FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT 2025 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, 2025.

Background and Approach

Steps to Prevent and Reduce the Risks of Modern Slavery

During the reporting period of January 1 to December 31, 2025, we took the following steps to prevent or reduce the risk of Modern Slavery in our supply chain:

- Expanded our list of Tier 1 (direct) vendors[1] from those with whom we spent more than one million dollars ($1,000,000.00) in our previous report, to include those with whom we spent more than seven hundred and fifty thousand dollars ($750,000.00) in this report ("**Top Vendors**");[2]

- Reviewed our Top Vendors to determine any changes to the due diligence risk assessment. This is critical, as our Top Vendors account for 87 per cent of ARC's total capital expenditures;

- Continued the implementation of ARC's Modern Slavery Acknowledgement form (the "**Form**") for Top Vendors which requires, among other things, their confirmation that there is no Modern Slavery present 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. Compliance with the Form is near universal, and no instances of Modern Slavery have been reported by our Top Vendors; and,

- Updated ARC's Modern Slavery training program and had an additional 80 ARC executives, managers, supervisors, and employees whose roles involve procurement and/or vendor decision-making complete it. The program has a 100 per cent completion rate.

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. Having a cross-functional approach ensures alignment across teams and business units on our Modern Slavery strategy, and acts as a channel of communication between key business units to share information regarding the status of our Modern Slavery initiatives. Regular Board oversight is provided through the Policy & Board Governance Committee.

[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 2024 data. The 2024 data set includes a full year of reporting (January 1 – December 31, 2024), providing a more comprehensive and accurate view of our Tier 1 vendors. This is in line with ARC's previous reports, which use the last full year of available data.

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 2025, we had an average production of approximately 375,000 barrels of oil equivalent per day. ARC has approximately 700 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 if needed.

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, are embedded into our processes and management systems, and support our approach to managing the risk of Modern Slavery in our business and across our supply chains. Key policies, including the Code of Business Conduct & Ethics, Diversity, Equity, & Inclusion Policy, Human Rights Policy, Respectful Workplace Policy, and Whistleblower Policy, are available internally for employees and are publicly available on ARC's website, ensuring that investors, vendors, contractors, subcontractors, and other stakeholders have access to them as-needed.

To ensure that our policies and frameworks meet legal requirements and accurately reflect our culture and values, we review and update them on a regular basis. Following a fulsome review of ARC's policies and frameworks in 2024, the 2025 review was limited in scope and resulted in minor updates to various policies and procedures.

Policies and Frameworks	Overview and Application
Code of Business Conduct & Ethics	ARC's Code of Business Conduct & Ethics (the "**Code**") applies to employees, officers, 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, directors, and direct contractors are required to review and sign to indicate their compliance with the Code annually. 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 legal requirements. ARC demands a high level of personal conduct from all members of our workforce.
Whistleblower Policy	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. 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 directly or submit an anonymous complaint or concern through the Whistleblower Hotline.
Human Rights Policy	The Human Rights Policy applies to ARC employees, directors, and third parties who act on ARC's behalf, including agents, consultants, contractors, subcontractors, and vendors. 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 delivered to executives, managers, supervisors, and employees in 2024 and 2025.
Master Service 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 agreeing not to engage in Modern Slavery and to provide information to ARC so that ARC can comply with the Act.
Procurement Standards	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 standards, and ethics requirements. ARC's Procurement Standards include: • Conducting a vendor assessment using various prequalification criteria to ensure alignment with ARC's commitment to responsible development practices; and • Requiring the Modern Slavery Acknowledgement form from Top Vendors.
New Employee Onboarding Framework	ARC's onboarding framework ensures that new employees are either Canadian citizens or are legally permitted work in Canada. ARC's employment agreements clearly outline the details and terms of employment.

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 2025, we expanded our list of Tier 1 Top Vendors by lowering the spending threshold to $750,000, compared to the $1,000,000 threshold used in previous reports. As a result, we have identified 306 Top Vendors, who collectively account for 87 per cent of ARC's annual capital expenditures. Of these 306 Top Vendors:

- 208 are the same as in our 2024 report; and,
- 98 were new Top Vendors for this year's report ("**Net New Vendors**").

We purchase both goods and services from these Top 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.

100 per cent of our Top Vendors are based in Canada. This has increased from last year, where three of our Top Vendors were foreign-based. While these Top Vendors are based in Canada, it is possible that their supply chains include internationally sourced elements. ARC has flagged this as a risk, and has therefore concluded that the risk of Modern Slavery within ARC's supply chain has the potential to exist in the supply chains of these Top Vendors, rather than within ARC's direct supply chain.

In response to similar findings in previous years ARC created the Form in 2024. The Form is required, and must be reviewed and signed by a senior officer of each of our Top Vendors and returned to ARC. By incorporating the Form into our standard business practices, we are able to ensure that our Top Vendors are aware of the Act and their obligations thereunder, 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. While the Form needs to be signed once, it requires Top Vendors to notify ARC if they discover any instance of Modern Slavery in the future, creating an ongoing reporting responsibility. This allows ARC to gain assurance that Modern Slavery is not present further down its supply chain, including among sub-vendors with whom we have no direct contractual relationship. As of January 30, 2026, 294 of our Top Vendors returned signed Forms to ARC, representing a 96% compliance rate to date. We are following up with Top Vendors who have not yet returned their Forms. None of our Top Vendors have reported any instances of Modern Slavery.

For additional diligence, ARC reviewed last year's 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 that these vendors accurately represented their actions and approaches to combatting Modern Slavery.

Given the significant share of ARC's overall spending represented by the Top Vendors, their Canadian operations, the responses received on the Form to date, and the robustness of ARC's policies and frameworks, we consider the risk of Modern Slavery within our supply chain to be **low**.

Training

In 2025, ARC continued to implement its Modern Slavery training program. This training was developed in 2024 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 provides 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 2025, this training was reviewed by the Working Group to ensure it aligned with the Company's needs, and statistics and other minor items were updated. The training was then distributed to an additional 80 ARC employees whose roles involve decision-making with our vendors, as well as to ARC's new Board members. All individuals who were registered for training successfully completed the course.

Members of the Working Group also 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 2024 Modern Slavery Report, and provided additional information, guidance, and recommendations for our 2025 approach and report.

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 2025, this included:

- Expanding the definition of Tier 1 Top Vendors;
- Regularly updating 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;
- 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; and,

- 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 2026, 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; and,

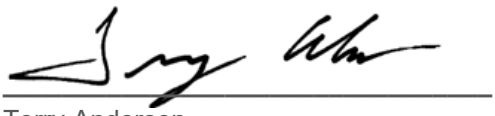
- Continue to provide ARC's Form to additional vendors.

Approval and Attestation

This report was approved by ARC's Board of Directors on April 28, 2026 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, in the capacity of President and Chief Executive Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of ARC Resources Ltd. 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 within this report.

Date: April 28, 2026



Terry Anderson
President and Chief Executive Officer

I have the authority to bind ARC.