



Veren Inc.

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

2023 Statement

Bringing Energy
To Our World –
The Right Way

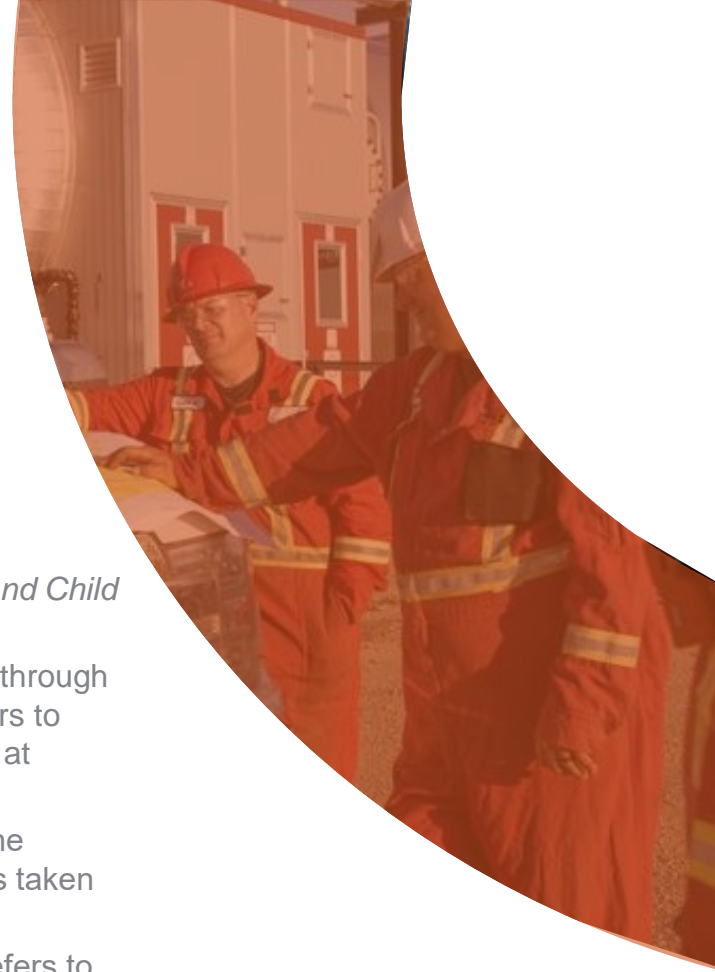


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ABOUT THIS REPORT

- This is Veren's first report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").
- This report includes information and summarizes activities conducted through the 2023 calendar year. It also includes information from previous years to provide context and insights on commitments and activities underway at Veren.
- The terms "Veren", "our", "we", "organization", "the Corporation" and "the company" refer to Veren Inc., and its subsidiaries and affiliated entities taken as a whole.
- "Employees" represents full-time, permanent employees. "Workers" refers to all employees, directors, officers, contractors, consultants, suppliers and vendors/agents.
- The term "Supplier" and "Vendor" interchangeably is defined as any entity with whom Veren has entered a commitment with the entity to receive goods or services from.



A MESSAGE TO STAKEHOLDERS

OUR APPROACH

All Veren activities are grounded in our purpose of “Bringing Energy To Our World – The Right Way”. Our commitment to operating with high environmental, social and governance (ESG) standards extends to our approach to address modern slavery risks in our supply chain. We achieve this by taking proactive measures that enable us to identify, assess and manage risks within our supply chain. This includes adherence to our supplier management procedures, and upholding standards set out in our policies related to supplier conduct and human rights.

LOOKING AHEAD

At Veren, we recognize our duty to ensure we are not inadvertently contributing or benefitting from human rights violations. We understand the complexity of fighting against the use of forced labour and child labour in supply chains and are committed to enhancing the transparency of our practices, standards and processes. We remain committed to the long-term prevention of forced labour and child labour in our operations and supply chains.

2023 REPORT APPROVAL

In accordance with the requirements of the Act, and in particular Section 11 thereof, we attest to having reviewed the information contained in this report for Veren. Based on our knowledge, and having exercised reasonable diligence, we 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 2023.



Barbara Munroe
Chair of the Board



Craig Bryksa
Chief Executive Officer

ANNUAL REPORT

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Veren is a leading North American oil and gas exploration, development and production company based in Calgary, Alberta. We operate in various locations across Canada, with the majority of our production originating from Central Alberta (Kaybob Duvernay, Alberta Montney) and Saskatchewan (Viewfield Bakken, Shaunavon). Most of our operations in the United States ceased following the sale of our North Dakota assets in 2023. As part of our business, we work with a wide range of suppliers, contractors and service providers to drive success and help us operate with safety and efficiency.



Veren's Operations - 2023



The above diagram describes the inter-corporate relationships among the Corporation and its material direct and indirect subsidiaries described as at December 31, 2023, and remains current as of May 31, 2024. The organization's structure includes the general partnership, Veren Partnership (VERP), governed in Alberta, shares in Veren Holdings Ltd. (VHL), a wholly owned subsidiary of the Corporation and partner of the partnership and, shares in Veren Energy U.S. Corp. (VERUS), a wholly owned subsidiary of the Corporation. On December 31, 2023, Crescent Point U.S. Holdings, a wholly owned subsidiary of the Corporation that held all of the shares of VERUS was dissolved. As of December 31, 2023, the Corporation had 777 permanent Employees: 394 Employees at the head office in Calgary and 383 field Employees.

Veren's culture is built on safety, sustainability, ethical behavior and environmental compliance, and it is important that our suppliers share those same values. To effectively partner with suppliers that share our values, we have adopted several processes to manage our supply chain, including implementing a range of supplier policies that govern standards of acceptable conduct and adopting a robust supplier pre-qualification process. The Veren Supplier Code of Conduct highlights our commitment to work with suppliers who demonstrate a strong commitment to sustainable development by adopting health and safety, labour, environmental and ethical principles that ensure the well-being of their employees and the communities they operate in. This policy sets out the acceptable conduct standards used to govern supplier relationships that Veren chooses to engage in, which standards include controls related to people, safe operations, environmental protection, community engagement, ethical conduct and confidentiality.

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OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN (CONTINUED)

Since 2020, Veren has utilized a supplier pre-qualification system for suppliers. As part of the supplier onboarding process, Veren requires vendors to complete a detailed questionnaire designed to support our supplier management program and streamline the pre-qualification process.

The pre-qualification system collects and manages supplier data to ensure Veren's suppliers meet our specified requirements. Existing and new suppliers must follow the pre-qualification process, which includes satisfying our prequalification criteria by responding to a questionnaire. Suppliers are asked a variety of questions related to modern slavery practices, including:

- Minimum wage compliance,
- Maximum working hours,
- Protections against the use of child labour,
- Protections against the use of forced labour,
- Support offered for acceptable living conditions, and
- Stance on corporal punishment/disciplinary practices.

In addition to their questionnaire responses, suppliers must provide documentation such as certificates of insurance, certificates of incorporation, government-issued documents including GST numbers, corporate legal name, and health and safety manuals and statistics.

OUR POLICIES AND DUE DILIGENCE PROCESSES

In support of our compliance reporting for 2023, Veren established an internal task force comprised of individuals from supply chain, legal and ESG business units to better understand the requirements set out in the Act, align our activities to further advance transparency in our operations and supply chain and identify potential opportunities to further enhance our supplier due diligence and monitoring practices. The work of this task force supplements the existing policies and processes we follow to protect responsible business practices and human rights. This includes the organization's:

- Code of Business Conduct and Ethics,
- Corporate Social Responsibility Policy,
- Corporate Sourcing and Procurement Policy and Procedure,
- Supplier Code of Conduct,
- Health, Safety and Environmental Protection Policy,
- Human Rights Policy,
- Respectful Workplace Policy, and
- Whistleblowing Policy.

Veren's Code of Business Conduct and Ethics ("the Code") outlines the standards of conduct expected from Employees and Workers at Veren. The Code provides that, "Veren values honesty, high ethical standards and compliance with laws, rules and regulations." It further provides that Veren management is committed to the highest standards of ethical behavior and integrity.

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OUR POLICIES AND DUE DILIGENCE PROCESSES (CONTINUED)

Our Human Rights Policy outlines our organizational commitment to prohibiting all forms of slavery and child labour. This policy extends to all levels of those employed by Veren, as well as to third party consultants and contractors. The policy includes a commitment to respecting human rights in alignment with the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

We recognize that protecting human rights requires ongoing effort and we remain committed to routinely evaluating our practices in light of changing circumstances and in an evolving policy environment. In addition, the Veren Whistleblower Policy exists to support our Workers and external stakeholders, and promote a culture of responsibility and accountability. Our Whistleblower Policy provides Workers and external stakeholders the ability to report actual or perceived acts of wrongdoing for serious and sensitive matters, including human rights concerns. To administer this process, we utilize a third-party to provide 24/7 reporting availability for our Workers and external stakeholders.

OUR UNDERSTANDING, REMEDIATION AND MITIGATION OF RISK

UNDERSTANDING MODERN SLAVERY RISKS

Veren recognizes and understands the widespread use of modern slavery practices across countries and industries. Modern slavery is not limited to one industry or country. There are risks that exist agnostic of an organization's country of operation, business and workforce composition. We recognize that legislation plays a crucial role in addressing modern slavery risks by establishing clear standards, promoting transparency and holding organizations accountable.

Within the context of Veren's operations and supply chain, there is an understanding and recognition that the potential risk of modern slavery primarily exists in the supply chain. Veren understands there may be factors which contribute to a higher risk of modern slavery within the supply chain, for example, the country of operation and the category of goods or services being procured.

MANAGEMENT, MITIGATION & REMEDIATION

Through our compliance journey, Veren understands modern slavery risks across our organization and supply chain and has taken action to address. For example, our pre-qualification supplier questionnaire asks suppliers to respond to questions relating to, among other things, modern slavery, labour rights and occupational health and safety. Additionally, Veren has adopted several policies and procedures recognizing and committing to human rights, corporate social responsibility, and providing processes for Employees and Workers to report and escalate any perceived or actual ethical breaches.

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OUR UNDERSTANDING, REMEDIATION AND MITIGATION OF RISK (CONTINUED)

MANAGEMENT, MITIGATION & REMEDIATION (CONTINUED)

At Veren, we place responsibility on our leaders to oversee, implement, and uphold our human rights, ESG and corporate social responsibility commitments, including by ensuring ongoing compliance with our related policies and procedures. Management is responsible for integrating these commitments, including key decision-making processes and resource allocation. The Board of Directors of Veren provides oversight, guidance and sets the strategic direction for Veren, ensuring these commitments are embedded in our long-term goals.

For example, Veren's Workers and external stakeholders can submit whistleblower reports (anonymously if they choose) under our Whistleblower Policy, in the event there is an actual or perceived breach of policy or ethics. For other domain areas within the business, such as workplace respect and occupational health and safety, reporting arrangements are available for Workers through supervisors, or for Workers and external stakeholders through the anonymous reporting mechanism covered in the Whistleblower Policy.

Though there have been no incidents to-date which have required remediation, we understand that there may still be potential modern slavery risks in our supply chain. Therefore, we conduct regular business reviews with suppliers through an annual update process where suppliers are required to update their pre-qualification responses on an annual basis.

While there have been no instances raised of modern slavery in Veren's supply chain or operations that we are aware of, we recognize the ongoing criticality of understanding and seeking to mitigate the threat of forced labour and child labour. For instance, Veren is not aware of any unintended consequences of these actions on vulnerable families. As such, no remediation measures have been required to be taken to address any loss of income for vulnerable families. We acknowledge that efforts to prevent modern slavery can have unintended consequences for individuals who rely on such employment for their livelihoods. Veren is committed to combating modern slavery and upholding ethical practices. We also recognize the importance of considering the well-being and livelihoods of those affected.

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OUR UNDERSTANDING, REMEDIATION AND MITIGATION OF RISK (CONTINUED)

OUR ONGOING JOURNEY

Looking ahead, Veren has undertaken activities in the 2024 calendar year to better understand the implications and potential exposures of modern slavery risk in our operations and across our supply chain.

In response to the requirements of the Act, Veren's taskforce sought external support to develop training materials to be provided across key groups (Supply Chain, Legal, ESG Groups & select representatives from Veren Board of Directors). This training was provided in early 2024 to these employees and covered important topics such as: the prevalence of modern slavery, the development of the Act, the requirements under the Act, and actions Veren is taking to understand the risk of forced labour and child labour or modern slavery in its operations and supply chains. This taskforce is also reviewing existing policies and procedures relating to human rights and forced labour and child labour to identify potential enhancements for consideration in future years as part of Veren's ongoing commitment to continuous improvement.

APPENDIX

Table 1: Summary

The below table provides a summary of Veren's reporting relative to the requirements set forth in the Act.

Section 11 Requirement	Response
A) Structure, activities and supply chains	<ul style="list-style-type: none"> • Veren's operations and supply chain remain predominantly within Canada. Veren has a variety of supplier management policies and procedures that are continuously reviewed and updated. • Further details on Veren's structure, activity and supply chains can be found on page 5-6
B) Policies and pre-qualification processes in relation to forced labour and child labour	<ul style="list-style-type: none"> • Veren has various policies that outline organizational commitment to prohibiting all forms of modern slavery, including forced labour and child labour. Veren also has an existing whistleblower policy which is available to Workers and external stakeholders to report (anonymously, if they choose) actual or perceived acts of wrongdoing that they become aware of, and a third-party reporting tool is available 24/7 for anyone, including Employees, suppliers, public, etc. • Veren conducts regular business reviews with suppliers through their annual update process, and suppliers are required to update their pre-qualification responses on an annual basis. A specific section of the pre-qualification questionnaire relates to child and forced labour. • Additionally, as part of its compliance reporting for the 2023 period, Veren established an internal taskforce to better understand the requirements and align on activities to progress transparency in operations and supply chain. The taskforce's mandate included better understanding Veren's current supplier environment and potential opportunities to further enhance and strengthen supplier due diligence and monitoring practices. • Further details on Veren's structure, activity and supply chains can be found on page 5-6
C) The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk	<ul style="list-style-type: none"> • Veren carries risk of forced labour and child labour in various parts of its business and supply chain, specifically in their relationship with suppliers. • Further details on Veren's risk profile and risk management activities can be found on page 7-9
D) Any measures taken to remediate any forced labour or child labour	<ul style="list-style-type: none"> • Through the activities completed to-date, Veren has not identified forced labour or child labour in its activities or supply chain. As such, measures to remediate forced labour or child labour, such as to support victims, compensate victims or provide formal apologies, have not been required. If an Employee becomes aware of an instance of forced labour or child labour, they can report it under Veren's existing Whistleblower Policy.
E) Any measures taken to remediate loss of income	<ul style="list-style-type: none"> • As with requirement (d), Veren has not had any instances of forced labour or child labour in its operations or supply chains. Though actions have been taken to address the risk of forced labour and child labour, Veren is not aware of any unintended consequences of these actions on vulnerable families. As such, no remediation measures have been required to address any loss of income for vulnerable families.
F) The training provided to employees on forced labour and child labour	<ul style="list-style-type: none"> • In response to the Act's requirements, Veren's taskforce sought external support to develop training materials to be provided across key stakeholder's groups. This training is to be provided in early 2024 to educate on the prevalence of modern slavery, the development of Act, the requirements under the Act, and actions Veren is taking to understand the risk of forced labour and child labour in its operations and supply chains.
G) How effectiveness is assessed	<ul style="list-style-type: none"> • As shared for requirements (d) and (e), Veren has not experienced any instances of forced labour or child labour in its operations or supply chain at the time of reporting. Through its taskforce for compliance reporting for the 2023 period, Veren has reviewed its policies and procedures related to human rights, forced labour and child labour, to understand opportunities for enhancement through future years.



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