

Report on Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act

This single-entity report has been prepared and is filed by Hardt Equipment Manufacturing Inc. (Hardt) for the financial year ending October 31, 2023 (the reporting period) and sets out the steps to be taken in the future to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by Hardt.

1) Structured, Activities and Supply Chains

a) Structure

Corporate Structure & Employees

Hardt is a privately owned enterprise, located in Montreal, Quebec. It employs more than 150 employees.

b) Activities

Hardt Equipment Manufacturing Inc. is a mechanical integrator of Institutional Food Equipment. This proprietary equipment is assembled mostly with parts designed by Hardt's engineering team. These parts are made largely of sheet metal, machined, and cast metal components. Hardt's equipment also utilizes some electrical components designed exclusively for its equipment and standard, off-the-shelf components as well. Our supplier base is composed of North American and International providers.

Hardt evolves in the Manufacturing and Wholesale Trade Sectors. It has one sole location in Montreal, Canada and its products are sold to the largest Retail Chains in North America. Hardt's equipment is utilized, throughout the world. Its business model also covers, after-market-sale service of the equipment, by providing training, repairs, and troubleshooting the equipment in the field.

Given Hardt's long history of operations, many of our key suppliers have long-standing relationships with Hardt that have been nurtured over the years. These relationships are managed by the Vice-President of Production who is supported by a team overseeing purchasing, planning, QC, and logistics.

c) Hardt's Strategic Direction

Values

- I. **Communicate actively: speak clearly and help the person you are speaking with understand what you are saying. Listen actively and put all your effort into trying to understand the person you are communicating with.**
- II. **Voice and seek to resolve concerns: speak up when you see potential problems, by offering constructive suggestions. Work with your colleagues to solve problems.**
- III. **Work cooperatively & respectfully: help others out, treat them as you would like to be treated, contribute to making our workplace somewhere it's enjoyable to work and where people respect each other.**
- IV. **Strive for improvements continuously: continue improving the way work is done and the way we work together, learn new things, welcome feedback, create new and better ways of achieving our goals. We have a special place that we can all be proud to have contributed to. We are happy and excited that you are part of our team and look forward to your continued contribution to help make us better. Health and Safety Committee**

Mission

Our team has a clear mission: offer Responsive Reliable Solutions to our customers.

Responsive: we believe that getting back to people quickly is essential. It gives them comfort that their questions or concerns are being addressed. This is one of the factors that sets us apart from our competitors. You can play a vital role in our responsiveness by ensuring that you are responsive in all that you do.

Reliable: we are proud of the quality of the products and the work we create. Creating reliable products and services is not easy and takes a great deal of concentrated and continuous effort. However, our customers recognize the quality of all that we deliver, and this is why they remain loyal to us. You can play a role in our reliability by ensuring you put your best effort into all that you do.

Solutions: our drive to solve people's problems has helped build our outstanding reputation. Our ability to find ways to get things done, rather than explain why they can't be done, has allowed us to work with the largest retail companies in the world. You can play your part in finding solutions by remaining determined to explore opportunities and pushing your limits rather than accepting the way it is.

Supply Chains

Our supplier base is composed mainly, of North American and International providers. Once materials are received, Hardt's products are assembled in our Montreal facility, tested, and fine-tune according to customer's specifications.

Once completed the manufacturing process, the equipment is then expedited through reputable carriers to their final destination. Often, customers use their own freight carrier to manage their newly acquired equipment, from our dock to their facilities.

Hardt counts on a network of Technical Service providers to install the equipment properly to meet all technical requirements, and in accordance with local and international codes. Our equipment also undergoes rigorous certification processes by various agencies overseeing operational and food safety.

Once in service, the equipment is maintained by the customer. When repairs are necessary, Hardt provides technical assistance via phone, and virtually to the end-user. If technical problems with the equipment persist, third party Service providers are called to intervene and make repairs. Hardt's customers' satisfaction is our number one priority.

2) Steps taken to prevent and to reduce Risk of Forced and Child Labour in its activities and Supply Chain

Hardt provides each new employee with a copy of its Employee Handbook. This booklet explains our mission and values and covers various policies most of which reflect laws applicable to Hardt, within its own operations, Hardt's ensures its own compliance with current labour laws as reflected in its employee handbook. However, no official policy exists that extends this obligation to its supply base. .

Hardt's commitment is to revise its current policies to respond specifically to and adhere to Bill S-211 requirements. Estimated Time for Completion and implementation for this new policy is Summer of 2024.

Since the mid 2000's Hardt's President and Vice President of Production have visited Hardt's major suppliers on a yearly basis, especially those overseas. Visits included a walkthrough of their facilities. The visits are aimed at witnessing supplier's operational compliance and respect of Hardt's specifications and policies. The goal of these visits was to build relationships with our suppliers but also provide us with the opportunity to get to know and understand our partners. Due to the Covid pandemic, however, visits to the International Suppliers were temporarily halted but will resume in Fall of 2024.

Going forward, visits will provide the opportunity to discuss, clarify, and mandate adherence to the new policy to reduce Risk of Forced and Child Labour.

3) Policies and Due Diligence Processes

The Hardt Team is us, a group of people working together in order to achieve our goals. Our team is based on mutual respect, and respect is the underlying philosophy that governs all we do. Each person and position at Hardt are essential for our success, each employee is important and deserves respect. This concept is reflected in our employee handbook and in our evaluation process.

a) Internal

Codes & Policies

- **Company Values**
- **Equal Employment Opportunity**
- **Information Technology**
- **Health and Safety**
- **Work Relations including Harassment and Discrimination**
- **Code of Conduct and Ethics**

b) External

Hardt strives to only work with suppliers and manufacturers that align with its key principles, behaviors, and core values.

4) Risk of Forced Labour and Child Labour, Assessment and Management of the Risk

a) Internal

Through the adherence to Federal and Provincial laws, Hardt ensures that there is no Forced Labour or Child Labour within its workplace (Montreal, QC. Canada). The recruitment and hiring process at Hardt is overseen by our Human Resources Department who play a critical role in our adherence to applicable laws.

b) External

No formal action has been taken to ensure there is no Forced Labour or Child Labour within our suppliers' operations. The new policy will help us to build a framework to help ensure Hardt's supply base is free of Risks of Forced Labour or Child Labour and to act swiftly to remedy any potential or real threat of that existing.

5) Training on Forced Labour or Child Labour

Hardt has not given any training to its employees on Forced Labour or Child Labour.

Approval and Attestation

This report has been approved by the Chief Operating Officer.
In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed and approved the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Hardt Equipment Manufacturing.

Full Name: Kevin Warren
Title: Chief Operating Officer
Date: May 30, 2024

