

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

This report has been prepared by Hardt Equipment Manufacturing Inc. ("Hardt") for the financial year ending October 31, 2025 (the "reporting period"). It outlines the measures taken and those planned to prevent and reduce the risk of forced labour or child labour within Hardt's operations and supply chain, both in Canada and Internationally.

CORPORATE OVERVIEW

Hardt is a privately owned company based in Canada employing more than 160 people. The organization is led by a management team that includes the President and CEO, a Chief Operating Officer, Vice Presidents of Operations, Sales, and Engineering and Development and several Directors overseeing other areas of the business notably Human Resources and Information Technology.

Hardt operates as a mechanical integrator of institutional food equipment. Its proprietary systems are primarily assembled using components designed by its engineering team. These components include sheet metal, machined and cast parts, as well as specialized and standard electrical components. The company sources materials from both North American and International suppliers.

All administrative and manufacturing activities occur at Hardt's principal place of business located in Montreal, Quebec. Hardt's products can be found in major retail chains across North America and we also support our products globally through training, maintenance, and repair services.

Many of our customers as well as key suppliers have long-standing relationships with Hardt that have been nurtured over the years. Supplier relationships are managed by the Vice President of Operations, supported by teams responsible for purchasing, planning, quality control, and logistics.

HARDT EQUIPMENT MANUFACTURING INC.

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CORPORATE CULTURE AND VALUES

Hardt's culture is grounded in clearly defined values that influence daily operations and long-term decision-making. The company benefits from strong employee retention, with an average tenure of approximately eight years.

Core values include:

- Communicate actively: speak clearly and help the person you are speaking with to understand what you are saying. Listen actively and put all your effort into trying to understand the person you are communicating with.
- Voice and seek to resolve concerns: speak up when you see potential problems, by offering constructive suggestions. Work with your colleagues to solve problems.
- 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.
- 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.

Hardt's mission is to deliver responsive and reliable solutions to its customers. Responsiveness ensures timely communication and support, while reliability reflects the consistent quality of its products and services. A strong focus on practical solutions underpins the company's reputation.

Upon joining Hardt, every new employee receives a copy of our Company Handbook. This document has been developed and amended over time to reflect our company culture as well as our legal obligations. These policies are reviewed and updated periodically to reflect changes in applicable laws and to ensure they align with Hardt's evolution as a company. This document is meant to help new employees become successful members of the Hardt Team.

The Company Handbook provides detailed information about key topics such as:

- Equal Employment Opportunity
- Code of Conduct and Ethics
- Workplace Harassment and Discrimination
- Health and Safety
- Information Technology

These topics and related policies are reinforced through onboarding and ongoing training.

APPROACH TO RISK MANAGEMENT

Hardt's operations are built on mutual respect and ethical conduct. We strive to work with suppliers and manufacturers that align with our key principles, behaviours and core values as well as comply with applicable laws and regulations. Exposure to forced labour and child labour risk is higher when working with third-party manufacturers, particularly in countries where such practices are known to exist. Hardt applies a risk-based approach, focusing efforts where potential exposure exists.

Hardt has implemented several practices to mitigate the risk of forced labour and/or child labour in its supply chain:

- Since the mid 2000's, members of Hardt's senior management have visited Hardt's major suppliers. Visits typically include a walkthrough of their facilities and meetings with senior management. The visits are aimed at witnessing a supplier's operational compliance and respect of Hardt's specifications, policies and values. They are a critical step to understanding our business partners. We can confirm that supplier visits did occur in the reporting year.
- Hardt has communicated our obligations respecting forced labour and child labour to our supply chain partners. As part of our policies and procedures, we require annual written confirmations from our suppliers that they acknowledge and respect these same obligations in all of their facilities. We can confirm that this practice has been completed for the 2025 reporting period.
- At Hardt, we believe and encourage employee growth and as such, we believe in training our teams. During the reporting year, our supply chain team participated in training specific to forced labour. We will be expanding this training to other teams in the future where necessary.
- Our internal policies and procedures are reviewed regularly to ensure effectiveness and alignment with evolving standards and regulations. This includes policies and procedures related to forced labour and child labour.

APPROVAL AND ATTESTATION

This report has been approved by the Chief Operating Officer.

In accordance with the Act, I attest that I have reviewed and approved the information contained in this report. To the best of my knowledge, and having exercised reasonable diligence, the information is accurate and complete in all material respects for the reporting period.



Full Name: Kevin Warren
Title: Chief Operating Officer
Date: May 30, 2026

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