

Harvard Resources Inc.

Modern Slavery Statement

2024

The Canadian Government has joined other jurisdictions in introducing measures to combat slavery and other forms of forced labour in its supply chains. Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*, referred to Canada's "Modern Slavery Act" has come into effect on January 1, 2024. Designated institutions and entities are therefore required to file a first report by May 31, 2024.¹

The Act establishes a reporting framework for two categories of entities:

- 1) government institutions, and
- 2) any Canadian-linked "entity" that produces, sells, or distributes goods anywhere in the world, imports goods into Canada, or controls an entity engaged in any of these activities.

The term "entity" is broadly defined as a business that either a) listed on a stock exchange in Canada or b) has a place of business in Canada, does business in Canada or has assets in Canada and meets at least two of the following conditions for at least one of its two most recent financial years:

- 1) has at least \$20 million in assets
- 2) has generated at least \$40 million in revenue
- 3) employs and average of at least 250 employees²

For the 2024 fiscal year-end, Harvard Resources Inc. (HRI) has met two of the above criteria. Therefore, HRI would meet the reporting requirements for submitting a Modern Slavery Statement by the reporting deadline of May 31, 2024.

Company Structure, Activities, and Supply Chains

Structure

HRI is a private Calgary based E&P oil company that is engaged in the business of acquiring, developing, and holding interest in petroleum properties and assets in Western Canada. HRI also has a non-operated joint venture interest in the Weyburn Unit located in Saskatchewan, Canada.

Supply Chains

Vendors engaged by Harvard Resources Inc. are Canadian owned and operated corporations. The vendors that make up 26% of HRI's total expenditures for the 2024 year-end are tier one vendors that

¹ <https://www.osler.com/en/blogs/risk/may-2023/canada-s-modern-slavery-act-what-businesses-need-to-know>

² <https://www.pwc.com/ca/en/today-s-issues/compliance-transformed/modern-slavery-reporting-requirements/legal-implications-of-canadas-modern-slavery-act.html>

would be required to comply with the Modern Slavery Act and report compliance by the May 31, 2024 deadline. Therefore, HRI will rely on this information to verify that suppliers are in compliance of the act.

Company Policies and Due Diligence Processes

- HRI has a Code of Conduct that expresses values and conduct expectations for all employees and contractors that is available to all employees.
- All new vendors that are identified as high risk for potentially engaging in forced and/or child labour, either directly or indirectly, will be required to complete a Modern Slavery Supplier Questionnaire. The assessment of vendors is to be completed by operation personnel determining the type of business the company is engaged in (i.e., services, distributor of materials and equipment, manufacturer, etc.) and whether the company has foreign operations, or if the products and/or raw materials sourced would be obtained from a foreign supplier. Upon review and approval of the vendor responses, HRI will proceed with the establishment of credit approval with the vendor.

Risk Assessment and Risk Management Measures

- HRI will complete a current supplier risk assessment that entails a high-level review of the top vendors identified in the most recent fiscal year-end. This includes inspecting the supplier's website to obtain a background of where the supplier manufactures, produces, and sources the raw materials used in their supply chain.
- For top tier one vendors that do not meet the criteria to submit a Modern Slavery Statement, and any new high-risk vendor identified by operations, a Modern Slavery Supplier Questionnaire will be provided that assesses the suppliers' policies and practices on modern slavery to assist in identifying modern slavery risks in goods and services procurement.

Remediation Measures

- HRI is committed to implementing improvements in monitoring our supply chain to ensure that the risk of engaging with a vendor who does not adhere to the Modern Slavery Act (directly or indirectly), is reduced to a reasonable level.
- As the majority of HRI's top vendors will meet the Modern Slavery Act reporting requirements, the due diligence and compliance requirements will automatically apply, subsequently mitigating the risk that HRI will engage with suppliers who participate in forced and/or child labour.
- In any instance where HRI is notified, or becomes aware, of a supplier contributing to adverse human rights impacts, including modern slavery, HRI will request the vendor to complete the Modern Slavery Questionnaire (if they have not already done so), and upon investigation of the claims, proceed with terminating relationships with said supplier and notify the appropriate governing body of the breach.

Training Provided to Employees

- Communicate any updated and current Code of Conduct to new and current employees.
- Circulate a memorandum to all employees directly engaged with vendor relations notifying them of the new reporting requirements of the Modern Slavery Act that will take effect on January 1, 2024, and the policies and procedures set out regarding mitigating the organizations risk (either directly or indirectly) with participating in acts of forced and/or child labour.

Measurements of Effectiveness

- Determine the percentage of high- risk suppliers identified in our annual year-end review extrapolated to all suppliers to identify the current risk of HRI inadvertently engaging in acts of modern slavery.
- The percentage of due diligence procedures completed and documented.
- Reviewing and verifying that all new high-risk vendors have completed the Modern Slavery Questionnaire and have met the approval requirements prior to proceeding with engaging in the purchase of goods or services from the entity.

Conclusion

HRI continues to respond to the due diligence requirements set out in the Modern Slavery Act to ensure adherence to the human rights impact for the 2025 fiscal period.

Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Harvard Resources Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities 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 March 31, 2024 reporting year.



Peter Hanrahan

President and CEO
Harvard Resources Inc.
May 28, 2024

I have authority to bind Harvard Resources Inc.