

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Annual Report - 2023

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 first 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. 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 Energy Inc. 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 expenditures are contracted to local third-party suppliers, construction or engineering firms.

Conifer does not have a direct contracting relationship with vendors or suppliers outside of the United States.

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 is committed to the highest standards of ethics, including in the 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 provisions of products or services, it is Conifer's expectation that applicable laws will be complied with.

Following the announcement of Bill S-211, Conifer has engaged with advisors to assist in its review of the risks of forced and child labour in its supply chain and to assist in developing further due diligence procedures.

Conifer is in the process of identifying and evaluating suppliers within its supply chain to confirm these suppliers have policies in place to prevent or reduce the risk that forced or child labour is used at any step in the production of goods or provision of services supplied to Conifer.

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 would include labour laws provincially and federally.

Conifer is developing a specific corporate policy that will guide procurement and supply chain related activities, to manage identified risks related to forced or child labour. The policy will come into effect in 2024.

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 operations are located in a lower risk jurisdiction 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. To manage the risk, Conifer will evaluate its suppliers within its supply chain to confirm these suppliers have policies in place to prevent or reduce the risk that forced or child labour is used at any step in the production of goods supplied to Conifer.

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

As no specific forced or child labour risks were identified in 2023, no detailed 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 2023, there was no loss of income to remediate.

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

While there was no specific training in 2023 in the area of forced or child labour, a policy is in development to bring additional focus to this business risk.

After issuing the policy, Conifer will identify training requirements for those employees involved in procurement of goods and services from suppliers.

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 planning to evaluate its suppliers through the use of a questionnaire to affirm their policies surrounding forced or child labour.

It is expected, some of the highest risk suppliers will also be submitting a report under the Bill S-211 requirements, providing Conifer with additional information to inform the assessment of forced or child labour risks in its supply chain.

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.

Anton Esterhuizen



Interim President and CEO

Conifer Energy Inc.

May 31, 2024