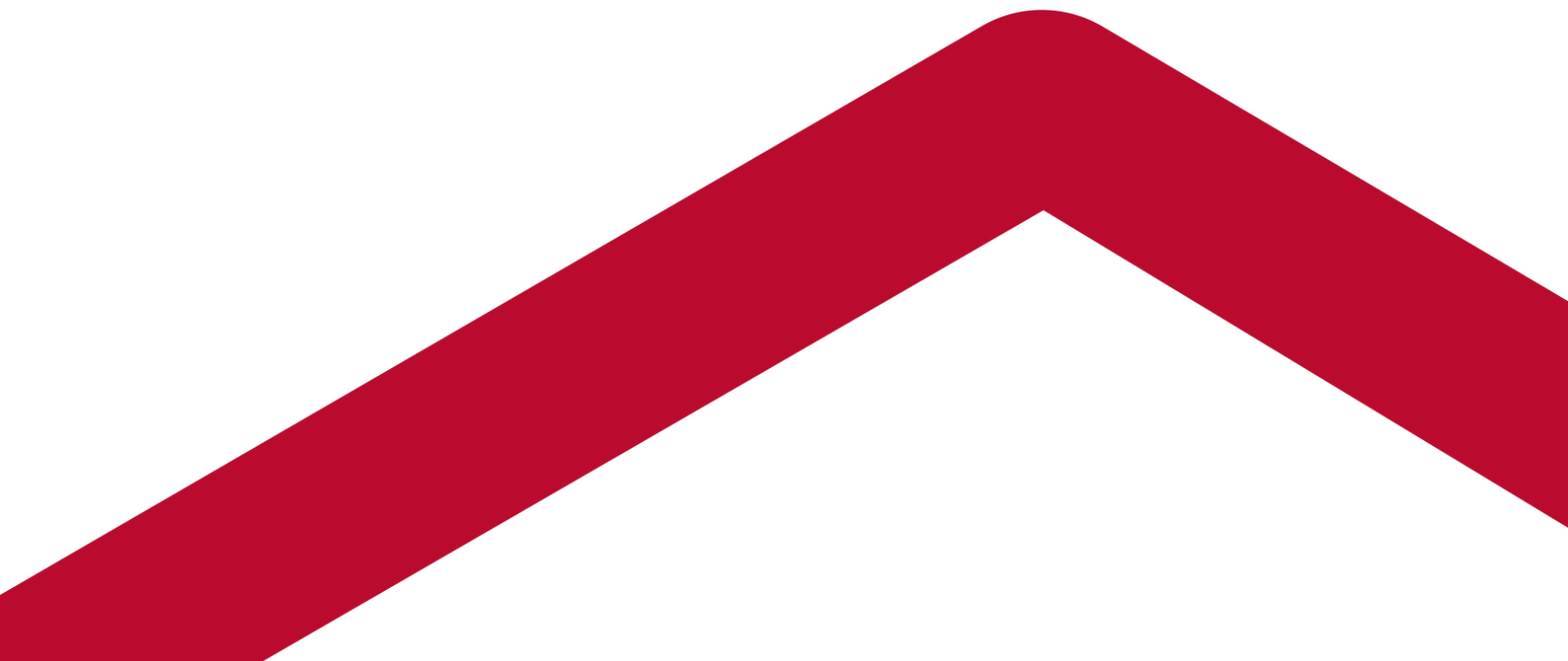




Fighting Against Forced Labour and
Child Labour in Supply Chains Act
Annual Report

1 January – 31 December 2023



Introduction

This annual report is published in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) in relation to the fiscal year January 1, 2023, ending December 31, 2023. This is a joint report made by IRVING OIL COMPANY, LIMITED (“IOCL”) on behalf of the following subsidiaries who are required under the Act to report:

- Irving Oil Limited; and
- 726061 N.B. Ltd.

(collectively referred to as the “Reporting Subsidiaries”).

IOCL and the Reporting Subsidiaries are private corporations. We have determined that the Reporting Subsidiaries are subject to the Act and its reporting requirements based on the application of sections 2, 9, and 10 of the Act for the 2023 fiscal year. Collectively, the Reporting Subsidiaries are referred to as “Irving”, “Irving Oil”, and “Company” in this report.

This report has been approved by the Board of Directors of IOCL (the “Board”). IOCL is the parent corporation for the Reporting Subsidiaries. Irving Oil is committed to compliance with the Act.

Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

During its January 1, 2023 – December 31, 2023, fiscal year, Irving Oil undertook the following initiatives;

1. conducted an internal assessment to identify potential risks of forced labour and child labour in its supply chain;
2. developed and conducted awareness sessions on the Act and its requirements with key personnel;
3. established a dedicated working group focused on the Act and its requirements; and
4. engaged with an independent third-party to obtain guidance and recommendations in relation to the Act.

Structure, Activities & Supply Chains

Irving Oil is a family-owned and privately held international energy company. Irving Oil is headquartered in Saint John, New Brunswick, Canada and maintains several other offices throughout Atlantic Canada, Northeastern United States, and Ireland.

Irving Oil operates Canada’s largest refinery in Saint John, New Brunswick, and Ireland’s only refinery, in Whitegate, County Cork. Irving Oil’s business is divided into two (2) primary segments: Refining & Supply and Sales & Marketing, which incorporates elements of manufacturing, wholesale trade, and retail trade. In addition to the two (2) primary segments, Irving Oil also operates in the real estate and leasing industry.

Refining & Supply

The Saint John refinery produces finished energy products for both wholesale and retail markets, including gasoline, diesel, jet fuel, propane, asphalt, and heating oil. The Whitegate refinery produces transportation and heating fuels such as gasoline, diesel, and kerosene. Finished products are transported from both refineries to Irving Oil terminals and other third-party locations. Irving Oil blends and stores gasoline products in various terminals located in Canada, the United States, Ireland, and the Netherlands.

Sales & Marketing

The finished products from the Refining & Supply process are used to service Irving Oil's customers, which includes but is not limited to, wholesale customers, commercial customers, and residential customers through a petroleum distribution network, truck terminals, and numerous fueling locations throughout Eastern Canada, Northeastern United States, and Ireland.

In addition to fueling and heating solutions, Irving Oil's blending and packaging plant in Saint John, New Brunswick provides blending, packaging, storage and marketing services for Irving Oil, Cobra, and private label-branded lubricants, chemicals, and diesel exhaust fluid.

Supply Chain & Corporate Services

Irving Oil's in-house corporate operations are designed to support the Refining & Supply and Sales & Marketing segments. The in-house corporate services are comprised of several groups including, but not limited to, Supply Management, Products and Terminals, IT, Finance, Tax, Human Resources, Legal, Regulatory Compliance, and Real Estate and Leasing.

Irving Oil's Supply Management team is responsible for managing Irving Oil's global supply chain, which is made up of third-party suppliers who provide a variety of goods and services, including engineering, construction, maintenance, inspection, transportation, chemicals, catalyst, vehicles, vehicle maintenance, as well as corporate and information technology services.

Irving Oil's Products and Terminals team is responsible for sourcing renewable feedstocks and crude oil from a variety of suppliers from around the world. The suppliers that are engaged through Irving Oil's Supply Management team and Products and Terminals team are generally large, well-established companies and, in many cases, require a labour force which is highly skilled and specialized.

Irving Oil's Real Estate and Leasing team is responsible for managing Irving Oil's owned and leased properties. Irving Oil owns a wide variety of properties across Atlantic Canada, Northeastern United States, and Ireland.

Additional information about Irving Oil can be found at www.irvingoil.com

Business & Supply Chain Risk

In accordance with the Act, Irving Oil conducted an assessment of the areas of its operations and supply chain that carry a risk of forced labour and/or child labour.

Irving Oil acknowledges that certain areas of its supply chain pose a higher potential for risks of forced labour and/or child labour due to the geographical location and nature of goods and services procured.

Irving Oil has a longstanding supplier diligence program that it maintains and continues to expand in response to the changing regulatory landscape. Through diligence and risk review processes, Irving Oil will continue to evaluate and assess its supply chain and operations for the risk of forced labour and child labour.

Irving Oil has employees in various roles throughout its operations in Canada, the United States and Europe, including operators, drivers, technicians, engineers, professionals, and administrative staff. Irving Oil is committed to complying with human rights, employment, and immigration laws in each of the jurisdictions in which it operates. All Irving Oil employees comply with the minimum legal age for employment in their province/state of employment and are provided with working conditions, wages and benefits which meet or exceed applicable statutory requirements.

Policies & Due Diligence

Irving Oil has internal operational policies and a long-standing supplier diligence program, which are designed to keep employees, customers, and operations safe and reliable. The policies and procedures that are described in this report are applicable to all Irving Oil entities and are described in greater detail below.

Irving Oil has a supplier qualification process, request for proposal process and contract terms and conditions, wherein the requirements for the provision of goods and services are communicated to suppliers. Irving Oil's standard contractual terms and conditions that are used by the Supply Management team require suppliers to adhere to applicable laws including, but not limited to, those related to employment, human rights, immigration, and safety. Additionally, Irving Oil regularly engages with suppliers to encourage open dialogue and transparent communications. Irving Oil has a history of supplier diligence, and while the current diligence processes do not specifically reference forced labour or child labour, Irving Oil will continue to evolve its supplier practices with the changing regulatory landscape, abiding by all sanctions imposed by the Canadian government, while also building and fostering strong supplier relationships.

Irving Oil's Code of Ethical Conduct (the "Code") is designed to communicate its expectations for ethical business conduct and to provide guidance to all employees as they apply these principles every day in performing their responsibilities. Although the Code does not include specific references to mitigating or preventing forced labour or child labour, it does include systems, controls, and guidance for employees to help prevent unethical business behaviours from taking place within its business or supply chains, and information on how to assess and address unethical business behaviours. Irving Oil is committed to complying with all applicable laws in the jurisdictions in which it operates, which is reinforced by the Code.

Irving Oil employees are required to comply with all applicable laws, adhere to Irving Oil policies, and report any suspected violations of the Code and/or company policies. Employees are provided with numerous ways to report concerns, including an integrity hotline and ethics website which are operated by an independent third party. Also included in the Code are investigative provisions that demonstrate Irving Oil's commitment to fully investigate and remediate any reported violations. Employees are required to review and acknowledge the Code on an annual basis.

Remediation Measures & Remediation of Loss of Income

At the time of this report, no incidents of forced labour or child labour were identified within Irving Oil's operations or supply chain. Should an incident be identified, Irving Oil would take steps to remediate any forced labour or child labour identified, as appropriate.

Training & Education

To build an understanding of the Act and its requirements, and to raise awareness of the risks of forced labour and child labour in supply chains, Irving Oil has established a cross-functional Modern Slavery Working Group.

Irving Oil also facilitated optional awareness sessions to its Supply Management, Products & Terminals and Crude Purchasing teams, and Senior Leadership. The awareness materials were developed by members of the Modern Slavery Working Group and are focused on the Act, its elements, and its requirements.

Assessing Effectiveness

Irving Oil, through its Modern Slavery Working Group, will continue to work across its business segments, operations, and supply chain to review and improve policies and supplier due diligence to mitigate and reduce the risk of forced labour or child labour in its operations and supply chain.

Irving Oil will continue to maintain its routine engagement with suppliers, as well as monitor its independent third-party reporting tools that remain available to employees at all times to report any policy violations, as well as any ethical or human rights concerns.

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Fighting Against Forced Labour and Child Labour in Supply Chains Act

In accordance with the Act, this report will be filed with the Minister and published at www.irvingoil.com.

This report was approved by IRVING OIL COMPANY, LIMITED's Board of Directors on March 21, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity or entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.

A handwritten signature in black ink, appearing to read "Ian Whitcomb", written over a horizontal line.

Ian Whitcomb
Director and President
IRVING OIL COMPANY, LIMITED
May 21, 2024

I have the authority to bind IOCL

A handwritten signature in blue ink, appearing to read "John Laidlaw", written over a horizontal line.

John Laidlaw
Secretary and Chief Legal Officer
IRVING OIL COMPANY, LIMITED
May 16, 2024

I have the authority to bind IOCL