



EQUITABLE  
ORIGIN  
CERTIFIED



ARC RESOURCES LTD.

## Site Overview

<b>Certificate Issuer:</b>	<a href="#">Equitable Origin, Inc.</a>
<b>Certificate Number:</b>	<b>EO100-20122022-1-CAN</b>
<b>Operator:</b>	<a href="#">ARC Resources Ltd.</a>
<b>Certifiable Unit Name:</b>	<b><i>Kakwa Asset</i></b>
<b>Certification Standard:</b>	EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022)
<b>Location of Certified Unit:</b>	Grande Prairie, Alberta, Canada
<b>Area:</b>	~500,000 acres
<b>Production Volume:</b>	189,650 boe/d (~521.3 MMcf/d natural gas; 38,355 bbl/d NGLs; 15 bbl/d crude oil; and 64,399 bbl/d condensate)
<b>Number of Employees:</b>	Approximately 100 permanent employees and 200 contractors
<b>Production Phase:</b>	Active production
<b>Certification Date:</b>	20 December 2022
<b>Re-verification Date:</b>	20 December 2023
<b>Expiration Date:</b>	20 December 2025
<b>Assessment Period:</b>	August-November 2023
<b>Assessment Body:</b>	<a href="#">Impact Resolutions Ltd.</a>

## ABOUT THIS REPORT

The purpose of this report is to publicly document the EO100™ Certification assessment conducted of ARC Resources Ltd. (ARC) natural gas operations in Grande Prairie, Alberta, Canada. The assessment scope covered ARC's *Kakwa Asset*, detailed below, which were treated as one Certifiable Unit.

The EO100™ Standard for Responsible Energy Development is a set of rigorous performance standards for energy development projects. Developed through a three-year, multi-stakeholder engagement process, the EO100™ Standard is the product of extensive consultation with the energy industry, international NGOs, Indigenous organizations, financial institutions, government, and communities affected by energy projects. The Standard establishes metrics and performance targets to objectively and independently evaluate the environmental, social and governance (ESG) impacts of energy development projects. The EO100™ Standard includes a technical supplement for natural gas and light oil production:

The EO100™ Standard and associated Supplements encompass the following Principles:

1. Corporate Governance, Transparency & Ethics
2. Human Rights, Social Impact & Community Development
3. Indigenous People's Rights
4. Fair Labor & Working Conditions
5. Climate Change, Biodiversity & Environment

The EO100™ Standard incorporates and references other leading international Environmental, Social and Governance Performance standards, initiatives and reporting frameworks, including: international human rights standards and conventions (Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights), IFC Performance Standards, Global Reporting Initiative, ISO 26000, AA1000 Assurance Standard, ISO 14001, ISO 45001, Oil and Gas Methane Partnership, Task Force on Climate Related Financial Disclosure, and the Extractives Industries Transparency Initiative. Best practices have been converted into specific and auditable indicators based on the experiences of and feedback from companies and stakeholders. Standards are reviewed and updated on a 5-7 year cycle.

The EO100™ Standard incorporates a scoring system based on three levels of Performance Targets (PTs).

- PT1 indicates that a site's performance meets industry best practices;
- PT2 indicates that a site's performance exceeds industry best practices; and



- PT3 indicates that a site's performance leads industry best practices.

Producers must satisfy all provisions at the level of PT1 to achieve certification under the Standard. Additional points are awarded for achieving PT2s and PT3s, which indicate that the producer goes beyond industry best practices or demonstrates leadership and innovation.

Established in 2009, Equitable Origin is a non-profit 501(c)3 charity based in the US that partners with business, communities and government to incent and reward more transparent, equitable, and sustainable development of energy resources through standards and certification. Our mission is to protect people and the environment by ensuring that energy development is conducted under the highest social and environmental standards.

**Read more about our Standards here:**

<https://energystandards.org/responsible-energy-development/>

## Site Profile

ARC Resources Ltd. (ARC Resources) is the largest pure-play Montney producer and one of Canada's largest dividend-paying energy companies, featuring low-cost operations and leading ESG performance. The Company was founded in 1996 with guiding principles focused on long-term profitability, risk management, and operational excellence. On April 6, 2021, ARC Resources completed its strategic business combination with Seven Generations Energy Ltd. (7G), becoming the largest producer in the Montney and a leader in responsible energy development. Today, ARC Resources is Canada's largest condensate producer, third-largest natural gas producer, and sixth-largest upstream energy company.

ARC Resources' balanced portfolio includes natural gas, liquids-rich gas, and crude oil, with average production of approximately 350,000 barrels of oil equivalent (boe) per day.



ARC Resources' *Kakwa Asset* is a condensate-rich natural gas development located between Grande Prairie and Grande Cache, Alberta, along the Highway 40 corridor within the Municipal District of Greenview No. 16. The Asset's operating facilities produce approximately 175 Mboe/day consisting of 55% crude oil and liquids and 45% natural gas. This re-verification assessment includes all facilities owned and operated by ARC Resources within the Asset.

## Stakeholders

In the course of operating this Certified Unit, ARC Resources engages with:

- Government and regulatory bodies
- Shareholders
- Landowners
- Communities
- Contractors
- Suppliers
- Employees

## Indigenous Peoples & Rights Holders

Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., reports that ARC Resources' lease areas primarily impact Crown lands of three Treaty 8 Signatory communities, including the Horse Lake First Nation, Sturgeon Lake Cree Nation, and Sucker Creek First Nation. Additionally, ARC Resources' lease areas impact the traditional lands of Indigenous communities called the Aseniwuche Winewak Nation (AWN), whose members are non-status and non-treaty in the Grande Cache area. These communities are the Muskeg Seepee Cooperative, Susa Creek Cooperative, Grande Cache Lake Enterprise (Kamisak Development), Victor Lake Cooperative, Joachim Enterprise, and Wanyandie Cooperative (East and West). ARC Resources engages and consults with these impacted communities.

## Assessment Activities

ARC Resources engaged Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., to conduct the re-verification assessment of their operations between August-November 2023.

To assess conformance of the Certifiable Unit to the associated performance obligations, the assessment team conducted verification activities including a review of policies, standards and procedures, pictures of sites with minor deficiencies from the 2022 re-certification assessment for a few pre-selected sites, and interviews with employees, consultants, and management.

Specific verification activities undertaken as part of this assessment include work to review ARC Resources' documentation and reports (internal and external), interviews and discussions with key personnel and site operators, site investigations relating to workplace environment, health, safety, and environmental observations, and the reviewing of the AER regulations.

As part of this work, Impact Resolutions spent approximately three days performing desktop reviews, reviewed 49 documents, and conducted six interviews with internal stakeholders. In addition, the Assessors reviewed applicable regulations and guidance documents from the AER, including relevant content on the AER Dashboard.

Impact Resolutions stated that no interviews were conducted with external stakeholders or Indigenous communities this year as this was a re-verification year. The Assessor will request interviews with Indigenous communities in 2024 to learn more about their perspectives and experiences. Additional requests for interviews will be made during the 2025 re-certification assessment.

Based on past strong site performance, a high percentage of sites previously visited, and compliance with regulations, Impact Resolutions determined that site investigations were unnecessary for the 2023 re-verification Assessment. Impact Resolutions will review the need for site investigations during the 2024 re-verification assessment with Equitable Origin. Impact Resolutions will also consider the number of new facilities constructed, reclamation sites not previously viewed, construction or shutdown activities, sites of interest proposed by ARC Resources, regulatory concerns, or other factors since the 2023 Re-verification.

All supporting assessment documents are confidential.

## Certification Results

Based on the information obtained, Impact Resolutions finds that ARC Resources has met the requirements for the continued certification of its *Kakwa Asset* in Grande Prairie, Alberta, Canada, to the EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022).

This reverification assessment concludes that ARC Resources has succeeded in meeting or partially meeting all the applicable Level 1 Performance Targets (see Figure 1, below). It finds that ARC continues to be an industry leader in emissions management – verifying and reporting from design considerations, operational procedures, and maintenance to cataloging. ARC’s goals are found to be transparent with fundamental and measurable strategies.

The Assessors recommend that an evaluation is undertaken to identify the source of non-safety critical flaring at the satellites and investigate mitigation measures. The Asset's water, waste and chemicals management was found to be exceptional. In addition, the number of water trucks required in Kakwa was successfully reduced by approximately 190 trucks per day via the installation of the Kakwa Water Trunk Line, which provides water to 80% of sites in the field.

The Assessors additionally find that ARC Resources continues to develop its strategy and approach to formalize its relationships with Indigenous Peoples. Once ARC Resources has completed its revised strategy plan, the Assessors will interview all impacted Indigenous communities, targeting 2024 for interview engagement.

ARC Resources has been provided with a list of the remaining gaps identified during this re-verification for incorporation into the Continuous Improvement planning process initiated following the first year’s certification assessment.

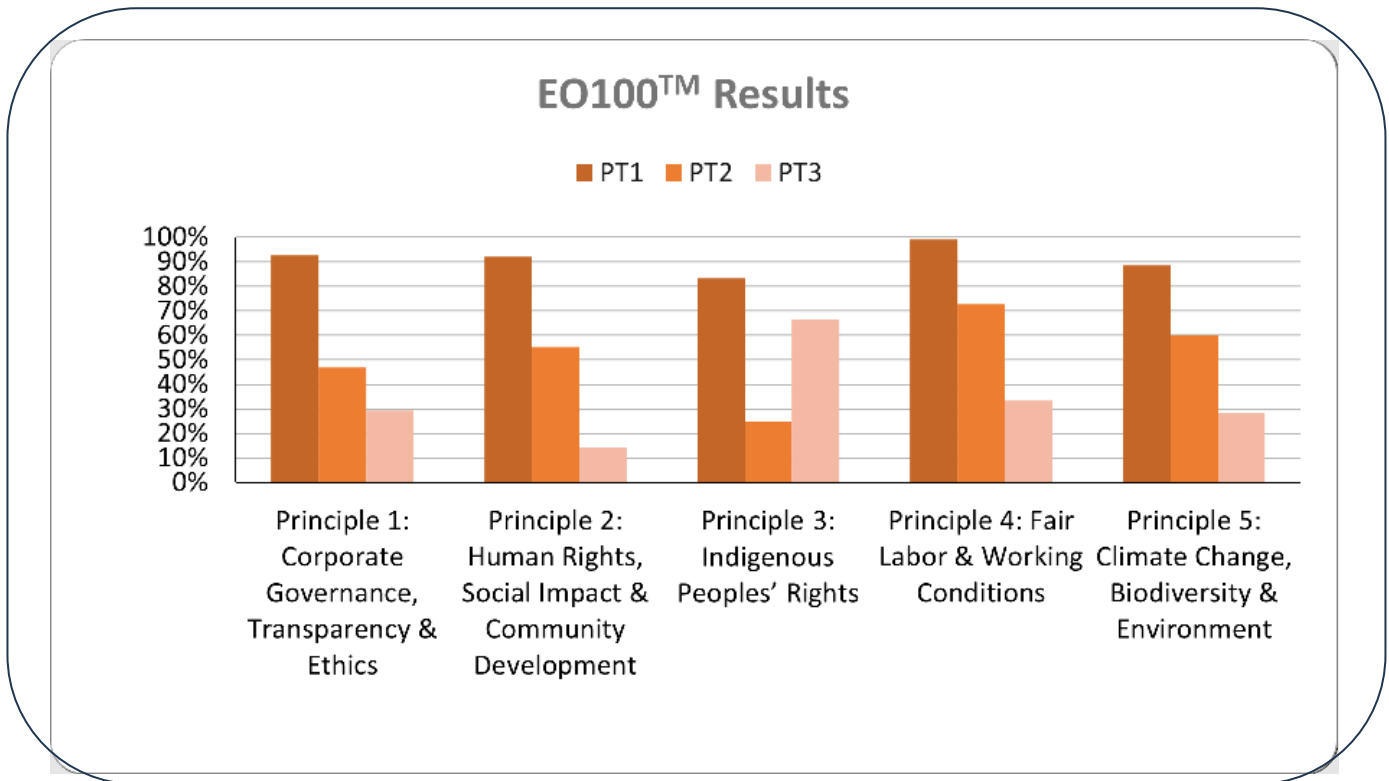
Table 1 shows the results summarized by Principle for each Performance Target level.



**Table 1: Summary Results by Principle**

**B-**  
  
**Letter  
Grade**

Principle	2023 Re-Verification Assessment
<b>1: Corporate Governance, Transparency &amp; Ethics</b>	93%
<b>2: Human Rights, Social Impact &amp; Community Development</b>	92%
<b>3: Indigenous Peoples’ Rights</b>	83%
<b>4: Fair Labor &amp; Working Conditions</b>	99%
<b>5: Climate Change, Biodiversity &amp; Environment</b>	88%



**Figure 1: EO100™ Re-Verification Assessment Results**

## EO100™ Certificate



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ARC  
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**B-**  
Letter Grade

# Certificate

Certificate Number: EO100-20122022-1-CAN

**Operator:** ARC Resources Ltd.  
**Certified Unit:** *Kakwa Asset*  
**Certification Standard:** EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022)  
**Location of Certified Unit:** Grande Prairie, Alberta, Canada  
**Certification Date:** 11 November 2019  
**Re-certification Date:** 20 December 2022  
**Re-verification Date:** 20 December 2023  
**Expiration Date:** 20 December 2025  
**Assessment Dates:** August-November 2023  
**Assessor:** Impact Resolutions Ltd.



Jason Switzer  
CEO, Equitable Origin

### Contact Information:

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If organizations or individuals have concerns, complaints, or comments about the operator's EO100™ Certification, they should first contact the Certified Operator directly: 587-349-8162.

Equitable Origin: [contact@equitableorigin.org](mailto:contact@equitableorigin.org)

For more information on Equitable Origin's Certification System Comments, Complaints and Appeals processes, please visit our website: [www.energystandards.org](http://www.energystandards.org)