



**FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR
IN SUPPLY CHAINS ACT
2023 Report**

ORLEN UPSTREAM CANADA LTD.

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This report is made by the reporting entity ORLEN Upstream Canada Ltd. ("ORLEN" or the "Company") pursuant to *Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and constitutes ORLEN's forced labour and child labour reporting statement for the financial year ended December 31, 2023 (the "Report").

ORLEN Upstream Canada Ltd. is a privately held company and is headquartered in Calgary, Alberta, Canada.

Steps to Prevent and Reduce Risk of Forced Labour and Child Labour

During 2023, ORLEN established a multi-disciplinary working team dedicated to the Act and this Report. This team educated themselves on the Act in order to initiate a risk assessment plan. This included a detailed internal review process for 2024 that will map out ORLEN's business activities and supply chain activities to help assess and identify where risks of forced labour or child labour may exist. This risk assessment will be focused on direct procurement activities that support ORLEN operations and include a review of the Company's suppliers and contractors in the provision of goods and/or services. The information collected through this assessment will be used to develop, implement, and adopt a strategic plan for addressing any potential risks of forced labour or child labour in ORLEN's supply chain as detailed in this Report.

Structure, Activities, and Supply Chain

ORLEN is a Canadian-based energy company engaged in the acquisition, exploration, development, production, marketing and sale of crude oil, natural gas, and natural gas liquids ("NGLs"). The Company's principal core regions of operations are in western Canada.

As of December 31, 2023, ORLEN had approximately 85 full time equivalent employees, consultants, and independent contractors, inclusive of corporate head office and field-based staff.

Additional information relating to the Company can be found on the Company's website at www.orlenuptstream.ca/EN/Pages/default.aspx.

ORLEN holds interests in joint-venture assets that are not operated by the Company.

Statements regarding operations, assets and values apply only to ORLEN operated assets. Data for non-operated assets is not presented in this Report, however, this Report includes a description of how ORLEN generally approaches risks, including with respect to human rights, in relation to its interests in non-operated assets and other investments.

Supply Chain

For the purposes of this Report, "supply chain" refers to all direct procurement activities for goods and/or services required or consumed by ORLEN in its operations. ORLEN's supply chain includes manufacturers and distributors of oil and natural gas goods and supplies; third party contractors providing equipment, services, and personnel as part of the exploration and production process; third party contractors providing transportation to and from ORLEN's production facilities; and corporate procurement.

Policies and Due Diligence Processes

ORLEN's Code of Business Conduct and Ethics (the "Code") reinforces the Company's requirements and expectations for conducting business and expected behaviors and includes a statement on ORLEN's commitment to human rights.

The Code has been adopted and approved by the Company's Board of Directors and outlines the expectation that all employees, directors, officers, and contingent workforce contractors shall obey all applicable laws and adhere to ORLEN's strict ethical standards.

The Company recognizes, respects, and abides by all labour, child labour and employment laws and expects its contract service companies, contractors, and other third-party companies to meet the same standards. These include prohibitions on child labor, forced labor and discriminatory behavior, as well as recognition of human rights and social justice.

ORLEN's corporate templates used for the procurement of goods and/or services on behalf of the Company contain (i) an obligation for independent contractors, suppliers and contractors and their own subcontractors to abide by all applicable laws and the Company's Code; (ii) a representation and warranty in relation to such obligations; and (iii) default provisions if these obligations are breached.

ORLEN reports (and encourages the reporting of) actual or potential non-compliances with internal policies and/or legal requirements, including those in relation to forced labour and child labour, so they can be addressed appropriately. ORLEN takes every report seriously and provides immunity from disciplinary action for good faith reporting of incidents and issues. The Company's Whistleblower Policy lays out several avenues to report an issue depending on the nature of the incident, for employees and non-employees.

www.orlenupstream.ca/EN/Company/Company-Policies/Pages/default.aspx

Understanding ORLEN's Risks Exposure

The majority of contractors and suppliers of goods and/or services are domestic in the upstream energy sector, which presents a significantly lower risk as it pertains to the subject Act. However, the Company has undertaken initiatives to better understand its risk exposure. ORLEN compiled information, attended seminars, and looked at third-party managed software in order to initiate the process of mapping out its supply chain, understanding the tiers of suppliers/contractors, and

identifying where the biggest (potential) risks are. The outcomes will determine where initial risk management efforts will be focused. The Company has developed a strategic plan for 2024 to identify and address associated risks in their supply chain with a focus on onsite contractors and offsite tier 1 suppliers.

Remediation Measures

In 2023, ORLEN did not have the opportunity to thoroughly assess nor identify any instances of forced labour or child labour or loss of income to vulnerable families in ORLEN operations or supply chain. As such, ORLEN did not take any remediation measures in 2023.

The supply chain management groups (internal and external) manage the negotiation and implementation of the majority of the Company's contracts and take steps to incorporate contract requirements as set out in paragraph 3 of the Policies and Due Diligence section above.

For anyone (employee or otherwise) seeking advice on ethical/unlawful behavior, human rights matters, or for those who have questions in relation to the Code or are aware of any irregularities, ORLEN encourages open dialogue in accordance with the Whistleblower Policy, as set out in paragraph 3 of the Policies and Due Diligence section above.

Training

In 2023, ORLEN issued their annual computer-based acknowledgement on the Code, which is mandatory for all employees (permanent and part-time) and consultants. This training is required to be completed by new employees and repeated annually. All employees and consultants must verify that they are in compliance with the Code. All participants are notified and expected to remain current with the Code and any amendments that may be made from time to time.

ORLEN also spent time to review the applicability of expanding participation in the above referenced Code training, along with idea generation on training methods and materials to be developed in 2024.

Assessing Effectiveness

Preventing and addressing forced labour and child labour in ORLEN's operations and supply chain activities will be an ongoing process that will involve continued analysis, monitoring, and evaluation. The Company will continue to endeavor to conduct business with suppliers, contractors and contract service companies who share the same values and business principles.

As part of its continuous improvement in addressing associated risks, ORLEN's multi-disciplinary team will continue to implement the 2024 strategic plan; this includes the identification of any further areas of future improvement in the Company's business processes.

Approval and 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 2023.

I have the authority to bind ORLEN Upstream Canada Ltd.

 /s/ Russell Tripp

Name: Russell Tripp
Title: Chairman of the Board of Directors
Date: May 30, 2024