

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023 Annual Report





Introduction

We recognize the dignity of all human beings, and our core values embrace these inalienable rights for all people to live their lives free from social, political, or economic discrimination or abuse. We believe business has a constructive role to play to advance respect for human rights. We commit to respecting the human rights of all people and will conduct business consistent with the human rights expressed in the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

This approach and our commitment to acting ethically and responsibly in all business relationships reflect our SPIRIT values which guide our operations.



We expect suppliers and contractors working on our behalf to be guided by these principles, and we are committed to continuous improvement, ensuring that our practices evolve to further enhance human rights protections throughout our operations and supply chains.

This Modern Slavery Report details our current initiatives and future plans to identify, prevent, mitigate, and communicate modern slavery risks in our supply chains.

Reporting Entities

This Modern Slavery Report is made pursuant to *S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* by the reporting entities, namely:

- ConocoPhillips Canada Resources Corp. (BN: 89218 2981);
- ConocoPhillips Canada (BRC) Partnership (BN: 86539 3136);
- ConocoPhillips Surmont Partnership (BN: 88280 4313);
- Conoco Funding Company (BN: 88448 7711); and
- ConocoPhillips Company (BN: 88739 1169)

ConocoPhillips Canada Resources Corp., ConocoPhillips Canada (BRC) Partnership and ConocoPhillips Surmont Partnership are herein collectively referred to as ConocoPhillips Canada.



Structure, Activities and Supply Chains

Our Structure

The first four reporting entities identified above are Canadian operating entities and are registered under Alberta law. They are subsidiary entities of ConocoPhillips, which was incorporated under the laws of Delaware and is headquartered in Houston, Texas. ConocoPhillips conducts activities in 13 countries, with US\$96 billion in total assets, and approximately 9,900 employees as of December 31, 2023. Total global company production for the year was 1,826 thousand barrels of oil equivalent per day (MBOED). ConocoPhillips Canada's operations employed 820 people in Canada and produced 104 MBOED during the fiscal year ended December 31, 2023.

Conoco Funding Company (BN: 88448 7711) is a Canadian financing entity that provides funding, as needed, for Canadian capital expenditures and operations. Each entity comprising ConocoPhillips Canada is an indirect subsidiary of ConocoPhillips Company (BN: 88739 1169), which was incorporated under the laws of Delaware, and is a subsidiary of ConocoPhillips. ConocoPhillips Company has limited activities directly in Canada, consisting primarily of the provision of employee services in respect of Canadian projects.

For more information, go to conocophillips.com.

Our Activities

ConocoPhillips Canada's operations consist primarily of:

- A 100% interest in the Surmont oil sands development in Alberta;
- A 100% working interest in the liquids-rich Montney unconventional development gas field in British Columbia;
- Unconventional exploration plays;
- Natural gas, crude oil, bitumen and natural gas liquids marketing activities; and
- Corporate operations, including functions related to health, safety and environment, supply chain, sustainable development, engineering, maintenance, shutdown, security, finance, information technology, human resources, legal and government and external affairs.

For further information about our Canadian Operations, refer to conocophillips.ca/who-we-are/our-operations/.

Our Supply Chain

At ConocoPhillips Canada, sustainable supply chain practices are fundamental to our operations. We prioritize safety, quality and sustainability in the selection and management of our suppliers and contractors. Through comprehensive and collaborative efforts, we have developed sourcing strategies and supplier standards that help to ensure our supply chain aligns with our commitment to ethical business practices and SPIRIT values.

Achieving continuous improvement in our supply chain requires building strong relationships with our supply chain partners. We maintain ongoing engagement with suppliers through business reviews, supplier relationship management collaboration and supplier audits.



The types of goods and services sourced by ConocoPhillips Canada include:

- Energy Equipment & Services
- Construction & Engineering Services
- Commercial & Professional Services
- Materials (including chemicals and construction materials)
- Utilities (including electric and water utilities)
- Industrial Machinery, Supplies & Components
- Waste Management
- Real Estate & Accommodation
- Oil, Gas, & Consumable Fuels
- Transportation
- Information Technology
- Communications Services

In 2023, ConocoPhillips Canada had approximately 1,100 active contracts, of which 90% were with Canadian suppliers and contractors. In total, approximately 95% of our total annual spend on goods and services was with Canadian suppliers and contractors. The remaining suppliers and contracts, which includes over \$39 million CAD in annual spend, are located in the United States of America, France, the United Kingdom, and Norway.

Policies and Due Diligence

ConocoPhillips has certain policies and processes applicable to child and forced labour, incorporating responsible business conduct into our policies and management systems.

Policies

We have established several policies and statements outlining our principles and requirements for suppliers, ensuring alignment with our ethical standards and operational expectations. Our [Human Rights Position](#) reflects internationally recognized standards such as the:

- Universal Declaration of Human Rights (UDHR);
- United Nations Guiding Principles on Business and Human Rights (UNGPs);
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;
- Voluntary Principles on Human Rights and Security;
- ILO Convention 169 on Indigenous and Tribal Peoples; and
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The [ConocoPhillips Code of Business Ethics and Conduct](#) applies to all employees, suppliers, contractors, and business partners, and includes a commitment to respect human rights in accordance with the UDHR and the ILO Declaration on Fundamental Principles and Rights at Work. To instill these principles company-wide, all new employees undergo training on the Code, while existing employees attest to their understanding and compliance annually. Suppliers are obligated to comply with the expectations of our Code, as communicated in our contract agreements, in addition to upholding their own codes of conduct.

Furthermore, the [ConocoPhillips Supplier Expectations](#) sets out specific requirements regarding ethical conduct, including the prohibition of child or forced labour, slavery and human trafficking. Corporate functional



documents are reviewed, at a minimum, every five years, and our Code and Supplier Expectations were most recently reviewed and updated in 2022.

ConocoPhillips maintains a commitment to promote ethical conduct in our supply chain, starting with our internal supply chain and procurement functions. Our Supply Chain Standard aims to establish controls and process governance for our supply chain functions and promote compliance with various company requirements, such as policies, ethics codes, and internal procedures.

Personnel and contractors at ConocoPhillips who are responsible for procuring materials and services are expected to adhere to our [Supply Chain Policy](#). This policy emphasizes the integration of safety, quality, environmental and social responsibility considerations into the selection and management of suppliers.

Due Diligence Processes

We routinely engage with our suppliers through business reviews and supplier audits. These processes aim to identify sustainable development opportunities and potential risks across critical categories.

New suppliers are required to abide by ConocoPhillips' standards, including our Supplier Expectations and Code of Business Ethics and Conduct. As part of the onboarding process, the supplier registration questionnaire for new suppliers asks suppliers to confirm that they follow all applicable legislation regarding human rights and anti-slavery in the countries in which they operate.

Moreover, our majority of contracts terms require contractors, suppliers and service providers to adhere to all applicable laws (including, specifically, those relating to human trafficking or modern slavery) and conduct their activities for ConocoPhillips in a manner consistent with our Code of Business Ethics and Conduct.

Modern Slavery Risks

In 2023, ConocoPhillips Canada engaged an independent firm to apply a risk analysis tool to its direct suppliers that considers geographic, industry, and product or service risks. The tool utilizes annually updated information from international organisations that are reputable, publicly available and annually updated, in line with the approaches that our affiliated businesses in [Norway](#) and [Australia](#) use to comply with similar legislation.

The tool was used to conduct a risk analysis of 2023 supplier data and based on these results, ConocoPhillips Canada considers the risk of modern slavery in our operations and supply chains to be low. Suppliers are located in Canada, the U.S., the United Kingdom, France and Norway. While Canada and Norway are considered low risk across several modern slavery indicators, the U.S., the United Kingdom and France are considered medium risk due to limited or insufficient alignment with international prohibitions on hazardous work for children ([UNICEF](#)).

While not specific to ConocoPhillips Canada's operations and suppliers, the risk analysis also identified potential risks of forced or child labour within specific sectors from which ConocoPhillips Canada sources its goods. These included the construction industry, which is a major spend category, and which the [International Labour Organization](#) estimates is responsible for approximately 16% of forced labour exploitation cases worldwide; as well as the commercial and professional services industry which includes facility services and maintenance, catering, and security services; the utilities industry; and energy equipment and services.



Actions Taken to Address Risks

Mitigation

Our Sustainable Development Risk Management Standard establishes the process for the assessment and management of risks, including human rights risks, across assets and projects, ensuring corporate oversight and consistent implementation. Risk assessments are conducted annually at a minimum by each business unit and consider the physical, social and political context of our operations. Significant or high risks are documented in the corporate Sustainable Development (SD) Risk Register, which is reviewed annually alongside associated action plans, and regular audits are conducted in each business unit.

All suppliers are required to undergo a vetting process using our vendor vetting checklist, or in accordance with local processes, as stipulated in our Supply Chain Standard. Furthermore, the majority of contracts agreements with suppliers outline expectations for continuous monitoring, granting us the authority to conduct audits or tests to ascertain that services or products are provided or performed in accordance with our standards.

Remediation

ConocoPhillips provides all stakeholders with access to our 24-hour [Ethics Helpline](#) where they may anonymously report any suspected violations of our Code of Business Ethics and Conduct. The Global Compliance and Ethics function manages inquiries and concerns from employees and stakeholders. The team responds to these submissions and investigates alleged violations of the Code of Business Ethics and Conduct, implementing remedial and disciplinary actions as necessary.

We expect suppliers to adhere to the standards outlined in our Code of Business Ethics and Conduct and Supplier Expectations and any violation (including in respect of modern slavery issues) may lead to termination of the supplier's agreement.

In 2023, we did not receive any complaints or grievances regarding child labour or forced labour. Nor did we identify any potential or actual incidents or any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. Should any incident of potential or actual modern slavery be reported, we are committed to working with our suppliers and external stakeholders to investigate the incident and respond appropriately to remediate the impact.

Training

All new employees undergo training on the Code of Business Ethics and Conduct, including a module on Human Rights. Current employees are periodically required to repeat training. All active employees are required to complete the annual attestation to our Code of Business Ethics and Conduct.



Assessing Effectiveness

As part of ConocoPhillips' commitment to ethical conduct, we recognize our responsibility to assess the effectiveness of the measures we undertake.

We strive to continuously improve our processes for identifying, mitigating and remediating modern slavery risks throughout our operations. In 2024, we intend to:

- Create a **Communications Plan** to identify and prioritize internal audiences for engagement on the topic of modern slavery. The plan will outline target audience groups, key messages to communicate around modern slavery, communication channels and timelines for delivering against the plan;
- Conduct a **Gap Analysis** based on the risk analysis described above;
- Execute our **Mitigation plan** including enhancements to our existing supply chain due diligence processes;
- Develop and deliver **employee training** on child and forced labour for employees in key business functions, covering the scale and scope of child and forced labour, how it affects our business and operating environments, and roles and responsibilities in addressing it.



Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, the undersigned attest that they have reviewed the information contained in this report for the reporting entities set out below and have the authority to bind such reporting entities. Based on their knowledge, and having exercised reasonable diligence, they attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Bij Agarwal
President, Canada, Director

for ConocoPhillips Canada Resources Corp., on its own behalf and as managing partner of ConocoPhillips Surmont Partnership and ConocoPhillips (BRC) Partnership and for Conoco Funding Company

Kelly B. Rose
Director
Senior Vice President, Legal, General Counsel

for ConocoPhillips Company