



EQUITABLE
ORIGIN
CERTIFIED



ARC RESOURCES LTD.

Site Overview

Certificate Issuer:	Equitable Origin, Inc.
Certificate Number:	EO100-20122022-2-CAN
Operator:	ARC Resources Ltd.
Certifiable Unit Name:	<i>Northeast British Columbia Assets</i>
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:	Dawson Creek, British Columbia, Canada
Area:	~436,889 net Montney acres
Production Volume:	137,044 boe/d (~714.8 MMcf/d natural gas, 7,102 bbl/d NGL; 855 bbl/d crude oil, and 9,952 bbl/d condensate)
Number of Employees:	Approximately 110 permanent employees and 30 contractors
Segments of Supply Chain Covered:	Production, Gathering, and Processing
Certification Date:	20 December 2022
Re-verification Date:	20 December 2023
Expiration Date:	20 December 2025
Assessment Period:	August-November 2023
Assessment Body:	Impact Resolutions Ltd.

ABOUT THIS REPORT

The purpose of this report is to publicly document the EO100™ Certification assessment conducted of ARC Resources Ltd. (ARC Resources) natural gas operations in Dawson Creek, British Columbia, Canada. The assessment scope covered ARC's *Northeast British Columbia Assets*, 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.

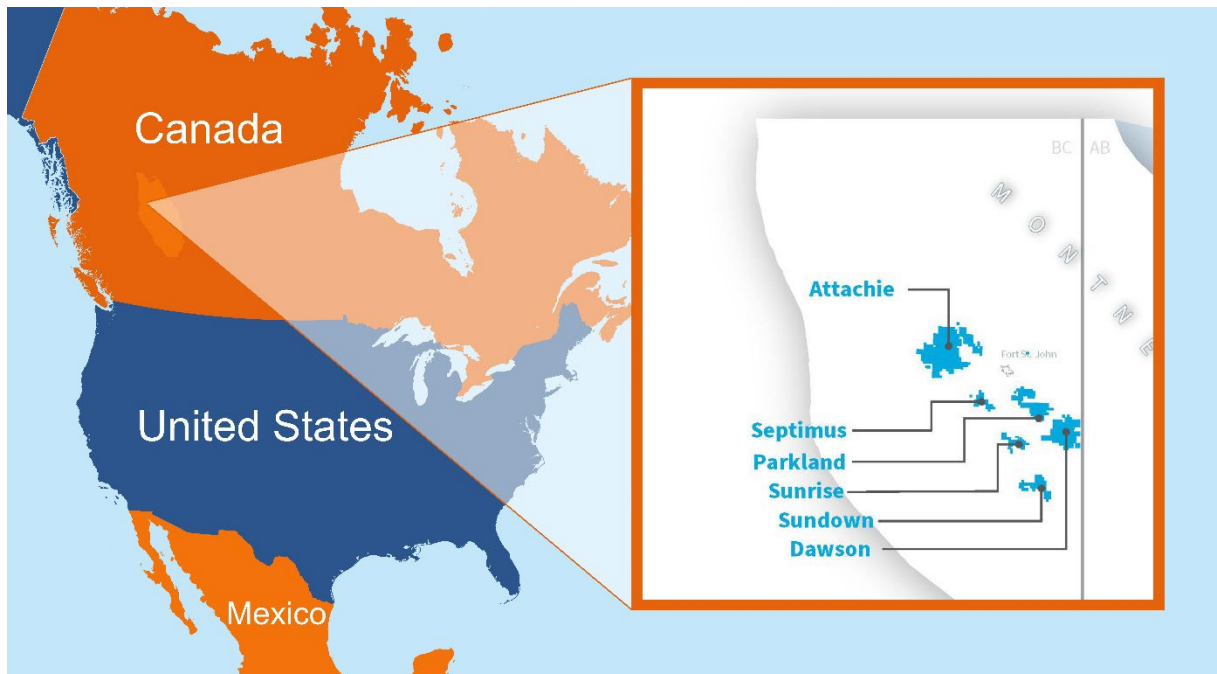
Read more about our Standards here:

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

Site Profile

ARC Resources Ltd. 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 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' *Northeast British Columbia Assets* includes a mix of modern and new facilities located in northeast British Columbia within the Peace River Regional District. The Asset's operating facilities produce crude oil, natural gas liquids, and natural gas. This reverification assessment includes all facilities owned and operated by ARC Resources within the Asset. The Asset has three primary regional areas:

- Attachie is a condensate and liquids-rich natural gas play primed for large-scale development. Attachie currently produces approximately 2,500boe/day, comprising 50% crude oil and liquids.
- Sunrise is a dry natural gas play. ARC Resources commissioned the facility expansion in 2021, bringing on stream an additional 40 MMcf per day of natural gas processing and sales capacity and currently produces about 282 MMcf/day.
- Greater Dawson is a liquids-rich natural gas and condensate play with an extensive integrated network of owned and operated infrastructure. The operating area includes the following major facilities: Dawson Phases I, II, III and IV and Parkland 3-9. The asset area produces 87 Mboe/day, comprising 18% crude oil and liquids.

Stakeholders

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

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

Indigenous Peoples and Rights Holders

Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., reports that ARC Resources' lease areas primarily impact Crown lands of four Treaty 8 Signatory communities, including the Halfway River First Nation, Saulteau First Nation, Blueberry River First Nations, and West Moberly First Nation. ARC Resources engages early and often with these communities and has dedicated resources to maintain positive relationships and address areas of concern.

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 initial assessment for a few pre-selected sites, and interviews with employees, consultants, management, external stakeholders, and Indigenous rights holders.

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 BCER regulations.

As part of this work, Impact Resolutions spent approximately three days performing desktop reviews, reviewed 47 documents, and conducted six interviews with internal stakeholders. In addition, the Assessors reviewed applicable regulations and guidance documents from the BCER, including relevant content on the BCER Compliance Website.

Impact Resolutions stated that no interviews were conducted with external stakeholders this year as this was a re-verification year. There are a minimal number of external stakeholders within the zone of influence of environmental impacts. The Assessors previously completed in-depth interviews with Halfway River First Nation, Saulteau First Nation, and West Moberly First Nation, who provided positive feedback on their relationship with ARC Resources. Additional requests for interviews will be made during the 2024 re-verification 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 perform site investigations during the 2024 re-verification assessment. The Assessor will perform site visits for the Attachie development, reclamation sites not previously viewed, construction or shutdown activities, or sites of interest proposed by ARC Resources.

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 *Northeast British Columbia Assets* in Dawson Creek, British Columbia, 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 Resources continues to be an industry leader in emissions management – verifying and reporting from design considerations, operational procedures, and maintenance to cataloging. ARC Resources’ goals are found to be transparent with fundamental and measurable strategies.

The Assessors find that ARC Resources’ management of water, waste and chemicals is exceptional as they have incorporated the Galatea Waste Coordinator system across all assets, allowing for the monitoring and identifying all waste streams and opportunities for reuse and recycling. The Assessors identify that ARC Resources continues to experiment with technology for broader applications throughout its operations.

The documentation of existing practices will enable ARC Resources to achieve continuity and consistent desired actions. Moving forward, the Assessors find that ARC Resources needs to allocate resources to formalize its current good business practices into documented policies.

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 Assessors reported that establishing relationship agreements with all impacted Indigenous communities would provide additional supporting evidence of Free Prior and Informed Consent.

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

<div style="font-size: 2em; font-weight: bold; color: #E67E22;">B</div> <div style="font-size: 1.2em; font-weight: bold; color: #E67E22; margin-top: 10px;">Letter Grade</div>	Principle	2023 Re-Verification Assessment
	1: Corporate Governance, Transparency & Ethics	89%
	2: Human Rights, Social Impact & Community Development	89%
	3: Indigenous Peoples' Rights	92%
	4: Fair Labor & Working Conditions	99%
	5: Climate Change, Biodiversity & Environment	88%

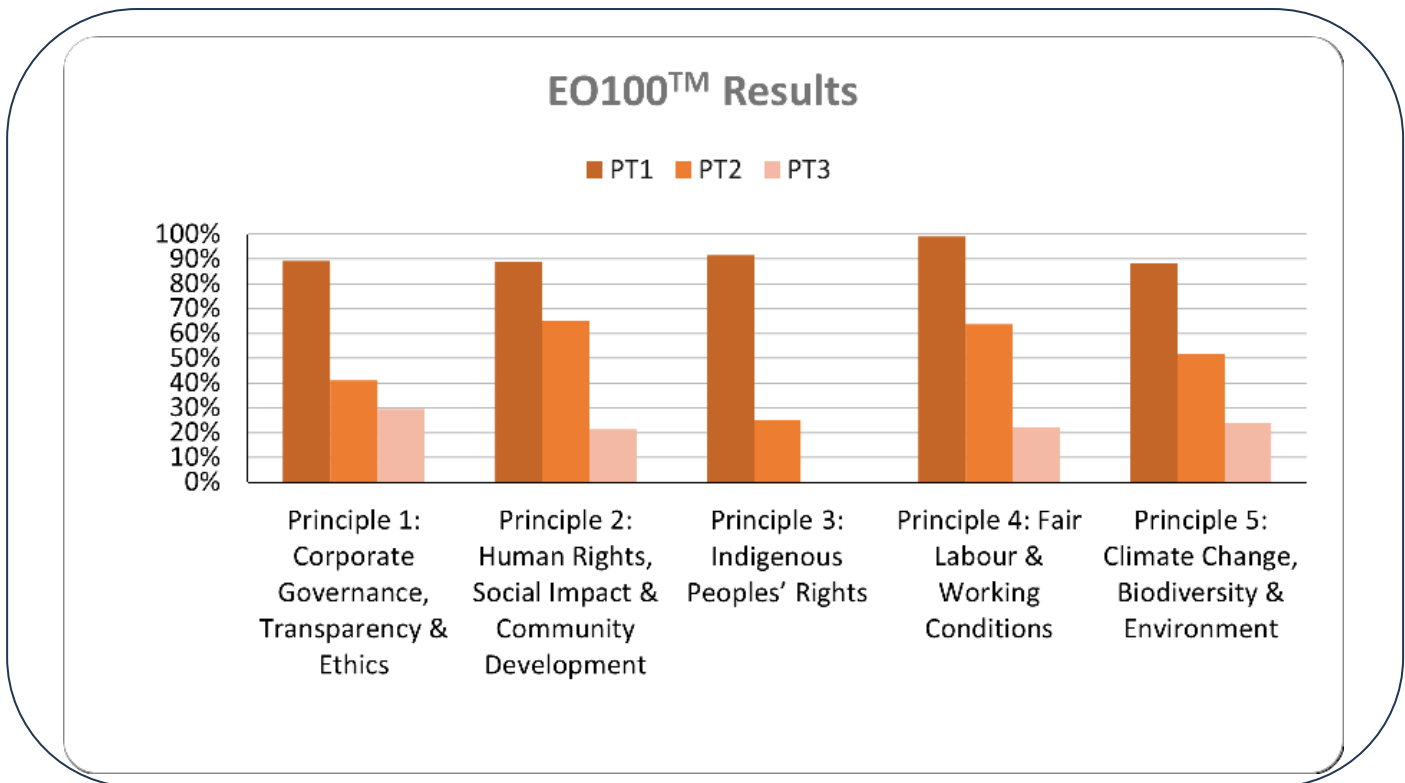


Figure 1: EO100™ Re-Verification Assessment Results

EO100™ Certificate



EQUITABLE
ORIGIN
CERTIFIED



ARC RESOURCES LTD.

B
Letter Grade

Certificate

Certificate Number: EO100-20122022-2-CAN

Operator: ARC Resources Ltd.
Certified Unit: Northeast BC 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: Dawson Creek, British Columbia, Canada
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:

ARC Resources: mjurcevic@arcresources.com

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

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