

Fighting Against Forced Labour and Child Labour in
Supply Chains Act report

Wulftec International Inc.



Annual report 2023

Table of content

- 1. STRUCTURE AND ACTIVITIES..... 2
 - History 2
 - Products..... 2
- 2. PREVENTION AND RISK REDUCTION MEASURES 3
- 3. RISK ASSESSMENT AND MANAGEMENT 4
 - Methodology 4
 - Supply Chain Assessment..... 4
 - Assessment Summary 5
 - Assessment of essential suppliers in 2023-2024 5
 - Temporary foreign workers 5
- 4. POLICY AND GOVERNANCE..... 5
 - Modern Slavery Policy 5
 - Supplier Code of Conduct 6
- 5. DUE DILIGENCE PROCESS 6
- 6. REMEDIATION 6
- 7. TRAINING 6
- 8. ASSESSMENT OF EFFECTIVENESS..... 7
- 9. APPROVAL AND ATTESTATION 7

1. STRUCTURE AND ACTIVITIES

INCREASE OUR LEVEL OF PREVENTION AND COMMITMENT.

This report relates to **Wulftec International Inc** a Corporation under the Canada Business Corporations Act, during the reference period from January 1, 2023 to December 31, 2023.

This report sets out the measures taken and will be taken by our company to mitigate risks relating to modern slavery, including forced and child labor in its operations and supply chains, in accordance with the Act on combating forced labor and child labor in supply chains.

We will publish an annual report detailing our ongoing journey to ensure the absence of modern slavery situations within its operations and supply chains.

Wulftec International has retained the services of a third party, **Groupe Conseil C-TPAT Inc (GCC)**, specialized in supply chain and logistics chain risk assessment which, using a diagnosis, supports us in the various analyzes and improvement of our processes focusing more particularly on the use of forced labor and child labor in our supply chains.

TO KNOW MORE

The header at the bottom of our website provides access to all of our reports and initiatives on the Canadian Law on Forced Labor and Child Labor in Supply Chains as well as the Disclosure of the California Law on the transparency of the supply chains of our parent company Duravant.

History

In 1990, Wolfgang Geisinger acquired Ayer's Cliff Industries Ltd, a local machine shop in Ayer's Cliff, Quebec, and founded Wulftec International Inc. The first stretch wrapper was manufactured the following year. In 2002, the M.J. Maillis Group announced the acquisition of Wulftec International Inc., the leading manufacturer of stretch packaging machinery in Canada.

In November 2005, a major expansion of Wulftec's factory at Ayer's Cliff, increasing the total floor space from 110,000 square feet to 136,000 square feet.

In June 2014, Wulftec International Inc. announced the injection of capital into its manufacturing facility to accommodate its growing business. This amount funded the construction of a new 10,000 square foot operating area at the Ayer's Cliff plant, an addition that brought the total plant area to 146,000 square feet.

In July 2018, 26,000 square feet was announced and in December, Wulftec International Inc. was sold to Duravant, a global engineering equipment company.

Products

Our automatic stretch wrappers and other packaging equipment are built to perform well, load after load, year after year.

Behind each meticulously hand-crafted wrapper are more than **307** highly skilled employees who work in a state-of-the-art factory located at **209 Rue Wulftec, Ayer's Cliff, QC JOB 1C0**.

2. PREVENTION AND RISK REDUCTION MEASURES

Wulftec International Inc is certified in the voluntary public-private partnership program, Customs Trade Partnership Against Terrorism (CTPAT) led by the United States Customs and Border Protection Agency, focused on improving border security, supply chains and logistics. CTPAT certified entities therefore collaborate with US Customs to protect, implement a set of preventive measures to reduce the risks of all forms of illegal trafficking throughout the cross-border supply and logistics chain.

Among the criteria to be respected, there are also obligations to carry out checks on our deemed business partners, to reduce the risk of the use of modern slavery in our activities and supply chains.

Following a diagnosis carried out by our team with the assistance of Groupe Conseil C-TPAT Inc (GCC), we developed an action plan and identified new mitigation measures to improve our practices with a view to preventing and reduce the risk of the use of forced labor and child labor in our supply chains, such as:

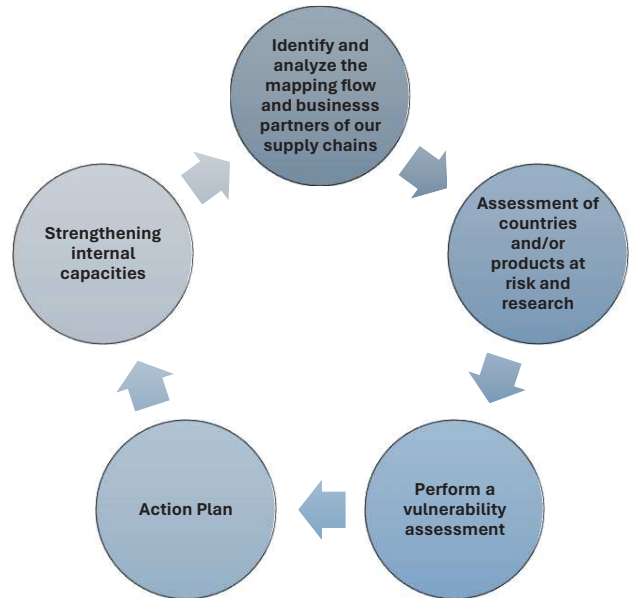
- Creation of a steering committee whose mission is to evaluate the effectiveness of the governance structure, policies and procedures to counter risks and determine the impact of forced labor or child labor.
- Conducting due diligence-based assessments across our entire supply chain to proactively identify, address and mitigate risks. This includes an annual census and ongoing assessment of our most important Tier 1 suppliers.
- Improved our supplier code of conduct and improved our questionnaires sent to suppliers deemed critical under our CTPAT program. This will allow us to better identify vulnerabilities in our operations and supply chains linked to modern slavery.
- Establishment of a clause on purchase orders with suppliers, aimed at raising awareness among our partners and reinforcing our strict stance against any form of forced labor and/or child labor in our supply chains.
- Review of internal recruitment policies and procedures to ensure that our company recruits staff on a voluntary basis.

3. RISK ASSESSMENT AND MANAGEMENT

Methodology

Groupe Conseil C-TPAT's 5-step risk analysis is based on the proven method of the CTPAT program and adapted to assessing the risks of the use of forced labor and child labor in activities and supply chains. Here are the 5 steps of this analysis:

- *Identify and analyze the mapping flow and business partners of our supply chains.*
- *Carry out an assessment of countries and/or products at risk and conduct research using open sources.*
- *Perform a vulnerability assessment.*
- *Document an action plan, risk analysis and procedure to ensure annual updating.*
- *Strengthening internal capacities*



Supply Chain Assessment

We carry out an in-depth diagnosis of direct international purchases, starting by analyzing customs entries in Canada as well as the authenticity of certificates of origin. This analysis is supplemented by an evaluation of purchases, both local and international, made via distributors involved in our supply chains. Based on this, we develop strategic recommendations and deploy targeted action plans to eradicate forced labor and child labor across all our operations and supply chains. Our goal is to ensure ethical and legal compliance across all our business activities, reinforcing our commitment to rigorous corporate social responsibility.

Wulftec International Inc sources most of its goods and raw materials from North American suppliers totaling 97% of its supply and less than 1% comes from Asia-Pacific regions, when it is the official importer.

Assessment Summary

We assess that the direct inputs of our supply chain for the manufacturing of our products come largely from North America as being low risk and that no form of modern slavery is identified in this portion of our supply chain.

We will further analyze our supply chain of certain countries of origin of our Tier2 suppliers which require improvements in order to better target risks on an ongoing basis and remain vigilant in our verification process.

Assessment of essential suppliers in 2023-2024

We evaluate our suppliers deemed critical during our risk analyzes with our CTPAT certification, focused on supply chain security. Our comprehensive modern slavery questionnaire will need to be completed by our critical suppliers which will allow us to better identify risks in our supply chain following our internal review.

Temporary foreign workers

In Canada, Wulftec International does not hire foreign labor, thus limiting the associated risks. The conditions of all our employees respect human and labor rights.

4. POLICY AND GOVERNANCE

We will enhance our policies to protect human rights and prevent the use of forced labor and child labor in our operations and supply chains.

We will establish a governance structure specifically designed to strengthen the enforcement of its policies against forced labor and child labor. Our Modern Slavery Steering Committee will monitor these practices, ensuring rigorous risk management. These efforts will be integrated across all of Wulftec International's activities with ongoing monitoring to ensure the effectiveness of the measures taken aligned with our high standards of governance and regulatory requirements.

Modern Slavery Policy

Wulftec International is firmly committed to preserving human dignity and attaches great importance to promoting equality and the protection of human rights in all its activities, supply chains and business relationships. That's why we are committed to providing a safe and inclusive work environment. This commitment will be reflected in our Modern Slavery Policy, which draws on international best practices and standards.

Supplier Code of Conduct

Our code of conduct requires our suppliers to comply with all applicable laws and regulations in all locations where they operate and prohibits the use of forced, child, or involuntary labor of any kind, as well as the use of corporal punishment, threats of violence or other forms of physical restraint and harassment against employees.

This code must be signed, and a clause will be added to each of our purchase orders imposing the same commitments on their part.

Employees who interact with suppliers are required to report any potentially illegal or unethical conduct brought to their attention, including the presence of modern slavery or human trafficking in the supply chain.

5. DUE DILIGENCE PROCESS

Wulftec International leverages its well-established leadership and governance, strict compliance standards, and developing supplier code of conduct to ensure the protection of the rights of its customers, employees, and workers in its supply chain. supply. This commitment to human rights stems from a deep belief in the importance of integrity and ethics, aimed at creating a safe and inclusive work environment for all stakeholders.

Wulftec International is firmly committed to combating forced and child labor in its supply chains by conducting rigorous due diligence-based assessments to identify, address, and mitigate risks related to modern slavery and violations. human rights. Our approach will include regular audits, ongoing training, and robust reporting mechanisms to ensure constant monitoring and continuous improvement of our ethical practices.

6. REMEDIATION

So far, we have not identified any forced labor or child labor in our operations and supply chains which, in turn, has allowed us to determine no loss of income among vulnerable families.

7. TRAINING

Currently, forced labor and child labor training is partially covered as part of U.S. Customs CTPAT compliance training. From 2024, training will be offered to familiarize our employees with our policies and practices to combat modern slavery.

The aim is to prepare our employees to fulfill our collective responsibility to respect and protect human rights, thereby contributing to the global effort to eradicate all forms of modern slavery.

8. ASSESSMENT OF EFFECTIVENESS

For 2023, Wulftec International has implemented mitigation measures in response to the requirements of the US Customs CTPAT program by focusing on direct suppliers in its supply chain.


To minimize and prevent the risks of forced labor and child labor more widely across all of our activities and our supply chains, a continuous improvement process will be put in place within our program. dedicated to the fight against modern slavery.

This process will allow us to evaluate the effectiveness of our initiatives, such as the supervision by our steering committee, the conduct of periodic internal and external audits, the annual review of our risk analysis, and the monitoring of performance indicators for the corrective measures identified. Additionally, integrating modern slavery concepts into our supplier selection and evaluation process will also provide us with indicators that can be evaluated and improved.

9. 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.

I have the authority to bind **Wulftec International Inc.**

A handwritten signature in black ink, appearing to read "Priscille Tremblay", is written over a horizontal line.

Priscille Tremblay

President

May 28, 2024