Natural Gas Builds B.C.

A 2022-2024 Update On B.C.'s Natural Gas Supply Chain and Community Contributions

September 2025

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Overview of the Natural Gas Builds B.C. Shared Values Reporting

Natural Gas Builds B.C., a *Shared Values Report* (SVR), commissioned by the Canadian Association of Petroleum Producers (CAPP), highlights the economic and social contributions of B.C.'s upstream natural gas sector between 2022 and 2024, with historical context dating back to 2018.

Participating member companies provided detailed records of annual supply chain spending and community investment contributions associated with supporting B.C.-based upstream natural gas operations. The SVR standardizes these records, ensuring consistent analysis of procurement and community investment practices across operators. This allows impacts to be measured comparably by year, by location, and across dimensions, including progress on Indigenous partnerships.

The SVR methodology was developed by iTOTEM Analytics, an Indigenous-affiliated data science and project development firm. Rooted in the principles of *Creating Shared Value***, the approach connects capital investment not only to economic outcomes, but also to social benefits. By doing so, the SVR goes beyond traditional reporting to reveal the hyper-local impacts of industry activity—promoting transparency, accountability, and shared prosperity across the province.

**Michael E. Porter and Mark R. Kramer. "Creating Shared Value." Harvard Business Review, Jan.-Feb. 2011, pp. 62-77.

Structure of the Report

- The Executive Summary includes a high-level view of impacts from 2018–2024, while the detailed analysis focuses on the period 2022–2024, including the following sections:
  - Benefits to B.C. between 2022-2024
  - B.C.'s Diverse Natural Gas Supply Chain
  - Community Reach
- To improve readability, within each section, there is a summary infographic, and information is organized into four themes. See below.

Supply Chain Contributions	Indigenous-affiliation*	Community Investment	Historical

*The Indigenous supply chain participation includes both majority and minority Indigenous business ownership structures. Without the ability to confirm majority ownership structure of each business, the SVR conservatively reports all Indigenous participation based only as being 'Indigenous-affiliated'. For further detail, see the Guidance Documentation: page 28 on transparent reporting of Indigenous participation, and page 39 for the definition of Indigenous affiliation.

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High Expectations From British Columbians

B.C.'s upstream natural gas industry has a privileged responsibility - to meet the expectations of British Columbians.

Residents expect respect for B.C.'s natural environment, support for local businesses and workers, transparency, and meaningful participation alongside community-based organizations. Delivering on these expectations requires private sector capital and Indigenous partnerships, and it also relies on the confidence of municipalities and the insight of community-based organizations**.** It requires a commitment to continuous improvement and to advancing decarbonization. Importantly, meeting expectations begins with embracing the entrepreneurial work ethic of Northeast B.C. Living up to these high standards is not only vital to B.C.'s economy—but also to our nation's and to Canada's ability to rise as a global clean LNG leader.

Natural Gas Builds B.C. is an invitation to British Columbians to better understand the people, businesses, and organizations that make this sector a cornerstone of the economy. Whether it's a refractory inspection firm in Surrey, an environmental consultant in Nelson, a scaffolding company in Nanaimo, or an Indigenous-owned construction company in Chetwynd, the sector's reach is truly province wide. This Shared Values Report tracks progress through two lenses: first, by comparing to an earlier SVR assessment from 2018–2021, and, second, by analyzing 2022–2024 supply chain and community investment trends. **Here is what meeting expectations in B.C. looks like.**

Natural Gas Builds B.C.

- Annual supply chain expenditures in B.C. doubled when comparing 2018 investments with 2024.
- Growth was seen in both the Peace River region and nearly 40 communities elsewhere in B.C., highlighting the sector's province-wide reach.
- Alongside these long-term trends, the most recent analysis highlights that Indigenous participation is growing—with over 135 Indigenous-affiliated vendors contributing more than ~$830 million in goods and services between 2022 and 2024.
- Community investments expanded between 2022–2024, reaching 245 organizations in 35 municipalities and supporting education, sports, and Indigenous community development.
- Province wide, from 2022 to 2024, the upstream natural gas sector engaged more than 2,200 businesses, underscoring its broad impact.
- The Lower Mainland Southwest was the second largest region by both total spend and vendor count supporting B.C.'s upstream natural gas sector.
- Over 35% of B.C. vendors provided off-site services—including business advisory, logistics, and utilities.

What to expect for B.C.: Shared progress and prosperity

By safeguarding B.C.'s values and working alongside Indigenous communities, entrepreneurs, local leaders, businesses, and workers, the sector builds trust and creates opportunity. This prosperity is felt province-wide while helping position B.C. and Canada to thrive on the global stage.

The true, sustainable measure of the sector is not in the numbers, but in how it meets the expectations of British Columbians where they live and work.

Executive Summary

Highlights key findings and insights derived from the contributions of the upstream natural gas sector to Indigenous communities and municipalities in B.C. between 2018 - 2024.

1

SECTION

Note to reader: Any references to Natural Gas, Natural Gas operators and Natural Gas sector in the report are to be attributed only to the participating member companies of CAPP.

Natural Gas Builds B.C. - Highlights from 2018 to 2024

$10.8B

was spent on **supply chain expenditures** in B.C.'s natural gas sector from 2018-2024 in ~**120 municipalities** and **15 Indigenous communities.**

12.7%

of sector supply chain expenditures between 2018-2024 supported **Indigenous-affiliated** businesses.

Annual Supply Chain Spend Doubled

growing from about **$1.25 B in 2018** to **$2.50 B in 2024**.

Fort St. John

led B.C.'s natural gas supply chain in both **spending** and **businesses** engaged.

$52.0M

was the **total contribution** made by B.C.'s natural gas sector to **community investments** from 2018-2024.

51.9%

was the **increase** in the **count of Indigenous-affiliated vendors** in B.C.'s natural gas sector from 2018 to 2024.

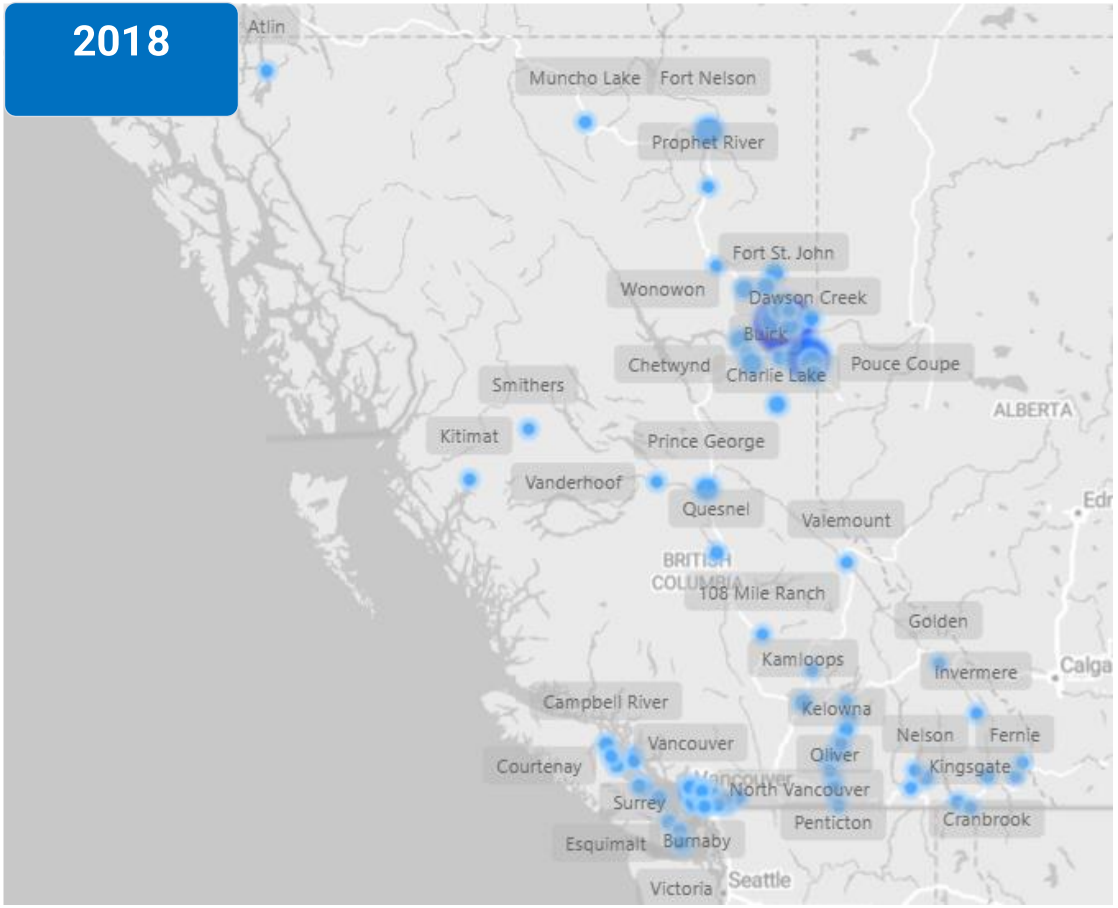
2018-2024 Top 3 Expenditures in B.C.

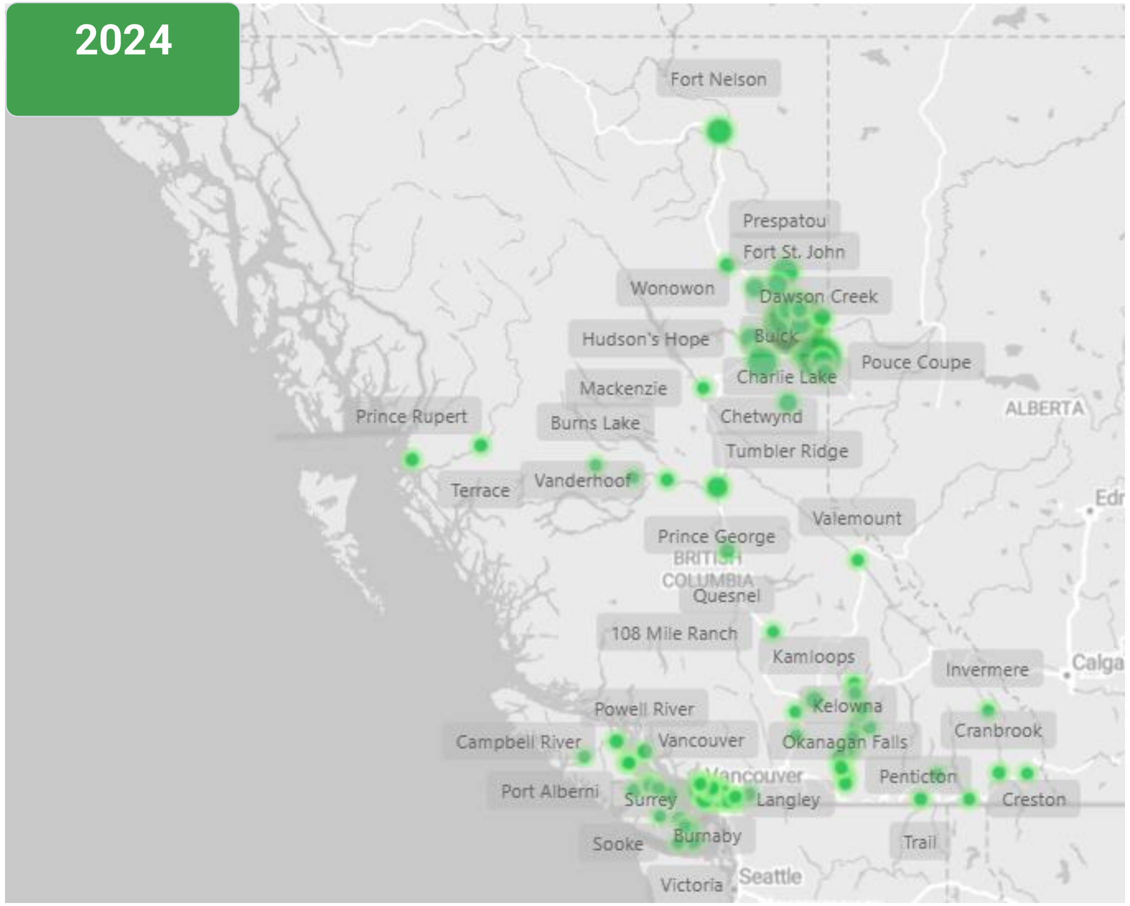
1. Drilling, Completion, Downhole Services
2. Construction
3. Equipment and Maintenance

57% of Communities Saw More Supply Chain Spend When Comparing 2018 to 2024

Supply Chain Spend Increased in **19** Peace River Regional District (PRRD) Municipalities and **39** Municipalities Outside of PRRD Comparing 2018 and 2024

Distribution of Natural Gas Supply Chain Vendors





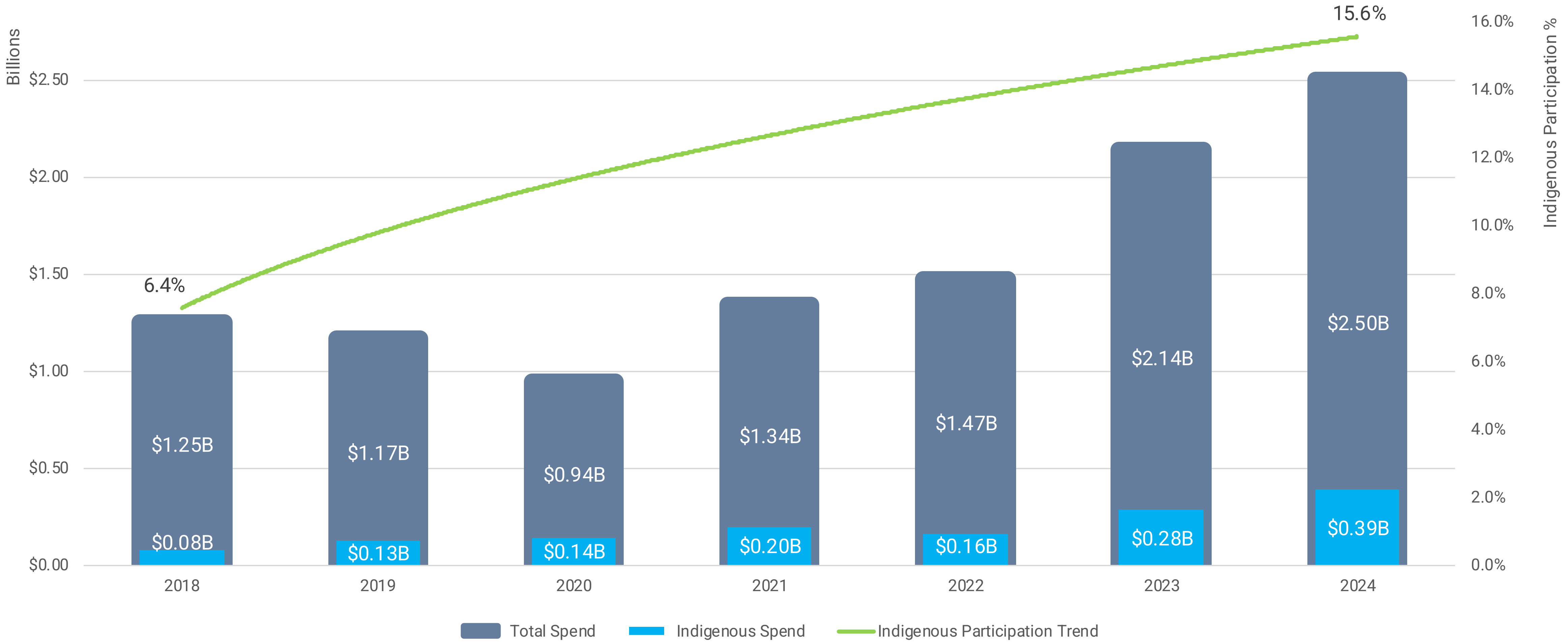
Annual Supply Chain Expenditures in B.C. Doubled Comparing 2018 with 2024

Natural Gas Supply Chain Impacts in B.C. Comparing 2018 with 2024

Supply Chain Summary	2018	2024	% Change 2018-2024*
Total Annual Supply Chain Spend with B.C.-based Vendors	$1.2B	$2.5B	**100.3%**
Number of Active B.C.-based Vendors	~1670	~1805	**8.1%**
Top Municipalities by Total Expenditures	Fort St. John	Fort St. John	**-**
Top Municipalities by Number of Vendors	Fort St. John	Fort St. John	**-**

* Percentage changes are calculated on actual values for accuracy and do not consider the rounded values presented for readability.

Indigenous-affiliated Supply Chain Grew 4x the Rate of Total Supply Chain Spending Since 2018



~52% More Indigenous-affiliated Vendors were Active in 2024 Compared to 2018

Natural Gas Indigenous-affiliated Supply Chain Impacts in B.C. Comparing 2018 with 2024

Supply Chain Summary	2018	2024	% Change 2018-2024*
Total Supply Chain Spend with B.C.-based Indigenous-affiliated Vendors	$79.4M	$390.1M	**391.3%**
Number of Active B.C.-based Indigenous-affiliated Vendors	~75	115	**51.9%**
Municipality with Most Active Indigenous-affiliated Supply Chain by Expenditure	Fort St. John	Fort St. John	-
Municipality with Most Active Indigenous-affiliated Supply Chain by Count	Fort St. John	Fort St. John	-

* Percentage changes are calculated on actual values for accuracy and do not consider the rounded values presented for readability.

Community Investments Tripled in B.C. Comparing 2018 with 2024

Natural Gas Community Investment Contributions in B.C. Comparing 2018 with 2024

Community Investment Summary	2018	2024	% Change 2018-2024*
Community Investment Expenditures	$3.4M	$12.0M	**252.8%**
Number of Community Investment Recipients	~150	~165	7.8%
Number of Communities with Community Investments	~20	~30	50%
Top Focus Area of Community Investment by Recipients	Sports and Athletic Associations	Indigenous Community Development	--

* Percentage changes are calculated on actual values for accuracy and do not consider the rounded values presented for readability.

Benefits to B.C. 2022-2024

Details the benefits realized between 2022 and 2024, emphasizing supply chain contributions and community investments made in B.C.'s upstream Natural Gas sector.

2

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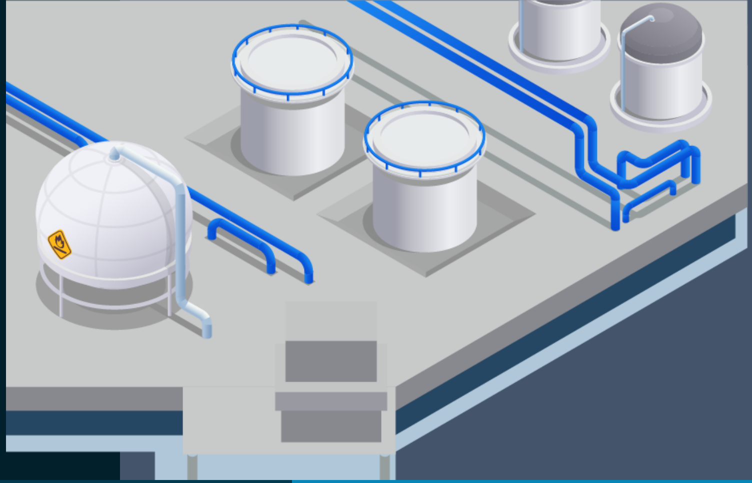
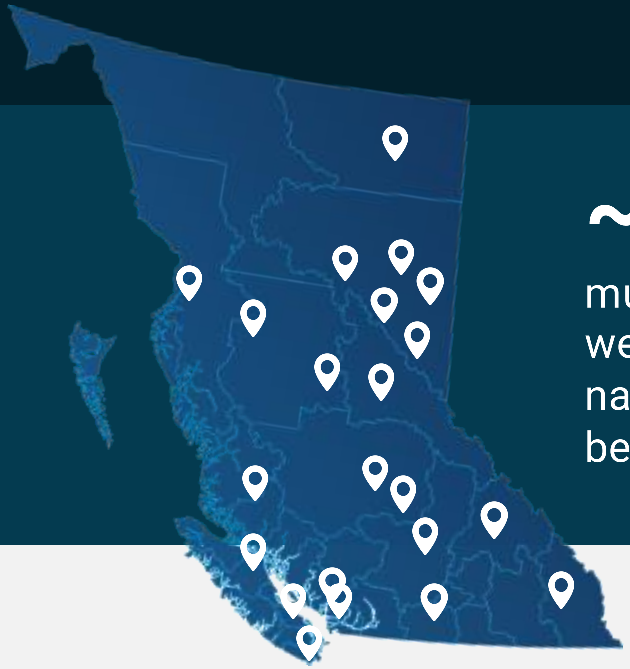
B.C. Supply Chain Benefits



~2250 Businesses
engaged from all regions of B.C. between 2022-2024.



~120
municipalities across B.C. were part of the upstream natural gas supply chain between 2022 and 2024.

$75K
was the median expenditure made with B.C.-based vendors.

~13.6%
of supply chain expenditures between 2022-2024 were made with Indigenous-affiliated vendors.

~6.0%
of B.C.-based vendors were Indigenous-affiliated based on vendor count.

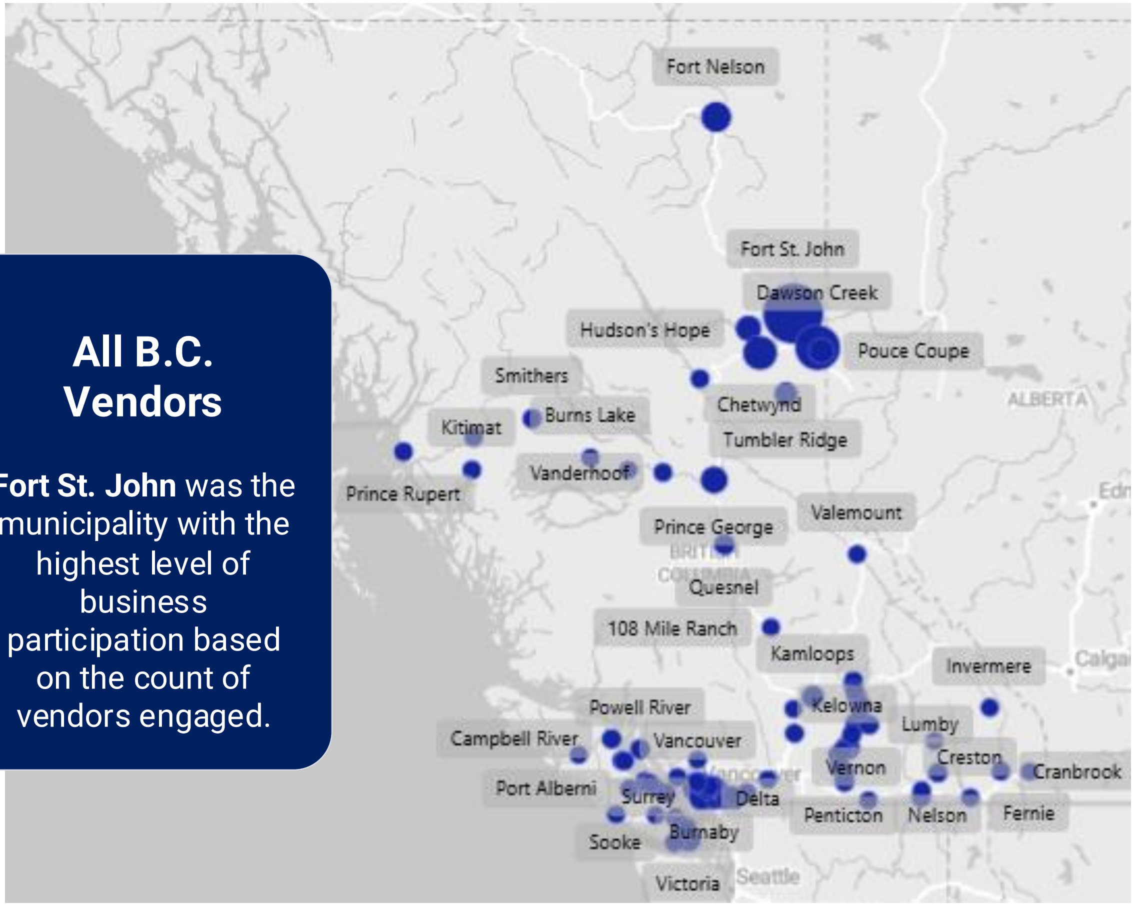
What B.C.'s $6.1B Upstream Natural Gas Supply Chain Looks Like

Businesses supporting B.C.'s Upstream Natural Gas Sector were based in **120** municipalities province-wide.

Distribution of Natural Gas Supply Chain Vendors Between 2022- 2024

All B.C. Vendors

Fort St. John was the municipality with the highest level of business participation based on the count of vendors engaged.



Indigenous-affiliated Vendors

The Treaty 8 Territory is the region with the highest Indigenous-affiliated vendor participation rate, by both expenditure and vendor count.

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Total Supply Chain Expenditures Increased by 70.1% from 2022 to 2024

Summary: Supply Chain and Community Investment Participation in B.C. from 2022-2024

Dimension	Indicator	B.C.	
		Annual Average	Total (2022-2024)
Supply Chain	Expenditures	$2.0B	$6.1B
	Vendor Count	1730	2250 unique
	Number of Municipalities with Vendors Engaged	100	120 unique
Indigenous-affiliated Supply Chain	Indigenous-affiliated Expenditures	$277.3M	$832.0M
	Indigenous-affiliated Vendor Count	100	135 unique
Community Investments	Community Investment Expenditures	$11.7M	$35.2M
	Number of Community Investment Recipients	145	245
	Number of Municipalities and Indigenous Communities with Community Investment Recipients	25	35 unique municipalities & associated with 10 Indigenous Nations
ESTMA	Extractive Sector Transparency Measures Act (ESTMA) Reported	$64.6M	$193.7M

Representative Snapshot: B.C.'s Natural Gas Sector in Selected Communities

Examples of B.C. Communities Engaged in the Natural Gas Supply Chain (2022–2024)

Municipality	Supply Chain Spend	Number of Active B.C.-based Vendors
Dawson Creek	$747.5M	325
Delta	$33.0M	15
Fort Nelson	$62.1M	65
Fort St. John	$3781.8M	735
Kitimat	$2.3M	2
Nanaimo	$23.8M	5
Nelson	$0.6M	3
Penticton	$52.7M	5
Prince George	$30.0M	40
Trail	$0.5M	2
Vancouver	$200.6M	80

Note: The spends and vendor counts associated with the unincorporated communities within the Peace River Regional District (PRRD) are grouped together. The unincorporated communities are listed under Appendix G.

B.C. Indigenous-affiliated Vendors Provided $832M of Goods and Services

	Indigenous-affiliated Vendor Count 2022-2024	Indigenous-affiliated Spend 2022-2024
B.C.	~135	$832.0M

More than 135 Indigenous-affiliated vendors based in B.C., operating across approximately 25 municipalities and affiliated with 15 Indigenous communities were engaged from 2022-2024.

Between 2022-2024, the **average annual expenditure** with Indigenous-affiliated vendors across B.C. rose **148.4%,** growing from approximately **$157.0M** in 2022 to **$390.1M** by 2024.

13.6% of **supply chain expenditures** were Indigenous-affiliated between 2022 and 2024.

6.0% of **vendors** supporting B.C. Natural Gas sector between 2022-2024 were **Indigenous-affiliated.**

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B.C.’s Diverse Natural Gas Supply Chain

Focuses on vendor distribution across key supply chain categories and types of community investment between 2022-2024.

3

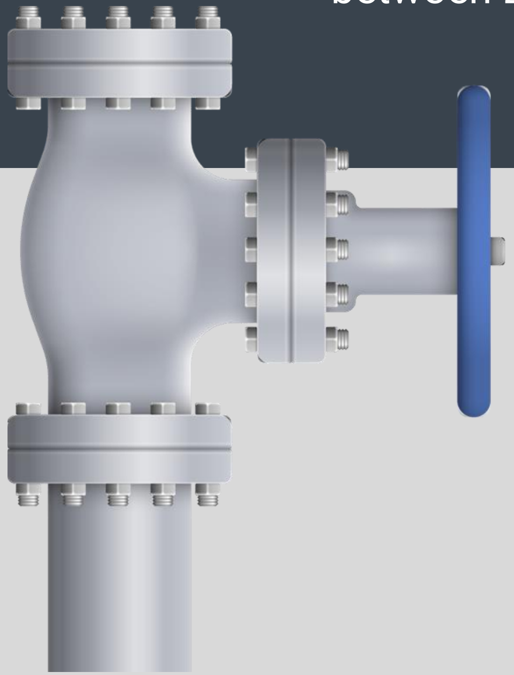
SECTION

Supplier and Community Investment Diversity

Indigenous-affiliated vendors provided all 16 categories of goods, materials, and services available to the sector.

~100 Indigenous-affiliated Businesses

were engaged **annually** in the B.C. natural gas sector supply chain between 2022 and 2024.



Drilling / Completion / Downhole Services

was the most accessed supply chain category based on spend between 2022 and 2024.

The top area of community investment by number of recipients from 2022-2024 was

Sports and Athletic Associations.

Drilling Led in Spending, Construction in Vendor Count

Natural Gas Supply Chain Diversification with B.C.-based Vendors from 2022-2024.

2022-2024

30%

of reported expenditures were made with **Drilling / Completion / Downhole Services** vendors.

These vendors represented nearly **7.6%** *of the total vendors by count.*

$1.8B was the reported expenditure with **~485** vendors in Drilling / Completion / Downhole Services .

The second and third subcategories with the **greatest** expenditures:

2022-2024

Equipment Services / Maintenance at **$969.0M**.

Construction at **$846.7M**.

14.7% of the vendors provided services and goods in the **Equipment Services / Maintenance** category from 2022-2024.

16.8% of the vendors provided services and goods in **Construction** which continued to be the second most accessed category from 2022-2024 by vendor count.

Note:
- See Appendix D for definitions of supply chain categories.
- A vendor can engage in more than one supply chain category; therefore, the vendor count percentages are calculated on the total sum of unique vendors count for each category.

Off-Site Services Accounted for More Than 35% of Vendors in the Supply Chain

Distribution of Supply Chain by Category* based on Count of Vendors Reported in B.C. from 2022-2024

Category	%
Support Services and Miscellaneous	**24.4%**
Business Services	13.0%
Miscellaneous	10.5%
Retail	0.9%
Parts, Equipment and Capital Assets	**39.5%**
Construction	16.8%
Equipment Services / Maintenance	14.7%
Materials, Parts and Supplies	8.0%
Consulting, Contractors, Technical Services	**21.3%**
Drilling / Completion / Downhole Services	7.6%
Engineering Services	2.5%
Environmental / Industrial Waste Services	10.4%
Technological Development	0.8%
Consumables, Utilities and Logistics	**14.8%**
Camps and Catering / Potable and Wastewater	2.4%
Chemicals, Materials, Parts and Supplies	1.8%
Electrical Equipment / Services	1.2%
Health and Safety Materials / Services	1.1%
Telecommunications / Office Equipment	0.4%
Transportation	7.9%

Note:
- See Appendix D for definitions of supply chain categories.
- A vendor can engage in more than one supply chain category; therefore, the vendor count percentages are calculated on the total sum of unique vendors count for each category.

Construction Topped Indigenous-affiliated Spend

Natural Gas Supply Chain Supply Chain Diversification with B.C.-based Indigenous-affiliated Vendors from 2022-2024

2022-2024

37.6%

of reported Indigenous-affiliated expenditures by participating CAPP members were with **Construction** vendors.

These vendors also represented nearly 13.5% of the total Indigenous-affiliated vendors.

75 vendors accounted for **$313.2M** in reported spending in **Construction**.

The second and third subcategories with the **greatest** expenditures:

2022-2024

Equipment Services / Maintenance with procurement of

$151.1M

Environmental / Industrial Waste Services – with procurement of

$146.4M.

14.5% of the Indigenous-affiliated vendors provided goods and services in **Equipment Services / Maintenance** category from 2022-2024.

14.5% of the Indigenous-affiliated vendors were active in **Environmental / Industrial Waste Services** from 2022-2024 by vendor count.

Note:

- See Appendix D for definitions of supply chain categories.
- A vendor can engage in more than one supply chain category; therefore, the vendor count percentages are calculated on the total sum of unique vendors count for each category.

Community Reach

Outlines vendor participation and reported investments by location across B.C. between 2022 and 2024.

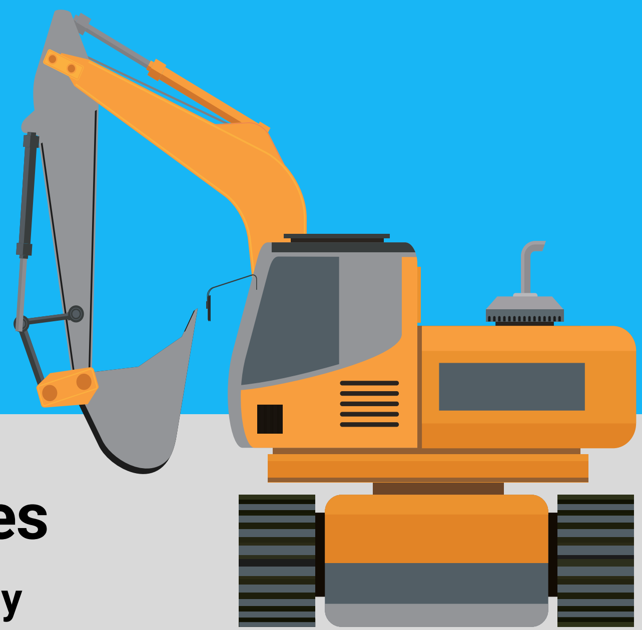
4

SECTION

Measuring Local Reach

61.9%

of supply chain spending in B.C.'s upstream natural gas sector from 2022–2024 was in Fort St. John.



1730 Businesses

were supported **annually** between 2022 and 2024.

~25 Communities

per year, on average, had organizations receiving community investments between 2022 and 2024.

Outside of NEBC, Vancouver Led B.C.'s Upstream Natural Gas Supply Chain

Notable Facts on B.C.’s Natural Gas Supply Chain Impact from 2022-2024

Fort St. John Leads in Natural Gas Supply Chain Count and Expenditures from 2022-2024

- Fort St. John had the greatest supply chain benefits reported, accounting for 61.9% of total natural gas supply chain expenditures reported. Fort St. John also had the most vendors active from 2022-2024.
- The combined Electoral Areas of Peace River Regional District (PRRD) had the second highest supply chain benefits, contributing 14.1% of total natural gas supply chain expenditures.
- Outside PRRD, Vancouver was the municipality with greatest supply chain expenditures and the most vendors between 2022 and 2024.

Widespread Vendor Involvement in B.C.'s Natural Gas Sector

4.7% of the vendors active in the upstream Natural Gas Supply Chain work in multiple municipalities across B.C.

18.5% of vendors work for three or more of B.C.’s natural gas operators.

North Coast and Nechako Regions had the Highest Median Vendor Spend Reported

B.C. Natural Gas Sector Supply Chain Impacts by Economic Regions from 2022-2024

Supply Chain Summary	Northeast	Lower Mainland / Southwest	Thompson / Okanagan	Kootenay	Cariboo	Vancouver Island / Coast	North Coast	Nechako
Total Supply Chain Spend with Regional Vendors	$5630.3M	$315.1M	$80.4M	$4.6M	$34.5M	$37.0M	$9.0M	$2.3M
Median Vendor Spend	$71.2K	$54.4K	$165.2K	$26.4K	$85.0K	$97.5K	$458.6K	$259.9K
Number of Regional Vendors	~1815	~225	~90	~20	~50	~60	~5	~5

$35.2M Invested in B.C. Community Organizations from 2022 to 2024

Distribution of Community Investment Recipients Across B.C.

Community investment grew by **201.8%,** reaching **245** B.C.-based **organizations** across **35** B.C municipalities and associated with **10** **Indigenous communities** between 2022 and 2024.

Community Investment Growth	2022	2024	% Change 2022-2024*
Community Investment Expenditures	$4.0M	$12.0M	**201.8%**
Number of Community Investment Recipients**	115	165	**39.5%**

Top Three Community Investments by Count of Recipients

- Sports and Athletic Associations
- Indigenous Community Development
- Education

* Percentage changes are calculated on actual values for accuracy and do not consider the rounded values presented for readability.

Note: See Appendix E for definitions of community investment categories.

Guidance Documentation

Provides an overview of the SVR process, illustrating how data was collected, analyzed, and mapped. It includes a description of the calculations used, details the application of machine learning to classify cost codes with additional explanations provided in the appendices.

5

SECTION

Shared Values Reporting (SVR) Process Overview

Data Model, Definitions and Data Collection

Step 1: Agree on data model and dimensions for SVR analysis.

Step 2: Index definitions and calculations.

Step 3: Gather annual expenditures and community investments.

Stage 1

Validation and QA

- **Verification Step:** Ensure accuracy and completeness of reported information.
- **Deduplication and Normalization Step:** Identify and remove duplicate vendor records and standardize vendor names, addresses, and other attributes.

Unique Vendor Count Step

PER YEAR

For unique counts **per year,** vendors are counted once per year, even if they appear multiple times.

MULTIPLE YEARS

For unique counts over the reporting period, vendors are counted only once, even if they appear in multiple years.

BY MUNICIPALITY

For unique counts per municipality, vendors are counted once, even if they are active for multiple SVR respondents in the same municipality.

BY PROVINCE OR STATE

For unique counts per province or state, vendors are counted only once, even if they operate in multiple municipalities.

MULTIPLE LOCATION SAME VENDOR

Vendors may operate in multiple locations, but the same expenditure cannot be assigned to more than one location.

Stage 2

Analytics Methodology

Step 1: See **Indigenous-affiliation Reporting Transparency Pyramid.**

Step 2: Data Categorization: Categorize vendors and organizations by good/service type and community investment types.

Step 3: Geographic Mapping: vendor locations are mapped using Canada Post: ***Postal Code Conversion File*** dataset to align with municipalities and regional boundaries.

Stage 3

Insight Generation

Generate metrics, trends, and visualizations.

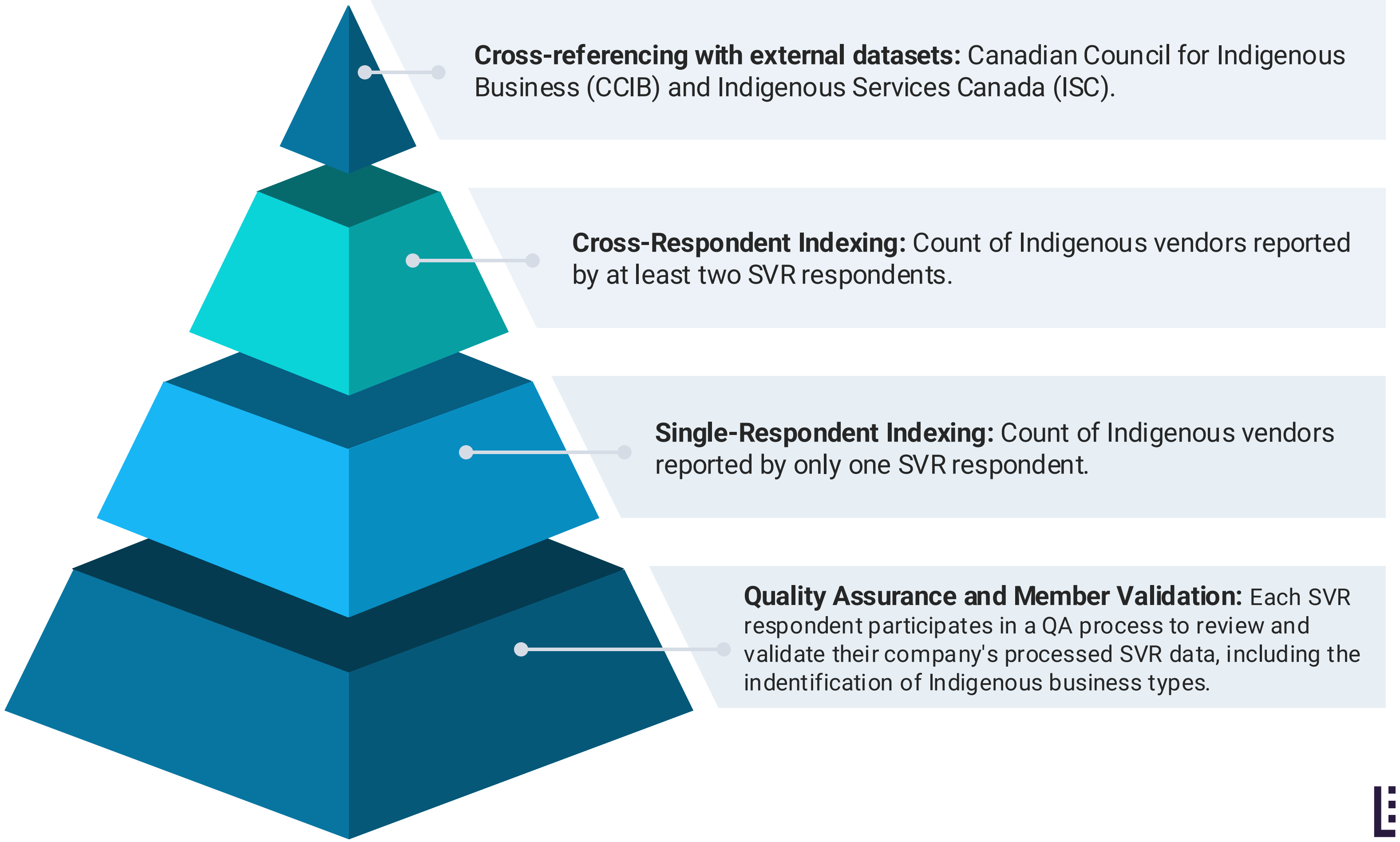
Compile findings into year-over-year comparisons, categorization, and maps.

Stage 4

Promoting Transparency and Accountability in Indigenous Participation Reporting

- Each company participating in this Shared Values Reporting (SVR) has its own internal process for confirming Indigenous business structures.
- The SVR does not independently verify the legal ownership of Indigenous businesses reported by participants. Rather, its methodologies focus on standardizing data aggregation and participation metrics to reveal reported Indigenous participation rates in supply chains and community investments.
- The SVR publishes key insights, such as the number of vendors identified as majority-owned compared to the percentage of Indigenous-affiliated businesses reported. By openly sharing these metrics, the SVR fosters accountability and transparency, showcasing the commitment of participating companies to reconciliation and measurable progress. **See the Reporting Transparency Pyramid.**

Indigenous-affiliation Reporting Transparency Pyramid



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Explanation on Calculations

Topic	Description
Count of Municipalities	• The count of municipalities referred in the SVR includes all the municipalities, unincorporated communities, including hamlets, localities, and designated places as defined under Government datasets and natural gas companies' submissions. • The study utilizes the Canada Post ***Postal CodeOM Conversion File (PCCF)*** to standardize and link postal codes to geographic areas for statistical and spatial analysis. This dataset includes the 'Comm_Name' field, which identifies community names denoting any city, town, or village across Canada that is recognized as a valid mailing address.
Percentage Change Calculations	• All percentage change calculations performed in the SVR are based on the actual (unrounded) numbers for **accuracy** and **consistency**. • However, all the values shown in the report are rounded. • Therefore, the percentage changes presented in the SVR may not match the percentage changes calculated by readers using rounded values.
Rounding	All the values shown in the report are rounded for **readability, focus on key insights and visual appeal.** • $ were rounded to the nearest billion, million or thousand. • Counts were rounded down to nearest 5s and 10s.

Use of Machine Learning and AI

Topic	Description

Categorization	• The supply chain expenditures were classified into categories as finalized by CAPP. Please refer Appendix D for definitions.
	• The categorization of supply chain was completed in two steps that combines efficiency of Machine Learning (ML) with expert validation ensuring that the categorization results are scientifically robust and practically aligned with the unique characteristics of the natural gas sector.
	    o Step 1: A combination of ML models were trained on validated historical categorized data from CAPP previous natural gas SVRs, achieving over 90% accuracy in predicting supply chain categories based on cost codes submitted by Members. The training data for ML model was customized and carefully used, not sourced from any public data, and was enhanced specifically for each project to ensure its relevance and precision.
	    o Step 2: After the ML models provided initial classifications, all results were reviewed and quality-assured by iTOTEM's team to ensure accuracy and consistency.

Data Tables and Appendices

Includes more data tables highlighting geographic and impact by year of key performance indicators. The section also includes explanation on the data collection and validation processes, as well as the assumptions underpinning the analysis.

6

SECTION

More Procurement per Vendor with 30% Rise in Median Spend

Year over Year Change in Supply Chain Expenditures and Active Vendors

Supply Chain Summary		2022	2023	2024	2022-2024	% Change 2022-2024*
Supply Chain Expenditures	Total Supply Chain Spend with Vendors	$1.5B	$2.1B	$2.5B	$6.1B	70.1%
	YoY % Change in the Total Spend on Vendors*	--	45.5%	16.9%	--	--
	Median Vendor Spend	$50.0K	$50.5K	$65.0K	$75.0K	30.0%
Number of Active B.C.-based Vendors Engaged	Number of Active Vendors	1630	1760	1805	2250	10.8%
	YoY % Change in the Total Number of Active Vendors *	--	7.8%	2.8%	--	--

* Percentage changes shown is calculated on exact values and may be different than the percentage calculated using apparent numbers due to rounding.

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Indigenous-affiliated Vendor Spend Up 150%

Year over Year Change in Indigenous-affiliated Supply Chain Expenditures and Active Vendors

Indigenous-affiliated Supply Chain		2022	2023	2024	2022-2024	% Change 2022-2024*
Indigenous-affiliated Supply Chain Expenditures	Total Indigenous-affiliated Supply Chain Expenditures with Vendors	$157.0M	$284.9M	$390.1M	$832.0M	148.4%
	YoY % Change in the Total Indigenous-affiliated Spend	--	81.4%	37.0%	--	--
	Indigenous-affiliated Spend as % of Total Supply Chain Spend	10.7%	13.3%	15.6%	13.6%	--
	Median Indigenous-affiliated Vendor Spend	$447.5K	$836.1K	$746.3K	$1,220.2K	66.8%
Number of Active Indigenous-affiliated B.C.-based Vendors Engaged	Number of Active Indigenous-affiliated Vendors	90	95	115	135	24.5%
	YoY % Change in the Total Number of Active Indigenous-affiliated Vendors *	--	5.3%	18.2%	--	--
	Indigenous-affiliated Vendor Count as % of Total Supply Chain Vendor Count	5.8%	5.6%	6.5%	6.0%	--

* Percentage changes shown is calculated on exact values and may be different than the percentage calculated using apparent numbers due to rounding.

Community Investment Recipients Grew ~40%

Natural Gas Community Investment Contributions in B.C. from 2022-2024

Community Investment Summary	2022	2023	2024	% Change 2022-2024*
Community Investment Expenditures	$4.0M	$19.2M	$12.0M	**201.8%***
Number of Community Investment Recipients	~115	~160	~165	39.5%*
Number of Communities with Community Investments	20	25	30	25.0%*
Top Focus Area of Community Investment by Count of Recipients	Sports and Athletic Associations	Sports and Athletic Associations	Indigenous Community Development	NA

* Percentage changes are calculated on actual values for accuracy and do not consider the rounded values presented for readability.

Note: See Appendix E for definitions of community investment categories.

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B.C. Municipalities with the Most Active Natural Gas Supply Chain

Top 10 Municipalities by Natural Gas Supply Chain Expenditures

2018-2024

Municipality	Total Expenditure
Fort St. John	$6202.0M
Dawson Creek	$1359.5M
Electoral Areas of PRRD	$1306.5M
Vancouver	$537.5M
Pouce Coupe	$484.3M
Prince George	$112.5M
Fort Nelson	$101.7M
Creston	$76.7M
Penticton	$66.7M
Hudson's Hope	$63.1M

Top 10 Municipalities by Range of Vendors Engaged in the B.C. Natural Gas Supply Chain

2018-2024

Municipality	Annual Average Vendor Count	Vendor Count Range*
Fort St. John	610	560 - 635
Dawson Creek	250	190 - 280
Electoral Areas of PRRD	300	400 - 465
Vancouver	65	50 - 80
Chetwynd	50	20 - 85
Fort Nelson	60	50 - 75
Prince George	25	25 - 30
Surrey	20	15 - 30
Burnaby	20	15 - 25
Taylor	20	20 - 25

Note: The spends and vendor counts associated with the unincorporated communities within the Peace River Regional District (PRRD) are grouped together. Refer to Appendix G for the list of PRRD unincorporated communities.

* The Vendor Count Range represents the lowest and highest number of vendors reported for each municipality in a single year across the seven-year period (2018–2024).

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Methodology

<table>
<tr><th>Focus Area</th><th>Assumptions</th></tr>
<tr><td>Categorization</td><td>

All vendor expenses were tagged to the 16 different natural gas supply chain goods, materials, and service categories. Please refer to Appendix D for detailed definitions of supply chain categories. The supply chain categorization was carried out in two main steps using machine learning (ML) models:

Step 1: A combination of several classification ML models were aggregated, trained and employed to classify vendor expenses into specific supply chain categories based on their account codes. The ML categorization process involved training algorithms to recognize and categorize patterns within the data effectively and predict the categories for submitted account codes data. The aggregated ML model was trainedon validated historical categorized data from CAPP’s previous natural gas SVRs, achieving over 90% accuracy in predicting supply chain categories based on cost codes submitted by Members. The training data for ML model was customized and carefully used, not sourced from any public data, and was enhanced specifically for each project to ensure its relevance and precision.
Step 2: After the ML models provided initial classifications, all results were reviewed and quality-assured by iTOTEM's team to ensure accuracy and consistency.

All the spends towards community investment were tagged to 13 different community investment-based categories. Please refer to Appendix E for detailed definitions of community investment categories.
Category percentages by vendor count are based on the total number of unique vendors for each category to show the complete representation of all the services vendors are providing to the sector. A vendor providing services in more than one category shall be counted for each of those categories separately for calculating vendor count category percentages.
</td></tr>
<tr><td>Community Investments</td><td>All the expenses that are carried out for the charitable and sponsorship purposes that are beneficial to the community.</td></tr>
<tr><td>Geographic References</td><td>

Vendors were tagged by municipality or unincorporated community according to the Postal Code Conversion File (PCCF) Dataset from Canada Post.
Other micro-tagging included:
Federal Electoral Boundaries
Indigenous- affiliation
Supply Chain Category
Community Investment Category
Year
</td></tr>
</table>

Methodology

Focus Area	Assumptions
Indigenous-affiliated Vendor	According to Statistics Canada, 'A business is considered Indigenous-owned if more than 50% of its shares are owned by Indigenous people—individuals who reported being First Nations (North American Indian), Métis or Inuk (Inuit); those who reported Registered or Treaty Indian status, registered under the Indian Act of Canada; or those who reported membership in a First Nation or Indian band.' Source: https://www.statcan.gc.ca Accordingly, for the SVR, the definition of Indigenous Peoples is applied, and the supply chain participation includes both majority and minority Indigenous business ownership structures. Without the ability to confirm majority ownership structure of each business, the SVR conservatively reports all Indigenous participation based only as being 'Indigenous-affiliated'. Definition - All the vendors that are or owned by Indigenous people — individuals who reported being First Nations (North American Indian), Métis or Inuk (Inuit); those who reported Registered or Treaty Indian status, registered under the Indian Act of Canada; or those who reported membership in a First Nation or Indian band, irrespective of the ownership structure of the vendors being majority owned.
Limitations and Notes	iTOTEM relied on the accuracy of the information provided by CAPP SVR participants regarding their supply chain and community investment expenditures and the respective locations of the vendors in Canada. However, the same has been validated using credible data sources like PCCF dataset from Canada Post and Google Places API based in-house algorithms.
Nominal Dollar Values	The primary focus of SVR is to measure flows of monies in the B.C. Natural Gas Supply Chain across various geographic boundaries and does not aim to produce the results for any secondary investment analysis requiring purchase power parity. All spends in SVR are reported in nominal dollars (the actual amounts paid at the time of transaction) and are not adjusted for inflation. This (1) Ensures transparency by keeping the results directly traceable to audited financial records and invoices; (2) Comparisons across vendors, regions, and categories reflect the actual contracted spend; (3) Stakeholders can clearly interpret the study in terms of real payments made into communities and supply chains.
Province and Territories Standard Abbreviations	Census of Population, 2021 under Statistics Canada has been used as a resource for standardized abbreviations for provinces and territories in SVR. Source: Dictionary, Census of Population, 2021 - Table 1.8 Abbreviations and codes for provinces and territories, 2021 Census

Methodology

Focus Area	Assumptions
Quality Assurance Data Changes and Exclusions	• A QA process was run to remove duplications, standardize spellings and apply exclusions. • All the spends relating to taxes/levies/Government fees were excluded from the analysis • iTOTEM ran a validation process with the CAPP participants to assure the data veracity.
Rounding	• $ were rounded to the nearest billion, million or thousand. • Counts were rounded down to nearest 5s and 10s. • The rounded $ amounts in billion, million and thousand are represented with the suffix ‘B’, ‘M’ and ‘K’ respectively
Unique Vendor Counts	• A vendor can be tagged in more than one municipality, but this does not change the total number of unique vendors in the province, territory or Canada nor does it change the total number of unique vendors in a municipality. • The unique vendor count means the vendor is counted once. In situations where the same vendor operated in more than one location, but spelling was recorded differently, the spelling was standardized, and duplications excluded. • The locations of the vendors were extracted from postal codes; postal codes were verified with Canada Post. In situations where a postal code was not provided, an additional validation process, involving google places API base in-house application, was applied; failing this, the vendor location is part of the margin of error.
Vendor	Contractors/Consultants and other professionals, materials as well as goods and service providers to the member companies of the Canadian Association of Petroleum Producers (CAPP).

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Supply Chain Categories

Category	Description
Business Services	Companies involved in consulting on business practices and business efficiencies, e.g. accounting, legal. Includes training and staffing
Camps and Catering / Potable and Wastewater	Companies providing temporary or permanent camp facilities and catering and/or food services; supplying potable water and treating wastewater
Chemicals, Materials, Parts and Supplies	Companies dealing with manufacturing, handling, developing or selling chemicals/chemical products
Construction	Companies involved in the manual labour of a project such as constructing pipelines, constructing buildings, tree clearing, etc.
Drilling / Completion / Downhole Services	Companies involved in providing and/or consulting on drilling, completion or downhole services for projects
Electrical Equipment / Services	Companies providing and/or consulting on instrumentation, electrical equipment usage, electrical power servicing, electrical control equipment etc.
Engineering Services	Companies providing engineering services such as consulting, designing projects (excludes drilling)
Environmental / Industrial Waste Services	Companies working on environmental services such as testing, inspection, research, monitoring, reclamation and remediation, waste treatment, etc.
Equipment Services / Maintenance	Companies manufacturing, distributing, selling or renting equipment such as large rigging equipment, pumps, automation equipment etc. Includes maintenance, repair and operation of equipment/facilities
Health and Safety Materials / Services	Companies providing products and/or services that promote and provide safety in the workforce such as training or fire-retardant uniforms etc.

Supply Chain Categories

Category	Description
Materials, Parts and Supplies	Companies providing basic materials and unfinished goods and/or spare parts to the natural gas sector such as steel, plastics, nuts, bolts, filters, small piping, etc.
Miscellaneous	Companies whose services or goods do not clearly align with other defined categories but still contribute to natural gas operations. This may include general contracting, ad-hoc support services, or undefined supply arrangements.
Retail	Companies falling outside the realm of the natural gas and oil sector such as signage, office supply, advertising, sports goods stores etc.
Technological Development	Companies dealing with developing technology and/or supplying technological products such as software development, computer models etc.
Telecommunications / Office Equipment	Companies providing temporary or permanent communications devices and/or services such as Telus, Bell etc.
Transportation	Companies involved in logistics such as goods transporting and package shipping. Includes flights, vehicle rentals and courier services.

Community Investment Categories

Type of Community Investment	Description
Arts and Cultural Activities	To advance the public's appreciation of the arts by providing high-quality artistic performances. To advance the public's appreciation of the arts by producing public art exhibitions, presentations, and performance art(s) events, and by providing a forum for qualified artists to exhibit, present, or perform their artistic works through participation in such events.
Education	To provide knowledge or develop abilities by deliberate teaching or training. Training that provides knowledge or develops abilities and describes the criteria they must meet.
Environment	To protect the environment for the benefit of the public by conserving or restoring ecosystems and biodiversity on a long-term basis and to reduce pollution.
Family Wellness	To address and prevent specific problems faced by families by: • Establishing and operating an assessment and counselling center for children, youth, and parents dealing with behavior management issues. • Providing parents, children, and youth with mentoring programs, workshops, and seminars on issues such as anger management, conflict resolution, and effective communication.
Health	The promotion of health means to directly prevent or relieve a physical or mental health condition by providing effective health care services or products to the public in a manner that meets applicable quality and safety requirements.
Indigenous-Capacity Funding	Capacity funding for Indigenous Nations in Canada is financial support designed to enhance the ability of Indigenous communities to effectively participate in various activities, including governance, economic development, and community planning. This funding aims to build and strengthen the skills, resources, and overall capacity of these communities.
Indigenous Community Development	A financial contribution aimed at supporting the long-term growth, sustainability, and well-being of Indigenous communities. These donations fund initiatives that enhance local economic development, cultural preservation, social programs, or infrastructure projects. Unlike capacity funding, which focuses on enabling participation in projects, these donations directly support community-led efforts to build self-sufficiency and resilience. These contributions also includes the Indigenous social investments via impact benefit agreements.

Community Investment Categories

Type of Community Investment	Description
Miscellaneous	Donations or sponsorships that do not fall under any of the categories listed in this table. These can typically be donations to people or vendors without any explanations.
Promoting Commerce or Industry	To promote and maintain efficiency and high standards of practice by developing training programs and providing funds for the training of individuals engaged in the sector, trade, or profession; conducting research on best practices related to that sector, trade or profession and disseminating the results of the research to the public.
Protecting and Preserving Heritage Sites	To protect and preserve significant heritage sites by restoring, developing, and maintaining the historic site with a view to commemorating the site and educating the public about it.
Public Amenities	To provide a public amenity by establishing and maintaining: • A memorial garden for the public • Parks and playgrounds • Multi-use recreational facilities
Senior Care	To relieve conditions attributable to being elderly by: • Providing specially adapted residential accommodation, incidental facilities, and support. • Providing personal care, housekeeping, meals, nursing, shopping assistance, and transportation to medical appointments.
Sports and Athletic Associations	Canadian amateur athletic associations that promote the sport.
Supporting the Canadian Armed Forces and Emergency Services	To promote the efficiency of the Canadian Armed Forces for the benefit of the public by providing air, sea, or army cadet training to youth.

Application of the Indigenous-affiliation Reporting Transparency Pyramid

Indigenous Reported Majority Ownership and Affiliation Indicators 2022-2024	Vendor Count
Total Number of Indigenous Vendors (Validated and Submitted)	**136**
Total Number of Validated Indigenous Vendors (Validated through CCIB, ISC and Govt Website)	**38**
- Indigenous Vendors Validated Through **CCIB**	15
- Indigenous Vendors Validated Through **ISC**	10
- Indigenous Vendors Validated Through **CCIB** and **ISC**	5
- Indigenous Nations / Bands	8
Total Number of Indigenous-affiliated Vendors Submitted, but Without Majority Ownership Validation	**98**
- Indigenous Vendors Submitted by Two or More Members	40
- Indigenous Vendors Submitted by One Member Only	58

- Process Step One: The vendors or organizations are cross-referenced with Indigenous business directories from Indigenous Services Canada (ISC) – ***Indigenous Business Directory*** and the Canadian Council for Indigenous Business (CCIB) – ***Certified Indigenous Business Program*** to verify if they are listed.
- Process Step Two: For entities not listed in the ISC and CCIB directories but submitted as being associated with Indigenous participation, they are classified as Indigenous-affiliated. iTOTEM records the number of Member companies that submits a vendor or organization as Indigenous. This count represents the probability of Indigenous affiliation. For example, if one Member submits a vendor as Indigenous-affiliated, the count is one. If three Members report the same vendor, the count is three. See the ***Indigenous-affiliation Reporting Transparency Pyramid*** in the Guidance Documentation.

Peace River Regional District Electoral Areas

Electoral Area 'B'	Electoral Area 'C'	Electoral Area 'D'	Electoral Area 'E'
Altona	Baldonnel	Arras	East Pine
Buick	Charlie Lake	Bessborough	Groundbirch
Cecil Lake	Clairmont	Cutbank	Hasler Creek
Clayhurst	Grandhaven	Doe River	Jackfish
Clearview	Old Fort	Farmington	Lone Prairie
Flatrock	Two Rivers	Kelly Lake	McLeod
Goodlow		Kilkerran	Moberly Lake
Montney		One Island Lake	Pine Valley
North Pine		Rolla	Progress
Osborn		Tomslake	Sunset Prairie
Pink Mountain		Tower Lake	
Prespatou		Tupper	
Rose Prairie			
Sikanni Chief			
Trutch			
Upper Cache			
Upper Halfway			
Wonowon			

iTOTEM Analytics, with offices in Vancouver, B.C., and Houston, Texas, is an integrated data science and project development firm that transforms complex technical data into hyper-local insights on investment impacts.

Our value proposition is shareworthy content that builds trust, mobilizes support, and strengthens advocacy.

Using advanced data science, we simplify information gathering and content creation to deliver insights that matter—focused on what elected officials, community leaders, and the public care about: their neighborhoods, economic progress and responsible development.

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