



Report on Fighting Against Forced Labour and Child Labour in Supply Chains

For the period of January 1, 2023 – December 31, 2023

Introduction

This Report has been prepared in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("the Act") in relation to the financial year from January 1, 2023 to December 31, 2023. This is a joint report made by the following entities as defined under the Act ("Entities"):

Imperial Oil Limited, and its subsidiaries Imperial Oil Resources Limited, Canada Imperial Oil Limited, Imperial Oil Resources N.W.T Limited and Imperial Oil.

Imperial Oil Limited was incorporated under the laws of Canada in 1880 and was continued under the *Canada Business Corporations Act* (the "CBCA") by certificate of continuance dated April 24, 1978. The registered office of the Entities is 505 Quarry Park Boulevard S.E., Calgary, Alberta, Canada, T2C 5N1.

The policies, procedures, and systems described in this Report have been adopted by each of the Entities. In this Report, unless context otherwise indicates, references to the "company", "Imperial", "we", "us", and "our" are to one or more Entities.

This Report was developed following extensive consultation with personnel in our upstream, downstream and chemicals business lines, and with the support of personnel in procurement, law, and other functions.

This Report has been approved by the Board of Imperial Oil Limited. We are committed to respecting human rights as a fundamental principle in our operations.

Steps taken during the previous financial year to prevent and reduce the risk that forced or child labour is used in any step of the production of goods in Canada or elsewhere by the entities or of goods imported into Canada by the entities

In 2023, we mapped our business activities and supply chains to help identify where risks of forced or child labour might exist. We then conducted an internal assessment of risks of forced or child labour in our activities and supply chains. This assessment was risk-based, focusing on large, repetitive purchases that directly support our operations.

Our due diligence process for identifying and assessing human rights risks focuses on three factors: the supplier, the commodity being procured, and location.

Additional due diligence is applied when procuring goods and services involving a significant amount of low-skilled, physical labour in countries ranked in the tiers below Tier 1 of the Trafficking in Persons (TIP) Report published by the U.S. Department of State. If a potential higher risk is identified, the potential suppliers complete a questionnaire prior to contract award to assess whether they have the policies or practices in place to address such risks and we review and assess the responses prior to continuing with the contracting process.

We continue to implement our long-standing approach to human rights, which reflects the spirit and intent of the United Nations Universal Declaration of Human Rights and supports the International Labour Organization 1998 Declaration on Fundamental Principles and Rights at Work (“the ILO Declaration”). Our existing policies and procedures include Standards of Business Conduct, a statement on labour and the workplace, a statement on supplier, vendor and contractor expectations and grievance mechanisms. On an annual basis, we remind suppliers of our expectations on human rights and other topics in our year-end letter. This letter reinforces our expectations that suppliers conduct business in compliance with standards similar to our Standards of Business Conduct and that they further comply with all applicable laws, rules, and regulations.

Where embedded processes that help identify potential risks of forced and child labour do not exist we examined the goods purchased for risks of forced or child labour.

Company structure, activities and supply chains

Imperial is integrated, which means we do business across all stages in the oil and gas journey. We explore for and produce oil and natural gas and transport it to our refineries, where we make it into products Canadians use every day.

Upstream operations

In Canada, Imperial is involved in the exploration for and development of crude oil and natural gas.

Our Cold Lake asset is an in-situ heavy oil bitumen operation located in Alberta, Canada. The Cold Lake operation recovers bitumen using in situ technologies and makes a product that is a blend of bitumen and diluent.

Kearl is a joint venture, established to recover shallow deposits of oil sands using open-pit mining methods to extract the crude bitumen, which is processed through extraction and froth treatment trains. The product is a blend of bitumen and diluent. The asset is located in Alberta, Canada.

Our Norman Wells operation produces oil from wells drilled on natural and artificial islands and has a central processing facility, which also generates electricity for the town of Norman Wells.

Imperial holds a 25 percent participating interest in Syncrude, a joint venture established to recover shallow deposits of oil sands. In 2023, the company’s share of Syncrude’s net production was about 67,000 barrels per day. Imperial is not the operator of, nor does it control, this joint venture and is mentioned here only to give a fulsome description of our overall business.

Downstream operations

In Canada our downstream operations consist of the transportation and refining of crude oil, blending of refined products and the distribution and marketing of those products.

Imperial owns and operates three refineries, which process predominantly Canadian crude oil. We purchase finished products to supplement our refinery production. Imperial currently transports our crude oil production and third-party crude oil required to supply refineries by contracted pipelines, common carrier pipelines and rail.

Imperial maintains a nationwide distribution system to move petroleum products to market by pipeline, tanker, rail and road transport. We own and operate fuel terminals across Canada, as well as natural gas liquids and products pipelines in Alberta, Manitoba and Ontario and have interests in the capital stock of two products pipeline companies.

Imperial markets petroleum products throughout Canada under well-known brand names, most notably Esso and Mobil, to all types of customers. Imperial supplies petroleum products through Esso and Mobil-branded sites and independent marketers. At the end of 2023, there were about 2,500 sites operating under a branded wholesaler model, in alignment with Esso and Mobil brand standards, whereby Imperial supplies fuel to independent third parties.

Imperial also sells petroleum products, including fuel, asphalt and lubricants, to large industrial and transportation customers, independent marketers, resellers, as well as other refiners. We serve agriculture, residential heating and commercial markets through branded fuel and lubricant resellers.

Chemical operations

Imperial's chemical operations consist of the manufacturing and marketing of various petrochemicals including benzene, aromatic and aliphatic solvents, plasticizer intermediates, polyethylene resin, and marketing of refinery grade propylene. Our petrochemical and polyethylene manufacturing operations are located in Ontario, Canada.

Supply chains

Our operations require a wide variety of goods and services to operate, the majority of which are produced with highly-skilled and trained labour, including engineering and technical services, as well as specialized equipment and services for oil and gas operations that require vocational training.

Our supply chain includes purchasing crude oil, diluent, refined petroleum products, biofuel blend components, lubricants and chemicals produced by suppliers located mostly in Canada and the USA. These products are transported by pipeline, rail or truck.

On rare occasions, some of these products may be transported by boat and originate from other countries, some of which may have elevated risks of forced labour and child labour. The production, operation and trading of these products generally require technical and professional skills and use of capital-intensive assets.

The manufacturing process for certain of Imperial's refined petroleum and petrochemical products utilizes catalysts which include tin, tungsten, or gold compounds as active ingredients. Depending on the type of catalysis process used, trace amounts of such minerals may exist in some of our finished products. In some instances, these compounds may originate from countries with a higher risk of forced or child labour.

To support our operations, procurement personnel steward the acquisition of other goods and services from third parties including mining and drilling equipment and services, chemicals and catalysts, craft labour, engineering services, transportation and logistics services, operations support services and corporate services such as information technology support.

Purchases are also made outside of our procurement processes. These purchases are predominantly incidental one-off purchases of goods to support our operations and business activities. The majority of these purchases are made from companies located in Canada, however the country of origin for goods purchased varies, and therefore may have forced and child labour risks when higher risk goods are purchased.

Its policies and its due diligence processes in relation to forced labour and child labour

Our policies and practices also incorporate elements of the 2011 U.N. Guiding Principles on Business and Human Rights (UNGPs) "Protect, Respect and Remedy" framework for the distinct but complementary roles of businesses and governments regarding human rights including commitments, due diligence and access to remedy.

While Imperial is not a formal signatory to the U.N. Global Compact, a voluntary corporate initiative in support of U.N. goals, our Standards of Business Conduct incorporates key elements of the pact.

- Our statement on labour and the workplace reinforces Imperial's commitment to providing positive, productive and supportive work environments. Additionally, our Standards of Business Conduct provide a framework for responsible operations and are consistent with the spirit and intent of the ILO Declaration.
- Our statement of supplier, vendor and contractor expectations call for the operations and business practices of these entities to be conducted in a manner consistent with the ILO Declaration, which recognizes freedom of association and includes the elimination of child labour, forced labour and workplace discrimination. They also communicate our expectations of respecting human rights in a manner consistent with the goals of the UNGP. Our suppliers, vendors and contractors are held to stringent compliance, anti-corruption, non-conflict, safety and other guidelines in order to remain in good standing.

Imperial's Standards of Business Conduct are the principles that guide the conduct of our business operations. Through the Standards of Business Conduct Imperial commits to:

- being a good corporate citizen in all the places we operate;

- maintaining high ethical standards;
- obeying all applicable laws, rules and regulations; and
- respecting local and national cultures.

The Standards of Business Conduct include our Ethics Policy, which requires us to comply with all governmental laws, rules and regulations applicable to our business. It also affirms our philosophy that the way results are achieved is as important as the results themselves, and states that even where the law is permissive, the course of highest integrity is chosen.

Our respect for the rights of our workforce and those within the communities where we operate is embedded throughout our corporate policies, practices and expectations and reflect the spirit and intent of the United Nations Universal Declaration of Human Rights. They also support the ILO Declaration, including:

- Freedom of association and effective recognition of the right to collective bargaining.
- Elimination of all forms of forced or compulsory labour.
- Effective abolition of child labour.
- Elimination of discrimination in respect of employment and occupation.

More specific to forced labour and child labour, consistent with our Standards of Business Conduct and our Ethics Policy, we expect compliance by all officers and employees with applicable laws and regulations in respect of working conditions and the payment of wages and benefits. This includes prohibition of forced labour and child labour.

We operate through various standards, procedures and processes, which outline practices in various socioeconomic areas, including human rights. The Operations Integrity Management System (OIMS) under which we operate provides standards and expectations that may be used to identify, monitor, and manage ongoing risks, including in the area of human rights.

The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

Imperial’s commitment to respecting human rights is embedded throughout our corporate policies, practices and expectations.

In our operations, we do not utilize forced or compulsory labour and forbid the employment of children in our workforce. All of our employees are above the legal minimum employment age in the country of their employment and are recruited and provided with working conditions and the payment of wages and benefits that comply with applicable laws and regulations. Our complex operations require deep technical skills and, accordingly, the majority of our employees are highly-skilled and trained labour with technical degrees, including from scientific and engineering disciplines, or vocational qualifications and/or ongoing competency training relevant to their roles.

Our procurement teams conduct pre-qualification assessments, which help verify potential suppliers and contractors are aligned with elements of our OIMS. These assessments guide our decision-making, evaluating factors that include: ethics, health, safety, environmental and technical compliance, as well as sustainability and financial considerations.

Our due diligence process for identifying and assessing human rights risks focuses on three factors: the supplier, the commodity being procured, and location.

Additional due diligence is applied when procuring goods and services involving a significant amount of low-skilled, physical labour in countries ranked in the tiers below TIP Report published by the U.S. Department of State. If a potential higher risk is identified, the potential suppliers complete a questionnaire prior to contract award to assess whether they have the policies or practices in place to address such risks and we review and assess the responses prior to continuing with the contracting process.

The standard terms and conditions used by the procurement function oblige suppliers to:

- adhere to all applicable laws and regulations;
- impose similar terms and conditions on their subcontractors; and
- permit audits and allow access to office / work locations, documentation and personnel.

In the context of the above, these standard terms also allow for termination if the supplier is non-compliant or the supplier's performance is not acceptable. Enhanced contractual requirements with respect to human rights and modern slavery may also be utilized depending on the type of contract.

Imperial holds our suppliers, vendors and contractors to stringent compliance, anti-corruption, non-conflict, safety and other guidelines in order to stay in good standing. We clearly reiterate our expectations on an annual basis through a year end supplier letter. We expect our suppliers, vendors and contractors to:

- comply with laws, rules and regulations applicable to their business;
- conduct operations and business practices in a manner consistent with the ILO Declaration, including the elimination of child labour, forced labour and workplace discrimination and the recognition of freedom of association; and
- manage activities in a manner that respects human rights and is consistent with the UNGP.

While potential forced labour or child labour risks exist in the supply chain of products (eg: textiles, electronics, rubber), in certain jurisdictions more prevalent to such risk, we seek to work with vendors who share our commitment to respecting human rights. We hold our vendors and contractors to stringent compliance, anti-corruption, non-conflict, safety and other guidelines and our standard terms and conditions oblige suppliers to adhere to all applicable laws and regulations. And, as mentioned above, through our Supplier, Vendor and Contractor Expectations, reiterated through our annual year end supplier letter, our vendors are expected to respect human rights and applicable law.

Any measures taken to remediate any forced labour or child labour

In 2023 Imperial did not identify any instances of forced labour or child labour in its activities or supply chain.

Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

In 2023 Imperial did not identify any instances of forced labour or child labour in its activities or supply chain.

The training provided to employees on forced labour and child labour

Imperial also reflects its commitment to respecting human rights as a fundamental principle in our operations, reinforced through training. Throughout 2023, computer based human rights awareness training was available to employees, including professionals in the procurement function, to improve their understanding of human rights issues and awareness of potential human rights risks. In addition, a topic on human rights and forced labour is included in Imperial's legal compliance training that employees are obligated to complete on an ongoing basis.

How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

As part of OIMS, we regularly undertake audits and reviews of various aspects of our business operations. The effectiveness of our business practices and compliance with all applicable laws (including those in relation to forced labour and child labour) are in scope for these assessments.

To establish a consistent understanding of our ethical standards, employees are required to confirm annually that they have read and are in compliance with the Standards of Business Conduct.

Through our procedures and "Open Door Communication" process, employees are encouraged to ask questions, voice concerns, and make appropriate suggestions regarding our business practices. Employees are expected to promptly report suspected violations of the law, company policies or internal controls so management can investigate and take appropriate action as soon as possible.

Contractors are also encouraged to ask questions, voice concerns and make suggestions regarding the company's business practices.

Depending on the subject matter of the question, concern, or suggestion, each employee has access to alternative channels of communication, for example, the Controller's Department; Internal Audit; the Human Resources Department; the Law Department; the Safety, Health and Environment Department; the Security Department; and the Treasurer's Department.

Employees have access to processes that allow for questions, concerns and suggestions to be made without identifying themselves. We provide several confidential mechanisms for reporting, including a phone number and a mailing address.

This Report will be made available:

- at www.imperialoil.ca;
- on The System for Electronic Data Analysis and Retrieval + (“SEDAR+”) at www.sedarplus.ca Imperial Oil Limited’s SEDAR+ profile; and
- on the Public Safety Canada website at www.publicsafety.gc.ca in a searchable catalogue.

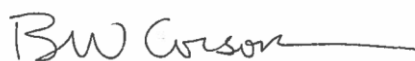
The Report will also be provided to shareholders along with Imperial Oil Limited’s annual financial statements. Imperial uses the notice and access provisions of National Instrument 54-101 and National Instrument 51-102 of the Canadian Securities Administrators to provide materials online for electronic access for both registered and non-registered shareholders and intends to follow a similar mechanism for providing this Report. This Report will not be mailed to shareholders, but rather shareholders will be provided with notice indicating where to find this Report online or how to request a paper copy.

Board Approval

The contents and delivery of this Report were approved under section 11(4)(b)(ii) by the board of directors of Imperial Oil Limited, being the governing body of the entity that controls each entity included in this Report, on February 1, 2024.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I 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.



Brad Corson
Chairman, President and CEO
March 14, 2024

I have the authority to bind Imperial Oil Limited

Disclaimers

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. This Report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities.

Forward-looking statements

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, goal, seek, project, predict, target, estimate, expect, strategy, outlook, forecast, schedule, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this report include, but are not limited to, references to Imperial's expectations for employees, consultants and suppliers in relation to forced and child labour, including conduct and compliance with laws, rules, regulations and the company's policies and procedures and the consequences thereof; the diligence applied when procuring goods and services, including pre-qualification assessments; the ongoing implementation of the company's approach to human rights; the delivery of year end letters to suppliers; the training of employees; the locations of suppliers and goods and their impact on the risk of forced and child labour; the risk of forced or child labour in the company's supply chain; the company's commitment to a positive, productive and supportive work environment; the identification, monitoring and managing of risk in the area of human rights; the characteristics of the company's employees, employment conditions, compensation and compliance with applicable law; expectations for suppliers in higher risk jurisdictions; reporting of violations of law, policies and internal controls; and the manner in which the report will be made available to the public and shareholders.

Forward-looking statements are based on the company's current expectations, estimates, projections and assumptions at the time the statements are made. Actual future results could differ materially depending on a number of factors.

These factors include global, regional or local changes in supply and demand for oil, natural gas, and petroleum and petrochemical products; the potential for reorientation of the company's supply chain; human rights regulation and changes to such regulation; availability and performance of third-party service providers; unanticipated technical or operational difficulties; political or regulatory events, including changes in law or government policy; management effectiveness; general economic conditions; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of Imperial Oil Limited's most recent annual report on Form 10-K and subsequent interim reports on Form 10-Q.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Imperial's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Imperial undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.