




2024 Modern Slavery Report





This report is made jointly by Strathcona Resources Ltd. and its wholly-owned subsidiaries Strathcona Resources Partnership and 1545681 Alberta Inc. (collectively, “Strathcona”, “we”, “our” or “us”), in accordance with Canada’s Fighting Against Forced Labour and Child Labour Supply Chains Act (the “Act”) for the financial year ended December 31, 2024.

Strathcona is not required to report under similar legislation in other jurisdictions. Strathcona holds working interests in joint-venture assets that are operated by third-party operators. Information in this report applies only to our operated assets.

Modern slavery, also described as forced and child labour, is the exploitation of people through force, coercion, or deception for personal or commercial gain. Strathcona believes in treating people with care, dignity and respect and opposes exploitive practices at our operations, in our communities and as part of our supply chain.

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About Strathcona

Strathcona is one of North America's fastest growing oil and gas producers with the skills and resources to be one of the top five largest oil producers in Canada.

With operations spanning northeast British Columbia to southwest Saskatchewan, we engage in the acquisition, exploration, development and production of petroleum and natural gas reserves and resources across three core areas: Montney, Cold Lake and Lloydminster.

At Strathcona, we are value-driven, growth-oriented and long-term focused. We pride ourselves on maintaining a high standard of safety, strong operational and environmental performance, and positive involvement in the communities where we live and work.

The foundation of our success lies in our people. Every employee, contractor and supplier is essential to our performance and culture.

About Our Operations

Montney: The Montney is a world-class unconventional resource play developed using long-reach horizontal wells with water-based fracture stimulation. Our Montney assets are positioned in some of the most active regions of the basin - Kakwa, Grande Prairie and Groundbirch.

Cold Lake: Our Cold Lake thermal oil producing assets at Lindbergh, Orion and Tucker use steam assisted gravity drainage (SAGD) technology. SAGD is widely used to extract bitumen from underground oil deposits. This method involves introducing steam into the subsurface oil sands deposits to heat the bitumen in the sand, allowing it to flow by gravity to horizontal wells placed at the base of the reservoir.

Lloydminster: Our Lloydminster assets are located primarily in southwest Saskatchewan and use enhanced oil recovery (EOR) and SAGD extraction techniques. EOR requires injecting fluids into a hydrocarbon reservoir to tailor pressure, displace hydrocarbons to production wells, or alter reservoir fluids to improve hydrocarbon flow. Our thermal operations in Saskatchewan use the same SAGD technology as our Cold Lake thermal properties.

Strathcona's Canada-based team grew to nearly 800 employees in 2024.

2024 Progress at a Glance

Strathcona is committed to ensuring that every aspect of its business operates in a way that upholds and respects human rights. The following steps were taken to prevent and reduce the risk of forced or child labour in our business and supply chain.

Policies and Due Diligence Processes

Updated all key supply chain related documents, including terms and conditions to enhance our commitment to reporting and preventing human rights abuses such as modern slavery

Identifying Modern Slavery Risks

Implemented processes for internal sourcing methods (e.g. sole sourcing, request for proposals) to identify possible modern slavery risks from potential suppliers

Managing Modern Slavery Risks

Continued monitoring for potential risks and escalation of concerning trends by internal working group

Remediation Measures

- Established internal escalation process to address claims of exploitive practices
- Aligned external issue submission process with Investigation of Complaints Policy

Training and Awareness

- Completed mandatory training with all Supply Chain team members
- Provided optional training to other supplier-facing personnel and leaders

Assessing Effectiveness

Continue monitoring supplier compliance with Strathcona-stated contract terms and conditions and all sourcing events

Strathcona's Supply Chain function manages purchases of materials and services on behalf of all operating areas in adherence with our Supply Chain Standard, which guides any supply chain related spending company wide. Our Supply Chain function supports any sourcing activity exceeding \$1 million, with a limited number of exceptions.

Strathcona considers many factors in selecting suppliers, including pricing, technical proficiency, safety compliance, local community benefits and ethical supplier practices.

Strathcona's Supply Chain

Strathcona Procurement Management Cycle



Strathcona is committed to building mutually beneficial long-term relationships with local firms who live and work in regions where we have active operations. We endeavour to maximize spending where local communities benefit.

Strathcona's materials and services are sourced predominantly from North America. In 2024, an estimated 95 per cent of our materials and services were sourced from Canada and the United States with a limited number of global suppliers. Building relationships with suppliers that share our values is important to us.

Our Supply Chain function includes processes to monitor the provision of services and supplies from vulnerable populations and high-risk sectors and geographies to prevent and reduce the risk of unethical practices.

Policies and Due Diligence Processes

Strathcona requires the highest standards of professional and ethical conduct from our people, which includes the companies we conduct business with.

Strathcona's Board of Directors is responsible for supervising the management of our business, including oversight responsibilities for managing principal risks associated with our operations as well as environmental and social matters.

The Board and management have established certain policies to guide Strathcona in the execution of corporate strategies while maintaining a culture of honesty, integrity and accountability. The following policies contain processes that support creating an ethical supply chain.

1. Code of Conduct

The Code of Conduct sets the groundwork for all activities at Strathcona and includes policies on fair dealings and compliance with laws and regulations. The Code of Conduct applies to all directors, officers, employees, contractors, consultants and all other individuals conducting business on behalf of Strathcona. Strathcona's Code of Conduct reinforces our commitment to conduct business in a lawful and ethical manner, and any violations of laws or regulations are encouraged to be reported to management.

2. Investigations of Complaints Policy

The Investigation of Complaints Policy was established to provide an avenue for individuals to anonymously report complaints, concerns or breaches of Strathcona's policies, processes or standards. Complaints or concerns can be submitted anonymously and confidentially to a corporate representative, which include members of the Board, or using Strathcona's Integrity Hotline. All complaints and concerns are thoroughly investigated and status updates are provided to the Board at least quarterly. Due to the unique nature of the individual reports, remediation measures may vary depending on the issue and investigation findings.

3. Supply Chain Standard

The Supply Chain Standard sets out criteria for the selection of suppliers and vendors used in Strathcona's operations. Our supplier selection process is a collaborative effort with input from management, business units, departments and teams, and Supply Chain based on a variety of considerations, including:

- Competitiveness
- Past performance
- Workload
- Financial stability
- Technical capabilities
- Geographic locations
- Safety record
- Environmental record
- Human rights

The Supply Chain Standard applies to all employees and contractors who are engaged in sourcing or procuring materials and services on behalf of Strathcona.

In 2024, modifications to certain standards were completed to address modern slavery issues and risks. Additional human rights provisions were added to the following Strathcona Supply Chain documents, specifically related to child and forced labour:

- Supply Chain Standard
- Supplier Terms and Conditions
- Master Service Agreements
- Request for Proposal qualifications for potential suppliers

Identifying Modern Slavery Risks

Our 2024 review and survey of suppliers importing goods to Canada did not identify any reports or activities equating to modern slavery.

In 2024, Strathcona implemented a questionnaire to assist us in gathering information from potential suppliers around their policies and practices to mitigate modern slavery risks in their workplace and supply chains. The questionnaire asked suppliers to:

- disclose if they are a reporting entity for the Act
- outline policies and procedures in place to prevent, reduce and detect any form of child and forced labour
- discuss training programs and certifications in place
- discuss contractual terms that prohibit sub-suppliers from engaging in modern slavery practices
- share any incidents, complaints, reports, sanctions or watch listings associated with the company or any of its affiliates

Managing Modern Slavery Risks

Modern slavery-related risks are incorporated into Strathcona's overall risk management framework and are assessed comparably to other business risks.

Our internal assessment process identifies top risks and areas of focus for the business. Our executive leadership and their team members share the responsibility for managing these risks while exploring opportunities to limit exposure and increase resilience.

Specific to managing risks associated with the prevention of modern slavery and exploitive practices, Strathcona:

- requires quality training for Supply Chain team members
- expects supplier compliance with Strathcona-stated contractual terms and conditions
- regularly reviews organizational policies and processes for improvement

Throughout 2024, Strathcona's internal working group continued monitoring practices for potential risks, the escalation of concerning trends, and ongoing engagement with external resources in our evaluation of the Act and our overall risk management framework. The group continues to look for opportunities to enhance our management of modern slavery risks.

Remediation Measures

No instances of child or forced labour have been reported or identified in Strathcona's business dealings to date, including through our 2024 supplier review and sourcing process.

If exploitive methods are submitted through the Investigation of Complaints Policy, the Board is responsible for the receipt, retention and treatment of complaints and concerns where a breach of Strathcona's policies, processes or values is claimed or suspected. If exploitive methods are uncovered internally, escalation procedures exist to facilitate the notification of the appropriate parties.

Remediation measures, for any identified situation, will consider the interests of all affected parties. If demonstrable improvements are not made within a reasonable timeframe, the relationship and contract may be terminated.

Training & Awareness

100 per cent of Strathcona's Supply Chain team members completed modern slavery awareness training.

Strathcona has designed and deployed modern slavery training for those team members responsible for sourcing goods and services that support business operations. This mandatory training includes:

- understanding modern slavery and the Act
- understanding Strathcona's commitment to preventing modern slavery in our industry and operations
- recognizing and identifying risks related to modern slavery within our business and supply chain
- the reporting and investigating process for modern slavery concerns


Going forward, optional training will be offered to leaders and other groups who regularly interact with suppliers to promote awareness building and encourage confidence in spotting and reporting questionable practices.

Assessing Effectiveness

We understand we have a responsibility to assess and report on the risk of modern slavery in our operations and supply chain over the long term.

We track and assess the effectiveness of our actions to prevent modern slavery in several ways, including:

- monitoring our grievance mechanisms as outlined in our remediation measures
- tracking investigations of suspected breaches of Strathcona policies and processes
- ensuring supplier compliance with Strathcona-stated contract terms and conditions
- reviewing organizational policies and processes for regular improvement needs
- integrating modern slavery risks into company-wide governance processes to promote regular review and consideration.



This report was approved by the Board of Directors of Strathcona Resources Ltd. on behalf of itself and the reporting entities pursuant to section 11(4)(b)(ii) of the Act.



Connie De Ciancio
Chief Commercial Officer &
Director of Strathcona Resources Ltd.

**Approval and
Attestation**