



EQUITABLE
ORIGIN
CERTIFIED



PETRONAS

Site Overview

Certificate Issuer:	Equitable Origin, Inc.
Certificate Number:	EO100-04122023-CAN
Operator:	PETRONAS Energy Canada Ltd.
Certifiable Unit Name:	<i>North Montney Joint Venture 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:	Fort St. John, British Columbia, Canada
Area:	800,000 net acres
Production Volume:	Approximately 105,000 boe/d
Number of Employees:	Approximately 463
Production Phase:	Active production
Certification Date:	04 December 2023
Re-Verification Date:	04 December 2024
Expiration Date:	03 December 2026
Assessment Period:	October 2024
Assessment Body:	Sustrio Advisors

ABOUT THIS REPORT

The purpose of this report is to publicly document the EO100™ Certification assessment conducted of PETRONAS Energy Canada Ltd. (PECL) natural gas operations in Fort St. John, British Columbia, Canada. The assessment scope covered PECL's *North Montney Joint Venture 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 an extensive multi-year, and multi-stakeholder [engagement process](#), the EO100™ Standard is the product of extensive consultation with over 1,000 representatives from the energy industry, international NGOs, Indigenous Rightsholders, financial institutions, government officials, and communities affected by energy projects. The Standard establishes metrics and performance targets that aim to objectively and independently evaluate environmental, social and governance (ESG) impacts of energy development projects. The EO100™ Standard includes a Technical Supplement for Natural Gas and Light Oil Production that was originally released in 2017 and updated in 2022.

In selecting the management obligations, metrics and performance targets to represent under these Principles, the EO100™ Standard synthesizes leading international and sectoral 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, the Task Force on Climate Related Financial Disclosure, and the Extractives Industries Transparency Initiative. These global and sectoral good practice benchmarks are selected and codified as specific and auditable indicators, with the guidance of a multi-stakeholder expert Advisory Committee. Standards are reviewed periodically to remain consistent with evolving guidelines, benchmarks and expectations.

A total of over 500 metrics are incorporated in the EO100™ Standard and associated project-related Supplement that are grouped under the following Principles:

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

The EO100™ Standard allocates over 500 of these metrics across three successive levels of Performance Targets (PTs):



- PT1 targets “meet” global or sectoral “good practice” benchmarks;
- PT2 targets “exceed” or go beyond these benchmarks in terms of transparency, management or stringency, or operational performance;
- PT3 targets represent “leadership” and achievement of sector best practices in this area of management or operational performance.

Scoring of an Energy Development Project against the EO100™ Standard and relevant Supplements is undertaken annually by an expert Assessment Body based on representative sampling of a cross section of observation points following documented procedures and international assurance good practice, including periodic site visits and interviews. The Assessor is required to substantiate their recommended scoring based on evidence provided by the Operator, and on their observations gathered onsite, through interviews and document review. The Assessment Body’s findings are subject to expert peer review and periodic Witness Assessment by EO, to ensure consistency of interpretation across sites and assessors.

Participating Producers must at least partially meet all applicable ~270 PT1 targets to achieve certification under the Standard, score a minimum of 70% overall, and commit to fully meet all applicable PT1s by the end of the first 3-year certification cycle. Additional points are awarded for achieving PT2s and PT3s, which indicate that the producer has gone beyond industry good practice to demonstrate 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

PECL is a wholly-owned subsidiary of the Malaysian National Oil Company (NOC) Petroliaam Nasional Berhad (PETRONAS). PECL's primary office is in Calgary, Alberta. In 2012, PECL and its joint venture partners established ownership of 800,000 gross acres with 53 trillion cubic feet of natural gas reserves and contingent resources in the B.C. North Montney region. PECL is the owner-operator with a 72% stake in the joint venture, which includes Sinopec Huadian Montney Limited Partnership, Indoil Montney Ltd, and BE Montney Holdings Limited.



Current natural gas production is approximately 105,000 boe/d. To date, 750 wells have been drilled with the potential for up to 4,800 wells to be drilled over the next 45 years, as reported by PECL. In 2018, PETRONAS acquired a 25% interest in LNG Canada and expects to supply 500 million cubic feet of gas a day to that plant once it is operational.

PECL's *North Montney Joint Venture Assets* have a mix of legacy facilities acquired from Progress Energy Resources and new facilities located in northeast British Columbia within the Peace River Regional District. The Asset's operating facilities produce natural gas liquids and natural gas and are comprised of active facilities that include 5 gas plants, 30 compressor station/gas dehydration facilities, 10 battery sites, 3 disposal stations, 21 water hubs, and approximately 292 wells. This assessment includes all facilities owned and operated by PECL within the Asset.

Stakeholders and Indigenous Communities

PECL engages a variety of stakeholders. These include:

- Shareholders
- Landowners
- Communities
- Contractors
- Suppliers
- Government
- Employees
- Indigenous Rightsholders

Equitable Origin-approved independent Assessors, Sustrio Advisors, reports that PECL's lease areas primarily impact Crown lands where four Treaty 8 Signatory communities claim overlapping traditional use. The First Nations surrounding PECL's lease areas, Fort St. John, Dawson Creek, and the broader Montney natural gas play, include: Blueberry River First Nations (BRFN), Halfway River First Nation (HRFN), Prophet River First Nation (PRFN), and West Moberly First Nations (WMFN). While PECL is actively renegotiating its relationship agreement with Halfway River First Nation, it has relationship agreements with each of the other named Treaty 8 First Nations. The relationship agreements are intended to establish long-term, mutually beneficial relationships based on cooperation, respect, trust, and understanding, while ensuring clear communication, engagement, and opportunities for community investment, education, and business related to PECL's lease areas.

Document Review and Stakeholder Interviews

PECL engaged Equitable Origin-approved independent Assessors, Sustrio Advisors, to conduct the certification assessment of their operations in October 2024.

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, visits to pre-selected and unplanned sites, and interviews with employees, consultants, management, external stakeholders, and rightsholders.

Specific verification activities undertaken as part of this assessment include work to review PECL's documentation and reports (internal and external), management systems, interviews with relevant staff and external stakeholders, discussion with key personnel and site operators, site investigations relating to workplace environment, health, safety, and environmental observations, and the reviewing of applicable regulations and directives.

As part of this work, Sustrio Advisors' process included document review and discussion with PECL personnel, interviews, field assessment and report preparation conducted over an approximate six-week period. The Assessors spent three days performing on-site visits, and reviewed 558 documents, and conducted 30 interviews with 14 internal and 10 external stakeholders. Of these interviews, six were with First Nations representatives in Indigenous communities directly impacted by PECL operating activities. 12 interview requests were made.

Interview discussion topics with internal PECL employees focused on their experience working for the Company and their knowledge of PECL policies, processes, procedures, and their individual workers' rights. Discussions with PECL contractors aimed to assess and understand how PECL's operating expectations and requirements are maintained and followed by contractors working on behalf of PECL.

This assessment was further supported by the Assessor's account of speaking with external stakeholders and First Nations community representative as to how PECL's engagement procedures are put into practice. The Assessors aimed to achieve a better understanding from external stakeholders directly, as to whether they felt engagement has been satisfactory or where there is room for improvement.

These discussions provided specific examples as to how PECL has worked with external stakeholders and First Nations rightsholders to meet specific needs and address concerns.

All supporting assessment documents are confidential.

Certification Results

PECL has met the requirements for certification of its *North Montney Joint Venture Assets* in Fort St. John, 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).

PECL committed to adopting the EO100™ Standard and completed its initial Certification in December 2023. Equitable Origin-approved independent assessors, Sustrio Advisors, carried out verification activities in October 2024.

The assessment team conducted verification activities that focused primarily on assessing changes made over the course of the year, since the initial 2023 certification, based on the recommendations in the continuous improvement action plan. Additionally, some randomly selected Level 1 Performance Targets were checked to ensure no regression in performance and Level 2 and 3 Performance Targets were assessed as applicable. The assessment concluded that PECL has succeeded in meeting or partially meeting all the applicable Level 1 Performance Targets (see Table 1).

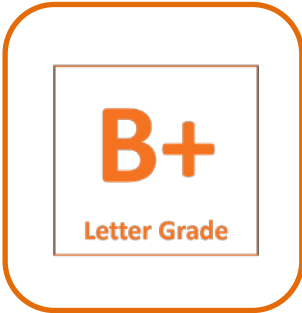
The Assessors found that performance improvements took place across all Principles, in Objectives such as: Transparency & Disclosure, Human Rights, Cultural Heritage, Engagement & Participation, and Remediation of Environmental Liabilities.

In addition to demonstrating many areas of outperformance and sector leadership across all Principles, PECL has developed meaningful relationships with all four directly-impacted Indigenous communities, establishing a basis for reconciliation in the context of ongoing and future development.

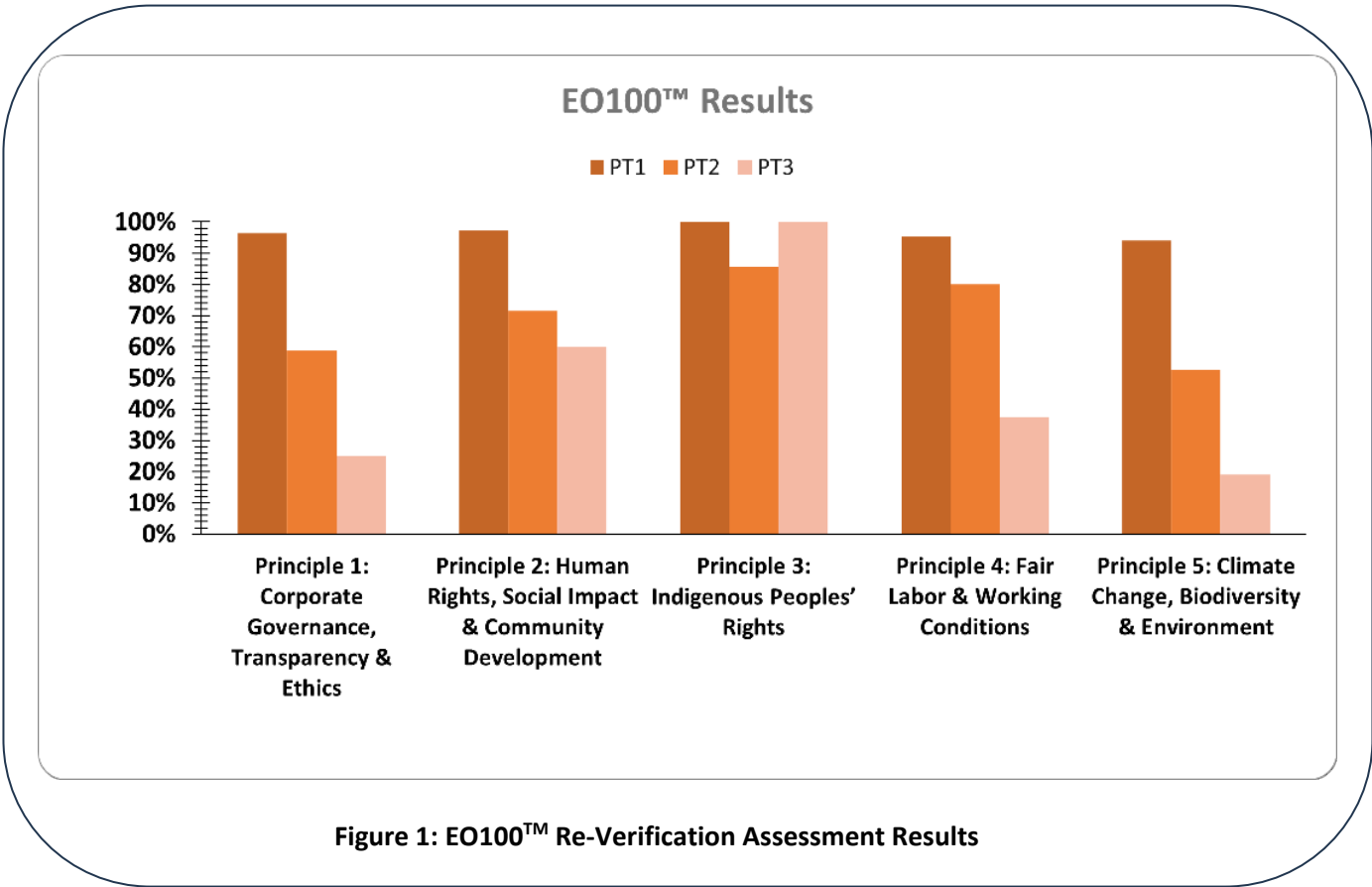
PECL has developed a Continuous Improvement Action Plan to close gaps identified by the initial certification assessment. The continuous improvement plan will be evaluated annually for progress by Equitable Origin approved assessors. All supporting assessment documents are confidential.

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

Table 1: Summary Results by Principle



Principle	2024 Re-Verification Assessment
1: Corporate Governance, Transparency & Ethics	96%
2: Human Rights, Social Impact & Community Development	97%
3: Indigenous Peoples' Rights	100%
4: Fair Labor & Working Conditions	95%
5: Climate Change, Biodiversity & Environment	94%



EO100™ Certificate



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Assessment Dates:	October 2024
Assessor:	Sustrio Advisors

B+
Letter Grade



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: 403-539-1843

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.