

Blumengart Colony of Hutterian Brethren

Forced Labour and Child Labour in Supply Chains Company
Assessment



Table of Contents

Executive Summary.....	2
Introduction.....	3
Structure, Activities & Supply Chain.....	3
Policies and Due Diligence Processes.....	5
Supply Chain Risk Assessment.....	5
Remediation of Forced & Child Labour	7
Remediation of Vulnerable Family Income Loss	7
Awareness Training.....	7
Assessing Effectiveness.....	7
Steps Taken To Prevent and Reduce the Risk of Child Labour or Forced Labour.....	7
Attestation.....	9



Executive Summary

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

The measures introduced through 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 (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices. The Act requires entities to report on the steps taken during its previous financial year 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 by the entity or of goods imported into Canada by the entity. There are seven mandatory reporting areas that must be investigated and reported on which include:

- Its structure, activities and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.
- Any measures taken to remediate any forced labour or child labour.
- Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.
- The training provided to employees on forced labour and child labour.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.



Introduction

This report is Blumengart Colony of Hutterian Brethren's response to 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 (the Act), sections 11(1) and 11(3).

The entities covered within this report include Blumengart Colony of Hutterian Brethren (trust number T11251417), Blumengart Colony Farms Ltd. (business number 121988992), Blue Marsh 93 Ltd. (business number 135464493), Blu-Cut Metal Works (2013) Ltd. (business number 838705515), and North Country Feeds (business number 714746872), collectively, the Entities.

These Entities satisfy the definition of an entity within the Act by having a business in Canada, doing business in Canada, having assets in Canada and meeting both revenue and asset thresholds.

The financial reporting year of these Entities covered by this report is for the year ended December 31st, 2023.

Structure, Activities & Supply Chain

Blumengart Colony of Hutterian Brethren

Blumengart Colony of Hutterian Brethren ("the Colony") is situated at NW 15-2-3 W, P.O. Box 375, Plum Coulee, Manitoba R0G 1R0 and, for the purposes of this report, operates within the agriculture and manufacturing industries. This Colony is comprised of 135 total members.

The Hutterian Brethren Church ("the Church") was recognized by an Act of Parliament in Canada in 1951. Members of the Church ("Hutterites") live communally in settlements ("colonies") and practice an agricultural way of life where all property and assets are held communally for the benefit of all Hutterites. Cultural norms for Hutterites include recognition of adulthood at age 15, and the practice of lifelong education. Hutterite children attend traditional school from age 3-15, after which they participate in vocational training through apprenticeships. With skills learned through their vocational training, Colony members participate in the economic activities of the Colony including farming, carpentry, and mechanics.

The culture of the Hutterites, as recognized by their faith and codified by an Act of Parliament, is to live communally and share among members which extends to common ownership of property and distribution of income. Each family is provided a house on the Colony and families are financially provided for by the income generated by the economic activities of the Colony.

Hutterites participate in lifelong education that combines traditional and vocational teaching. This is a key pillar of the Church who support their members from "cradle to grave". Their approach to education is compliant with Canada's child labour standards.

The following outlines the activities related to the production, sale, distribution, or import of goods as they relate to the Act stemming from Blumengart Colony Farms Ltd., Blue Marsh 93 Ltd., North Country Feed, and Blu-Cut Metal Works Ltd. ("the Entities").



Blumengart Colony Farms Ltd., Blue Marsh 93 Ltd., and North Country Feed

Structure

Blumengart Colony Farms Ltd. ("Blumengart") operates within the agriculture industry as a farming operation and is located on Colony land. Its operations involve crop farming, animal production and farming within the agriculture sectors within Canada and the United States. The Colony is responsible for the operations of Blumengart.

Blue Marsh 93 Ltd. ("Blue Marsh") operates within the agriculture industry as a hog operation at Blumengart. The Colony is responsible for the operations of Blue Marsh.

North Country Feed operates within the agriculture industry as a grain and feed producer, located on Colony land. North Country Feed supplies animal feed for the operations related to the Colony group. The Colony is responsible for the operations of North Country Feed.

Activities

Blumengart, Blue Marsh and North Country Feed activities include poultry farming, hog farming, cultivating crops and other general farm operations.

Supply Chain

Blumengart, Blue Marsh and North Country Feed procure goods within the categories of crop operations, hog operations, poultry operations and general farm operations. See Figure 1 for a breakdown of these activities.

The supply chain of Blumengart Colony Farms Ltd. and North Country Feed involves purchasing goods such as:

- Crop activities: chemicals, fertilizer and seed.
- Hog activities: feed concentrate, grain transferred to feed, hog purchases and veterinary.
- Poultry activities: feed and concentrate, grain transferred to feed, poultry purchases and veterinary.
- General farming activities: feed and concentrate, grain transferred to feed, and veterinary.

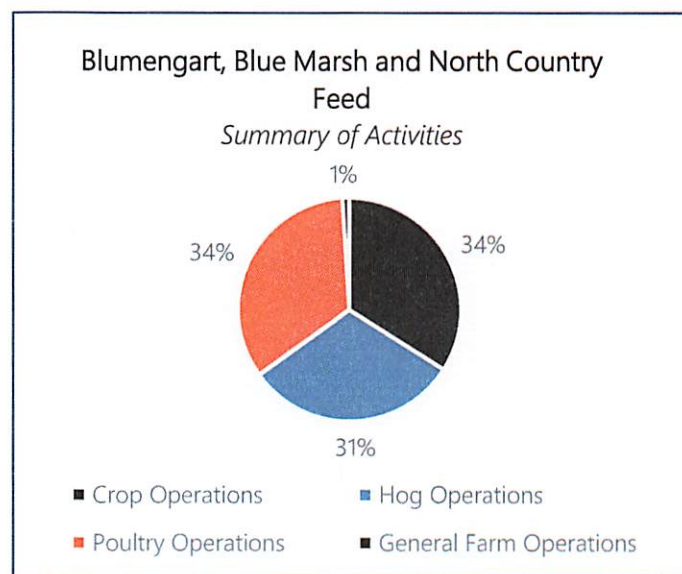


Figure 1: Summary of Activities

For the purposes of describing and evaluating Blumengart, Blue Marsh and North Country's supply chains, suppliers who account for at least 1% or more of the total procurement activities over the 2023 fiscal year were reviewed. These Entities have limited visibility into their supply chain beyond first-tier suppliers, therefore, the risk assessment focuses only on direct suppliers. Each of the suppliers reviewed is located within Canada and the United States.



Blumengart, Blue Marsh and North Country are continuing to evaluate their supply chains to fully understand the origination of goods procured beyond direct suppliers.

Blu-Cut Metal Works Ltd.

Structure

Blu-Cut Metal Works Ltd. ("Blu-Cut") operates within the manufacturing industry, specifically metal work, and is located on Colony land. Blu-Cut provides services to customers including metal fabrications, laser cutting, CNC forming, and custom design. Blu-Cut is involved in nonferrous metal production and processing as well as metal manufacturing. Blu-Cut specializes in rolling, drawing, or extruding platinum group metals. The Colony is responsible for the operations of Blu-Cut.

Activities

Blu-Cut's operations include various metal works manufacturing services and purchasing goods for retail. Blu-Cut designs, manufactures and supplies customers with complete metal work.

Supply Chain

The supply chain of Blu-Cut involves purchasing goods related to steel and capital equipment.

For the purposes of describing and evaluating Blu-Cut's supply chain, suppliers who account for at least 1% or more of the total procurement activities over the 2023 fiscal year were reviewed. Blu-Cut has limited visibility into its supply chain beyond first-tier suppliers, therefore, the risk assessment focuses only on direct suppliers. Each of the suppliers reviewed are based out of North America.

Blu-Cut is continuing to evaluate its supply chains to fully understand the origination of goods procured beyond direct suppliers.

Policies and Due Diligence Processes

The Entities have informal processes in place relevant to member safety and awareness. Daily meetings are held with members to review content related to operations including health and safety.

The Entities recognize that there are limited internal policies and due diligence processes in place aimed at reducing the risk of child labour and/or forced labour within activities and supply chain. This has been identified as an opportunity that will be considered going forward.

Supply Chain Risk Assessment

A risk assessment over the Entities industry of operation, goods procured, and the countries goods are procured from has been performed over material direct suppliers. For the purposes of this report, material suppliers are defined as those who account for at least 1% or more of the total procurement spend during the fiscal year.

This risk assessment uses two separate indices to conclude on the inherent risk of child and/or forced labour related to the Entities' industries of operation, goods procured, and countries goods are procured



from. The two indices are Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Blumengart Colony Farms Ltd., Blue Marsh 93 Ltd., and North Country Feeds

Industry of Operation

These entities operate within the agriculture industry. The two indices noted above have identified an inherent risk exposure within this industry.

Country Which Goods are Procured From

For the purposes of this assessment, a review of countries which goods are procured from focuses on the location of direct suppliers operations. Direct material suppliers of Blumengart, Blue Marsh and North Country Feed are located in Canada and the United States. These countries have been identified as having a low-risk exposure to forced and/or child labour per the two indices.

Goods Procured

As described in the previous section, the goods procured within Blumengart's supply chain are divided into the categories of crop, poultry, hog and general farming. A risk assessment over goods within these categories has been conducted and identified an initial inherent risk of forced and/or child labour among the products of cereal grain, pulses (legumes), wheat, potatoes, corn, cattle, hogs and poultry.

All other remaining goods were not identified within the two indices, therefore concluding a low-inherent risk exists.

Blu-Cut Metal Works (2013) Ltd.

Industry of Operation

Blu-Cut operates within the manufacturing industry. The two indices noted above have identified an inherent risk exposure within this industry.

Country Which Goods are Procured From

For the purposes of this assessment, a review of countries which goods are procured from focuses on the location of direct suppliers operations. Each direct material supplier is located within Canada and the United States. These countries have been identified as having a low-risk exposure to forced and/or child labour per the two indices.

Goods Procured

The goods procured within Blu-Cut Metal Works supply chain consist of steel and capital equipment. Both indices have not identified goods related to these categories, that have a risk exposure related to child or forced labour.

This does not mean that no evidence of forced labour or child labour was found to support this risk analysis but that there is a low inherent risk and continued due diligence is required.



Remediation of Forced & Child Labour

To mitigate the risk of child labour and forced labour within supply chains, the Entities have identified the opportunity to develop and enhance existing due diligence mechanisms in relation to this Act.

The Entities understand the value of discussing these risks with members and vendors. These conversations will continue to bring awareness to this issue in an effort to remediate the risk within their activities and supply chains.

Remediation of Vulnerable Family Income Loss

The Entities are in the process of understanding and evaluating their supply chains related to the risk of child labour and forced labour. To date, the Entities have not identified instances of the use of child labour or forced labour within their operations or those of suppliers. The Entities will continue to review procurement practices to enhance the rigor of due diligence processes including raising awareness with its suppliers.

Awareness Training

There is currently no training in place within the Entities on the topic of child labour or forced labour. However, training is provided to members regarding workplace safety including forklift training and animal care/handling training as per Manitoba Pork Guidelines. This training further emphasizes the Entities commitment to member safety.

The Entities recognize the opportunity to enhance training relevant to this Act and therefore, will be evaluating applicable training for members in the foreseeable future.

Assessing Effectiveness

To track the effectiveness of procedures to mitigate the risk of child labour and forced labour, the Entities will continue to have discussions with members and suppliers regarding issues related to this Act that may impact operations or supply chains.

Steps Taken To Prevent and Reduce the Risk of Child Labour or Forced Labour

The Entities have taken the following steps to prevent and reduce the risk of child labour or forced labour within their activities and supply chain:

1. Mapping activities: As part of this report, the Entities have mapped their activities to complete a risk assessment to align with the Act.



2. Mapping supply chains: As part of this report, the Entities have mapped their supply chains to complete an initial risk assessment to align with the Act.
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, the Entities have identified risks within their activities and supply chains that have inherent risks of child labour and/or forced labour.
4. Developing and implementing training and awareness materials on forced labour and/or child labour: The Entities have identified the opportunity to implement training content related to this Act for members.



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 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.

<u>Timothy Waldner</u>	<u><i>Tim Waldner</i></u>
Full Name	Signature
<u>Secretary</u>	<u>May 30 2024</u>
Title	Date

I have the authority to bind Blumengart Colony of Hutterian Brethren, Blumengart Colony Farms Ltd., Blue Marsh 93 Ltd., Blu-Cut Metal Works (2013) Ltd., and North Country Feeds.