

# High Arctic Energy Services Inc.

## Fighting Forced Labour and Child Labour Report

### Introduction

At High Arctic Energy Services Inc. (“**HAES**”), we are committed to conducting our business while upholding the highest ethical and business standards, no matter where in the world business takes us. We expect that we will commit to these standards individually and collectively, even if maintaining such high ethical standards results in a loss of business.

HAES is opposed to all forms of forced labour. Exploitation is against our commitment to respect human rights. We will take steps against modern slavery in our business, and we are committed to working with our suppliers to ensure their workforce, and the workforce of their supply chains are treated with respect and dignity.

This is HAES’ third forced labour report pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and it will continue to be reviewed annually. Our reporting outlines the measures we have in place and the efforts we have commenced to assess and address risks of forced labour and human trafficking in our business and supply chain.

### Our organizational structure and business operations

HAES is a Canadian energy services provider in the Oil and Gas sectors. HAES provides services to exploration and production companies in Canada. Our business success relies on delivering our services better than others. This means that to establish or maintain market superiority, we need to deliver on our promise with quality inputs and fewer errors. Our ability to identify risk through a systematic, whole-of-business approach, implement quality solutions, and drive improvement through active engagement with our customers is fundamental to sustaining our business. We bring this same expertise to our approach to monitoring for modern slavery in our operations.

As at December 31, 2025, HAES had 16 active employees.

HAES is the sole reporting entity in this report, its policies and standards apply throughout its operations and to each of its subsidiaries.

To learn more about our business, please see <https://haes.ca/>.

### Our supply chain

Within our Canadian operations, we have assessed our risk profile based on sector and industry risks as low. All of our workers are employed in Canada. We have fair and responsible employment practices in place that protect and govern our employees and promote their rights and wellbeing.

HAES leases pressure control and other oilfield equipment to oil and gas extraction companies in Western Canada on a rental basis.

Over the reporting year, aside from two capital purchases made from suppliers in the United States of America, HAES did not import any other goods into Canada, and, aside from the two aforementioned purchases, all goods purchased were from Canadian suppliers. However, we recognize that risks of forced labour may be present in our supply chain, particularly the second and third-tier suppliers to our Canadian suppliers, and particularly when they are supplying from regions where inadequate workplace conditions are more predominant. We have less visibility over the working conditions and employment terms of such workers.

One of the aforementioned US capital purchases made in the reporting year was made from a large public oilfield services company. This supplier was prequalified by HAES as it was documented that their Supply Chain Standards met or exceeded HAES' Supply Chain Standard as it related to forced labour with their supply chain.

The other aforementioned US capital purchases made in the reporting year were made from a privately held valve and parts manufacturer. This supplier was prequalified by HAES using an approved written agreement whereby they committed to meeting our requirements under the Supply Chain Standard as defined below.

HAES assesses and manages risk by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid inadequate workplace conditions in all environments in which HAES operates. This includes developing and implementing those policies, processes, standards and due diligence discussed in this report and requiring that all management personnel are familiar with and adhere to them.

## Our policies and standards

The HAES **Code of Business Conduct** summarises our values and many of the ethical principles and policies we have developed to assist in conducting business. As we face unique business challenges daily, our decisions and actions must be influenced by the highest sense of business and professional integrity. This commitment requires not only compliance with laws but also requires that all of us, employees, officers, and directors of HAES conduct our business activities according to the values and beliefs of our Company. We expect the consultants, suppliers and contractors with whom we do business to embrace similar values and standards. HAES' Code of Business Conduct can be found on our website: [this link](#).

Our **Modern Slavery Standard** outlines our key principles and systematic opposition to all forms of forced labour. Our approach is informed by the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the 1998 Declaration of the Fundamental Principles of Rights at Work of the International Labour Organization, which covers freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

HAES has established a **Supply Chain Standard** which requires external suppliers to meet our standards. This includes the need to meet HAES standards for conflict of interest, anti-bribery and anti-corruption, modern slavery, as well as quality assurance. Engagement of vendors is to be conducted under an approved written agreement which stipulates requirements to meet applicable HAES Policies, Standards, Terms and Conditions and whether the use of sub-contractors is permitted.

Our **Ethical Business Policy** and **Anti-Bribery and Anti-Corruption Standard** sets out our expectation that everyone representing HAES conducts themselves with integrity, ethics, honesty and diligence in performing their duties, as well as our commitment to comply with the laws of the country, province or state in which we operate, and exposes illegal acts and actions.

Our **Health and Safety Policy** and **Stop the Job Obligation Policy** seeks to foster a culture of safety throughout our organization by reminding our employees that no job is so urgent or important that the necessary steps for safety cannot be undertaken. We consider it a personal obligation to proactively identify and manage the risk associated with our work and intervene in any unsafe act or condition to prevent harm to our people, the environment or damage to our equipment and reputation.

HAES' **Equity & Diversity Policy** demonstrates our commitment to providing a safe and respectful work environment, fostering a culture of diversity and inclusion where all employees, supervisors and contractors feel valued and respected. We embrace our employees' differences and do not tolerate unwelcome or unsolicited physical or verbal conduct that targets age, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, race, religion, sexual orientation, socio-economic status, and other characteristics that make our employees unique.

Our **Code of Business Conduct** maintains that our employees comply with the laws and regulations applicable to our business and maintain the highest standards of ethical conduct. As part of our **Whistleblower**

**Standard**, we seek to maintain a workplace where concerns regarding questionable business practices or illegal conduct can be raised without fear of discrimination, retaliation or harassment.

## **HAES Modern Slavery Standard**

Our Modern Slavery Standard is the cornerstone of our due diligence processes to identify and combat forced labour and child labour and mitigate risks in our business and supply chain.

The key principles are as follows:

- a) **HAES' Principles:** we will not use child labour or forced, prison or compulsory labour. We provide wages and benefits that meet or exceed legal standards, and provide a safe, secure and healthy workplace that complies with all laws and regulations. We do not permit the payment of recruitment fees by workers.
- b) **Risk Management:** HAES Management will assess the existence of modern slavery practices and address them, if discovered, in the places where we operate and in the supply chains that support our operations. We will implement risk management strategies to mitigate the risk of potential HAES activities contributing to modern slavery, including training our workforce to be Modern Slavery Aware.
- c) **Vendors:** We engage vendors who commit to our principles. Vendor engagement will be conducted on the basis of the vendor's commitment to compliance with applicable laws and regulations and the respect of human rights. If a vendor is identified as having an elevated risk for labour rights/worker welfare, we will find an alternate vendor or undertake a detailed assessment of the vendor's management systems and processes to ensure that they are capable of effectively managing the risks within their own operations and respective supply chains.
- d) **Whistleblowing:** We provide means for free, independent and anonymous reporting of any suspected modern slavery practices associated with HAES activities and our supply chains.
- e) **Compliance Reporting:** We will comply with statutory reporting, as enacted, for relevant jurisdictions where we operate.

Engagement of a Vendor is conducted under an approved written agreement. Such agreement must stipulate requirements to meet applicable HAES Policies, Standards, Terms and Conditions and whether the use of sub-contractors is permitted. Vendors are prequalified on the basis of meeting HAES standards for:

- a) Conflict of Interest;
- b) Anti-Bribery and Anti-Corruption;
- c) Modern Slavery; and
- d) Quality Assurance.

## **Training**

HAES uses tailored interactive web-based training programs which, amongst other things, requires all of our employees to review and acknowledge they understand our Code of Business Conduct, our Operational and Governance Standards and our Policy with respect to Modern Slavery, in addition to several other Policies and Standards, every two years. This training is mandatory for all employees. Through the training, employees are encouraged to identify and report any potential breaches of HAES' Code of Business Conduct.

## **Remediation measures**

To date, we have not identified any instances of forced labour or human trafficking in our business and supply chains. Therefore, we have not been required to take remedial measures. Similarly, we have not taken measures to remediate loss of income to vulnerable families resulting from remedial measures.

## Effectiveness in combatting forced labour risks

The following measures provide a basis for evaluating our progress during the reporting year:

*Mandatory training:* All HAES employees who were required to complete or recomplete (within the two-year acknowledgment cycle) their mandatory training did so in the 2025 financial year.

*Supplier prequalification:* During the 2025 financial year, 100% of non-Canadian suppliers from whom capital goods were purchased were individually prequalified under HAES's Supply Chain Standard prior to purchase. HAES applied a prequalification method appropriate to each supplier's profile.

*Whistleblower mechanism:* HAES maintained its whistleblower mechanism for free, independent, and anonymous reporting of suspected modern slavery practices throughout the reporting year. During the 2025 financial year, zero concerns relating to modern slavery were reported through this mechanism.

*Elevated risk protocol:* HAES's Modern Slavery Standard includes an escalation protocol for vendors identified as having an elevated risk for labour rights or worker welfare. During the 2025 financial year, this protocol was not triggered, which is consistent with HAES's assessed low-risk profile.

HAES' future goals to mature and ensure relevance of its Modern Slavery Standard, Supply Chain Standard, and related policies are as follows:

### *Near-term:*

- (a) Maintain the 100% prequalification coverage for all non-Canadian suppliers and formalize tracking of prequalification outcomes.
- (b) Track the number of modern slavery concerns reported through the whistleblower mechanism on a year-on-year basis.

### *Medium term:*

- (a) Establish a regular review cycle for the Modern Slavery Standard, Supply Chain Standard, and related policies.
- (b) Include specific anti-forced labour and anti-child labour provisions in purchase agreements for imported capital goods.
- (c) Develop and provide targeted awareness training for employees involved in procurement and vendor management, focused on identifying modern slavery indicators relevant to heavy equipment and oilfield supply manufacturing supply chains.

### *Long term:*

- (a) Develop a documented incident response plan setting out the steps HAES would take if a modern slavery concern were identified through its whistleblower mechanism, supplier prequalification process, or other channels.
- (b) Monitor developments in industry-level modern slavery initiatives within the Canadian oilfield services sector and evaluate opportunities to participate in and align with sector-wide standards or information-sharing frameworks as they emerge.
- (c) Conduct a periodic reassessment of HAES's overall forced labour risk profile as the business evolves.
- (d) Integrate modern slavery due diligence into any future business expansion, acquisition, or new joint venture evaluation.

## Approval of the Report

This Report is made in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and constitutes HAES's forced labour report for the financial year commencing on January 1, 2025 and ending on December 31, 2025.

This Report was approved by the Board of Directors of HAES pursuant to Paragraph 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* on May 14, 2026.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I, in the capacity of Interim 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.

Signed

By: *L Bate*  
Lonn Bate  
Interim Chief Executive Officer  
Date: May 14, 2026

I have the authority to bind High Arctic Energy Services Inc.