



Feeding Success

Wallenstein Feed & Supply Ltd.

Forced Labour and Child Labour in Supply Chains Company
Assessment

May 31, 2024



Attention: Rick Martin, General Manager
Wallenstein Feed & Supply Ltd.
Box 22, Wellington Road 86,
Wallenstein, ON N0B 2S0

Re: Assessment of Forced Labour and/or Child Labour in Supply Chains

Dear Mr. Rick Martin,

Enclosed is the report for the assessment of Forced Labour and/or Child Labour in Supply Chains for Wallenstein Feed & Supply Ltd. ("Wallenstein"). The intent of this report is to provide an evaluation of Wallenstein's current state in response to the reporting criteria of Canada's Bill S-211 - *An Act to support the Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("the Bill" or "Bill"). This engagement evaluates all reporting criteria under this Bill. Reporting under this Bill is Wallenstein's responsibility and is due on or before May 31 of each year, beginning in 2024. This report must be approved by the governing body of Wallenstein, such as the Board of Directors.

This report also identifies opportunities for Wallenstein to enhance controls and activities related to Forced Labour and Child Labour within the organization and its supply chains.

We wish to express our sincere thanks to the staff of Wallenstein for their assistance during the completion of this assessment. Should you have any questions regarding the content of the report, please do not hesitate to contact me at (514) 891-8575.

Regards,

A handwritten signature in black ink, appearing to read 'Kevin Joy', is written over a light blue horizontal line.

Kevin Joy, Partner
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Introduction

This report is the response of Wallenstein Feed & Supply Ltd. ("Wallenstein") 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).

Wallenstein satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting the revenue, asset, and employee count thresholds.

The financial reporting year of Wallenstein covered by this report is December 1, 2022, to November 30, 2023, and there are no other reporting requirements under other jurisdictions.

Structure, Activities & Supply Chain

Structure

Wallenstein Feed & Supply Ltd. is a corporation located in Wallenstein, Ontario. Founded in 1958, the family business has grown to operate three modern mills and acquired Great Lakes Nutrition, a premix plant located in Monkton, back in 2009.

289 employees are located at the headquarters in Wallenstein, and eight employees operate out of Monkton, Ontario.

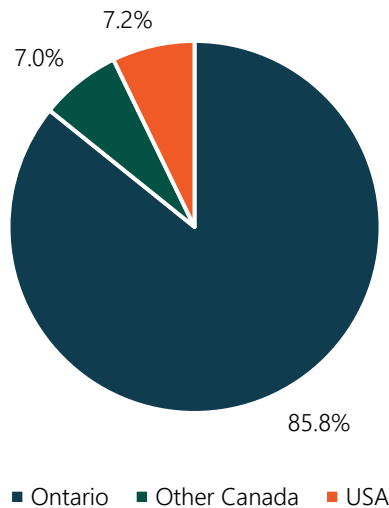
Activities

Wallenstein operates within the agricultural manufacturer industry, producing poultry, bovine and swine feed and ruminant for the Ontario livestock industry. They operate a fleet of trucks to transport their feed products across Ontario everyday. They are also partnered with local dealers who sell their products to end customers.

Supply Chain

Almost all the company's procurement comes from Ontario, with some sourced from other parts of Canada and the USA. Common categories include feed ingredients (mostly cereal, grain, soybean, additives, and medication), diesel fuel, trailers/trucks, natural gas, and chemicals. Excluded are all services procured as well as goods that represent less than 0.1% of total goods spend.

Suppliers by Location



Policies & Due Diligence Processes

Internal Policies

Wallenstein does not have any specific policies on child or forced labour, however the company conducts all interviews in person and verifies the applicant's date of birth. The Human Resources department ensures all employees and contractors receive the relevant safety orientation, including COHSR standards, emergency response, and learning modules. If Wallenstein was to hire any foreign workers, the Human Resources (HR) Manager or Operations Manager would review their work permit status.

Wallenstein is dedicated to fostering an inclusive, safe, and respectful work environment for all employees. This commitment is evident in the company's key policies, as detailed in the Accessible Employment Standard, AODA Customer Service, Violence and Harassment Policy, and Employee Expectations, Conduct & Behaviour policy. These documents emphasize Wallenstein's dedication to employment equity, safety, and the prevention of harassment and discrimination in the workplace.

Employee Expectations, Conduct & Behaviour

The purpose of this policy is to set a standard expectation of acceptable and unacceptable behaviour throughout the company and assert the company's commitment to maintaining a professional work environment of the highest quality and integrity. All Wallenstein employees (including managers) are expected to demonstrate courtesy and respect for coworkers and suppliers and maintain open and effective communication with each other when there is a problem to investigate. Unacceptable behaviour



includes harassment and discrimination and willful violations of safety or Hazard Analysis Critical Control Points (HACCP) rules – HACCP forms the basis for food safety control at Wallenstein. Unacceptable conduct could result in disciplinary action up to termination.

Workplace Violence and Harassment Program

This program details Wallenstein’s prevention mechanisms and process for addressing claims if they occur. The policy defines workplace violence and types of harassment as well as warning signs to help employees identify them. Responsibilities are outlined below:

Employers oversee the policy implementation and review every three years, take proactive measures against workplace violence (post physical copies of the policy in the workplace, perform a Workplace Violence Assessment and develop controls), provide training, and ensure that all complaints are investigated, and appropriate disciplinary action is taken.

Managers are to support the execution of this process with the employees, respond to employee concerns, and take necessary precautions. Additionally, managers present the Workplace Violence Assessment to the Workplace Safety Committee (WSC) and ensure that suspicious situations are investigated and reported.

Employees take a proactive role in the development and maintenance of a safe and respectful workplace. They are encouraged to voice concerns of any incidents and can speak with their supervisor/manager/HR to file a complaint. They are also to cooperate in any resulting investigations, participate in relevant training, and sign off on this program to demonstrate understanding.

HR receives all notices of formal complaints, and contacts each of the parties involved to document the occurrences. The WSC participates in the review of policy and preventative measures and leads relevant training every three years.

Wallenstein recognizes that employees who experience these incidents may require additional support. In addition to internal human resources, the company covers external counselling sessions.

Accessible Employment Standard and AODA – Customer Service

Wallenstein aims to provide equal access with regards to employment and customer service for people with disabilities by removing the barriers to accessibility. The company complies with the Accessibility for Ontarians with Disabilities Act. Its policy encompasses all communication forms, billing, assistive devices, support persons/service animals, recruitment, individual accommodation plans, performance management, and best practices/training on the Act for staff. The HR manager collects all feedback and addresses any questions or concerns.

Due Diligence Processes

Wallenstein does not have specific supplier due diligence policies addressing child or forced labour, however, by primarily sourcing from longstanding local suppliers, the company reduces the risk of



forced and child labour in its supply chain. Additionally, Wallenstein engages in occasional supplier site visits. The company's management raised a concern that in the region, young people raised on family farms would traditionally participate in the farming activities. So long as they are following the Canadian Occupational Health and Safety Regulations (COHSR), youth under 18 years of age are allowed to participate in those activities.

The company has in place several supplier policies to assure health/quality standards. The most relevant are the New Ingredient Procedure and the Approved Supplier Procedure. The Approved Supplier Program Instructions policy dictates that for ingredients that are more susceptible to health/quality issues, suppliers are required to fill out extra forms and meet additional requirements such as 3rd party audits to demonstrate they have followed adequate preventative measures. These policies show that Wallenstein has various checks in place to minimize supply chain risks.

New Ingredient Procedure

The objective of this procedure is to ensure that each new ingredient used in manufacturing is registered as an approved ingredient as per Feed Regulations, HACCP, and feed safety requirements. First, the supplier needs to complete several forms, and internally, Wallenstein verifies that the supplier is on the Approved Supplier List and that the product is registered. A new memo is then shared among staff, relevant files are saved, and the product is monitored on an ongoing basis. A QA coordinator is responsible to address deviations from product requirements, and the corresponding corrective actions.

Approved Supplier Procedure

The purpose of this document is to ensure that all procurement comes from suppliers providing ingredients or materials that strictly adhere to HACCP requirements. To maintain an approved supplier designation, quality and packaging requirements must be met, in-house and external lab testing performed, and any product or certification changes communicated. Depending on the frequency and severity of supplier errors, the QA coordinator may remove the supplier's approved designation. They may only be reinstated if all non-compliance is corrected – a supplier audit may also be performed if necessary.

Supply Chain Risk Assessment

Countries of Operations and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor*, a risk assessment was performed on Wallenstein's countries of operation. These indexes use in-depth research on forced and child labour and indicate the risks associated with each country. There are low inherent risks of forced labour or child labour in Canada.



Country	Active Employees	Inherent Country Risk
Canada	289	Low

Countries of Suppliers and Risk

Using the *Walk Free Global Slavery Index*, a risk assessment was conducted on the countries Wallenstein’s suppliers are located. This index uses in-depth research around forced labour and child labour and indicates the risks associated with each country. Low inherent risks of forced labour or child labour were found in Canada and the USA. Note: Some suppliers were excluded where spend made up ≤1% of total goods procurement.

Country	Active Employees	Inherent Country Risk
Canada	93%	Low
USA	7%	Low

Type of Goods Procured and Risk

Using the *Walk Free Global Slavery Index*, a risk assessment was conducted on the types of goods Wallenstein sources from suppliers that contribute to more than 0.1% goods procurement spend. This index uses in-depth research on forced and child labour to indicate the risks associated with each type of good. The risk analysis found high inherent risks in cereal grains and wheat. This does not mean that evidence of forced, or child labour was found to support this risk analysis, but that there is an increased inherent risk that necessitates closer scrutiny to ensure that forced and child labour are not in its supply chain.

Goods	Inherent Good Risk	Country	%Share	Inherent Country Risk	Overall Risk
* Cereal grains/Wheat	High	Canada	97%	Low	Medium
Diesel fuel	Low	Canada	1%	Low	Low
Trailers/Trucks	Low	Canada	<1%	Low	Low
Natural gas	Low	Canada	<1%	Low	Low
Chemicals	Low	Canada	<1%	Low	Low

*97% of procurement spend is on bagged/bulk feed ingredients. There are many more components to the various livestock feed products, however these two are the only ingredients with inherent risk designations that exceed “Low.”



Remediation of Forced & Child Labour

Wallenstein does not currently have specific remediation measures for child or forced labour, but they have protocols in place to address employee-related issues and concerns. The Health & Safety Coordinator, in collaboration with HR, conducts an annual audit of violence and harassment violations to present to the Workplace Safety Committee. This procedure enables the company to effectively mitigate employee-related risks as they arise.

Remediation of Vulnerable Family Income Loss

Wallenstein is actively examining its supply chain and consistently evaluating procurement practices to improve its due diligence processes, including increasing supplier awareness regarding child, and forced labour. To date, Wallenstein has found no evidence of forced labour or child labour within its operations or those of its suppliers. Therefore, no remediation measures have been necessary around forced or child labour.

Awareness Training

Wallenstein does not currently provide training specifically addressing child labour or forced labour. However, as part of its policies that are relevant to this Act, Wallenstein offers a comprehensive onboarding including safety policies and procedures to each of its employees. This training covers OSHA standards, emergency response, and mandates that the employee complete modules in a learning management system that is specific to their role. Acknowledging the need for improved training related to this Act, Wallenstein will be evaluating appropriate training options for its staff in the future.

Assessing Effectiveness

To track Wallenstein's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Internal Activities

1. Employee Training: Wallenstein will continue to track employee training completion metrics to ensure the completeness of mandatory courses.
2. Total Violence/Harassment Incidents – Wallenstein has a zero-tolerance for workplace violence or harassment. All claims made regarding harassment will be reported to the supervisor, manager, or HR, and an investigation will be launched.



3. Annual Workplace Safety Audit - Wallenstein's Workplace Safety Committee analyzes the number and type of workplace violations and assesses the company's effectiveness in addressing those incidents in a timely manner.

Supplier Activities

1. Supplier Relationships: Wallenstein has developed strong relationships with many of its core suppliers, because of doing business together over many years, being located relatively close, and having frequent touchpoints compared to other businesses/industries.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Wallenstein has taken several measures to lower the risk of child and forced labour in its supply chain. These include:

Commitment to Risk-free Sourcing: Wallenstein prioritizes sourcing from local vendors and maintaining long-term relationships, thereby minimizing the risk of forced and child labour in its supply chain.

Employee Well-being: The company's policies, such as the Accessible Employment Standard, AODA Customer Service, Violence and Harassment Policy, and Employee Expectations, Conduct & Behaviour policy represent a commitment to creating a safe, inclusive, and respectful work environment for all employees.

Remediation Measures: Wallenstein engages in annual workplace safety audits and assesses the company's effectiveness in resolving incidents.

Risk Identification and Management: By performing a comprehensive risk assessment of the countries in which Wallenstein operates, its suppliers, and the types of goods it procures, Wallenstein can identify and address potential risks related to forced labour and child labour.

Although the company has made progress in addressing these risks, it recognizes the need for ongoing improvement. Wallenstein is dedicated to fostering a work environment that values and respects every employee while safeguarding their rights and well-being. The company firmly opposes forced and child labour practices.



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 Wallenstein. 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.

Full Name: Rick Martin

Date: 05/30/2024

Title: General Manager

Signature:

A handwritten signature in black ink, appearing to read 'Rick Martin', is written over a horizontal line.

I have the authority to bind 'Wallenstein Feed & Supply Ltd.