



**HARMONY BEEF COMPANY, LTD.**

## **MODERN SLAVERY REPORT**

*Modern Slavery Report* for the year ending January 28, 2024, prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”).

### **I. Introduction**

Harmony Beef Company Ltd. (“**Harmony**”) acknowledges the importance of ethical practices and employee wellbeing in our supply chain and that forced labour and child labour are significant global issues.

### **II. Harmony’s Business**

Harmony is a privately held Alberta corporation headquartered in Rocky View County, Alberta. Harmony is in the business of meat processing. Harmony is a leader in sustainable and responsible beef production best practices and proudly contributes to Alberta’s community and economy, employing nearly 600 Albertans.

Harmony’s cattle supply chain consists of hundreds of suppliers, most of which are located in Alberta. Harmony also has suppliers that provide supplies related to the beef cattle business, including, sanitation, feed, health, and safety.

Harmony has used more than 500 cattle suppliers over the course of its existence, all of which are located in Canada. To help facilitate the cattle suppliers, Harmony makes use of approximately 20 transport suppliers. Harmony also has additional suppliers which provide various items such as chemicals, machinery, and sanitation supplies needed for Harmony’s operations. These additional suppliers are located in Canada, the USA, and the UK.

### **III. Policies**

Harmony complied with all applicable laws and regulations during its last fiscal year. Harmony did not have policies specific to forced labour or child labour. Harmony is currently in the process of implementing the policies specified below to further help identify forced labour and child labour in its business and supply chain.

#### *1. Whistleblower Policy*

Harmony is developing a *Whistleblower Policy* to foster open dialogue and a safe and confidential channel for employees, officers, and directors to voice concerns about misconduct, including issues related to forced labour or child labour, while being afforded protection from retaliation, thus supporting a culture of responsibility and integrity.

## 2. *Code of Business Conduct*

Harmony is developing a *Code of Business Conduct* for internal stakeholders to foster responsible decision-making, integrity, fairness, respect, and an environment of openness.

## 3. *Supplier Code of Conduct*

Harmony is developing a *Supplier Code of Conduct*, which sets forth its expectations of suppliers and provides an avenue to seek verification through tools such as assessments, audits, and reviews.

## IV. Diligence

Harmony expects its suppliers to comply with all applicable laws and regulations. As of the time of filing this report, Harmony has not been provided any evidence of forced labour or child labour in its supply chain.

At the advent of a supplier relationship, Harmony's purchasing department conducts online due-diligence to see if there any red-flags associated with the supplier. Due to the vast number of Harmony's suppliers, onsite supplier audits are unfortunately not feasible.

As part of Harmony's ongoing efforts against forced labour and child labour, Harmony has sent out certification letters to its active and regularly used suppliers. These include suppliers that Harmony used in the past two years and purchased supplies from them at least twice per year. The certification letters allow Harmony's suppliers to certify that they do not use any forced labour or child labour.

To date, Harmony has sent certification letters to 176 cattle producing suppliers and 258 vendor suppliers. As of May 22, 2024, we have received forty-nine (49) signed certification letters from cattle producing suppliers and seventy-three (73) signed certification letters from vendor suppliers.

Based on preliminary risk assessment conducted prior to finalizing this report, which focused on Harmony's active suppliers representing a significant portion of its supply chain, Harmony considers the overall risk of forced labour and child labour in its supply chains to be low. The overwhelming majority of the goods purchased are from low-risk jurisdictions such as Canada, the US, and the UK, as a result, the laws, regulations, and enforcement mechanisms in place in those jurisdictions provide necessary oversight to help combat forced labour and child labour.

## V. Risk Assessment

### 1. Risk Factors

Harmony recognizes that the risks of forced labour and child labour are increased in certain high-risk areas, including:

- sectors reliant on low-skilled labour, often vulnerable to exploitative practices;
- dangerous or undesirable roles more likely to involve coercion;

- migrant workers at risk due to language barriers, uncertain legal status, and isolation;
- labour brokers or intermediaries that may obscure exploitative employment practices;
- manufacturing or production in regions with lax labour laws or enforcement, posing a higher risk;
- extended supply chains lacking transparency, complicating oversight and increasing the likelihood of labour abuses;
- industries and regions known for prevalent child labour and forced labour; and
- risks exacerbated by poverty and conflict.

Harmony will consider in the future, additional ways to monitor and improve interactions with its employees and third-party suppliers, especially those in sectors potentially at higher risk of labour exploitation, such as cleaning, transportation, protective equipment and clothing, warehousing, construction, manufacturing, packaging, and promotional goods suppliers.

As stated earlier, Harmony recognizes that sanitation related suppliers can be at a higher risk of labour exploitation. Harmony's plant previously had its sanitation-related duties contracted out to a third-party. Harmony has since brought its plant sanitation-related duties in-house and, as a result, now has much greater control over the hiring process in this vulnerable sector.

## 2. Risk Management Strategy

Harmony's steps to prevent and reduce the risk of forced labour or child labour in its business are undertaken by following applicable laws and regulations. Harmony does due diligence on all of its new employees by verifying their age and making sure they have a valid social insurance number. Harmony checks the identification and ages of all prospective employees in order to make sure they are legally allowed to work in Canada. Harmony documents and keeps records of all employee identification related documents.

Harmony did not have to remediate any loss of income resulting from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

Harmony provides training to its employees shortly after they are hired. All new hires receive a full day of training. The training is focused on reviewing policies, Harmony's work culture, and operational procedures. Part of this training is a review of business ethics.

Harmony does not employ anyone under the age of 18. Harmony does not employ any temporary foreign workers.

## 3. Remediation Measures for Identified Incidents

Should Harmony identify incidents of forced labour or child labour, it may have the option of the following responses:

- taking immediate actions to halt the identified practices and initiate a detailed investigation to fully understand the issue;
- taking measures to ensure the well-being of impacted individuals, focusing on their safety and immediate needs;
- discussing with relevant parties, including suppliers, the formulation and execution of a corrective action plan to address underlying causes and prevent recurrence; and
- conducting a review of associated policies and procedures to identify and implement enhancements that could strengthen its preventive strategies against forced labour and child labour.

#### 4. Continuous Improvement and Engagement

The potential elimination of forced labour and child labour requires ongoing diligence. Harmony will consider in the future how it might refine its policies further to help combat forced labour and child labour. As part of Harmony's efforts to continually improve and engage in measure to combat forced labour and child labour, Harmony commits to implementing further measures to combat forced labour and child labour in time for next year's report.

#### 5. Onboarding New Employees

Harmony will consider, in the future, mandatory training modules for new employees to familiarize them with Harmony's core principles and guidelines, including an in-depth examination of a potential Code of Business Conduct and how to report possible misconduct pursuant to the Whistleblower Policy.

Harmony conducts a full day orientation for all new employees. Harmony uses a production training crew that continuously does job training, including regular safety training. Harmony also conducts robust management training of all company supervisors and managers. Harmony is in the process of looking at additional safety and management training programs for its employees.

### **VI. Progress and Effectiveness**

Harmony will explore, in the future, additional ways to maintain standards of ethics and integrity, which are reflected in the governance procedures it is currently evaluating, including a Whistleblower Policy, a Supplier Code of Conduct, and a Code of Business Conduct.

#### 1. Whistleblower Policy and Employee Feedback

Harmony is establishing a Whistleblower Policy that would enable individuals to voice concerns or potential breaches.

#### 2. Supplier Code of Conduct

Harmony is establishing a Supplier Code of Conduct that will communicate to Harmony's suppliers the ethical standard Harmony expects.

3. Code of Business Conduct

Harmony is establishing a Code of Business Conduct that will illustrate Harmony's values and commitment to ethics.

4. Review and Response

Harmony is considering how it will handle concerns raised through these channels, including necessary actions potentially being taken to address identified issues. These actions could involve implementing corrective measures, adjusting policies, or providing additional training to prevent recurrence.

5. Board Oversight

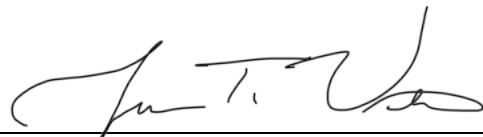
Harmony will add an agenda item at its annual Board of Directors meeting to discuss its policies and procedures for identifying and tackling forced labour and child labour in its operations and supply chain.

6. Outcomes

Harmony's ongoing evaluation of its governance and compliance processes reflects its interest in upholding ethical business practices and the welfare of its employees, supply chain partners, and customers.

**VII. Approval**

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 reporting year listed above.



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**Jeremy Vesta**

Treasurer

May 31, 2024

I have the authority to bind Harmony Beef Company, Ltd.