

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Annual Report - 2024

Conifer Energy Inc. (Conifer) is an oil and gas exploration and production company, with assets based wholly in central Alberta. This report is prepared by Conifer and details the actions and management policies that Conifer has implemented or is in the process of implementing to manage risks in its supply chain related to the use of forced or child labour.

This is the second report filed by Conifer pursuant to the reporting requirements outlined in Bill S-211, an *Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

1. Its structure, activities and supply chains

Conifer Energy Inc. (Conifer) is a Calgary based Canadian corporation engaged in the exploration and production of oil and natural gas. Conifer operates solely in central Alberta, with our key focus being the Redwater (northeast of Edmonton) and Swan Hills (northwest of Edmonton) regions. Conifer's activities span the energy production spectrum from drilling and production to abandonment and reclamation.

Conifer's activities require goods and services from a variety of sources. Conifer occasionally imports manufactured goods from outside Canada (from the United States) for the operation and maintenance of our facilities and infrastructure. Other than from U.S. suppliers, Conifer does not directly import goods into Canada. As a junior in the energy sector, much of the major expenditure is contracted to local third-party suppliers, construction or engineering firms.

Conifer did not utilize any vendors or suppliers outside of the United States or Canada in 2024.

2. The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity

Conifer developed and issued a *Child Labour and/or Forced Labour Policy* in 2024. The policy was mandatory reading for all employees including a documented acknowledgement via our Human Resources portal. Additional training was provided through two monthly meetings with the office and field staff to ensure understanding of the policy and expectations, particularly for those staff engaged in procuring goods for use in Conifer's operations.

Conifer upholds the highest standards of ethics, including in dealings with its employees. It does not employ child labour or participate in forced labour practices within its workforce. All employees, including contracted employees, have received formal employment offers and have voluntarily accepted employment with Conifer. Conifer complies with all

legislated requirements in the province of Alberta applicable to its employees. Employees annually review and sign off on the Business Code of Conduct and other corporate policies.

When engaging with third parties for the provision of products or services, it is Conifer's expectation that applicable laws will be complied with.

As the initial step in identifying and evaluating potential risks within its supply chain, Conifer issued a 48-item questionnaire related to child labour and forced labour policies and practices to contractors and suppliers via our contractor management platform. The questionnaire was directed at contractors and suppliers that comprised the largest percentage of Conifer's expenditure. The questionnaire covered a range of topics from policy and attestation of no known forced or child labour risk to due diligence processes and remedial measures in the case of identified risks. This questionnaire provided a screening tool to assist in identifying potentially high-risk activities within our vendors' or suppliers' supply chain to enable further review as required.

Additionally, in certain instances, Conifer received and reviewed contractor and supplier human resources or internal policy documentation related to child or forced labour.

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

Conifer's Code of Business Conduct requires the company to operate in compliance with all applicable legislative requirements. This includes labour laws provincially and federally.

In addition to its existing procurement and human resource policies, in 2024, Conifer issued the *Child Labour and/or Forced Labour Policy* to guide procurement and supply chain related activities and to manage identified risks related to forced or child labour.

4. 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

Conifer's direct operations involve office workers and skilled field workers, where there is a low risk of forced labour or child labour. Conifer's operations are located in a lower risk jurisdiction (Canada), and it views its direct suppliers and service providers as posing a low risk. Conifer anticipates that the portion of its supply chain that may pose a greater risk includes the purchase of electronics wherein it has no direct insight to the suppliers of various components. As discussed above, Conifer screened its suppliers and service providers to evaluate whether they have policies in place to prevent or reduce the risk of forced or child labour.

5. Any measures taken to remediate any forced labour or child labour

As no forced or child labour instances were identified in 2024, no remedial action was undertaken.

6. 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

As no specific forced or child labour risks were identified in 2024, there was no loss of income to remediate.

7. The training provided to employees on forced labour and child labour

The aforementioned corporate policy on the subject of forced and child labour was mandatory reading for all employees who were required to complete an acknowledgement via our Human Resources portal.

The Conifer policy addresses the following:

- Conifer's law-abiding hiring practices related to employee and contracted resources.
- Requiring all Conifer resources to be knowledgeable of the policy and its associated requirements and expectations.
- Outlines processes for screening suppliers or service providers that are deemed high risk or that operate in jurisdictions considered high risk for the use of child or forced labour. Such screening focuses on goods procured from countries outside Canada or the United States.
- Requires utilizing reputable importers or agents for any goods procured from outside Canada or the United States.
- Notes that per Part 5 of the Alberta Employment Standards Regulations, employees under the age of 18 employed by small businesses local to Conifer's area of operations are not considered 'child labour' under this policy.
- Sets reporting requirements for employees and supervisors to the executive for any potential violations of this policy.

The May and November 2024 monthly health, safety and environmental meetings included an agenda item to discuss the *Child Labour and/or Forced Labour Policy* to review the regulation, policy and the expectations in relation to managing the applicable risks within Conifer's supply chain. Further, emphasis was placed on the knowledge and understanding of personnel who are involved in the hiring of employees and procurement of goods and services.

All Conifer personnel also have access to the questionnaire data provided by contractors and vendors through the online contractor management platform.

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

Conifer is tracking employee awareness and intends to track any complaints/concerns that are reported.

Thirty-three percent of Conifer's contractors did not respond to the child/forced labour questionnaire. The risk level associated with this group is low due to the following factors:

- The contractor or service provider is a small business located within the immediate vicinity of Conifer's operating areas. These contractors or service providers tend to provide services of a technical nature that involve skilled tradespeople or technicians that would preclude the use of forced or child labour in that capacity.
- The subset includes many service providers that are office based and act only as sole proprietor or have limited personnel again providing technical services related to oil and gas exploration or production activities in Alberta.
- Conifer had zero reports from our field supervision or operations staff of any concerns related to forced or child labour utilized by any of the contractors providing personnel for work on Conifer sites.

Vendor Assessment

As noted, Conifer focused its vendor assessment on those above a specific annual spend threshold. The threshold was based on an initial screening that considered vendors below this threshold to be primarily smaller local based businesses with low risk of forced or child labour concerns.

A total of twenty vendors were requested to complete the forced and child labour questionnaire based on the screening criteria.

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 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.

I have the authority to bind Conifer Energy Inc.

Patrick Manuel

President and CEO
Conifer Energy Inc.

May 30, 2025

