



Fighting Against Forced Labour and Child Labour in Supply Chains Act 2024 Report

May 31, 2025

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT 2024 REPORT

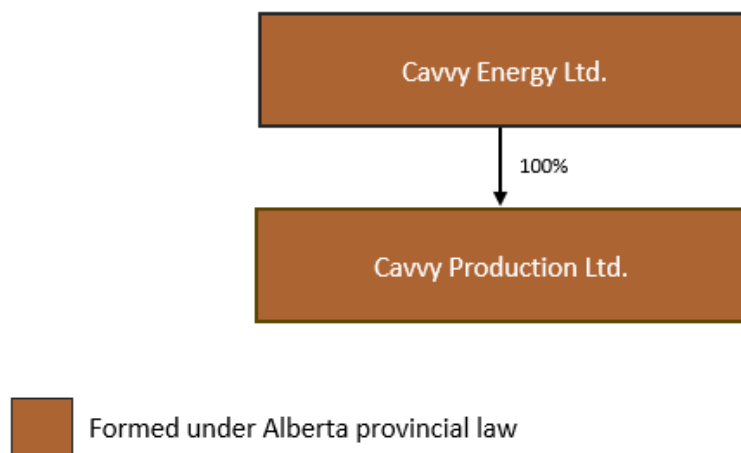
1. Introduction

The Fighting Against Forced Labour and Child Labour In Supply Chains Act 2024 Report (the “Report” or “Anti-Slavery Report”) is jointly produced by Cavvy Energy Ltd. and Cavvy Production Ltd. (collectively referred to as “Cavvy” or the “Company” or “our” or “we”). This report is prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c9 (the “Act”) for the financial year ending December 31, 2024 (the “Reporting Period”). This is the Company’s second annual report under the Act and outlines the actions taken in 2024, underscoring our commitment to mitigating the risk of forced labour and child labour within our operations and supply chains.

2. Structure, Activities / Operations, and Supply Chains

Cavvy is a Canadian integrated energy exploration, production and midstream transportation and processing company headquartered in Calgary, Alberta. Through a number of corporate and asset acquisitions, we have built a robust upstream and midstream portfolio concentrated in the Canadian Foothills, producing and processing conventional natural gas, natural gas liquids, condensate and sulphur.

Exhibit 1 – Corporate Structure



Cavvy Energy Ltd. is formed under the *Business Corporations Act* of Alberta, with its common shares listed on the Toronto Stock Exchange. Cavvy Production Ltd. is formed under the *Business Corporations Act* of Alberta.

Act of Alberta and is a wholly owned subsidiary of Cavvy Energy Ltd., with operations in Alberta and British Columbia (“BC”), and serves as the primary operating entity for the Company.

Cavvy employs 262 employees across various positions and locations broken down as follows:

Business Segment	Employees
Field and Facility	199
Corporate Head Office	63
Total	262

129 employees are union members.

Cavvy procures goods and services from approximately 800 vendors (Tier 1), with 45% of annual expenditure on goods and services directed to a single electrical power provider. The remaining 55% of expenditure is divided between goods and service, with 30% spent on goods and 70% on services.

Our service providers and their workers are predominantly local to either Calgary, Alberta, or our operating locations in rural Alberta and BC. Categories of services include outsourced labour, professional services (legal, audit, etc.), hauling services, IT services, road & lease maintenance, waste and disposal, safety services, downhole services, office rent, and insurance.

Similarly, the majority of our goods suppliers are local. Categories of goods include chemicals, pipes, valves, and fittings (“PVF”), general supply, IT hardware, rotating equipment, rentals, electrical and instrumentation, fuel, and lubricants. Many of the goods suppliers are resellers who buy through a multitude of supply chains, including from outside of Canada.

A framework for the supply chain management (“SCM”) function is in place. The SCM team serves the entire organization, performing functions related to procurement, sourcing, contracts management, and materials management, adhering to our SCM Guidelines and Policies. Cavvy’s statement of procurement policy stipulates that when staff are charged with acquiring goods and services on behalf of the Company, they must conduct themselves in an ethical manner and follow all Company policies as well as the Code of Ethical Conduct.

3. Policies and Due Diligence Process

Cavvy’s policies, including its Code of Ethical Conduct, provide that the Company and its employees are to maintain the highest standards of ethical business conduct, and comply with all applicable laws, rules, and regulations. Each activity must pass public scrutiny. Policies are reviewed regularly between management and the Company’s board of directors (the “Board”). Further, the Code of Ethical Conduct is reviewed and acknowledged annually by the Board, management, and all employees.

Protocols are in place related to staffing as well as engagement of independent contractors and vendors. These protocols include formal documentation evidencing approvals from various departments or functions in accordance with Cavvy's Delegation of Authority Policy, administration of the engagements through the correct departments or functions (i.e. Human Resources, Legal and/or SCM), filing and record keeping, background checks, and contract documentation as required.

Internal stakeholders are consulted during the due diligence process as required. Stakeholder departments or functions that may be engaged include Operations, Engineering, Human Resources, Environmental, Legal, Land and Community Relations, and/or SCM.

4. Identifying Forced Labour and Child Labour Risks in Our Business Operations and Supply Chains

Currently, no risks related to forced labour or child labour have been identified within Cavvy's operations or supply chains. All employees are based in Canada and have written contracts that comply with local laws and regulations. Furthermore, all workers are above the age of 18. We consider the risk of modern slavery within our direct operations to be minimal.

Regarding our supply chains, the vast majority of our suppliers of goods and services are Canadian-based, resulting in a low risk of modern slavery in the first tier of our supply chain.

5. Actions to Assess and Manage Forced Labour and Child Labour Risks

This section highlights the steps taken in 2024 to build upon existing practices and measures to help mitigate risks.

5.1. Supply Chain Management Practices

Currently, Cavvy uses a pre-qualification process to ensure potential suppliers meet the Company's basic requirements prior to being onboarded for supply of services and/or materials. To help assess and manage child and forced labour risks, the Company has built into the pre-qualification process additional information requests and checks. Items added to the process included:

- If a supplier is headquartered in or is affiliated with manufacturing sites in regions that are known to carry high risks for child or forced labour, the supplier is flagged in our system.;
- Incorporation of the corruption perception index as a tool to identify high risk regions; and
- The addition of a questionnaire designed to specifically uncover potential risks related to child and forced labour.

5.2. Contract Management

We have updated our supplier contract templates to include clear language outlining expectations around the prevention of forced and child labour. This ensures consistent application of our standards throughout our supply chain.

5.3. Modification of Corporate Policies (including Code of Conduct)

In 2024, Cavvy's policies were reviewed and updated. Included in the changes was a new section within our Code of Conduct relating to modern day slavery, which stipulates that none of Cavvy's staff or representatives, including subcontractors, suppliers, consultants, representatives, agents, advisors, and service providers, shall engage in forced or child labour activities or enter into or remain in contractual or business relationships with third parties that engage in such activities. This change was adopted by the Board and reviewed and acknowledged by all staff through our annual code of conduct acknowledgement practice.

5.4. Internal Training

We are committed to training our staff regularly. During the Reporting Period, Supply Chain Management (SCM) staff received mandatory training on the new pre-qualification checks and updated contract language. Additionally, Accounts Payable personnel were trained on the changes related to the pre-qualification checks.

6. Remediation Measures

No cases of forced or child labour have been identified within our operations to date. Should such cases arise, we are committed to taking reasonable corrective action to address the issue, including engaging with appropriate authorities and implementing remediation measures.

7. Training

Cavvy is committed to being a great place to work. As such, voluntary training and learning sessions are conducted regularly to increase corporate knowledge around diversity and inclusion, unconscious bias and other social issues. During the Reporting Period, mandatory training was provided to key personnel in SCM and Accounts Payables, while all employees had the opportunity to participate in training on policy updates and modern slavery prevention.

8. Assessing the Effectiveness of Our Actions

While Cavvy has several processes, practices and protocols that help to combat the risk of child or forced labour occurring within our business, our processes have not yet matured to the point where we can properly assess the effectiveness of those activities. We are committed to evaluating the effectiveness of our actions and will do so at the appropriate time to ensure continuous improvement in our supply chain management and business operations.

9. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Cavvy Energy Ltd.

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 ended December 31, 2024. I have the authority to bind the Company.

By order of the Board of Directors of Cavvy Energy Ltd.

/s/: signed "Darcy Reding"

Darcy Reding
President, Chief Executive Officer, and
Director of Cavvy Energy Ltd

Date: May 31, 2025