



2025

Modern Slavery Report

May 12, 2026

Fighting Against Forced Labour and Child Labour in Supply Chains Act Parex Resources Inc. – 2025 Modern Slavery Report

1. Introduction

This report is prepared pursuant to section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) by Parex Resources Inc. (the “Reporting Entity”, “Corporation”, the “Company”, “Parex”, or “It”) for the reporting period of January 1, 2025 to December 31, 2025. Statements regarding Parex’s operations, assets, and values apply only to its operated assets, unless stated otherwise.

2. Steps to prevent and reduce risks of forced labour and child labour

Parex makes all reasonable efforts to prevent the Company’s activities from causing, contributing, or being linked to adverse impacts on human rights, including forced labour and child labour (“modern slavery”); and, if they occur, Parex endeavors to mitigate or repair all impacts. In 2025, the Company took the following steps to prevent and reduce the risk of potential adverse human rights impacts, which may include the use of modern slavery, across its operations and supply chain. The Company:

- Performed labour audits on third-party contractors and in-depth interviews with their employees, resulting in no findings of forced or child labour incidents;
- Continued mapping its supply chain and desk-based assessment of modern slavery risk through supplier spend analysis;
- Delivered a mandatory internal workshop to procurement staff focused on raising awareness on procurement’s role in mitigating human rights impacts and modern slavery across the supply chain;
- Deployed its annual mandatory awareness and compliance training to all employees on corporate policies, including the Human Rights Policy and Code of Conduct. In Colombia, some employees participated in a lunch and learn session focused on human rights due diligence facilitated by Fundación Ideas para la Paz; and
- Worked with third-parties and industry peers in Colombia to build capacity and raise awareness on human rights among public security forces, contractors, and vendors.

The above steps are discussed in detail in subsequent sections of this report.

3. Structure, activities and supply chains

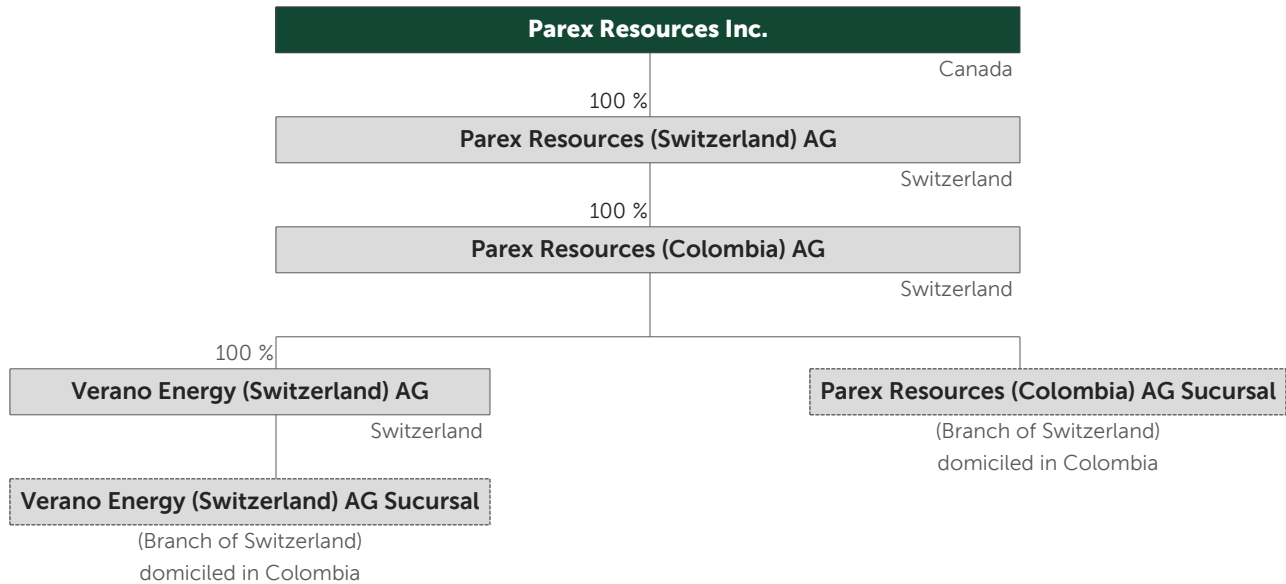
3.1. Parex’s structure

Parex is a leading independent oil and gas company in Colombia, focusing on sustainable, conventional oil and gas exploration, development, and production. With its headquarters in Calgary, Canada, and an operating office in Bogotá, Colombia, the Company strives to deliver shareholder return as well as partnering with community stakeholders to achieve long-term benefits.

Parex is listed on the Toronto Stock Exchange (TSX:PXT). In 2025, Parex’s workforce comprised 461 employees, with 83 located in Canada (Calgary) and 378 located across Colombia.

During the reporting period, the Company had six direct or indirect wholly-owned subsidiaries. The following chart illustrates Parex’s organizational structure at December 31, 2025, including only material subsidiaries and its Colombian branches.

Exhibit A: Parex Resources Inc.'s Corporate Structure



The above organizational structure facilitated Parex's business as a multi-jurisdictional company whose operations were located outside of Canada. The subsidiaries of Parex were incorporated in Switzerland and operated exclusively in Colombia through branches. The Company currently had two Colombian branches and conducts all its activities in Colombia through these two branches.

3.2. Parex's operations and activities

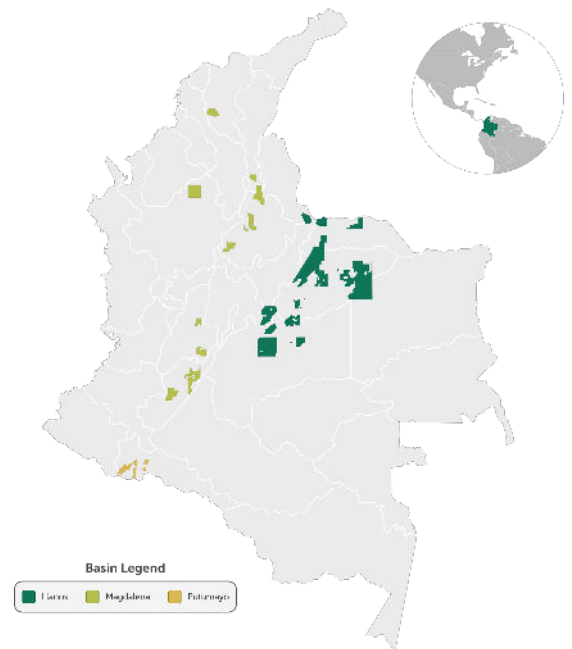
In support of its Colombia-focused strategy, Parex is leveraging industry-proven technology and unlocking the Company's extensive land base of approximately 6.81 million gross acres¹. As the largest independent landholder² in Colombia, the Company is developing sustainable assets and capturing exploration upside, while managing shareholder risk and reward.

During the reporting period, Parex operated 98% of its 44³ oil and gas properties located in Colombia's Llanos, Magdalena, and Putumayo basins (see Exhibit B). In 2025, the Company:

- Had US \$2,341 million in total assets;
- Generated US\$ 1,005 million in oil & gas sales;
- Produced 44,701⁴ barrels of oil equivalent per day in oil & gas natural gas; and
- Recorded 113.2⁵ million barrels of oil equivalent of proved reserves.

The majority of Parex's produced oil and natural gas is sold in Colombia.

Exhibit B: Parex's Principal Properties in Colombia



¹ Excluding blocks that the Company is planning to relinquish.

² Parex is the largest independent landholder in Colombia when compared against independent Colombian oil and gas producers.

³ Excluding blocks that the Company is planning to relinquish or recently acquired.

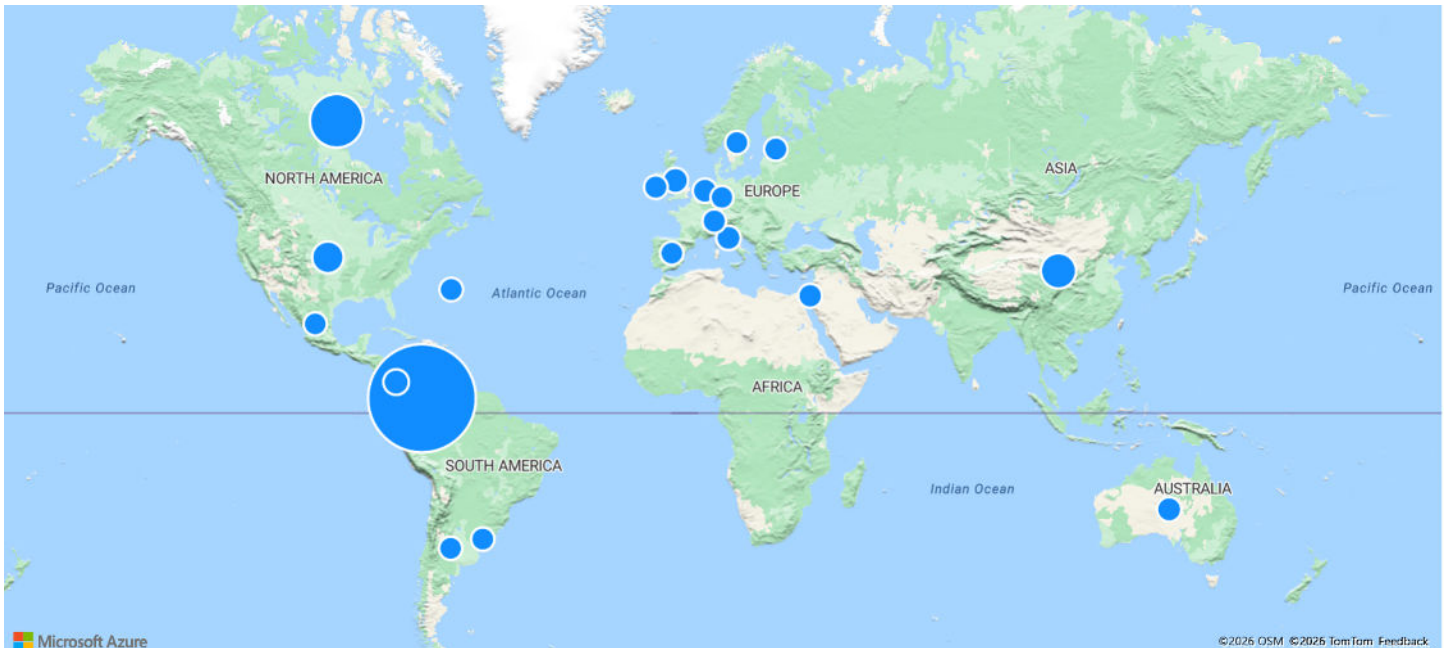
⁴ Consisting of 11,635 bbls/d of light crude oil and medium crude oil, 31,887 bbls/d of heavy crude oil, and 7,071 Mcf/d of conventional natural gas.

⁵ Consisting of 39,818 Mbbl of light crude oil and medium crude oil, 68,024 Mbbl of heavy crude oil, 1,052 Mbbl of natural gas liquids, and 25,702 MMcf of conventional natural gas.

3.3. Parex's supply chain

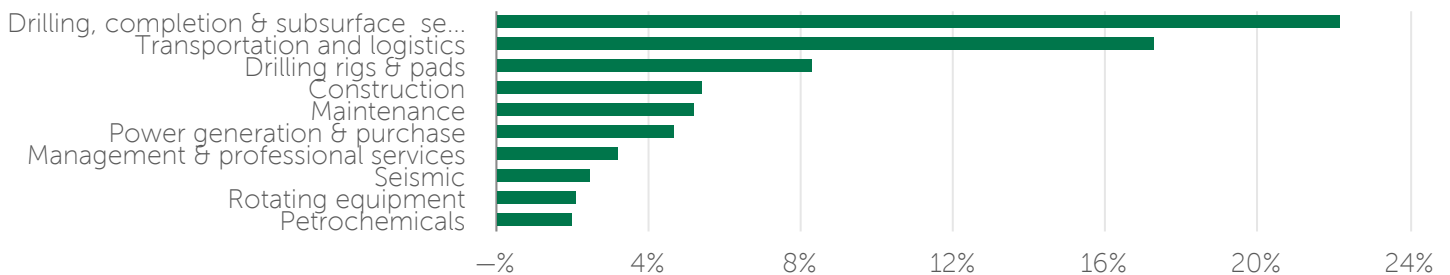
Parex relies on local and international contractors, sub-contractors, and vendors ("suppliers") to gain access to raw materials, equipment, labour, and technical and professional expertise and services necessary for its operations. This reliance on third-parties for goods and services may link the Company to modern slavery risk within its operations and supply chain. To mitigate against such risk, Parex undertakes due diligence processes to ensure it only conducts business with reputable and reliable companies that demonstrate a strong record of compliance with labour laws and share the Company's values.

Parex's Colombian-based procurement team oversees the majority of the Company's procurement and purchasing activities. This includes negotiating contracts and compliance clauses and completing periodic monitoring to verify contractual adherence and performance. In 2025, the team managed over 1,700 contracts connected to more than 1,300 direct suppliers from 20 countries. During the same period, 94% of the Parex's supplier base was concentrated in Canada and Colombia, where the Company is headquartered and operates, with the remaining eight percent spread across the globe.



Goods and services Parex procures from these suppliers may come from indirect third-party suppliers outside of the Company's visibility, potentially increasing its supply-chain risk. In 2025, Parex's procurement covered goods and services including, but not limited to, drilling, completion, and subsurface services, transportation and logistics services, drilling rigs and pads, construction services, maintenance services, power generation and purchase, management and professional services, seismic services, rotating equipment, petrochemicals, environmental services. Parex spent over US\$10 million on each of the following categories⁶, representing ~73% of its annual procurement.

**Share of Total Annual Procurement by Category
(US\$ 10 million+ categories)**



⁶ Include only procurement of goods and services under existing contracts and exclude general and administrative services

4. Policies and due diligence processes

4.1. Policies

Parex is committed to respecting and promoting human rights in line with the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Fundamental Principles and Rights at Work. The Company's suppliers play a role in Parex's commitment to carry out its business activities in an ethical, legal, and responsible manner. As part of the Company's commitment, suppliers are expected to uphold Parex's corporate policies and values.

Outlined below are the relevant policies and practices, governing corporate behaviours and the Company's expectations of third-parties pertaining to respecting human rights.

- **Human Rights Policy:** outlines the Company's commitments, guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), to respect individual human rights across its operations, with a focus on labour rights and access to grievance mechanisms. The Policy clearly states that Parex rejects and seeks to prevent all forms of forced labour and child labour in its activities and those of its suppliers.
- **Code of Conduct:** establishes specific business principles governing the conduct and ethics of directors, officers, employees, consultants, and contractors while performing responsibilities related to the Company's business.
- **Supplier and Contractor Guidelines:** set standards, including employment and human rights standards, which Parex holds its contractors and suppliers accountable to adhering to. These include respecting all individuals' human rights and dignity and ensuring healthy work environments. Parex's Supplier & Contractor Guidelines were established in compliance with labour regulations and the Company's employment policy. As previously stated, Parex expects its suppliers to reject and prevent all forms of forced labour and child labour in any activities related to the Company's business.
- **Whistleblower Policy & Hotline:** outlines the anonymous mechanism that any of Parex's stakeholder can use to report their concerns regarding possible violations of the Company's corporate Code of Conduct, policies, values, and applicable laws without fear of reprisal.
- **Violence and Harassment Prevention Policy:** recognizes that workers have the right to a workplace that is free of violence and harassment and sets out Parex's commitment to provide a safe work environment in which workers are treated with dignity and respect.
- **Recruitment practices** - the Company's corporate practice covers all expenses related to external recruitment agencies. Parex does not use staffing agencies that charge fees to prospective employees, including but not limited to placement fees or immigration processing fees. In Colombia, the Company requires third-party contractors to hire their personnel through the National Public Recruitment System (SPE), an official recruitment channel for local citizens, to prevent job seekers from being charged recruitment fees to gain employment with the Company's contractors.

In addition, as a signatory of the United Nations Global Compact (UNGC), Parex is committed to managing its activities in a manner that observes the UNGC's fundamental principles on human rights, labour rights, environmental protection, and anti-corruption.

All the corporate policies are available on the Company's website; and Parex proactively communicates these expectations to its suppliers and contractors.

4.2. Due Diligence Process

Parex has a rigorous due diligence process that includes carrying out risk assessments on its counterparts, including:

1. **Pre-screening & assessment** - as part of its compliance due diligence process, the Company conducts a credit risk analysis and screens for fraud, bribery, corruption, money laundering, and terrorism-financing risks using a specialized third-party service. Business units responsible for operationally high-risk activities also perform additional onsite health and safety verifications at counterparts' facilities prior to proceeding with a formal contract. In the initial contract assessment, Parex gathers and analyzes information on suppliers' compliance with labour laws, employment standards, and local regulatory requirements before proceeding

with either local hiring or procurement. The Company reviews indicators such as minimum-wage compliance, payment practices, and community grievance records, which can flag potential human and labour rights concerns. These insights enable Parex to identify vulnerabilities within potential suppliers' labour practices.

Current risk assessments do not directly screen for the use of forced labour or child labour; however, they are critical in confirming that prospective contractors and vendors operate in line with Parex's ethical standards and its labour, operational, and safety requirements.

- 2. Contractual clauses and expectations** - Parex embeds standard audit, ethics, and compliance clauses in contractual agreements and appends its corporate policies, including the Human Rights Policy, in third-party contracts. Contractors are required to comply with these policies as well as all relevant safety and labour standards and laws. Contractual obligations set clear expectations for responsible conduct and enable effective oversight of contractor conduct and performance.
- 3. Contractor performance evaluation** - Parex evaluates critical contractors on key performance indicators related to health, safety, environmental, social, technical, and contract-management criteria. This includes, among other aspects, reviewing grievance handling, local hiring and procurement, payment practices, and safety performance. Any non-compliance identified during an audit triggers a jointly developed corrective action plan.
- 4. Monitoring labour practices** - Parex monitors labour practices and working conditions across its operations and supply chain. The Company uses labour audits as key tool for identifying adverse impacts in the field.

In 2025, Parex completed multiple labour audits and closure of audit findings, while also enhancing its screening of forced and child labour incidents by introducing additional assessment criteria and tailoring questions to support in-depth interviews of contractors' employees. During the reporting period, internal auditors conducted several interviews and found no evidence of poor working conditions or breaches of human rights or labour rights. These monitoring activities help ensure that workers are treated with dignity and respect and emerging risks are promptly identified and addressed.

5. Forced labour and child labour risks identification

Parex considers modern-slavery risk in its operations to be minimal, reflecting a skilled workforce, strong labour protections in operating jurisdictions, and direct oversight over employment practices. Supply-chain risk may be significant, particularly when procuring goods and services from international suppliers operating in countries with lower transparency or weaker regulation. The Company assesses modern-slavery risk using multiple sources, including compliance due diligence, supplier spend⁷ analysis, human rights risk assessments, site inspections, contractor evaluations, labour audits, and grievances.

A high-level analysis of Parex's 2025 supplier spend highlighted that approximately 86% of expenditures were on direct suppliers from Colombia followed by Canada (11.1%), China (1.8%), the USA (0.9%), and Panama (0.1%). Following an internal assessment and desk-based research, the Company determined that none of its goods and services were sourced from direct suppliers domiciled in countries identified as having high vulnerability to or high prevalence of modern slavery under the [Global Slavery Index](#)⁸ (GIS), or among the ten worst countries for workers' rights according to the [International Trade Union Confederation Index](#) (ITUC)⁹. However, 87.8% of procurement spend was in Colombia and China, jurisdictions rated by GIS as having moderate-to-high modern slavery risk.

Parex has operated in Colombia since 2009, a country whose modern-slavery risk rating is mainly influenced by sectors employing low-skilled workers and by at-risk groups within the population. In contrast, the Company operates within the oil and gas sector, which is subject to stringent regulations and depends on technically qualified workers. Contractors and suppliers within this sector must comply with Colombian authorities' licensing and technical standards. These additional standards and requirements provide enhanced oversight supporting the mitigation of modern-slavery risks within Parex's Colombian supply chain base. For procurement activities outside this sector, such as hospitality services in Colombia, or in non-operating jurisdictions, such as China (<2% of spend), Parex reviews supplier practices and applies enhanced due diligence measures focused on transparency, sector- and jurisdiction-specific risks, and compliance with its Corporate Policies and Supplier & Contractor Guidelines. Recognizing that

⁷ Includes all payments made to vendors, contractors, service providers, and suppliers for goods and services.

⁸ <https://www.walkfree.org/global-slavery-index/map/#mode=data>

⁹ <https://www.ituc-csi.org/global-rights-index>

modern slavery risk may arise beyond direct suppliers, Parex will continue to strengthen its assessment through additional screening criteria, including the type of and the origin of goods, services, and labour.

During 2025, Parex continued its focus on training activities to build capacity among its vendors and to prevent potential impacts identified in human rights risk analyses performed in previous years by third-party experts on business and Human Rights. Outcomes of two human rights analyses, along with the results from labour audits and community grievances linked to potential human rights impacts, will enable Parex to further expand the identification of potential risks to address in its operations and supply chain.

6. Remediation measures

Parex makes all reasonable efforts to prevent its activities from causing, contributing, or being linked to adverse human rights impacts (including forced labour and child labour) and, if they occur, the Company endeavors to mitigate or repair all impacts. In 2025, Parex did not identify any adverse and/or actual human rights impacts resulting in suspected or confirmed instances of forced labour or child labour linked to the Company's activities or supply chain; consequently, no remediation measures were taken.

Parex encourages all of its stakeholders to report their concerns and raise their grievances, through the Company's Whistleblower Ethics Hotline and/or the Company's operational-level grievance mechanism ("PQR"). All reports are promptly reviewed, with appropriate actions, including investigations, taken as necessary.

Through the PQR mechanism, field-based workers and community stakeholders report potential impacts of Parex's activities on their rights. This mechanism is a source for identifying potential impacts, including human rights impacts that are directly or indirectly linked to the Company's operations or supply chain. Parex also uses the PQR mechanism to manage, analyze, and resolve identified impacts. During 2025, no grievances were flagged as potential impacts on human rights or suspected instances of forced or child labour.

7. Remediation of loss of income

Parex has not yet identified any loss of income affecting vulnerable families that could be linked to its efforts to prevent and reduce the risk of forced labour and child labour. Thus, the Company has not taken any measures for remediating such loss.

8. Training and capacity building

During onboarding and annually, as part of mandatory compliance certification, Parex's employees participate in training that assesses their knowledge and understanding of the Company's Code of Conduct and the associated ethics and compliance policies, including the Human Rights Policy. The Company's self-directed mandatory online training was developed internally and comprises a review of corporate policies followed by a brief test on each policy. In 2025, ~93% of employees completed the annual training after being assessed on expected behaviours, including the respect and protection of human rights and civil liberties. Additionally,

- Procurement staff participated in a mandatory internal workshop designed to raise awareness on the role procurement plays in mitigating human rights adverse impacts and modern slavery across the supply chain.
- 25 Colombian-based employees (or ~5% of Parex's total workforce) attended a Fundación Ideas para la Paz-led lunch and learn session focused on human rights due diligence.
- ~82% of employees participated in at least one training session that included learning on anti-Sexual harassment. Training sessions include a review of Parex's Violence and Harassment Prevention Policy.

In collaboration with strategic partners, including the Casanare Chambers of Commerce, Guías Colombia, and energy industry peers, Parex encourages contractors in Colombia to participate in training on human rights and modern slavery. In 2025, approximately 98 local companies in Bogota and Cundinamarca and 19 in the Caribbean Coast completed their training. The Company also worked with the National Ombudsman Office in Colombia to build capacity and raise awareness on human rights with over 300 public security forces working in the Casanare and Arauca regions.

9. Assessing effectiveness in ensuring that forced labour and child labour are not used

No actions have been taken to assess Parex's effectiveness in preventing and reducing incidents of forced labour and child labour in its activities and supplies chains.

10. Looking forward

Preventing and addressing modern slavery risks in the Company's operations and supply chain is an ongoing process that requires continued monitoring, evaluation, and improvement. Parex is committed to conducting its business in a manner that prohibits modern slavery. Parex will continue to respect and promote human rights and act with integrity in its operations and business dealings.

Approval & Attestation

This report was approved pursuant to subparagraph 11(4)(a) of Canada's *Fighting Against Forced Labour and Child Labour Act* (Act) by the Board of Directors of Parex Resources Inc.

"In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of President and Chief Executive Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I 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 within this report."

I have the authority to bind Parex Resources Inc.



Imad Mohsen

President & Chief Executive Officer

May 12, 2026

Cautionary Note Regarding Forward-Looking Information

This report contains certain statements that may constitute forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements may be identified by words like "intends", "may", "could", "should", "would", "plans", "will", "seek" and similar expressions. This information includes, but is not limited to: Parex's plans and strategy with respect to protecting human rights, evaluating and assessing its processes regarding modern slavery (including its reporting process, due diligence activities and policies), and mitigating the risk of forced labour and child labour within its operations and supply chain; and its plans with respect to employee training and awareness.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; industry conditions including changes in laws and regulations and including adoption of new environmental and/or human rights related laws and regulations, and changes in how they are interpreted and enforced in Canada and Colombia; lack of availability of qualified personnel and/or goods at the local level; the results of exploration and development drilling and related activities; risks associated with the estimation of reserves; the risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; risks associated with receiving untruthful or inaccurate responses or information from suppliers and/or other partners; and risks regarding changes in Parex's supply chain due to operating requirements or the availability of materials, goods and services. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, Parex cannot assure readers that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding, among other things: that Parex will be able to conduct its operations as planned; the availability of skilled labour; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will receive truthful and accurate answers or information from suppliers and/or other partners; and that any potential changes in Parex's supply chain will not affect its plans and strategy as described herein.

The forward-looking statements contained in this report are made as of the date hereof and Parex undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Reserve advisory

Certain reserves information contained in this report is based upon an evaluation (the "GLJ Report") prepared by GLJ Ltd. ("GLJ") dated March 2, 2026 and effective December 31, 2025. The report was prepared in accordance with the definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and the National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). All December 31, 2025 reserves presented are based on GLJ's forecast pricing effective January 1, 2026.

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