



Modern Slavery Report 2023

Bonterra Energy Corp.

This Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)*(the “**Act**”). This Report is made on behalf of Bonterra Energy Corp. (“**Bonterra**” or the “**Company**”).

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a Canadian oil and gas company, Bonterra recognizes the important role that we have in ensuring that our operations, which are predominately in Alberta, Canada, and the supply chains that support our operations, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Bonterra or of goods imported into Canada by Bonterra or third parties supplying Bonterra.

2. Our Business

Bonterra is an oil and gas company headquartered in Calgary, Alberta, Canada. We are engaged in the exploration and development of our oil and gas properties located in Alberta, Saskatchewan and British Columbia. We are primarily focused on the development of our Cardium land within the Pembina and Willesden Green areas located in central Alberta. Bonterra’s supply chain includes businesses that supply goods and services to our organization, primarily encompassing various vendors, suppliers, contractors, and subcontractors involved in the procurement of goods and services necessary for our operations in developing and maintaining our conventional oil and gas properties.

In total, we procure goods and services from approximately 320 suppliers and contractors. The suppliers we engage include businesses that are primarily local and adhere to regulations in Canada for oil and gas production which are among the highest standards in the world.

Additional information regarding the corporate structure, operations and the industry conditions relating to Bonterra is available in the Company’s Annual Information Form for the year ended December 31, 2023, which can be accessed on its website at www.bonterraenergy.com or on SEDAR at www.sedarplus.com. For further details on Bonterra’s commitment to the environment

and the communities we operate in please see our 2023 Sustainability Report on our website at www.bonterraenergy.com.

3. Our Policies

Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our business partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working with us. We make every effort, including through carrying out due diligence to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. Our relevant policies are discussed in further detail below:

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (the Code) is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Bonterra employees should always act lawfully, ethically and in the best interests of Bonterra.

Supplier Code of Conduct

Bonterra's Supplier Code of Conduct details the requirements and expectations we have of our suppliers, their supply chains, and other service providers with whom we engage. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and consistently monitor and enforce our Supplier Code of Conduct in their own operations and supply chain. Our Supplier Code of Conduct also sets forth our principles of inclusivity and accountability. We engage with suppliers that are committed to these same principles and suppliers commit to these standards as a condition of doing business with us. We review our Supplier Code of Conduct upon onboarding and on an annual basis to ensure that this policy is in line with current best practices.

Whistle Blower Policy

Bonterra's Whistleblower Policy provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistle Blower Policy is intended to encourage and enable employees to raise serious concerns within Bonterra rather than overlooking a problem or seeking a resolution for the problem outside Bonterra. The Whistle Blower Policy applies to all employees and those contractors working for Bonterra. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding Bonterra's business conduct.

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our supply chain are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

- Monitoring and reviewing supply chains and business relationships;
- Collecting supplier and service provider attestation;
- Embedding responsible business conduct (EBC) into policies and management systems;
- Identifying and assessing adverse impacts in operations;
- Ceasing, preventing or mitigating adverse impacts, by training and raising awareness and understanding of modern slavery and human trafficking among our employees and vendors as we track implementation and results, communicating how impacts are addressed and providing for or cooperating in remediation when appropriate.

4. Assessing Our Risk

Bonterra engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we refer to external compliance databases for smaller service providers and for larger organizations we engage with our peers, consult with external experts, map supply chains, conduct risk assessments, during our procurement process and annual review. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Reliance on low skilled workforce
- Dangerous or undesirable work
- Presence of migrant workers
- Presence of labour intermediaries
- Offshore production and sourcing of materials
- Long, complex, or non-transparent supply chains
- Presence of child labour
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as protective equipment and clothing and construction materials sourced in whole or in part offshore through third parties.

5. Our Commitments

Bonterra Energy Corp. is committed to upholding the highest standards of ethical conduct, including the prevention of modern slavery and human trafficking in all aspects of our operations.

As a Canadian oil and gas company, we recognize our responsibility to ensure that forced labor or child labor is not used at any step of the production of goods, whether within Canada or abroad, by our entity or within our supply chains. Below outlines the steps we have taken to address and mitigate these risks:

- Mapping our exploration and production activities;
- Mapping our supply chains;
- Monitoring suppliers;
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour; and
- Encourage employees and stakeholders to report any concerns or suspicions of modern slavery.

Remediation Measures

In accordance with the Act, Bonterra has conducted a comprehensive assessment of its activities and supply chain and has not identified any incident of forced labor or child labor being used. Therefore, we did not need to take any measures to remediate an incident of forced labour or child labour.

The Company acknowledges the importance of vigilance and ongoing monitoring to ensure that modern slavery risks remain mitigated within our operations and supply chains. We are committed to regularly reviewing our risk assessments and implementing any necessary remediation measures should the need arise in the future.

Our Code of Business Conduct and Ethics and our Whistleblower Policy require all employees and contract workers of Bonterra to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we may take one or more of the following measures to remediate such forced labour or child labour:

- *Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support;*
- *Compensation for victims of forced labour or child labour and/or their families;*
- *Actions to prevent forced labour or child labour and associated harms from reoccurring;*
- *Grievance mechanisms; and*
- *Formal apologies.*

Training

Bonterra personnel at all levels are required to adhere to our Code of Business Conduct and Ethics policies and ensure that it is understood and properly applied to their daily activities. Every new employee of Bonterra must review and sign our mandatory values and policies included in our Code of Business Conduct and Ethics, and is informed of how to report wrong doing under our Whistle Blower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

Supplier Engagement

We engage with our suppliers to raise awareness of modern slavery risks and provide guidance on implementing best practices for prevention and mitigation.

6. Our Progress and Effectiveness

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified.

We have selected certain key performance indicators (KPIs) with respect to human rights, including forced labour and child labour, and such KPIs are reviewed by Bonterra's senior leadership team on an annual basis. Any non-conformances identified are dealt with by the appropriate teams. Support is provided to suppliers where necessary to resolve any issues raised.

We also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour;
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and child labour clauses;
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.

7. Approval & Signature

This Report was approved by Bonterra's Board of Directors on March 7, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.bonterraenergy.com.

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 Company. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Patrick Oliver
President and CEO

March 7, 2024

I have the authority to bind Bonterra.

Advisories

Forward-Looking Information

Certain statements contained in this report include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this report includes, but is not limited to: the steps taken to prevent and reduce risks of forced and child labour; the implementation of policies in relation to forced labour and child labour; training provided to employees in respect of forced labour and child labour; business strategy and outlook; remediation measures in respect of forced labour or child labour; maintenance of existing supplier and partner relationships; supply channels; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient

cash flow from operations to meet current and future obligations; increased competition; access to information regarding subcontractors; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.