



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT 2024 REPORT

Introduction

Pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "**Act**") the following report provides an overview of ARC Resources Ltd.'s ("**ARC**" or the "**Company**" or "**we**") approach to prevent and reduce the risk of the use of forced labour or child labour (each as defined in the Act and together referred to as "**Modern Slavery**") in the Company's supply chain for the financial year ending December 31, 2024.

Background and Approach

Steps to Prevent and Reduce the Risks of Modern Slavery

During the reporting period of January 1 to December 31, 2024, we took the following steps to prevent or reduce the risk of Modern Slavery in our supply chain:

- Reviewed our list of Tier 1 (direct) vendors¹ with whom we spent more than one million dollars (\$1,000,000.00) in the previous year ("**Top Vendors**") to determine any changes to the vendors for the due diligence risk assessment.² The Top Vendors included in the due diligence assessment account for 80 per cent of ARC's capital expenditures.
- Implemented a Modern Slavery Acknowledgement form (the "**Form**") for Top Vendors which requires, among other things, their confirmation that there is no Modern Slavery in their supply chains, that they have policies and procedures in place to prevent Modern Slavery, and obligations to notify ARC if any instances of Modern Slavery are discovered.
- Reviewed the 2023 Modern Slavery reports of 10 Top Vendors to confirm that their reports demonstrate compliance with the provisions of the Act and the requirements of the Form.
- Developed and communicated Modern Slavery training program for ARC executives, managers, supervisors, and employees whose roles involve procurement and/or vendor decision-making. 174 employees completed the required training. This training was also provided to ARC's Board of Directors and all directors successfully completed.
- Created and published an informative article regarding the Act on ARC's employee intranet. This article introduced all employees to the Act, educating them on what constitutes Modern Slavery and on the actions ARC has taken to date to combat Modern Slavery in our business.
- Developed and implemented a new [Human Rights Policy](#). Following a review of our existing policies and frameworks, we identified a need for a policy dedicated to human rights in the workplace. The new [Human Rights Policy](#) underscores our commitment to upholding and respecting human rights, as well as our commitment to preventing Modern Slavery in our operations and supply chains.

¹ The term "supplier" is used in some of ARC's publications, and both terms are used interchangeably by the Company.

² ARC's Top Vendors were determined utilizing 2023 data. The 2023 data set includes a full year of reporting (January 1 – December 31, 2023), providing a more comprehensive and accurate view of our Tier 1 vendors. In ARC's 2023 report, 315 vendors were identified as Top Vendors. In response to further guidance provided by the Government of Canada in 2024, fourteen (14) vendors were removed in our 2024 report to reflect this updated criteria.

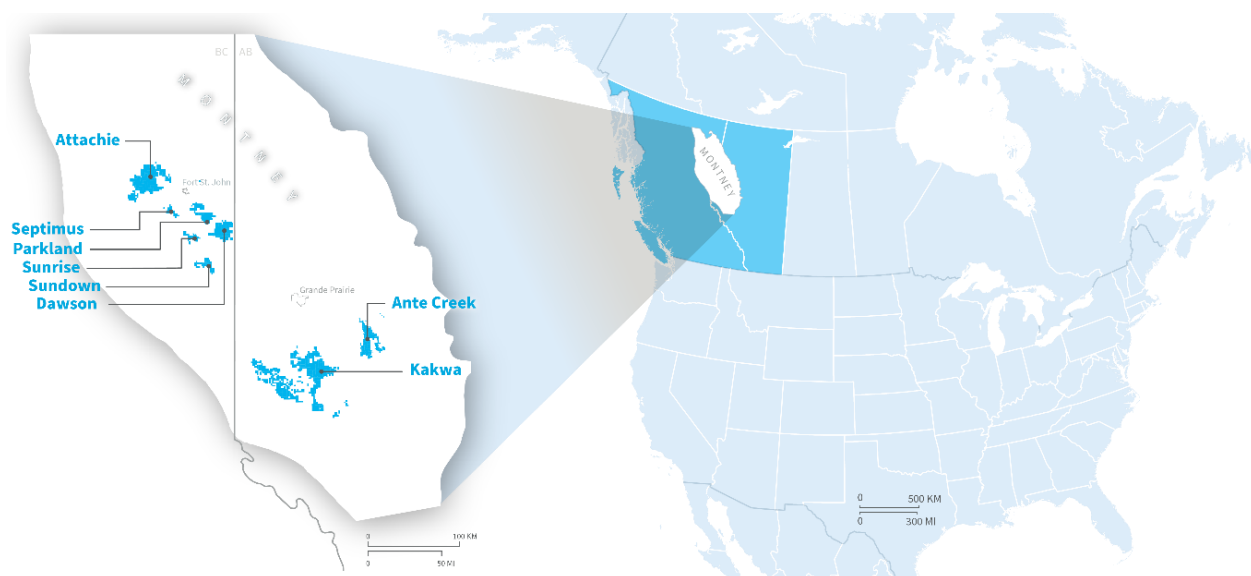
All steps taken by ARC have been led by our Modern Slavery Working Group (the “**Working Group**”). The Working Group is chaired by ARC’s Senior Vice President, People and Corporate, and is comprised of ARC’s Senior Vice President and Chief Operating Officer, and representatives from the Legal, Human Resources, Communications, and Supply Chain Management departments. Regular Board oversight is provided through the Policy & Board Governance Committee.

ARC’s Structure, Activities and Supply Chains

ARC is Canada’s largest pure-play Montney producer and one of Canada’s largest dividend-paying energy companies. Headquartered in Calgary, Alberta, ARC’s activities focus on the exploration, development, and production of unconventional natural gas, condensate, natural gas liquids, and crude oil in Western Canada. The Company was founded in 1996 with guiding principles focused on long-term profitability, risk management, and operational excellence. Today, ARC is Canada’s largest condensate producer and third-largest natural gas producer.

Our operations are in Canada and are focused in the Montney resource play in Alberta and northeast British Columbia. In 2024, we had an average production of approximately 350,000 barrels of oil equivalent per day. ARC has approximately 672 permanent employees, located in Calgary and Grande Prairie, Alberta, and Dawson Creek, British Columbia.

ARC was incorporated under the Alberta Business Corporations Act and ARC’s common shares are traded on the Toronto Stock Exchange under the symbol ARX.



ARC’s Supply Chain

ARC works with vendors ranging from major international companies to small local businesses. During the reporting period, ARC procured goods and services across a wide range of disciplines including drilling, completions, construction, engineering, base operations, and professional services. ARC strives to work with vendors who share our commitment to health and safety, operational excellence, and ethical and responsible development, and who operate in accordance with applicable laws. We use various prequalification criteria to help ensure that our vendors are aligned with ARC’s commitment to responsible

development practices. More information on ARC’s approach to vendor engagement can be found on our website: [Suppliers - ARC Resources](#). Effective 2024, we request that our Top Vendors acknowledge the Form, which requires, among other things, their confirmation that there is no Modern Slavery in their supply chains, and that they have policies and procedures in place to prevent Modern Slavery and to notify ARC if any instances of Modern Slavery are discovered. We will continue to monitor compliance rates and may consider taking further steps to foster compliance in the future.

Policies and Due Diligence Processes

ARC’s Modern Slavery Policy Statement

ARC is committed to meeting the requirements of the Act. Our core values of respect, integrity, trust, and community reinforce how we ethically conduct our business. We are well-positioned to address the requirements of the Act. In line with our commitment to continuous improvement in all aspects of our business, we regularly assess our approach, policies, practices, and procedures related to human rights to help mitigate the risk of Modern Slavery occurring in our operations and within our supply chains. We are committed to conducting our business with a high standard of professional and ethical conduct and expect the same from all our business partners.

Additional Policies and Frameworks

The policies and frameworks outlined below reinforce our commitment to responsible business conduct and high ethical standards and support our approach to managing the risk of Modern Slavery in our business and across our supply chains.

To ensure that our policies and frameworks meet legal requirements and accurately reflect our culture and values, we regularly review and update them. In 2024, our review identified the need for an additional policy dedicated to promoting human rights, including preventing Modern Slavery. Consequently, we created ARC’s new [Human Rights Policy](#) (see below for details).

Policies and Frameworks	Overview and Application
Code of Business Conduct & Ethics	<p>ARC’s Code of Business Conduct & Ethics (the "Code") applies to employees, officers and directors, consultants, contractors, subcontractors and employees of a contractor or subcontractor while working for ARC or under the Company’s direction. All existing and new employees and direct contractors are required to review and sign to indicate their compliance with the Code annually.</p> <p>The Code reflects our commitment to our values and outlines the basic principles and policies which all members of our workforce are expected to comply with, including legislative requirements. ARC demands a high level of personal conduct from all members of our workforce.</p>
Whistleblower Policy	<p>The purpose of the Whistleblower Policy is to provide ARC employees, consultants, and external stakeholders with a mechanism by which they can raise any concerns through their leaders in a confidential and anonymous process without fear of reprisal.</p>

	As part of our efforts to ensure the integrity of ARC and our financial and other information, we encourage employees who have concerns regarding any suspected violations of our disclosure standards, Code, policies and/or our financial reporting, to raise them with the appropriate people or submit an anonymous complaint or concern through the Whistleblower Hotline.
<i>Human Rights Policy</i>	<p>The Human Rights Policy applies to ARC employees, directors, and third parties who act on ARC's behalf, including agents, consultants, contractors, and vendors.</p> <p>The Human Rights Policy outlines ARC's commitment to respecting human rights and creating safe workspaces, free from discrimination and harassment, as well as the importance of preventing Modern Slavery in our supply chain and operations. The Human Rights Policy also provides that ARC may require its workers to take training related to human rights and Modern Slavery, specifically referencing the Act. This aligns with the training that ARC rolled out to employees and directors in 2024.</p>
Masters Services Agreements and our Terms and Conditions for Purchase Orders	ARC's Master Service Agreements and our Terms and Conditions for Purchase Orders require counterparties to abide by all applicable laws while working with ARC, including agreements not to engage in Modern Slavery, and/or agree to provide information to ARC so that ARC can comply with the Act.
Procurement Standards	<p>ARC is committed to hiring responsible and ethical vendors and working together with those vendors to maintain ARC's best-in-class operational performance, health and safety and ethics requirements. ARC's Procurement Standards include:</p> <ul style="list-style-type: none"> • A vendor assessment using various prequalification criteria to ensure alignment with ARC's commitment to responsible development practices. • Form for Top Vendors.

Board Oversight

We believe sound corporate governance builds trust with our stakeholders and is core to the success of our business. ARC's Board of Directors approves this report and our policies, which include the Human Rights Policy, the Code, and the Whistleblower Policy. The Policy & Board Governance Committee of the Board has oversight of management's responsibility for compliance with the Act and related disclosure and ARC's approach to prevention of Modern Slavery and reviews the steps taken to assess and prevent the risk of Modern Slavery in ARC's supply chain.

Due Diligence – Assessing Risk of Modern Slavery

In 2024, we identified our Tier 1 Top Vendors, which included 301 vendors and accounted for 80 per cent of ARC's annual capital expenditures. We purchase both goods and services from these vendors. The

goods we procure from these vendors often include high-value industrial equipment, machinery, tools, parts, and other complex and sophisticated goods involved in ARC's operations.

Of these Top Vendors, we determined that more than 99 per cent (298 out of 301) are based in Canada, and the remaining 1 per cent (3 out of 301) are based in the United States. While these vendors are based in North America, it is possible that they procure parts and raw materials from abroad. As a result, we have concluded that the risk of Modern Slavery within ARC's supply chain has potential to exist in the supply chains of these Top Vendors, rather than within ARC's direct supply chain.

In response to this conclusion, in 2024, ARC created the Form. The Form is intended to be reviewed and signed by vendors, and returned to ARC. By utilizing the Form, we are able to ensure that our Top Vendors do not have any known instances of Modern Slavery in their own supply chains, and have processes and systems in place to prevent instances of Modern Slavery from developing. As of February 28, 2025, 256 out of 301 Top Vendors have returned signed Forms, representing an 85 per cent compliance rate. For additional diligence, ARC reviewed the 2023 Modern Slavery Reports of our top 10 Top Vendors, to ensure that they met the requirements outlined in the Form. This review determined that these reports were compliant and satisfied us that these vendors accurately represented their actions and approaches to combatting Modern Slavery.

Given the large proportion of ARC spending that these Top Vendors represent, the fact that all are based in Canada and the U.S, the responses to the Form to-date, and the strength of our policies and frameworks, we consider the risk of Modern Slavery in our supply chain to be low.

Training

In 2024, members of the Working Group continued to educate themselves about the Act, our reporting obligations pursuant to the Act, steps other entities have taken in meeting their requirements under the Act, and future actions ARC may consider taking. Members attended third-party information seminars, read articles and analyses regarding the Act, and reviewed the updated Guidance for Entities published by the Government of Canada.

The Working Group also engaged the services of external legal counsel with expertise in Modern Slavery reporting. The counsel reviewed our 2023 Modern Slavery Report, and provided additional information, guidance, and recommendations for our 2024 approach and report.

ARC's main training initiative in 2024 was developing and distributing a Modern Slavery training program. This training was developed by the Working Group, with ARC's Legal department playing a key role in ensuring the training is accurate and in-line with government guidance. The training is comprehensive and provided registrants with information regarding the Act, factors that increase the risk of Modern Slavery, the steps ARC has taken to reduce the risk of Modern Slavery in its operations and supply chains and employees' role in preventing Modern Slavery in our supply chain. In 2024, this training was distributed to all ARC executives, managers, supervisors, and employees whose roles involve decision-making with our vendors, which amounted to 174 employees. Training was also distributed to ARC's Board of Directors (9 directors). All 183 individuals who were registered for training successfully completed the course.

Additionally, the Working Group recognized that employees may not be aware of the Act, or the obligations placed on entities by the Act. In response, ARC undertook two key communication activities:

1. Prior to receiving the invitation to complete the training, all 174 employees were invited to an information meeting hosted by ARC's Senior Vice President, People and Corporate, and approximately 170 employees (98 per cent) attended. The information session provided employees with basic background information related to Modern Slavery and what it is, the Act, ARC's response to address this risk in our business, and added context as to why they specifically were registered for training and their role in preventing Modern Slavery.
2. ARC published an article about the Act on our employee intranet to provide all employees with some basic information about the Act and the steps ARC is taking in response, including context around training and the Form that vendors would be receiving. The article also provided the names of the Working Group members, so employees know who to reach out to with questions.

Remediation Measures and Remediation of Loss Income

ARC has not identified any instances of Modern Slavery in our activities or supply chain; consequently, no measures to remediate any Modern Slavery or to assess the loss of income to vulnerable families impacted by such measures have been considered.

Assessing Effectiveness

ARC assesses its effectiveness in ensuring that Modern Slavery is not used in its supply chains or operations in various ways. In 2024, this included:

- Ongoing risk assessment of Tier 1 Top Vendors within ARC's supply chain.
- Regularly reviewing our policies and frameworks to ensure they remain up-to-date and meet current legislative requirements, and properly reflect ARC's culture and values.
- Tracking the number of employees who take and successfully complete ARC's Modern Slavery training.
- Tracking compliance of Top Vendors that execute and return copies of the Form. To date, none of the Top Vendors have reported any instances of Modern Slavery in their own supply chains, and none have refused to, been unable to, or taken issue with, executing and returning the Form.
- Having expert external counsel review and comment on our report and steps ARC has taken in meeting its requirements under the Act.
- Tracking the number of possible cases of, or grievances related to, Modern Slavery, reported to ARC through the whistleblower hotline (to date, none have been received).
- Updating the Policy & Board Governance Committee on ARC's approach and the steps taken to assess and mitigate the risk of Modern Slavery in ARC's operations and supply chain.
- Monitoring for updates to the Act, reviewing additional guidance, and learning about best practices and other industry trends to ensure ARC remains current and in-line with its peers.

Moving Forward

In 2025, we expect to take further steps in addressing Modern Slavery, which may include the following:

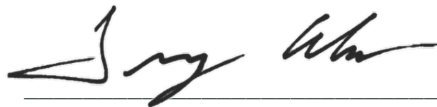
- Continue to review ARC's supply chain and due diligence risk assessment as part of an ongoing continuous improvement approach to identify and mitigate the risks of Modern Slavery in our supply chain.
- Continue to review our training program to ensure it is current, accurate, and completed by appropriate employees.
- Continue to review policies and frameworks to ensure they remain current, meet legislative requirements, and reflect ARC's culture and values.
- Continue to provide ARC's Form to additional vendors.

Approval and Attestation

This report was approved by ARC's Board of Directors on May 1, 2025 pursuant to paragraph 11(4)(a) of the Act and has been or will be filed with the Minister of Public Safety and Emergency Preparedness.

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."

Date: May 1, 2025



Terry Anderson
President and Chief Executive Officer

I have the authority to bind ARC.