

Pacific Canbriam Energy Limited

2023 Annual Report

Fighting Modern Day Slavery

About this Report

This 2023 Annual Report Fighting Modern Day Slavery (this “**Report**”) encompassing Pacific Canbriam Energy Limited (“PCE”) fiscal year end December 31 2023, this Report is prepared pursuant to sections 11(1) and 11(3) of Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) and has been prepared in compliance with the Act.

Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a Canadian company, PCE recognizes the important role that we have in ensuring that our operations and the supply chains that support our operations, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by PCE or of goods imported into Canada by PCE or third-parties supplying PCE.

Our Business

PCE is a Canadian energy company focused on the responsible production of liquids-rich natural gas. We are headquartered in Calgary, Alberta, with primary field operations in the Altares and Kobes Montney regions of northeastern British Columbia. PCE is a subsidiary of Pacific Energy Corporation Limited.

We are proud to be an industry leader in the production of responsibly sourced natural gas and to hold an environmental, social, and governance (“ESG”) certification. PCE is committed to driving excellence, teamwork, respect, integrity and sustainability across all aspects of our operations to build shared value for all of our shareholders. PCE’s supply chain includes businesses that supply goods and services to our organization for various operational requirements through suppliers, contractors, and subcontractors.

Our Policies

Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our business partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working with us. We make every effort, including through carrying out due diligence to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. Our relevant policies are discussed in further detail below:

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, PCE employees should always act lawfully, ethically and in the best interests of PCE.

Human Rights Policy

Our Human Rights Policy is guided by the purpose of improving lives by developing resources sustainably. We are committed to sustainable development in all locations where we operate, inspired by our founder's 5Cs principle that whatever we do must be good for the Community, Country, Climate and Customer, and only then will it be good for the Company.

Code of Procurement Ethics

PCE's Code of Procurement Ethics details the requirements and expectations we have of our suppliers, we seek to promote a mutually beneficial business environment which can flourish to bring the optimum best value to both PCE and our Suppliers. We conduct our business fairly and ethically, and we expect the same from our suppliers. Our mutual commitment and ability to promote these principles determines the quality and longevity of our business relationship.

Procurement Policy

PCE is committed to ensuring its values reflected in the procurement of all goods and services, promoting excellence, respect and integrity across all aspects of our operations while integrating social and environmental responsibility. Procurement is an essential function requiring collaboration between the Company and Suppliers to deliver consistency and value for the Community, Country and Climate.

Anti-Bribery & Corruption Policy

PCE is committed to conducting its business in compliance with all applicable Anti-Bribery and Corruption (ABC) laws in the jurisdictions in which it operates and strictly prohibits all forms of bribery and corruption both within its organization and in respect of the actions of its employees and suppliers.

Whistle Blower Policy

PCE's Whistleblower Policy provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistle Blower Policy is intended to encourage and enable employees to raise serious concerns within PCE rather than overlooking a problem or seeking a resolution for the problem outside PCE. The Whistle Blower Policy applies to all employees and those contractors working for PCE. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding PCE's business conduct.

Due Diligence Process

Our engagement with suppliers includes a robust enablement process, which faces any potential risk of forced labour or child labour. Pre-screening all suppliers during the onboarding process includes

- being entered into an external compliance tool; collecting, verifying data and performing regular audits against our PCE requirements,
- risk mapping of suppliers' supply chain; ESG considerations,
- and opportunities for our supply chain strategies.

Procurement Process – Request for Proposal

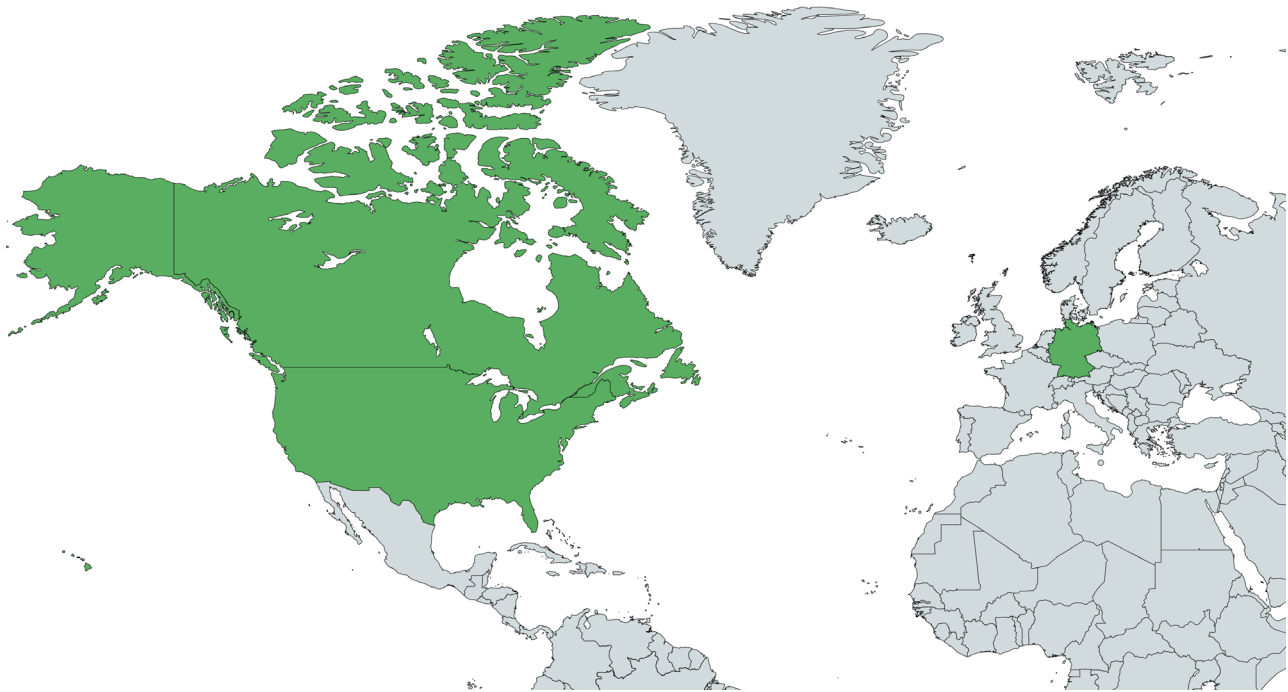
Following our risk-based assessment of our supplier base, our Request For Proposals ("RFPs") require all suppliers to be in our compliance tool with a 100% competency status prior to the solicitation of goods and services. In addition, during formal RFPs suppliers are required to provide supplemental data with their proposal submission outlining their commitment to HSE, ESG and sustainability.

Assessing Our Risk

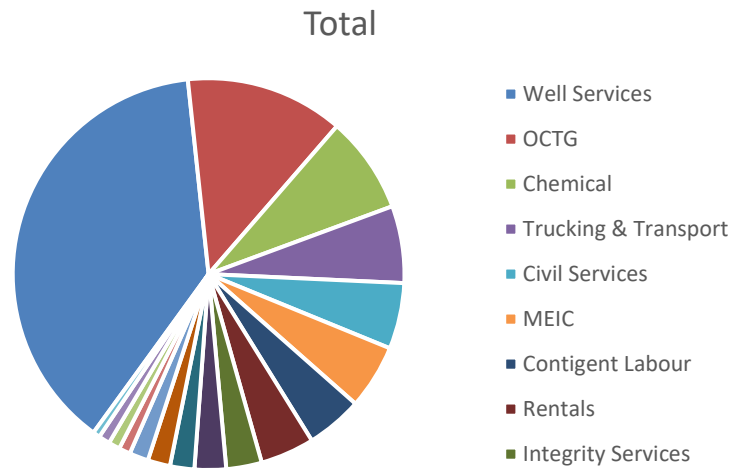
PCE recognizes the potential for forced or child labour in our supply chain. The United Nations Guiding Principles on Business and Human Rights, our primary exposure to child or forced labour is beyond our second-tier procurement sources. Our exposure to the risk of forced labour and/or child labour increases when we engage with third-parties, particularly in categories such as protective apparel, chemicals and renewable energy products.

In 2023, our tier 1 suppliers accounted for 98% of PCE's procurement activities, and our top sourcing countries were:

- Canada
- United States
- Germany



We proactively assessed critical suppliers to our operation allowing us to mitigate potential risk to our supply chain and modern slavery. In 2023, we procured goods and services from 516 suppliers and contractors. Our top 50 suppliers generate 78% of PCE spend.



Remediation Measures

PCE has conducted a comprehensive assessment of its activities and supply chain and has not identified any incident of forced labour or child labour being used.

The majority of our goods and services are from Canada and the risk of forced or child labour is low. Despite our low risk; an early risk assessment of all suppliers resulted in stoppage of procurement of goods or services where PCE was unable to determine exposure. These areas included office products and IT/ Software.

An annual review of our supply base by commodity group, location, and known potentials of risk; will continue to be monitored and we will apply our practices to ensure that modern slavery risks remain mitigated within our operations and supply chains.

Our formal Supplier Code of Conduct will be launched in 2024 to reduce any operational risk in our supply chain, while promoting the vigilance to the Modern Slavery Act.

Training

PCE developed a Modern Slavery Act training video and provided business group presentations with a mandatory requirement for all Executive members, employees and direct company representatives. PCE personnel at all levels are required to adhere to our Code of Business Conduct and Ethics policies and ensure that it is understood and properly applied to their daily activities. Every new employee of PCE must review and sign our mandatory values and policies included in our Code of Business Conduct and Ethics, and is informed of how to report wrong doing under our Whistle Blower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

Supplier Engagement

Suppliers have been provided the resource points through our supply base raising their awareness of modern slavery risks and provide guidance on implementing best practices for prevention and mitigation.

Our Progress and Effectiveness

PCE strives to be a leader in our industry; compliance to new legislations that impacts our operations and continuous improvement will be applied to policies and processes that demonstrate our consistent delivery of commitments to being a responsible gas producer in Canada. The continuous monitoring of compliance to our existing policies and all concerns any concerns raised through the Whistleblower Policy or other informal mechanisms of employee feedback will be addressed.

This Report was approved by PCE's Board of Directors on May 30, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.pacific-canbriam.ca.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for PCE. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Paul B Myers
President

May 30, 2024
I have the authority to bind PCE.