

Fighting Against Forced Labour and Child Labour in Supply Chains Act
Due Diligence Report

Canlin Energy Corporation

May 31, 2026

Financial Reporting Year:

January 1, 2025, to December 31, 2025

Issued by:

Chief Executive Officer

Subsidiary Reporting Entities Included in Report:

Canlin Resources Partnership

Introduction

This report sets out Canlin Energy Corporation's ("Canlin," "we," and "our") framework for identifying, assessing, and addressing risks related to forced labour and child labour within our business operations and supply chains for the financial year ending 31 December 2025. This report is published on behalf of Canlin and its wholly owned subsidiary, Canlin Resources Partnership, in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

About Canlin and our Supply Chain

Canlin is a Canadian oil and gas producer headquartered in Calgary, Alberta, incorporated in British Columbia and registered to conduct operations in Alberta, British Columbia, and Saskatchewan. Canlin operates exclusively within Canada, marketing natural gas, Natural Gas Liquids ("NGLs"), and crude oil domestically. Canlin employs approximately 260 people and maintains commercial relationships with approximately 1,400 vendors, including contractors, suppliers, and service providers.

Canlin's Operations & Workforce

Operations

As a diversified oil and gas operator, Canlin's activities encompass upstream exploration and production, marketing and pipeline transportation, hydrocarbon recovery, oil processing, stabilization, water disposal, inlet separation, sweet and sour gas processing, NGL fractionation, storage, acid gas injection, compression, sulphur handling, and truck and rail car loading.

For more information, read about our operations at canlinenergy.com.

Workforce

Canlin's recruitment practices are founded on ethical recruitment, fairness, and transparency, in accordance with equal opportunity principles. All positions are publicly advertised, and successful candidates receive a formal offer letter with the option to accept or decline. All candidates are verified to be of legal working age, and upon hire, are required to acknowledge Canlin's Code of Conduct. No individual is compelled to work for Canlin.

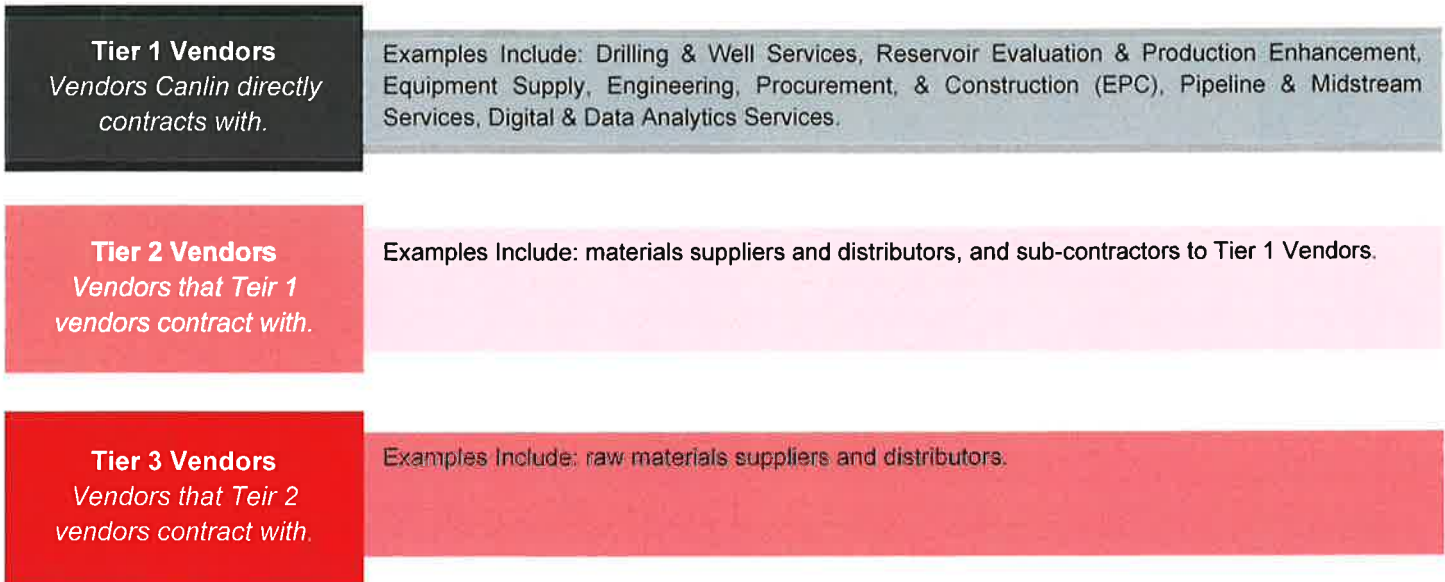
Canlin's Supply Chains

Supply Chains

During 2025, Canlin did not directly import any goods into Canada. Where vendors' supply chains extend to imported goods or raw materials, risk is addressed through mandatory execution of Canlin's Vendor Human Rights Code of Conduct ("**Vendor Code**") and ongoing monitoring via our third-party platform questionnaire.

All vendors are required to maintain safe working conditions, treat workers with dignity and respect, and operate in full compliance with applicable laws. Where a vendor is found to be in material breach of the Vendor Code or Master Services Agreement ("MSA"), Canlin reserves the right to terminate the relationship.

Canlin's Supply Chain Management team oversees approximately 1,400 vendors providing goods and services to our operations. The substantial majority are domiciled in or maintain principal locations within Canada. Canlin's procurement is concentrated within oil and gas industry categories, including but not limited to:



Each of these vendor categories utilize their own supply chains, and Canlin recognizes the inherent risk present within the web of a supply chain that spans many nations and industries. This risk is addressed through our commitment to ensure all our vendors are compliant with our Vendor Human Rights Code of Conduct (“**Vendor Code**”) and by monitoring our 3rd party platform questionnaire results.

In joint venture operations where Canlin is not the operator, Canlin expects the appointed operator to maintain robust processes to mitigate forced and/or child labour risks and to ensure full compliance with all applicable laws and regulations.

Diligence of Vendors

Our vendors are required at all times to provide safe working conditions, treat their workers with dignity and respect, act in an ethical manner and with integrity, and be in full compliance with all applicable laws and regulations.

If, at any point in our working relationship with a vendor, we are notified of a breach of the Vendor Code, Canlin will investigate and pending the outcome may terminate its working relationship with that vendor.

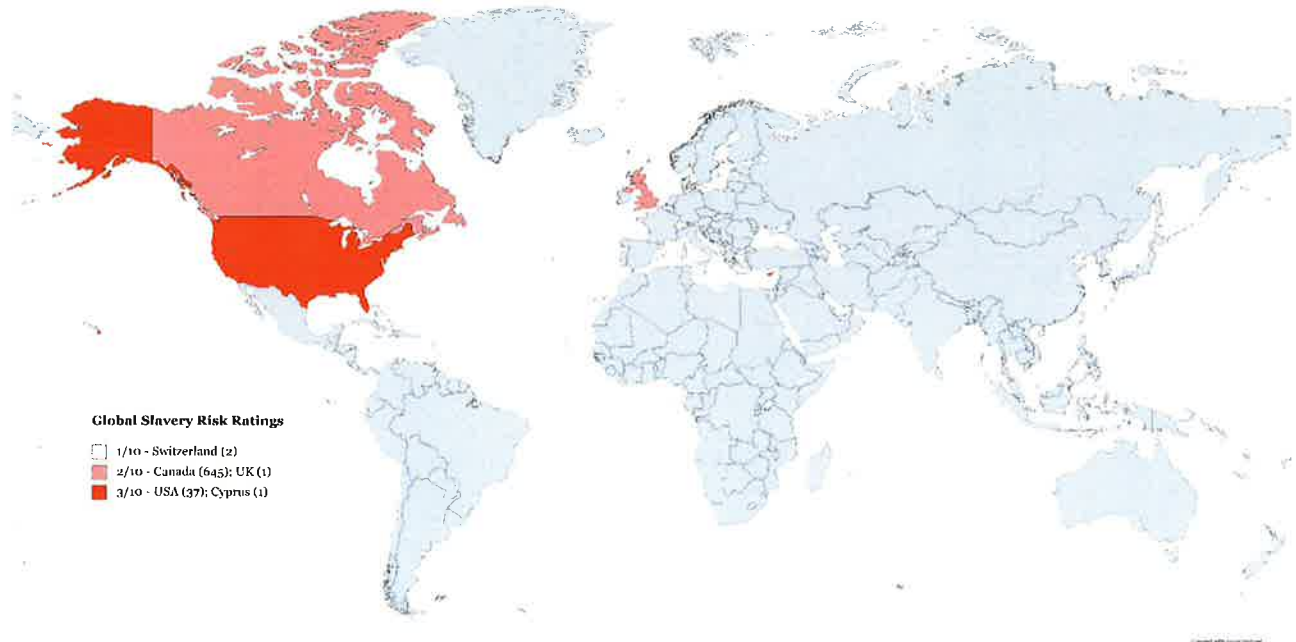
Supply Chain Risk Mapping

Canlin's Vendor Risk Ratings

The "heat map" below indicates the prevalence of, and risk level for, modern slavery in the countries in which Canlin's vendors have their headquarters. The risk rankings were taken from www.walkfree.org, an organization founded to eradicate forms of modern slavery and forced labour.

- [Map Data Source](#)

Vendor Locations



As a Canadian oil and gas producer operating solely in Canada, the vast majority of Canlin's vendor base are in the low-risk countries of Canada (94%), and the United States (5%).

Identified Risk

Canlin recognizes that it may do business with vendors whose respective supply chains may extend into moderate or high-risk countries, elevating the potential for links to forced labour or child labour. At the time of this report, our mapping exercise only extends to the vendor directly at point of sale and having a current Master Services Agreement with Canlin.

Risk Mitigation

As the majority of Canlin's vendors operate out of low-risk countries, our approach going forward is to continue to be cognizant of the location of the primary supply chains of new and current vendors and, as mentioned in other sections of this report, require all current and future vendors to sign off on Canlin's Vendor Code. This will allow Canlin to implement an initial level of risk mitigation into our contractual agreements as it pertains to the use of forced and/or child labour.

Vendor Due Diligence

Questionnaire

Canlin utilizes a third-party platform questionnaire comprising 150 ESG questions, including 35 human rights-specific questions, distributed to all registered vendors. All new vendors are required to execute the Vendor Code as part of onboarding. Supply chain contracts require vendor compliance with Canlin's Code of Conduct, all associated policies, and applicable laws.

The 2025 questionnaire results identified no specific concerns regarding forced or child labour. Compared to the prior year, results showed a ~5.81% increase in vendors with a formal human rights policy and a ~4.33% increase in vendors who train their employees on human rights.

Master Services Agreement

Canlin's supply chain contracts require all vendors to adhere to Canlin's Code of Conduct and all associated Policies and Procedures. Vendors are required to comply with all applicable laws and regulations and agree to provide and maintain safe and healthy working conditions for all their employees, contractors, and subcontractors. Where vendors are found to be in material breach of any of the terms of the Master Service Agreement ("**MSA**"), Canlin has the right to terminate the MSA.

Policy and Procedure

Our Policies Related to Human Rights in our Supply Chain

Canlin is committed to respecting workers' rights in all our operations and associated supply chains. This includes ensuring that abusive or inhumane practices, such as child labour, forced labour, trafficking, slavery or servitude, discrimination, or harassment, are not present in our or any of our partners' or vendors' operations. Canlin's Vendor Code clearly states our commitment to this goal.

The Vendor Code was rolled out through our third-party safety platform. Through this platform all contractors, vendors, and suppliers were required to read, acknowledge, and warrant that they will uphold the same ethical standards that Canlin does.

Code of Conduct Policy



Read our Vendor Human Rights Code of Conduct at canlinenergy.com

Canlin is committed to respecting workers' rights, in line with the *International Labour Organization Core Conventions on Rights at Work* and the *Universal Declaration of Human Rights*. Canlin has clauses within its Code of Conduct in support of these initiatives. These clauses highlight Canlin's commitment to promoting respect for human rights through our compliance with the *Universal Declaration of Human Rights* and the core conventions of the *International Labor Organization*. Canlin is committed to ensuring that our vendors and contractors also acknowledge and agree to operate at the same high standard as Canlin with respect to human rights.

Methods of Reporting

Internal Reporting

Canlin encourages internal reporting as it allows for a more prompt and efficient problem-solving process and/or investigation. Areas of concern can be identified and addressed quickly and in a safe and respectful team environment. Employees are encouraged to always speak with their direct supervisor, human resources, or VP Legal should they observe something of concern.

External Reporting

For external third parties, including contractors, vendors, suppliers and business partners, they are encouraged to speak to their primary Canlin contact. Concerns will then be escalated to the appropriate Canlin business group where required.

Confidential Third-Party Hotline

Canlin has a third-party service which provides all employees and third parties with access to a 24/7 confidential hotline. Employees are encouraged to call this hotline if they have experienced or witnessed unsafe or inappropriate behavior in the workplace and feel that they are unable to report the incident internally due to unsuitable or ineffective channels. Canlin embraced the hotline service to provide a culture that is free from unsafe work practices and inappropriate behavior, which includes, but is not limited to harassment, bullying, discrimination, violence and human rights offences. Canlin had no reports to its third-party hotline in 2025. In the event that a call to the hotline is made, Canlin's Human Resources group has an internal investigation procedure which would be triggered upon notification from the third-party hotline provider. Within that procedure, operational-level grievance mechanisms are stipulated. The Company engages in interviewing the stakeholders concerned to collect all available information, and where necessary, takes disciplinary actions in accordance with applicable laws.



In 2025 Canlin had zero calls into the hotline.

Remediation Measures Taken

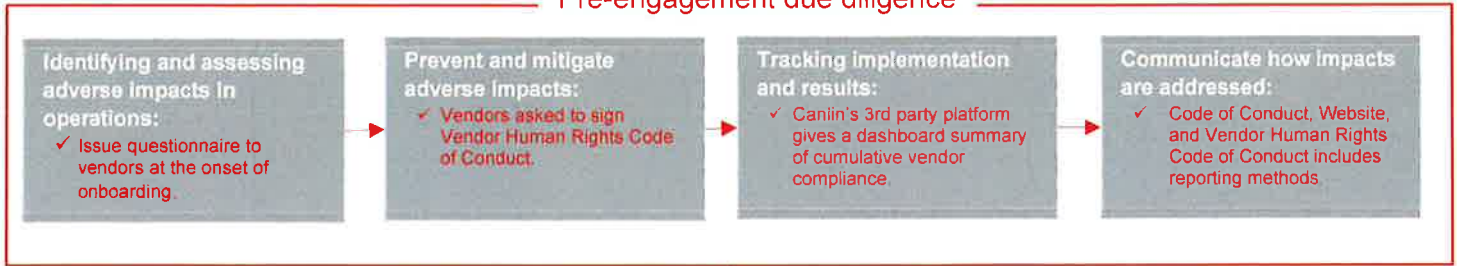
Canlin received no hotline calls or internal reports relating to modern slavery during 2025. No remediation measures were required.

Training and Awareness

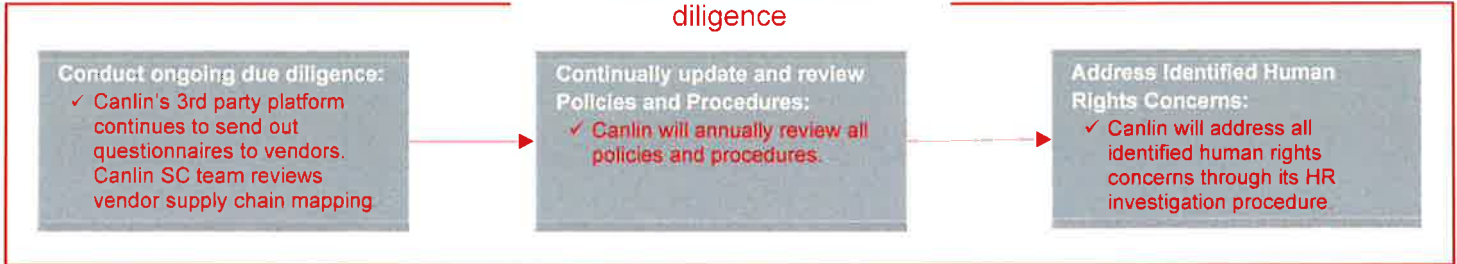
All employees and Canlin personnel are required to review and acknowledge Canlin's Code of Conduct annually. Canlin's Supply Chain Management team maintains ongoing engagement with modern slavery risk developments. Training may be extended to senior leaders and select service providers at Canlin's discretion.

Below is a diagram of Canlin's onboarding process for vendors:

Pre-engagement due diligence



Post-engagement due diligence



Based on our review of existing policies and procedures, Canlin assesses its operational risk of modern slavery to be low. Our workforce consists primarily of oil and gas professionals and administrative personnel located in Canada, and our recruitment and compliance measures maintain an extremely low risk of modern slavery exposure.

Tracking Progress

Canlin is committed to strengthening our ability to identify, prevent and remediate the risk of forced and/or child labour in our supply chains. Canlin will continue to pursue the following initiatives:

Topic	Action	Purpose
Vendor Human Rights Code of Conduct	Continue to increase % of vendors signing the Vendor Code.	To ensure Vendors are aware of the standards required by Canlin.
Supply Chain Mapping	Continue to examine vendor locations as our vendor base changes.	To evaluate vendor operating locations to determine risks of modern slavery.

Looking Forward

Canlin remains committed to monitoring and evaluating our supply chain to prevent and address modern slavery risks. All employees, vendors, and contractors are held to the highest standards of human rights and business integrity. Canlin will continue to expand the proportion of vendors that have executed our Vendor Code.

Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Canlin Board of Directors effective May 29, 2026.

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 or 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 for the reporting year listed above.

Dean Bernhard

Chief Executive Officer and Director of Canlin Energy Corporation

May 29, 2026



I have the authority to bind Canlin Energy Corporation.