

EXCERPT FROM

2023 Environmental,
Social & Governance Report

2023 ESG Highlights

ESTABLISHING OUR RECORD



Ongoing proactive pipeline inspection program resulting in zero pipeline repairs being required



Reporting on and setting new targets

0.56

total recordable injury frequency

98.8%

facility reliability performance

40%

of corporate employees are women

>\$180,000

donated to more than 100 organizations

SCOPE 2 EMISSION INTENSITY

0.0058

tonne carbon dioxide equivalent per barrel of oil equivalent (CO₂e/BOE) – reductions driven by self-electrification. Reflecting new and innovative ways to reduce emissions.



~140

million cubic feet captured per day of natural gas, preventing its release through flaring or venting



Our Material ESG Factors

Steel Reef has identified key ESG factors that are financially significant to the capital markets in the short, medium and long term. These factors have been incorporated into our enterprise risk management system, enabling us to focus our efforts on performance enhancement and engagement as needed.

Core ESG Factors

The ESG factors that receive a significant amount of attention from investors and other capital market participants are given top priority in our ESG policy, practices and disclosures to investors. These factors are at the forefront of our commitment to addressing ESG considerations.

Enhanced ESG Factors

ESG factors of increasing importance and actively considered by prominent investors and/or gaining traction through shareholder proposals.

Emerging ESG Factors

Subjects that attract attention of a wider range of stakeholders, yet currently hold less financial significance.

CORE

- Greenhouse Gas Emissions
- Operational Safety
- Air Quality
- Climate Change – Transitional
- Community Relations
- Corporate Governance
- Occupational Health & Safety

ENHANCED

- Ecological Impacts
- Employee Engagement
- Competitive Behaviour
- Rights of Indigenous Peoples
- Diversity, Equity & Inclusion
- Waste

EMERGING

- Water Management

Our ESG Approach

Steel Reef seeks to enhance the energy community through our service, relationships and results. We will strive to measure our ESG performance, set meaningful targets with a view to continuously improving our ESG performance and take material ESG factors into account in our decision-making process.

Our ESG Roadmap

INTEGRATING ESG INTO ALL OUR DECISIONS

2021

- Board-approved ESG policy entrenching oversight
- Developed comprehensive ESG reporting framework
- Conducted emissions identification study
- Analyzed metrics to assess performance
- Released inaugural 2020 ESG report
- Explored alignment with additional disclosure standards
- Included ESG performance in compensation plan
- Integrated ESG risks and opportunities into Five-Year Strategic Plan

2022

- Set initial near-term ESG targets
- Developed and initiated emissions reduction plan
- Began alignment with Taskforce on Climate-Related Financial Disclosure
- Continue to develop diversity, equity and inclusion policy

2023

- Set longer-term targets, in alignment with investors and financial institutions' expectations
- Continuous improvement of performance and disclosures
- Reporting on initial targets

2024

- Invest in the decarbonization of the basins where we operate
- Gas-to-power projects to optimize our asset base
- Consideration of capital markets and sustainability linked products
- Continue to assess industry direction on Scope 3 emissions

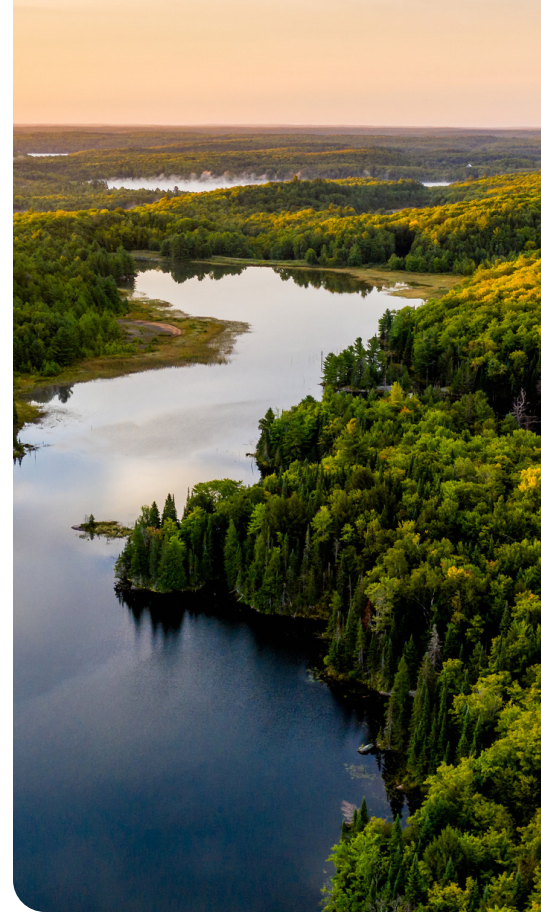
2025

- Supporting energy transition with expanded gas-to-power electrification and waste heat recovery
- Enhancing employee engagement efforts to ensure all team members are actively involved in our company's sustainability efforts

Our ESG Targets

Steel Reef's ESG objectives are designed to improve and maximize our overall performance, prioritizing safety and sustainability in our organization. Progress is being made in these areas, along with a focus on engaging employees to safeguard our most valuable resources.

The Board and management of Steel Reef are proud to present our ESG targets for 2023.



Environmental Targets

2022 Target

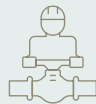
- Allocating capital to achieve absolute Scope 1 and 2 reductions of ~26,450 tonnes carbon dioxide equivalent (CO₂e) per year

2023 Target

- Allocating capital to achieve absolute Scope 1 and 2 reductions of ~30,000 tonnes CO₂e per year

2024 Target

- Allocating capital to achieve absolute Scope 1 and 2 reductions of ~5,000 tonnes CO₂e per year



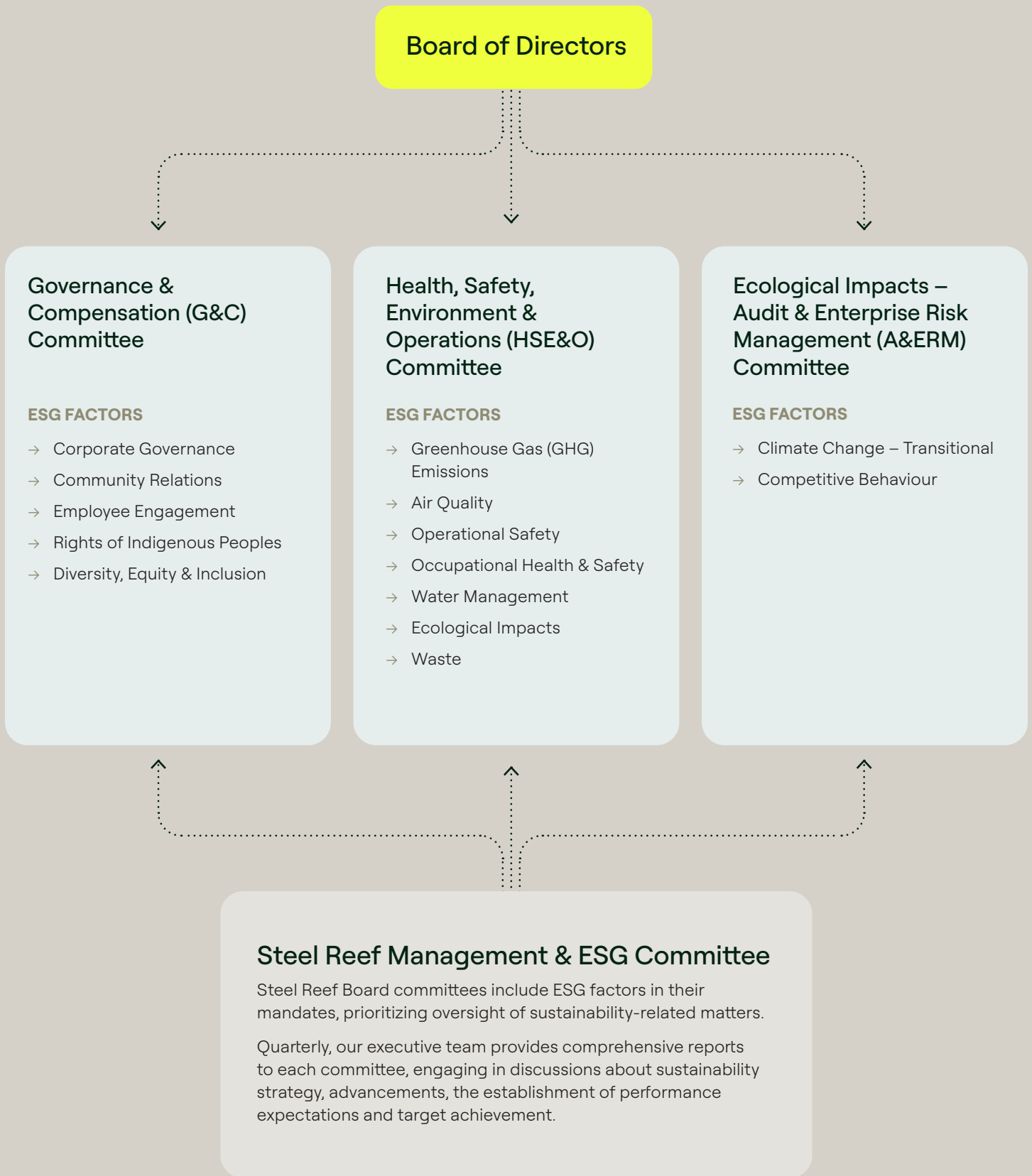
Ongoing Social Targets

- To maintain a Total Recordable Incident Frequency (TRIF) of <0.50
- Zero Tier 1 process safety incidents in our facilities
- Zero significant pipeline failures



Governance Target

- Steel Reef is currently assessing 2024 governance target opportunities



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