



## **REPORT PURPOSE AND REPORTING ENTITIES**

This Report is provided to meet our obligations under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and related guidance from Public Safety Canada, for the reporting period of October 1, 2022 to September 30, 2023. This is a joint report, and the main reporting entity and parent company is Atlantic Aqua Farms Ltd. The subsidiaries and affiliates considered in this joint report are Atlantic Aqua Farms USA, Inc., Muscongus Bay Aquaculture, Inc., and Mobjack Bay Lease Holdings. For the purpose of this report, "Company" mean Atlantic Aqua Farms Ltd. and all its direct and indirect subsidiaries and affiliates previously listed.

## **OUR STRUCTURES, OPERATIONS AND SUPPLY CHAINS**

Atlantic Aqua Farms Ltd. is a leading Canadian shellfish company with our divisions offering a wide selection of mussels, oysters, and clams to customers throughout North America. As a fully integrated company, we operate hatcheries, farms, processing plants, and distribution sites in both Canada and the United States. We are proudly the number one supplier of premium, live PEI mussels in North America and our growing oyster operations in PEI, Virginia, and Maine provide our customers with a consistent supply and wide variety of high-quality products. All our food processing, farming, and distribution practices are focused on safety, quality, and environmental sustainability.

### **Our corporate structure comprises the following entities:**

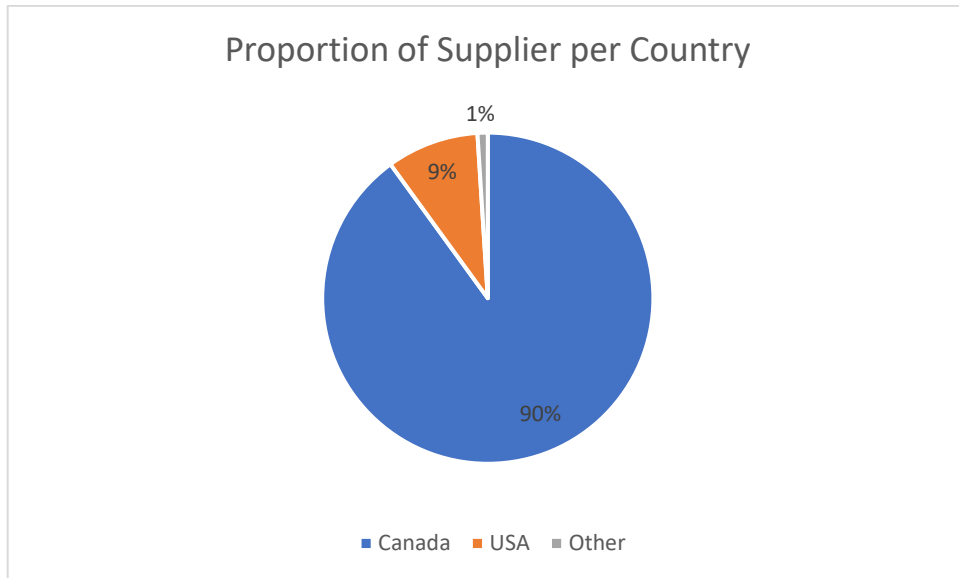
- One operating entity in Canada
  - Atlantic Aqua Farms Ltd. (Prince Edward Island, Canada)
- Three operating entities in USA:
  - Atlantic Aqua Farms USA, Inc. (Maine, USA)
  - Muscongus Bay Aquaculture, Inc. (Maine, USA)
  - Mobjack Bay Lease Holdings (Virginia, USA)

### **Our Supply Chains:**

Our Tier-1 suppliers, (defined as our direct suppliers), are predominantly located in Canada and the United States which both have strong labour laws preventing the use of forced labour in supply chains, which we expect to be upheld in our own operations and by suppliers. We purchase gear, such as, cages, oyster bags, oyster racks, mussel socks, rope, and other related items to help grow shellfish, which are procured largely in Canada and the United States. Occasionally, specialized equipment production equipment is purchased from



the Netherlands as part of the modernization of our facilities. We have very few suppliers outside of Canada and the United States and annual spend on these suppliers is low.



### Sustainability & Environmental Credentials

Sustainability and responsible environmental practices are an important part of our business.

Our fresh mussels are rope-grown and harvested in the pristine cold waters of Prince Edward Island. Our rope-grown farming method is ranked in the “Green, Best Choice” category by Monterey Bay Aquarium’s Seafood Watch program.

All Non-Governmental Organizations (NGO’s) have ranked rope-cultured mussels in their highest rankings since the farming process is not harmful to the environment and our farming sites and practices are also Certified Organic. No feed, pesticides, colorants, etc. are used in our mussel farming or processing facility.

Our fresh mussels are also certified as an Ocean Wise Seafood Choice under the Vancouver Aquarium’s Ocean Wise program. Additionally, Atlantic Aqua Farms is the first mussel farming company in the world to receive the Best Aquaculture Practices (BAP) Certification for, both, mussels and Oysters.



## **POLICIES AND DUE DILIGENCE PROCESSES**

### Mission & Values

Our mission is to farm, process, and distribute the best shellfish in the world while respecting our employees, customers, vendors, and the land and waterways in which we work.

We believe in a value system that is based on honesty, integrity, and transparency and we practice these values in our dealings with all stakeholders. We focus on satisfying our customers and never compromise on the quality of our products. Our policies below support our business in ensuring that our values are embedded across our operations. Although they do not currently address modern slavery risks specifically, these policies demonstrate our commitment to ethical business conduct and our expectations of our employees and suppliers to uphold these commitments:

- Code of Conduct

It is the Company's expectation and requirement that all employee's will conduct themselves in an honest ethical manner in all their dealings with the Company and when acting as a representative of the Company.

- Whistleblower Policy

The company is committed to establishing and maintaining a high standard of ethical practices in the workplace. We ensure that our practices support integrity and honesty, and that they follow American, Canadian and Provincial laws, rules, and regulations. To support this commitment, the Company has adopted a formal Whistleblower Policy to provide an avenue for employees and other stakeholders to raise awareness of concerns related to unethical or illegal behaviours, activities, and practices within our organization.

- Harassment, Discrimination & Respectful Workplace

Every employee is entitled to a psychologically healthy and safe workplace free of discrimination, bullying, and unlawful harassment, including sexual harassment. The Company believes that a workplace that promotes a culture of trust, honesty, respect, civility, fairness, and accountability. The Company will make every reasonable effort to ensure that no employee is subjected to bullying or any



form of harassment. It is expected that employees will be respectful and considerate in their interactions with each other, with the Company's customers and suppliers, and with members of the public. Atlantic Aqua Farms Ltd. will implement appropriate disciplinary measures against any person under its direction who subjects an employee to bullying or harassment.

- Health & Safety Policy

To fulfill our commitment to health and safety we will provide and maintain a healthy work environment; provide appropriate training related to employees' specific job requirements and comply with legal requirements and follow accepted workplace practices. Atlantic Aqua Farms Ltd. expects all personnel to comply with applicable Acts and Regulations and to follow policies, procedures, rules, and instructions as prescribed by the Company. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees are expected to protect their health by performing the work within health and safety guidelines and reporting any unsafe working conditions to the management.

### **FORCED LABOUR AND CHILD LABOUR RISKS**

In response to the Act, we conducted a high-level risk assessment of our suppliers against the Walk Free Global Slavery Index. This exercise concluded that all our suppliers are located in low-risk countries.

Based on an analysis of major categories of spend against the *List of Goods Produced by Child Labor or Forced Labor (U.S. Department of Labor)*, we do not purchase any of the goods on the list in the countries specified.

As part of our commitment to complying with the Act, we are reviewing our supply chains with a lens of modern slavery risk. While we have not identified any instances of modern slavery, we are aware that no sector or industry is free from this risk. From our current understanding, our most significant risk is related to the presence of temporary foreign workers.

### **TEMPORARY FOREIGN WORKERS**

Temporary Foreign Worker represent a higher risk area for our Company and we employ approximately 30 temporary foreign workers in Canada, with an additional 12 in the United States.

We are mitigating the risk associated with this category in the following ways:



1. The company provides suitable housing, transportation, and other personal items for these employees.
2. All the current policies that apply to our permanent resident employees also apply to our foreign workers.
3. We assist Canadian temporary foreign workers with a path toward permanent residency in Canada.
4. We make significant effort to attract and retain foreign workers by providing them with appropriate supports and by integrating these workers into the overall workforce.
5. The program has been positive and successful. Many foreign workers come back each season and refer their family and friends.

### **REMEDIATION MEASURES**

No instances of modern slavery have been identified within this reporting year and therefore we have not taken measures to remediate any forced or child labour. The Company acknowledges the importance of ongoing monitoring to ensure that modern slavery risks remain mitigated within its operations and supply chains. As such, the Company is committed to regularly reviewing its risk assessments and implementing any necessary remediation measures should the need arise in the future.

### **REMEDIATION OF LOSS OF INCOME**

No instances of modern slavery have been identified within this reporting year and therefore we have not taken measures to remediate any forced or child labour.

### **TRAINING**

As part of our effort to raise awareness of Canada's new anti-Modern Slavery legislation, members of our leadership team were provided with in-depth training through a workshop delivered by a third-party.

Training Session Objectives:

- To provide insight on the driving forces behind the Act's introduction and the prevalence of modern slavery globally.
- To provide an overview of Canada's new modern slavery legislation, its purpose, objectives & reporting requirements.
- Further examination of what modern slavery is, Canadian & global prevalence and risk factors associated with such practices.
- Create an opportunity to ask questions about the Act, what it means for the Company and ongoing compliance obligations.



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AQUA FARMS  
PREMIUM SHELLFISH

**ASSESSING EFFECTIVENESS**

No actions have been taken to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains. We will continue to monitor our risks in the future to determine whether further measures are necessary.


**CONTACT INFORMATION**

Reports of risks and incidents can be made anonymously and confidentially through [www.clearviewconnects.com](http://www.clearviewconnects.com), or call 1-833-522-1833 and speak with a ClearView live operator or leave a voicemail message containing your report, or Mail your information to: P.O. Box 11017 Toronto, ON M1E 1N0

**APPROVAL AND ATTESTATION**

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.

- Derrick Rowe
- Chair, Board of Directors
- May 31, 2024

•  "I have the authority to bind Atlantic Aqua Farms Ltd."