



# 2023

## MODERN SLAVERY REPORT

May 31, 2024

TSX: SOIL





# LETTER TO STAKEHOLDERS



I am proud to share Saturn's first Modern Slavery Report, which highlights our commitment to operating ethically and responsibly across all aspects of our business, including addressing and mitigating the risk of modern slavery within our supply chain.

Modern slavery is a grave violation of human rights that continues to persist in various industries worldwide, including our own. We recognize the responsibility we bear in ensuring that our operations and supply chains are free from any form of exploitation or forced labor.

In accordance with our Code of Business Ethics, which serves as the cornerstone of our corporate culture and foundation of our commitment to ethical conduct, we have implemented measures to ensure Saturn's internal and external stakeholders are operating in a transparent and ethical manner. This code outlines our unwavering commitment to upholding the dignity and rights of all individuals involved in our operations, including employees, contractors, and suppliers.

In tandem with our recent growth, we released our second annual Environmental, Sustainability and Governance ("ESG") Report which reflects Saturn's commitment to safe, responsible and sustainable operations, all while focusing on delivering returns for our stakeholders. As Saturn continues to expand and evolve, it is crucial that we remain steadfast in our commitment to ethical business practices and social responsibility.

This Report has been prepared in accordance with requirements set out in the *Fighting Against Forced Labour and Child Labour in Supply Chain Act, S.C. 2023, c.9* (the "Act"). It is a joint report prepared on behalf of and approved by the Board of Directors of Saturn Oil and Gas Inc. pursuant to section 11(4)(b)(ii) of the Act. This report highlights how Saturn is identifying and addressing risks throughout our business and our supply chains. Although we are not aware of any recorded modern slavery incidents in our business in 2023, we are committed to continuous improvement.

As we navigate the complexities of growth, we remain resolute in our commitment to combatting modern slavery and fostering a culture of ethical conduct. Together, we will continue to work tirelessly to ensure that Saturn's operations uphold the highest standards of integrity and respect for human rights.

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, for the reporting year listed above.

/s/John Jeffrey  
Chief Executive Officer (CEO) & Director  
May 31, 2024.

I have the authority to bind Saturn Oil and Gas.



## ABOUT SATURN

Legacy Saturn assets assemble an attractive portfolio of free-cash flowing, low-decline operated assets in Southeastern Saskatchewan and West Central Saskatchewan that provide a deep inventory of long-term economic drilling opportunities across multiple zones. With an unwavering commitment to building an ESG-focused culture, Saturn's goal is to increase reserves, production and cash flows with positive returns on invested capital.

On February 28, 2023, Saturn completed the transformative acquisition of Ridgeback, a producer focused on light oil production in Saskatchewan and Alberta. The acquisition provided a new core area for the Company with an entry into the Alberta Cardium play. These assets benefit from responsibly deployed capital directed to abandonment and reclamation programs with limited inactive liabilities and strong Liability Management Ratings ("LMR") of over 3x.

Saturn's shares are listed for trading on the TSX under ticker 'SOIL', on the Frankfurt Stock Exchange under symbol 'SMKA' and on the OTCQX under the ticker 'OILSF'.

## ABOUT THIS REPORT

The information contained in this report is intended for Saturn Oil & Gas Inc.'s ("Saturn", or the "Company", or "we") internal and external stakeholders and focuses on the activities and initiatives undertaken from January 1, 2023, to December 31, 2023.

The following Modern Slavery Act (the "Report") has been prepared to ensure compliance with the *Fighting Against Forced Labour and Child Labour In Supply Chains Act* (the "Act"). This report covers the timeframe spanning from January 1, 2023, to December 31, 2023, and provides detailed insights into the measures and protocols implemented by Saturn Oil and Gas Inc. ("Saturn", the "Company", or the "Organization") to mitigate all risks associated with the Act. In accordance with the requirements of the Act, and in particular section 11 thereof, this report was approved by the Board of Directors.



This report is guided by the *Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c.9*, highlighting Saturn's commitment to ethical business practices.



## SUPPLY CHAIN

The Company's supply chain is a complex network of vendors, suppliers, and service providers that play a critical role in various stages of exploration, production, and distributing processes. Saturn's vendor composition is comprised of, but not limited to, the following:

- Equipment suppliers
- Technology providers
- Engineering and construction firms
- Logistics and transportation companies
- Chemical suppliers
- Services contractors
- Environmental and safety consultants
- Support services

In 2023, Saturn's collective vendor base totaled approximately 9,600 active vendors. Saturn makes concerted efforts to utilize goods and services that have been procured from North America. Canadian vendors make up 97% of Saturn's vendor base.

### Vendor Locations







## OUR COMMITMENTS

**Saturn is dedicated to maintaining the utmost standards of ethical conduct and business practices. Through a culture of accountability and transparency, we empower our team and partners to uphold these principles, weaving ethics into the very fabric of our business.**

Saturn is committed to guaranteeing that both our employees and suppliers maintain the utmost standards of ethical conduct and business practices. We remain dedicated in our responsibility to conducting thorough due diligence processes to prevent the occurrence of child or forced labor practices in any aspect of our supply chains or operations. By fostering a culture of accountability and transparency, we empower our employees and suppliers to uphold these standards, ensuring that ethical considerations are woven into every aspect of our business dealings. This unwavering commitment reflects our deep-seated values and underscores our responsibility to not only meet but exceed ethical expectations in all facets of our operations.



## POLICIES

At the core of our company's values is a commitment to ethical conduct and responsible leadership. Our policies not only clarify expectations for stakeholders but also serve as a roadmap, guiding us toward principled actions in all aspects of our operations.

Grounded in integrity, these policies form the foundation of our business practices, ensuring that we maintain the highest standards of transparency, fairness, and honesty. By adhering to these principles, we nurture a culture of trust and accountability, strengthening our relationships with stakeholders and reaffirming our dedication to making a positive impact.

### Code of Business Ethics

The Organization's Code of Business Ethics stands as the cornerstone of our operations, embodying our fundamental values and guiding our decision-making processes. It provides a robust framework that reflects our commitment to integrity, transparency, and ethical conduct in all aspects of our business. It not only defines our organization, but it also underscores our commitment to fostering a business environment characterized by integrity, respect, and social responsibility.



### Whistle Blower Policy

The Whistleblower Policy implemented by the Organization offers a channel for employees to report any suspicions of misconduct without apprehension of retaliation, discrimination, or negative repercussions. It aims to promote a culture where employees feel empowered to address significant concerns internally rather than disregarding issues or seeking external resolutions. This policy is applicable to all employees and contractors working for the Organization and extends to stakeholders such as suppliers, customers, and shareholders, providing them with a means to express any apprehensions regarding Saturn's business practices.



# DUE DILIGENCE

**Saturn diligently evaluates its supply chains, partnerships and business practices to ensure compliance with ethical standards and to mitigate risks.**

Saturn acknowledges the possibility of employees within supply chains being vulnerable to child or forced labor, and as of now, Saturn has not uncovered any instances of this within its operations. Nevertheless, our commitment to continuous improvement in due diligence remains unwavering to prevent any potential exposure. We will continue to prioritize sourcing from supply chains predominantly based in the United States and Canada, where the prevalence of child and forced labor is comparatively low. Saturn will also assess business practices to determine any policies and procedures we can implement to further mitigate risks.





## Saturn's Risk Assessment

# RISK ASSESSMENT

### Assessing Our Risk

We recognize that there are countries in the world that rely heavily on child or forced labour practices to ensure their costs are kept as low as possible. At Saturn, we refuse to provide business to any supplier that we know, or suspect, uses modern slavery to run their business however, we recognize that this can happen without us knowing so. The Organization makes concerted efforts to utilize goods and services that have been procured from North America.

As part of Saturn's ongoing risk assessment practices, we are committed to:

- A regular review of corporate policies as they relate to the Act; and
- Review of business practices to determine any additional policies and procedures Saturn can implement to reduce risks.



### Mitigating Our Risk

The following outlines the steps that we are taking to mitigate any potential risk associated with child labour, forced labour or trafficking:

- Prioritize sourcing from supply chains predominantly in the United States and Canada;
- Monitoring and updating Company policies to reflect our commitment to working with service providers and vendors that embody the same fundamental values that Saturn does; and
- Reviewing internal recruitment and hiring practices to implement controls that ensure that employee's and consultants are hired voluntarily.

### Remediating Our Risk

To date, the Company has not discovered any occurrences of child or forced labor following an initial comprehensive evaluation of supply chains. Based on these findings, Saturn has not been compelled to enact any remedial measures. We are dedicated to continually assessing our risk evaluation practices and will promptly address any identified instances should they arise.

In the event that a concerning report, or a breach of the Act has occurred in our business or one of our supply chains, we may use any one of the following remediation measures:

- Compensation for the victims of forced labour which may include psychosocial support for the person/people impacted;
- Enhanced policies, practices, procedures to mitigate any future risk; or
- Broadened training opportunities to include all stakeholders on the importance of reporting concerns and identifying questionable practices.





## TRAINING

**By fostering a collaborative environment of awareness and action we aim to drive meaningful change and uphold our responsibility to respect human rights across all facets of our business.**

The Company mandates that all employees and consultants adhere to the Code of Conduct, a comprehensive framework outlining the ethical standards and behaviors expected of every individual within our organization. We guarantee that the Whistleblower Policy is transparent and easily accessible to everyone, providing a secure avenue for reporting any concerns or violations of ethical standards. Furthermore, Saturn is actively engaged in reviewing and identifying appropriate training programs tailored to the requirements of the Act. By investing in ongoing education and development initiatives, we aim to empower our staff with the knowledge and tools necessary to recognize and address any potential risks within our supply chain. This proactive approach not only strengthens our ability to identify and mitigate risks but also reinforces our commitment to ethical sourcing and responsible business practices.





## CONCLUSION

At the forefront of our commitment to transparency and accountability, this Modern Slavery Report encapsulates Saturn's dedication in combatting modern slavery and forced labour practices. Through internal company policies and procedures, and proactive measures to educate and empower Stakeholders, we strive to uphold the highest ethical standards across our operations. While we acknowledge that complexities and challenges are inherent in eradicating modern slavery, we remain steadfast in our dedication to continuous improvement and accountability.

