5:
Climate Change, Biodiversity and
Environment

Principle 1:
Corporate Governance,
Transparency, Ethics



Sustainability Performance Table

Data reported exclusively from 2021 as this is PCE's first Report on Sustainability.

Activity	Units	2021	Notes
Production			
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Boe/day	39,120	
Gas	Mcf/day	195,274	
Oil	Bbl/day	2,071	
NGLs	Bbl/day	4,504	
Workforce Profile			*As of Dec 31,2021
Total staff (employee and contractors)	Count	95	
Total employees	Count	44	
Contractors and temporary employees	Count	51	
Employee voluntary turnover	Percentage (%)	8.9	
Diversity, Employees			*Within full time employees
Women in the workforce (employee)	Percentage (%)	41	
Women on Board of Directors	Percentage (%)	17	
30 years and under	Percentage (%)	9	
30-50	Percentage (%)	68	
Over 50	Percentage (%)	23	
Total spending on training	\$	40,821	
Spending per employee	\$	928	

Activity	Units	2021	Notes
Health and Safety			
Total Recordable Incident Frequency (employee)	Cases/200,000 work hours	0	
Total Recordable Incident Frequency (contractor)	Cases/200,000 work hours	0.33	
Total Recordable Incident Frequency (employee and contractor)	Cases/200,000 work hours	0.31	
Fatalities (employee and contractor)	Count	0	
Recordable work-related injuries (employee)	Count	0	
Recordable work-related injuries (contractor)	Count	3	
Onsite employee safety training completion (employee and contractor)	Percentage (%)	100	
Security, Human Rights & Rights of Indigenous Peoples			
Proved reserves in or near areas of conflict	Percentage (%)	0	
Probable reserves in or near areas of conflict	Percentage (%)	0	
Total operational spend with Indigenous vendors	Percentage (%)	13.9	
Emissions			
Direct Scope 1 (total)	Tonnes CO ₂ e	178,170	
Combustion	Tonnes CO ₂ e	160,501	
Vent	Tonnes CO ₂ e	4,930	



Sustainability Performance Table

Activity	Units	2021	Notes
Flare	Tonnes CO ₂ e	6,965	
Fugitive	Tonnes CO ₂ e	5,772	
Indirect Scope 2 Emissions	Tonnes CO ₂ e	13	
Emissions Intensity (Scope 1 & 2)	Tonnes CO ₂ e/boe	0.0125	
Methane Intensity	Tonnes CO ₂ e/boe	0.0016	
Methane Emissions	Percentage (%)	12.5	
Covered under emissions-limiting regulations	Percentage (%)	100	
Water			
Total fresh water withdrawn	Cubic metre (m ³)	386,033	
Total fresh water consumed	Cubic metre (m ³)	386,033	
Total fresh water withdrawn/consumed in regions with high or extremely high baseline water stress	Percentage (%)	0	Source: Aqueduct Water Risk Atlas (wri.org)
Volume of produced water and flowback generated	Cubic metre (m ³)	337,998	
Volume of produced water and flowback utilized	Cubic metre (m ³)	383,650	
Water injected	Percentage (%)	7.5	
Water discharged	Percentage (%)	0	
Hydrocarbon content in discharged water	Metric tonnes	N/A	N/A due to no water discharged
Produced water recycled	Percentage (%)	92.5%	
Water withdrawals by source			
Surface water	Cubic metre (m ³)	386,033	

Activity	Units	2021	Notes
Ground water	Cubic metre (m ³)	0	
Produced water	Cubic metre (m ³)	71,047	
Hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	100	
Abandonment and Reclamation			
Active operated wells (gross)	Wells	130	
Inactive operated wells (gross)	Wells	91	
Abandoned operated wells (gross)	Wells	5	
Total wells in active reclamation	Wells	2	
Reclamation certificates received	Wells	0	
Spill Prevention			
Total reportable spills	Count	6	
Total volume of reportable spills	Cubic metre (m ³)	15	
Spill related fines and penalties	\$	0	
Business Ethics and Transparency			
Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0	Source: https://www.transparency.org/en/cpi/2021/index/can
Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0	



GRI Content Index

Pacific Canbriam Energy has reported with reference to the GRI standards for the period of January - December 2021. We are committed to continuous improvement and look forward to increasing our alignment in the future as our reporting develops.

GRI Metric	Description	Page	Notes
General			
102-1	Name of the organization	6	
102-2	Activities, brands, products and services	7	
102-3	Location of headquarters	7	
102-4	Location of operations	7	
102-5	Ownership and legal form	7	
102-8	Information on employees and other workers	31	
102-14	Statement from senior decision-maker	4-5	
102-16	Values, principles, standards, and norms of behavior	8	
Governance			
102-18	Governance structure	28	
102-19	Delegating authority	28	
102-20	Executive-level responsibility for economic, environmental, and social topics	28	
102-29	Identifying and managing economic, environmental, and social impacts	12, 28	
102-31	Highest governance body's role in sustainability reporting	12, 28	

GRI Metric	Description	Page	Notes
Reporting Practice			
102-46	Defining report content and topic boundaries	12	
102-47	List of material topics	12	
102-48	Restatements of information	N/A	This is PCE's inaugural ESG report
102-49	Changes in reporting	N/A	This is PCE's inaugural ESG report
102-50	Reporting period	6	
102-53	Contact point for questions regarding the report	6	
102-55	GRI content index	33-34	
102-56	External assurance	6	
Water			
303-1	Interactions with water as a shared resource	26	
303-2	Management of water discharge-related impacts	32	PCE does not discharge water
303-3	Water withdrawal	32	
303-4	Water discharge	32	
303-5	Water consumption	32	



GRI Content Index

GRI Metric	Description	Page	Notes
Emissions			
305-1 a	Direct (Scope 1) GHG emissions	31-32	
305-2 a	Energy indirect (Scope 2) GHG emissions	31-32	
305-4 a	GHG emissions intensity	31-32	
Employment			
401-1	Employee turnover	31	
Occupational Health and Safety			
403-1	Occupational health and safety management system	20	
403-2	Hazard identification, risk assessment, and incident investigation	20	
403-5	Worker training on occupational health and safety	20	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20	
403-9	Work-related injuries	31	

GRI Metric	Description	Page	Notes
Diversity and Equal Opportunities			
405-1	Diversity of governance bodies and employees	18, 31	
Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	19, 25	



SASB Content Index

Pacific Canbriam Energy has reported with partial disclosure towards the SASB Content Index for the period of January - December 2021. We are committed to continuous improvement and look forward to increasing our alignment in the future as our reporting develops.

Accounting Metric	Unit of Measure	Code	Page	Notes
Greenhouse Gas Emissions				
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tonnes CO ₂ -e, Percentage (%)	EM-EP-110a.1	31-32	
Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, *(3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Metric tonnes CO ₂ -e	EM-EP-110a.2	31-32	*(3) Process emissions included in other vented emissions
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, *and an analysis of performance against those targets	n/a	EM-EP-110a.3	22-24	*Partial disclosure: analysis of performance against targets not applicable as this is PCE's inaugural ESG report
Water Management				
(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Cubic meters (m ³), Percentage (%)	EM-EP-140a.1	31	

Accounting Metric	Unit of Measure	Code	Page	Notes
Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Cubic meters (m ³), Percentage (%), Metric tonnes	EM-EP-140a.2	31	
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.3	31	
Biodiversity Impacts				
Description of environmental management policies and practices for active sites	n/a	EM-EP-160a.1	25	
Security, Human Rights & Rights of Indigenous Peoples				
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1	31	
Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	n/a	EM-EP-210a.3	14-16	



SASB Content Index

Accounting Metric	Unit of Measure	Code	Page	Notes
Community Relations				
Discussion of process to manage risks and opportunities associated with community rights and interests	n/a	EM-EP-210b.1	19	
Workforce Health & Safety				
*(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Rate	EM-EP-320a.1	31	*Partial disclosure: evaluating disclosure for future reports for total recordable incident rate (TRIR), near miss frequency rate (NMFR) and average hours of health, safety and emergency response training. PCE currently reports Total Recordable Incident Frequency (TRIF) and percent of field workers that complete on-site training (pg.31)
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	n/a	EM-EP-320a.2	20	

Accounting Metric	Unit of Measure	Code	Page	Notes
Business Ethics & Transparency				
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	EM-EP-510a.1	31	
Activity Metrics				
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A	31	



Pacific Canbriam Energy Limited

2100, 215 2nd Street SW
Calgary, Alberta
Canada T2P 1M4

www.pacific-canbriam.ca
sustainability@pacific-canbriam.ca