



2023 MODERN SLAVERY REPORT

This report is made jointly by Torxen Holdings Ltd. and its subsidiaries Torxen Resources Ltd., Torxen Energy Ltd. and Torxen Oil & Gas Ltd. (collectively, “**Torxen**”, “**we**”, “**our**” or “**us**”), in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) and addresses the period from January 1, 2023 to and including December 31, 2023.

1. Introduction

Torxen is committed to safety and integrity throughout our business and operations, and we expect all of our employees, contractors, suppliers and vendors to uphold these commitments when working or doing business with us. Consistent with this commitment to safety and integrity, Torxen recognizes the importance of implementing policies and procedures that prevent and identify instances of forced labour and child labour (as those terms are defined in the Act) in our supply chain.

2. Our Business

Torxen is an energy company with its corporate offices in Calgary, Alberta. Through its subsidiaries, Torxen Energy Ltd. and Torxen Resources Ltd., we are engaged in the exploration and production of oil and gas from its assets located in southeast Alberta. With field offices in Brooks and Drumheller, Torxen operates more than 13,000 producing oil and gas wells. To support these operations, Torxen utilizes approximately 700 contractors, vendors and suppliers throughout our supply chain. Over 98% of our suppliers are Alberta based and are subject to Canadian laws and regulations.

Torxen Oil & Gas Ltd. is a wholly owned subsidiary of Torxen Energy Ltd. and provides operational, corporate, administrative and advisory services to each of Torxen Energy Ltd. and Torxen Resources Ltd.

3. Policies and Due Diligence

Policies

Torxen’s core corporate values are set out in our Torxen Operations Management Systems guidelines (“**TOMS**”). TOMS sets out our commitments to safety, integrity, compliance with applicable laws, the requirements to act honestly and responsibly, and our dedication to building strong and lasting partnerships with all stakeholders in communities in which we work and live. We do not tolerate forced labour or child labour in any part of our operations or by suppliers working with us.

Due Diligence

All employees and contractors at Torxen are required to review, acknowledge and comply with TOMS and Torxen's other corporate policies. Torxen also requires that all vendors and suppliers comply with all applicable laws, TOMS and Torxen's other corporate policies applicable to the type of services to be provided they provide.

Torxen's supply chain contracts also contain terms and conditions relating to these obligations and suppliers are audited periodically, pursuant to the terms of such supply chain contracts, to confirm compliance with applicable laws and Torxen policies. If suppliers are found to have not complied with Torxen's policies, they are no longer permitted to work for Torxen. In addition, as over 98% of our suppliers are based in Alberta, we rely on the legal and regulatory framework governing the Canadian oil and gas industry and many of the service providers working therein.

4. Risk Assessment and Management

As over 98% of our contractors, vendors and suppliers are Alberta based and subject to Canadian laws and regulations, we consider there to be a low risk of forced labour or child labour within our workforce.

Torxen will develop and improve our processes and policies to identify and protect against the risk of forced labour or child labour in any part of our supply chain.

5. Financial Remediation

Torxen did not identify any instances of forced labour or child labour within any part of our supply chain in 2023, therefore no financial remediation was required.

6. Training

All new employees and contractors at Torxen are required to review and acknowledge applicable Torxen policies, including TOMS. Requiring our staff to commit to acting safely, honestly, responsibly and in accordance with applicable laws helps Torxen in its goal of being a responsible corporate citizen in the communities in which we work.

In 2023 Torxen staff attended informational sessions presented by energy industry professionals that allowed them to develop a better understanding of:

- (i) The reporting requirements under the Act;
- (ii) Best practices for identifying and mitigating risks for forced labour and child labour in supply chains; and
- (iii) Additional training that could be deployed across our organization.

7. Effectiveness

Torxen monitors its vendors and suppliers for compliance with Torxen's policies. In addition, TOMS and our safety commitments therein encourage staff to speak up if they see any unsafe, unethical or illegal behavior. To date, no concerns or complaints with respect to forced labour or child labour have been identified by Torxen or otherwise brought to our attention.

Torxen acknowledges that identifying and preventing forced labour and child labour in our supply chain is an ongoing obligation and Torxen is committed to enhancing its policies and procedures to ensure our effectiveness in preventing such forms of modern slavery.

8. Approval

This report was approved by the Board of Torxen Holdings Ltd.

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 the 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 reporting year listed above.

I have the authority to bind Torxen Holdings Ltd. and the entities listed above.

A handwritten signature in black ink, appearing to read 'J.K.B.', with a long horizontal flourish extending to the right.

John K. Brannan
President, CEO and Chairman
Torxen Holdings Ltd.
May 31, 2024