



**PetroChina
Canada**

Report

JOINT REPORT (2024)

FORCED LABOUR AND CHILD LABOUR

DOCUMENT NUMBER: PCC-CP-REP-00069

Finalized, approved and attested to on May 28, 2025

1. INTRODUCTION

This Report is prepared pursuant to and in accordance with the *Fighting Against Forced and Child Labour in Supply Chains Act* (the “Act”) for the 2024 reporting year.

PetroChina Canada Ltd. and its controlled entities (collectively, “PCC”) are committed to preventing Forced Labour and Child Labour (as defined in the Act and also referred to in this Report as “Modern Slavery”), in its business operations and supply chains. This report is filed as a joint report by PCC and its controlled entities who meet the “Reporting Entity” criteria under Sections 2 and 9 of the Act. These entities include:

- PetroChina Mackay Oilsands Partnership
- PetroChina Duvernay Gas Partnership
- PetroChina Groundbirch Gas Partnership

PCC and its controlled entities operate exclusively within Canada and follow Canadian Laws and regulations. Each PCC entity has a fiscal year end of December 31 and shares the same general policies, practices, procedures and oversight with respect to the items relevant in this Report.

2. MEASURES TAKEN TO PREVENT MODERN SLAVERY

In accordance with Subsection 11(1) of the Act, in the fiscal year 2024, PCC undertook several initiatives to proactively ensure the prevention of Modern Slavery within its operations and supply chain, including:

- Revisions to existing governing documents and templates, including due diligence screening processes.
- Implementation of a Modern Slavery Policy.
- Ongoing review of current suppliers with specific emphasis on reviewing financial transactions in jurisdictions outside of North America.
- Mandatory training for all its employees on Modern Slavery prevention. This training equips employees with essential knowledge about the purpose of the Act, forced labour statistics, high risk source regions, tips for identifying risks of forced labour, and PCC’s obligations under the Act.

3. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

3.1 CORPORATE STRUCTURE

PCC holds a portfolio of upstream, midstream and downstream operations in Alberta and British Columbia. In Alberta, these assets include our MacKay River oilsands project, the Duvernay Shale Gas venture, and a 50% interest in the Grand Rapids Pipeline. In British Columbia, we hold joint venture interests in the Groundbirch tight gas project and the LNG Canada export facility.

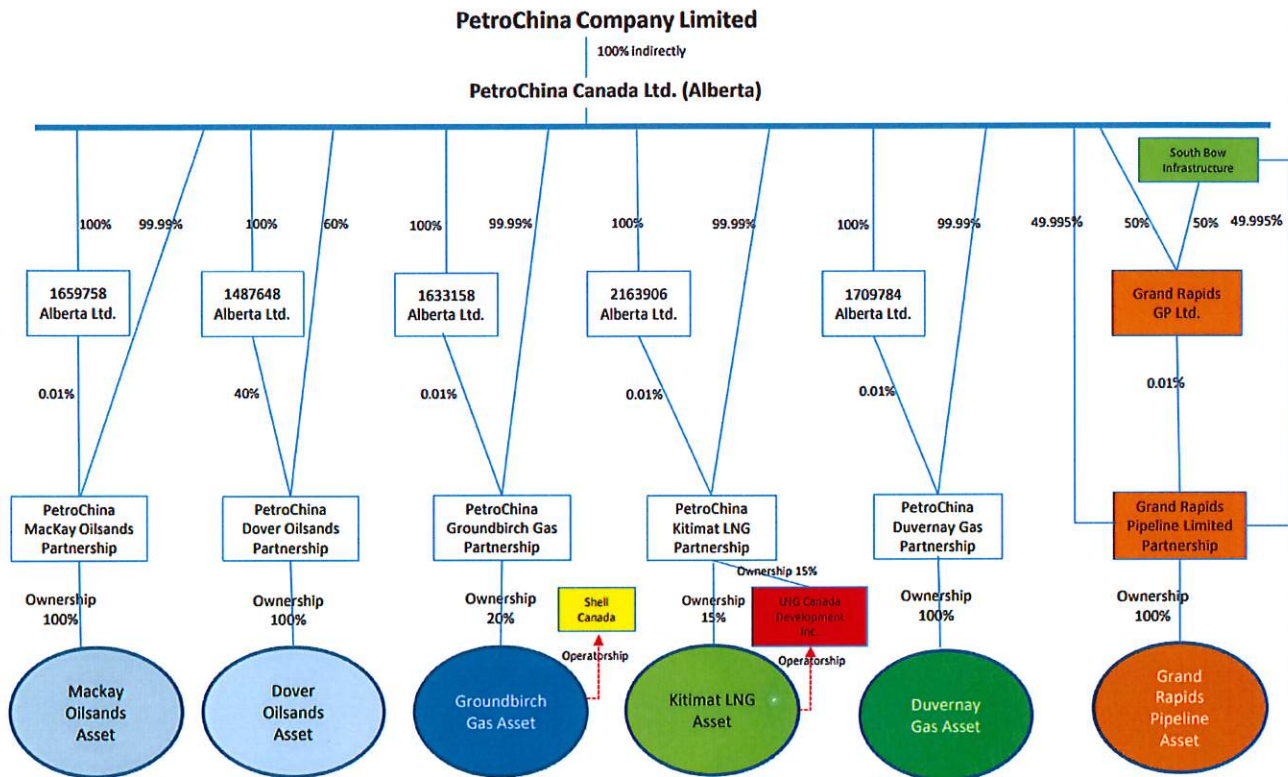


Figure 3.1-1 – PCC and its Controlled Entities

3.2 ACTIVITIES

PCC's integrated asset portfolio, the specific ownership structure of which is set out in Figure 3.1-1, includes:

- Mackay River Commercial Project: A steam-assisted gravity drainage (SAGD) facility wholly owned and operated by PCC and located approximately 30 km west of Fort McMurray, Alberta.
- Duvernay Shale Gas: A liquids-rich gas condensate resource play wholly owned and operated by PCC, located in west-central Alberta.
- Groundbirch Tight Gas: A non-operated joint venture (20% interest) with Shell Canada Limited producing methane gas, natural gas liquids and condensate from the Montney tight gas formation, approximately 50 km south of Fort St. John, British Columbia.
- LNG Canada: A natural gas liquefaction plant & marine terminal export facility, LNG Canada is a non-operated joint venture (15% interest) with Shell Canada Limited, PETRONAS, Mitsubishi Corporation and Korea Gas Corporation. Groundbirch and Duvernay are equity gas supply sources for our interest in LNG Canada.

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- Grand Rapids Pipeline: a non-operated joint venture (50% interest) with South Bow Corporation, transporting crude oil and diluent volumes 460 km between Fort McMurray region and the Edmonton/Heartland region.

3.3 SUPPLY CHAINS

PCC's supply chain is fully integrated, encompassing upstream, midstream, and downstream operations in the oil and gas industry. With an understanding and management of its supply chain, PCC ensures the efficiency, sustainability, and ethical integrity of its operations, thereby safeguarding against the risk of Modern Slavery.

In the Upstream Supply Chain, PCC engages in exploration and production activities, collaborating with a diverse array of suppliers to support various PCC needs. These suppliers include drilling contractors, equipment manufacturers, and service companies, all crucial in facilitating efficient and productive operations. The Midstream Supply Chain involves the transportation, storage, and wholesale marketing of crude oil, natural gas, and refined products. This segment involves partnerships with pipeline companies, storage facilities, and shipping entities, ensuring the smooth flow of resources throughout the supply chain network. The Downstream Supply Chain involves refining crude oil and purifying raw natural gas, as well as marketing and distributing products derived from crude oil and natural gas. PCC's downstream suppliers include engineering firms, construction companies, and logistics providers.

PCC procures goods and services across a wide range of categories and industry sectors and is committed to ensuring that our contracting and procurement activities are done in compliance with our policies and law.

3.4 POLICIES AND DUE DILIGENCE PROCESSES

PCC has several policies and due diligence processes in place to assist in preventing Modern Slavery. These include:

- **Limits of Authority Policy:** All PCC contracts and policies are subject to this policy, which requires review and approval by various departments. The majority of contracts with vendors are also reviewed by our legal department for risk and compliance purposes.
- **Contract Review Policy:** Provides guidance to ensure that PCC Contracts are reviewed by the requisite levels of authority within the Company and to ensure that all associated corporate risks have been identified and mitigated to the lowest level as reasonably practicable (which includes adherence to law). The policy also mandates that for the purposes of the approval process, appropriate due diligence be conducted using subject matter experts, including but not limited to technical, commercial, Supply Chain Management (SCM), HSSE, tax, insurance, risk, indigenous relations, and legal.
- **Supply Chain Management Policy:** Outlines the governing principles to be followed by PCC in conducting SCM activities and imposes a responsibility on the SCM department to ensure that all aspects of relationships with suppliers are held to the highest ethical and professional standards.
- **Corporate Code of Conduct:** PCC has instituted a policy commitment to uphold human rights and to ensure, to the extent reasonably possible, the health, safety, and well-being of its employees. This is

articulated in the Corporate Code of Conduct, reflecting the company's dedication to ethical practices and responsible business conduct.

- **Internal Audit Procedure:** PCC's Internal Audit Procedure provides guidance on auditing suppliers and compliance with internal policies and procedures.
- **Whistleblower Policy:** PCC's Whistleblower Policy encourages employees to voice concerns, including those related to human rights violations or any other non-legal compliance, and outlines clear procedures for reporting and resolution, accompanied by protections for whistleblowers.
- **Health, Safety, Security and Environment (HSSE) Policy:** PCC maintains a robust HSSE management system to ensure stringent compliance with legal requirements. PCC's HSSE Policy delineates the measures undertaken by PCC to uphold safety standards and mitigate risks.
- **Vendor Prequalification Procedures:** PCC enforces stringent vendor pre-screening procedures, which also incorporate pre-screening inquiries regarding Modern Slavery history, safeguards, and reporting protocols.
- **PCC Contractual Protections:** PCC's standard form contracts incorporate language encompassing compliance with PCC policies and specifically address Modern Slavery legislation.
- **Employee Training:** All employees and contractors working in PCC offices are required to take mandatory training on Modern Slavery prevention, which includes risk identification and prevention strategies.
- **Modern Slavery Policy:** PCC implemented a Modern Slavery Policy effective September 25, 2024.

3.5 RISK ASSESSMENT & MANAGEMENT

Through the practices, procedures and other measures identified in this report, PCC is able to effectively assess and manage risk throughout its supply chains, including risks associated with Modern Slavery.

Following a thorough review of its existing policies and procedures addressing Modern Slavery risks, its general supply chain needs, and its transaction history with our vendors, PCC is confident that its operational exposure to Modern Slavery risks in its supply chain is minimal. However, PCC recognizes the need for continuous improvement and regularly reviews its policies and procedures and makes updates as necessary.

3.6 REMEDIATION MEASURES

No instances or allegations of Modern Slavery were identified within PCC's operations or supply chain, and PCC undertook no remediation measures for the fiscal year 2024 to date.

3.7 MODERN SLAVERY TRAINING

PCC's current training program (developed in-house and implemented in 2023) is mandatory for all PCC employees. The training is approximately 40 minutes long, encompassing a thorough examination of pertinent issues and a detailed review of PCC's obligations under the Act. Following the informational section, employees

are required to take a test requiring an 80% passing grade for completion. Employee training is tracked on PCC's learning portal. Employees are required to complete the training upon employment and every three years thereafter.

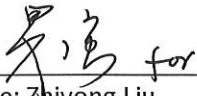
3.8 EFFECTIVENESS ASSESSMENT

PCC utilizes a range of methods to evaluate the efficacy of its policies and procedures and prevention of Modern Slavery. These methods encompass regular audits, strict adherence to company policies, feedback from employees and suppliers, monitoring of key performance indicators linked to supplier compliance, and employee training.

For field operations, PCC conducts site visits and inspections to verify compliance with ethical standards and labour laws. This involves conducting on-site assessments of working conditions, receiving feedback from site crews, and reviewing documentation to ensure adherence to relevant policies and regulations. PCC also evaluates the effectiveness of its policies and procedures through its third-party risk management software by reviewing the accuracy and completeness of data collected through the software and assessing the timeliness and appropriateness of actions taken in response to identified risks.

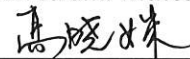
4. APPROVAL AND ATTESTATION

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 PCC 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 and that this Report was approved by PCC's governing body pursuant to subparagraph (4)(b)(i)(ii) for the reporting year 2024. I have the authority to bind PCC and each of its Reporting Entities specified in this Report.



Name: Zhiyong Liu
Title: President & CEO
Date: May 28, 2025

Reviewed and witnessed by:



Name: Xiaoshu Gao
Title: VP, Legal & Internal Audit
Corporate Secretary