



*Fighting Against Forced Labour and Child Labour
in Supply Chains Act*

2023 Annual Report

Modern Slavery Report 2023

Whitecap Resources Inc.

1. Introduction

This report ("**Report**") is made on behalf of Whitecap Resources Inc. and our subsidiaries¹ (collectively, "**Whitecap**", "**we**", or "**our**") pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"). This Report constitutes our first report pursuant to the Act, includes our forced labour and child labour reporting statement for the financial year ending December 31, 2023 and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by Whitecap or of goods imported into Canada by Whitecap.

2. Structure and Activities

Whitecap Resources Inc. is a Calgary based publicly traded oil and gas company that is engaged in the business of acquiring, developing, and producing petroleum and natural gas assets in Western Canada. The primary areas of focus of our development programs are in Northern Alberta and British Columbia, Central Alberta, and Saskatchewan. Whitecap's common shares are traded on the Toronto Stock Exchange ("**TSX**") under the symbol WCP.

Whitecap holds interests in joint-venture assets that are not operated by Whitecap. Our joint venture operators are required to adhere to all applicable laws and regulations in the conduct of joint venture operations. Statements regarding our operations, assets and values apply only to our operated assets, unless stated otherwise. Data for non-operated assets is not presented in this Report, however, this Report includes a description of how we generally approach risks, including with respect to forced labour and child labour, in relation to our interests in non-operated assets and other investments.

As at December 31, 2023, Whitecap employed 542 full-time employees, including 281 office and 261 field employees. All of our employees are based in Western Canada.

3. Supply Chains

We are committed to managing and operating in a safe, efficient, and environmentally responsible manner in association with our industry partners and are committed to continually improving our environmental, health, safety and social performance. In 2023, we procured goods and services across a wide range of categories and industry sectors and are committed to ensuring that our contracting and procurement activities are done in compliance with applicable law and our corporate policies. Whitecap's primary supply chain consists almost exclusively of goods and services originating from Canada or the U.S, however, we do appreciate that it is possible some of the inputs to the goods being used by Whitecap could originate from other jurisdictions.

Consistent with Whitecap's Procurement Policy, Whitecap strives to work with suppliers who align with our commitment to honesty, integrity and accountability and who operate legally, ethically and responsibly. We have employees tasked with evaluating new and existing suppliers, including with respect to the supplier's reputation, their health, safety, and environmental standards, policies and performance and other supply chain management metrics (e.g. forced or child labour). In 2023, Whitecap prepared and delivered to certain suppliers, taking into consideration the spend, scope of services and global presence of our suppliers, a request to provide Whitecap with information about such supplier's efforts to fight against forced labour and

¹ Whitecap Resources Inc., Amos & Co. Ltd., and 2136146 AB Ltd.

child labour in its supply chains. Whitecap plans to continue evaluating existing and potential suppliers, including with respect to their compliance with the Act and the prevention of forced labour and child labour in our supply chains.

4. 2023 Steps Taken

Whitecap took the following steps in 2023 to prevent and reduce the risk of forced labour and child labour in our business and supply chains:

- established an internal working group of employees and management to continue to review the impact of the Act on Whitecap and assess the effectiveness of the actions taken to address the risks of forced labour and child labour;
- developed a formal procurement policy that requires employees perform due diligence on potential suppliers, including in respect of the potential risk of forced or child labour;
- drafted a supplier code of conduct and updated existing master procurement contracts with covenants, representations and warranties to prevent and reduce the risk that forced labour or child labour is used in our supply chain;
- surveyed major suppliers on forced and child labour risks within their supply chains and continued mapping of our supply chain;
- engaged the services of external counsel to assess the legislative framework of the Act and advise Whitecap on recommended steps to adequately and appropriately comply with the Act; and
- conducted a thorough review and gap analysis of the current Whitecap mandates, policies and procedures as they relate to risks and responsibilities associated with forced labour and child labour.

5. Whitecap Policies

Whitecap is committed to ensuring a healthy and safe work environment and values honesty and integrity in every aspect of our business and every level of our organization. Whitecap's Code of Conduct ("**Code**") requires the highest standards of professional and ethical conduct from, and sets out the expected behavior of, our directors, officers, employees, consultants, suppliers and contractors.

The Code reflects Whitecap's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. The Code expressly requires that all directors, officers, employees, consultants, suppliers and contractors comply with all applicable laws, including Canada's (and its Provinces') prohibitions on child labour, forced labour, human trafficking and slavery as well as respecting laws pertaining to human rights, labour rights, freedom of association, collective bargaining and working hours. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or of the Code.

In addition to the Code, we also have a Whistleblower Policy that encourages and protects employees in bringing complaints forward for any improper conduct or for a suspected violation of law or of Whitecap's policies, including any suspected cases of forced labour or child labour in our supply chain. The Whistleblower Policy establishes several reporting channels for the disclosure of violations or concerns and underscores a commitment to preventing any fear of retaliation against those making good-faith reports.

Whitecap is also committed to upholding our Procurement Policy, which requires transparent, rigorous and efficient processes to procure Whitecap's goods and services. It outlines Whitecap's expectations of diligence, supplier sourcing, and contracting best practices, including expectations of supplier due diligence and restrictions on forced labour and child labour in our supply chains.

6. Due Diligence

The following is a summary of the due diligence processes undertaken by Whitecap related to assessing risks in its supply chain:

- Developed a Procurement Policy that requires all suppliers to be screened as part of Whitecap's supplier risk assessment due diligence, including as it relates to forced labour and child labour in its supply chains;
- Procedures are in place to continue requesting from our suppliers, taking into consideration the spend, scope of services and global presence of the suppliers, information about such supplier's efforts to fight against forced labour and child labour in its supply chains;
- Whitecap uses internally developed master forms of supply chain contracts for the procurement of goods and services, which include requirements for supplier compliance with applicable laws and Whitecap policies; and
- The Board of Whitecap provides oversight and, to the extent that management is unable to make a determination as to whether a breach of this Code has taken place, the Board will review, and where appropriate, investigate allegations of breaches of Whitecap's policies.

7. Assessing and Managing Whitecap's Risk

Whitecap does not utilise forced or compulsory labour. All of our employees are above the legal employment age and are recruited and provided with working conditions and the payment of wages and benefits that comply with applicable laws and regulations.

With our operations being limited to Western Canada and the fact that the vast majority of our suppliers are located in Canada and the U.S., we consider the overall risk of forced labour and child labour to be low. In assessing the risk of forced and child labour in our supply chains, we have taken a targeted approach in 2023. Our focus has been to evaluate suppliers based on select criteria, including the industry of our suppliers and whether a supplier is located, or is likely to source materials from, higher risk jurisdictions. We do recognize however that there may be risk that forced or child labour could exist in our supply chains, in particular as it relates to suppliers supplying goods to our suppliers that originate from other jurisdictions. Whitecap will continue to implement our policies and assess, understand, and mitigate these risks in our supply chains.

8. Remediation of Forced or Child Labour

In 2023, Whitecap did not identify any instances of forced labour or child labour in our operations or supply chain. As a result, we have not had to take any measures to remediate any forced labour or child labour. Our corporate policies, including the Code and our Whistleblower Policy, provides for effective reporting of any actual or potential breach of applicable law and the identification of forced labour or child labour in our supply chains.

9. Training

In 2023, we provided training to select procurement personnel regarding the Act and the strategies that Whitecap would be undertaking to prevent and reduce forced labour and child labour risks. Whitecap directors, officer, employees and contractors at all levels are required to adhere to our corporate policies, including the Code and our Procurement Policy. When onboarding, all employees are provided with the policies with a review and discussion regarding their contents. Our policies are renewed and approved by the Board on an annual basis and all our staff are expected to review such policies on a regular basis. Our policies are easily accessible on our website. As our policies change, Whitecap endeavours to provide targeted training opportunities to ensure employees have knowledge of their obligations under the respective policies.

10. Assessing Whitecap's Effectiveness

Whitecap continues to assess our internal roadmap to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods used or acquired by Whitecap. In our assessment of our existing policies and procedures, Whitecap has effective evaluation, monitoring and compliance processes and is of the view that our existing practices are effective in reducing the risk of forced labour and child labour. Overall, as an operator of oil and gas in Western Canada, Whitecap's assessments have revealed that the risk of forced labour and child labour is low. Whitecap's continued commitment to the highest standards of professional and ethical conduct reinforces the low risk of forced or child labour in our operations and supply chains. Whitecap understands how important it is to remain vigilant and to continually evaluate the effectiveness of our policies and processes to address the risk of forced labour and child labour over the long term. Whitecap will continue to act with honesty and integrity.

11. Approval of Report

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Whitecap Resources Inc.

A blue ink signature of Grant Fagerheim is written over a horizontal line. The signature is stylized and cursive.

Grant Fagerheim
President & Chief Executive Officer

May 3, 2024

I have the authority to bind Whitecap.