

# Human Rights Policy

Effective: February 10, 2020, amended and restated February 12, 2024

## 1. Introduction

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") is committed to conducting its business responsibly and upholding the highest standards of governance and ethical conduct. At PrairieSky, respect for human rights is fundamental to the way it does business and is part of PrairieSky's core values across all its business activities.

Consistent with that commitment, this Human Rights Policy (the "Policy") was developed in alignment with all applicable employment, labour and human rights laws and regulations, as well as with the principles from the United Nations Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, the United Nation's Guiding Principles on Business and Human Rights, and the United Nation's Global Compact, of which the Company is a signatory.

## 2. Purpose

This Policy sets out the guiding principles on the expectations PrairieSky has as it relates to its actions and behaviours with respect to human rights. In addition, this Policy articulates PrairieSky's commitment to ensuring that PrairieSky is not complicit in human rights abuses and that PrairieSky avoids infringing on the rights of others and engaging in activities that directly or indirectly violate human rights.

## 3. Scope

PrairieSky's responsibility to respect human rights applies to all of its business activities and to PrairieSky's business relationships with others.

This Policy applies to all employees, suppliers, contractors, officers and directors of the Company, including any subsidiaries thereof (collectively, "**covered persons**").

This Policy aligns with the human rights-related portions of other Company policies and guidelines, including but not limited to, the Company's *Business Code of Conduct*, *Supplier Code of Conduct*, *Respectful Workplace Policy* and *Joint Work Site Health and Safety Committee Policy*.

Fundamental to this Policy is the understanding that a business, in all of its activities, must operate in full compliance with applicable laws, rules and regulations of the jurisdictions in which it operates. PrairieSky seeks to go beyond legal compliance, drawing upon internationally recognized standards, in order to instill principles of human rights in the Company's business practices and culture. Where this Policy and applicable laws have requirements overlapping the same subject matter, PrairieSky strives to meet the more stringent requirements.

Covered persons should carefully read and understand this Policy and must agree to abide by its requirements as a condition of employment and/or doing business with PrairieSky. This Policy supplements the requirements, guidelines and standards of conduct described in PrairieSky's

governance policies, including PrairieSky's *Business Code of Conduct* and *Supplier Code of Conduct*.

#### 4. Guiding Principles

PrairieSky's commitment to human rights is based on the following principles:

##### A. Child Labour

Child labour is not acceptable under any circumstances. PrairieSky employs personnel who meet the applicable minimum legal age requirement to work in the jurisdictions in which the Company operates.

For the purposes of this Policy, the definition of child labour aligns with the definition found in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("**Modern Slavery Act**"):

"**child labour**" means labour or services provided or offered to be provided by persons under the age of 18 years and that:

- (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
- (d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999.

##### B. Forced Labour, Modern Slavery, Human Trafficking

PrairieSky has zero tolerance for forced labour or enslaved labour under any circumstances, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour or other forms. Mental and physical coercion, human trafficking, and all other forms of modern slavery are prohibited.

For the purposes of this Policy, the definition of forced labour aligns with the definition found in the *Modern Slavery Act*:

"**forced labour**" means labour or service provided or offered to be provided by a person under circumstances that:

- (a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
- (b) constitute forced or compulsory labour as defined in article 2 of the *Forced Labour Convention*, 1930, adopted in Geneva on June 28, 1930.

PrairieSky complies with all applicable legislation relating to these issues, specifically the Modern Slavery Act.

**C. Non-Discrimination**

Employees can expect to perform their roles in a work environment free from unlawful discrimination or harassment. This includes, but is not limited to, discrimination based on race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, pregnancy, political beliefs, citizenship, national origin, religion, disability, parental status, economic/class status, veteran status, or any other status or characteristic protected under applicable law.

**D. Respect and Dignity, Harassment and Violence**

PrairieSky is committed to maintaining an environment that is free from harassment, violence, intimidation and other like behaviours. PrairieSky treats all persons fairly, ethically, respectfully and with dignity. PrairieSky has policies and procedures to protect against harassment, bullying and victimization in the workplace, as well as from any form of retaliation. PrairieSky does not exhibit or threaten to exhibit harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, abusive disciplinary practices, mental, physical or psychological coercion or verbal abuse of workers. PrairieSky's commitment to a respectful, diverse and inclusive workplace is defined further in the Company's *Respectful Workplace Policy*.

**E. Working Conditions and Compensation**

PrairieSky complies with the International Labour Organization conventions as well as applicable laws and regulations related to working conditions, including working hours, minimum wages, over-time, days of rest, wages, mandated benefits and layoff practices.

**F. Freedom of Association and Collective Bargaining**

Where permitted by law, PrairieSky respects the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively without fear of discrimination, retaliation, harassment or intimidation.

**G. Health and Safety**

PrairieSky is committed to providing a safe, healthy and well-being oriented working environment, in accordance with all applicable laws and regulations and international standards. PrairieSky's employees have the right to refuse and report unsafe or unhealthy working conditions regardless of role, title or responsibility. PrairieSky takes proactive action to prevent occupational illnesses and work-related accidents and hazards, including through emergency preparedness and response plans. PrairieSky's commitment to occupational health and safety, including providing a safe and hygienic working environment, is defined further in the Company's *Environment, Climate Change, Health and Safety Policy* and *Joint Work Site Health and Safety Committee Policy*.

**H. Indigenous Peoples' Rights**

PrairieSky values and respects the rights and land of Indigenous people and local communities.

PrairieSky ensures that all negotiations with regards to its property or land adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

## **I. Communities**

PrairieSky respects the cultures, customs and values of the communities in which it carries on business. PrairieSky believes that people impacted by its business have a right to be informed about PrairieSky's activities, participate in a transparent engagement process and be involved in the issues and opportunities affecting them. PrairieSky believes its business activities should contribute to the economic well-being and quality of life where it does business, as do its community investments. PrairieSky has a Community Investment Program that guides the Company to achieve the foregoing goals and beliefs.

## **5. Implementation**

The implementation of this Policy occurs through PrairieSky's due diligence procedures, as well as thorough processes related to reporting concerns in this area.

### **A. Human Rights Due Diligence**

A process for human rights impact and risk assessment is necessary to identify, prevent, mitigate and remedy potential impacts on human rights. The scope of PrairieSky's human rights due diligence focuses on its own business operations, but also includes examining opportunities to influence the Company's material third-party business relationships, where possible. PrairieSky will endeavor to conduct business with such third parties who share its values and business principles. This is exhibited by PrairieSky's Supplier Code of Conduct, which allows the Company to monitor and assess supplier practices and allows for termination of the business relationship where a supplier fails to comply with this code. PrairieSky recognizes that a heightened level of due diligence is required if PrairieSky's business operations were, in the future, extended to high risk and conflict environments.

### **B. Reporting Concerns**

Consistent with PrairieSky's commitment to respect human rights as outlined in this Policy, there exist a variety of mechanisms available to address concerns in this area. Covered persons affected by the Company's activities have access to mechanisms to voice concerns that are legitimate, accessible, predictable, equitable and transparent. In addition to those offered by governments through various regulatory structures, PrairieSky has also developed its own mechanisms that enable covered persons, business partners and other stakeholders to raise concerns, including concerns arising out of human rights impacts. PrairieSky is committed to providing remedy to correct any human rights violations, disputes or concerns.

Covered persons who witness, discover or become aware of a violation of this Policy are to promptly report, in good faith, the violation to their manager (or, in the case of contactors, to their Company contact), Human Resources, or senior management. Covered persons who have reason to suspect a violation may have occurred must also report the suspected violation to their manager (or, in the case of contactors, to their Company contact), Human Resources, or senior management. All covered persons should take their concerns beyond either their manager (or, in the case of contactors, to their Company contact), Human Resources, or senior management if the violation or suspected violation was not resolved. Covered

persons are required to fully cooperate in PrairieSky investigations regarding violations of this Policy.

In addition, reference is made to PrairieSky's whistleblower hotline as an available procedure for the submission of matters through a confidential anonymous process. The Company's *Investigations Practice Policy* outlines how a notification or complaint will be treated once it is made and includes whistleblower protection for complainants making an anonymous complaint. The Company will not allow retaliation for reports made in good faith and in accordance with this Policy or the Company's *Investigations Practice Policy*.

## **6. Communication**

Awareness among covered persons is key to ensuring that PrairieSky meets the goals of this Policy and the Company is committed to training and communicating PrairieSky's approach to human rights as part of the implementation of this Policy. PrairieSky will inform its stakeholders of the existence of this Policy and will also look for opportunities to promote a broader understanding of human rights values among its stakeholders.

## **7. Monitoring and Reporting**

This Policy will be reviewed annually with respect to its suitability and effectiveness, and the Company will provide regular, objective monitoring and reporting on its human rights progress and impacts in its annual Sustainability Report. PrairieSky welcomes feedback and dialogue with interested parties. All feedback and comments on this Policy should be sent to PrairieSky's Vice-President, Finance & Chief Financial Officer.

## **8. Governance and Accountability**

The Company believes that this Policy guides it to implement effective engagement measures. The President and Chief Executive Officer of PrairieSky is accountable to the Board of Directors for ensuring this Policy is effectively implemented. All PrairieSky employees, officers and contractors engaged in activities under PrairieSky's control are responsible for the application of this Policy. This Policy will be included in PrairieSky's Employee Handbook, which is annually reviewed and accepted by all employees of PrairieSky.

DATED this 12<sup>th</sup> day of February, 2024.



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Andrew Phillips  
President and Chief Executive Officer