



# 2023 Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

*May 31, 2024*

## 2023 Fiscal Report – Introduction

Canada has been a party to several fundamental conventions since 1930, on fundamental labour rights and has stated our country's commitment to the fight against modern slavery (both forced labour and child labour). This commitment not only includes accountability by government institutions, but also accountability of Canadian business entities that are either involved in manufacturing, producing, growing, extracting, or processing goods in Canada or elsewhere or in importing goods manufactured, produced, grown, extracted, or processed outside Canada. The reporting requirements are for Canadian business entities that meet two of the following 3 criteria, namely; \$20 million or more in assets, \$40 million or more in revenue and an average of 250 or more employees. Grand Valley Fortifiers Limited meets both the asset and revenue threshold requirements.

This report has been prepared by Grand Valley Fortifiers Limited in response to its reporting requirements imposed under Chapter 9 of the Statutes of Canada 2023, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

Grand Valley Fortifiers (GVF) is sensitive and respectful of human rights of people, particularly those most vulnerable and is committed to ensuring that products within its supply chain are not contributing to the exploitation of individuals through forced labour and child labour.

## Organizational structure, activities and supply chain

### *Structure*

Grand Valley Fortifiers Limited is a privately owned and operated company with approximately 137 full-time employees with its head office located in Cambridge, Ontario. Grand Valley Fortifiers Limited has 4 divisions namely: Grand Valley Fortifiers (proper), Farmers Depot, Valley Feeds and Direct Source Commodities, all of which are located in Cambridge, Ontario. Its company is overseen by a President and CEO. Each of the four divisions is overseen by either a manager, director, or a member of its senior leadership team. One person in each of the four divisions has oversight/control over purchasing. The four divisions utilize the same Enterprise Resource Planning (ERP) and utilize a shared human resources department. The divisions operate in the following Sectors within the marketplace:

1. Agriculture, forestry, fishing and hunting
2. Manufacturing
3. Wholesale trade
4. Retail trade
5. Professional, scientific and technical services

## **Activities**

Grand Valley Fortifiers (proper) is a vitamin & mineral premix company for livestock. It purchases individual raw materials, including mined products such as limestone and zinc oxide, partially mined & synthetically manufactured trace minerals, such as copper sulphate, as well as vitamins, essential oils, probiotics, enzymes and acidifiers (both organic and inorganic). While Grand Valley Fortifiers does not manufacture complete feed in its facility, complete feeds are toll-manufactured locally using Grand Valley Fortifiers' supplements, which are brought back to Grand Valley Fortifiers for retail sale. Grand Valley Fortifiers delivers premixes, supplements and feeds throughout Ontario and into a portion of the northern states of the United States of America. Complete feeds are also sold out to the western provinces of Canada. This is the largest division of Grand Valley Fortifiers with a combined premix and complete feeds purchase costs of around 54%.

Farmers Depot is a direct retailer (no manufacturing) of livestock farming supplies, ranging from animal-health products, to personal protection equipment, to barn hygiene and water sanitation. Farmers Depot sells products to its customer base, located all-across Canada. This division accounts for approximately 8.5% of purchase costs for Grand Valley Fortifiers.

Valley Feeds is a retail store, serving local farmers in Cambridge and surrounding areas. It provides high-quality feeds for wild birds, dogs, cats, horses and all other livestock. It also offers farm supplies, pest control products, cat & dog toys and supplies and specialize in lawn & garden products. Valley Feeds represents approximately 1.5% of Grand Valley Fortifiers' yearly purchase costs.

Direct Source Commodities is a division of Grand Valley Fortifiers serving on-farm complete feed manufacturers. It provides US and Canadian-sourced commodities from primary processing plants to producers on farm, accounting for approximately 36% of GVF's yearly purchase cost.

## **Supply Chain**

Collectively, within the four divisions of Grand Valley Fortifiers, it utilizes over 310 individual vendors. Under its ERP operating system, a vendor is defined as either a distributor that is purchased from, who sells goods that were manufactured by other businesses, or it is a manufacturer that is directly purchased from. The vast majority of vendors (92.6%), are from distributors that sell goods manufactured by other businesses.

7.4% of the vendors Grand Valley Fortifiers purchase from, are direct manufacturers of their own products. All of those manufacturers are located either in Canada (73.9%) or the US (26.1%). Four of the direct manufacturers additionally sell goods that were manufactured by other businesses.

97.4 % of the vendors Grand Valley Fortifiers currently purchases from, are located in either Canada or the United States of America. The remaining 2.6% of vendors are from France, Germany, Pakistan, Spain, Sweden and The Netherlands.

Grand Valley Fortifiers (Proper) utilizes a “Vendor Hub”, where vendors and the ingredients the vendors supply to GVF, must go through an approval process. This process is overseen by a member of the senior leadership team and requires approval at each level in its production process (Nutrition, Quality/HACCP, Production, Purchasing and Pricing). Any new vendor or manufacturer is required to complete a questionnaire, identifying specific vendor and manufacturer information such as location address(es), any product registration(s), any certification(s), etc.

Because Farmers Depot and Valley Feeds deal predominantly with direct retail of products, they only capture basic location, contact and banking information for its vendors in its ERP. No “supplier contracts” exist at Grand Valley Fortifiers currently.

## Policies and due diligence processes

Each member of Grand Valley Fortifiers’ team receives an Employee Handbook “New Staff Welcome and Orientation Package” as a part of their on-boarding process. Included in this package is Grand Valley Fortifiers’ statement of vision on “Why we exist”, “What we do” and “Our core values for our company”. Its core values are:

1. **Passionate** – Serving customers innovatively and well.
2. **Humble Confidence** – Confidently choosing to forgo our status, deploy our resources and use of influence for the good of others before ourselves.
3. **Integrity** – Consistently honest while honoring commitments with our customers, co-workers and suppliers.
4. **Professional** – Committed to excellence in the way we lead, serve and relate.
5. **Caring** – With a servant heart, truly caring for customers and co-workers. Find satisfaction in assisting with others’ challenges and joy in witnessing their success.

Grand Valley Fortifiers is a Federally regulated company and as such follows the Federal Labour Code and acts in compliance with all federal workplace health and safety legislation. GVF’s Health and safety Policy provides protection to all its employees from harassment, violence, injury or occupational disease and to make every effort to provide a safe and healthy work environment. It has a written procedure for addressing harassment and other work-related complaints and a company commitment to follow-up on complaints and see them through to resolution. During the hiring process, GVF ensures that all employees hired are legally authorized to work in Canada as a either a Canadian citizen, as a Permanent Resident, or seeking employment with a work permit, etc. Legal residency and immigration document verification is conducted at the offer stages within its hiring process and kept on file.

Grand Valley Fortifiers currently does not have any supplier on-boarding system or procedure in place. However, it recognizes the importance of considering developing these policies in future to help mitigate emerging supply chain risks.

## **Areas of concentrated risk in activities and supply chain**

### ***Countries of Risk***

Walk free is an internationally recognized human rights group focused on the eradication of modern slavery <https://www.walkfree.org/global-slavery-index/> Their global slavery index looks at prevalence (proportion of population living in modern slavery), the vulnerability to modern slavery and the percent government response to modern slavery.

GVF recognizes that a lack of transparency exists, particularly in retail goods purchased by Farmers Depot and Valley Feeds, between the finished goods and the sourcing of raw materials (components). GVF acknowledges that raw materials may originate from countries of risk, especially for some specific categories. However, these are currently unknown and so GVF only has the capability to look at the countries that its vendors provide products to them from.

An investigation into all the countries of the vendors Grand Valley Fortifiers purchases from currently, save one, indicate that they all have a low prevalence and vulnerability with respect to modern slavery and high governmental response on the Global Slavery Index. Pakistan is the only country that Grand Valley Fortifiers purchases from, which has a significantly higher prevalence and vulnerability to modern slavery with a poor governmental response. The retail product purchased from the vendor in Pakistan represents 0.02% of Farmers Depot purchase cost for 2023 and 0.0017% of Grand Valley Fortifiers' purchase cost for 2023. The remaining countries (over 99%) of the vendors that Grand Valley Fortifiers purchases from all have low prevalence of and vulnerability to modern slavery and a good government response to modern slavery (as indicated on the Walk Free Global Slavery Index). These countries include Canada, USA, France, Germany, Spain, Sweden and the Netherlands.

### ***Goods at Risk***

The U.S. Department of Labour provides a comprehensive list of goods by country that have areas of high concentrated risk of child labour and/or forced labour.

[List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor \(dol.gov\)](#)

GVF examined and distilled the list of goods, provided by the U.S. Department of Labour, down to the relevant goods to its business. A review of the sectors/classification of goods on this website was compared against the ingredients and item classification codes used at Grand Valley Fortifiers.

From a raw material perspective, mineral ingredients, such as cobalt, copper, gypsum, salt, limestone and zinc would be applicable to the premix portion of its business at Grand Valley Fortifiers (proper). Because GVF has transparency, with respect to the actual manufacturers of these identified minerals, it can confidentially attest that none of the identified minerals have been sourced or purchased by Grand Valley Fortifiers from manufacturers residing within the problematic countries identified. Corn would be the only commodity impacting the complete feed portion of its business. However, all corn used in GVF's production of complete feeds, including the corn byproduct dried distiller's grains with solubles (DDGS), from ethanol or alcohol production, would be locally sourced (Ontario, Canada) or, in the case of DDGS, be either of Canadian or U.S. origin.

Goods such as rubber, tin and toys, could be a potential source of risk within its supply chain. This is because, as previously indicated, there is a lack of transparency, particularly with retail products at GVF's Farmers Depot and Valley Feeds divisions, between GVF and the raw materials/components that are used to manufacture final products such as equipment, dog toys, etc. that it purchases through distributors.

## **Forced labour remediation & Loss of income remediation.**

To date, Grand Valley Fortifiers has not received any complaints relating to forced labour or child labour in its operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

## **Training**

New employees receive their "New Staff Welcome and Orientation Package" as a part of their training and are required to complete a number of corporate video training records, including:

1. An introduction to Grand Valley Fortifiers
2. A commitment to Philanthropy
3. GVF Family – Who we are.
4. GVF Corporate Video.
5. GVF Who We Are series – History, Innovation, Passion and Service.

In addition to these on-boarding training sessions, individuals will have specific training of standard operation procedures (both HACCP and non-HACCP job function related), as well as training required for their specific department's requirements (example Transportation of Dangerous Goods, WHIMS, Safety Hub courses, etc.).

While GVF currently does not offer training that specifically covers forced labour and child labour, it will be working with its HR department and investigate potential resources and sources of training in the coming year. Training would be provided to the purchasers in each of its divisions that would be appropriate for them to understand the scope of, and how to actively mitigating against, forced and child labour in GVF's supply chain.

## **Monitoring effectiveness**

As a next step in mitigating the potential of child labour and forced labour in its supply chain, Grand Valley Fortifiers will create a Social Governance Responsibility Agreement. This will be sent to all of GVF's vendors to ensure that purchases of products from distributors or manufacturers are:

1. In compliance with their countries' national laws and Canadian laws as it pertains to labour and employment.
2. Following employment laws as they pertain to compensation and hours of labour.
3. Not purchasing from any manufacturer that utilizes in any manner forced labour or child labour.
4. Not purchasing from any manufacturer(s) that is(are) known to be discriminatory and in violation of basic human rights.
5. Willing to have their facilities inspected to ensure that their declarations are true.

New vendors and/or manufacturers will undergo a risk assessment by GVF's purchasers based upon country of manufacture and type of good manufactured using tools such as the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour and the Walk Free – Global Slavery Index.

GVF will also track, collate and assess vendor responses to the Social Governance Responsibility Agreement and discuss subsequent action plans stemming from the results.

## **Steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods.**

In the previous financial year, Grand Valley Fortifiers has taken the following steps to mitigate the risk of forced labour or child labour:

1. Mapping activities
2. Mapping supply chains
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains.

Grand Valley Fortifiers has used a pragmatic approach to identify the potential areas of risk for forced and child labour in its supply chain that are associated with both the type of goods that are purchased and the country that the goods are manufactured in. GVF has illuminated areas in its supply chain that can be improved, particularly the transparency Grand Valley Fortifiers has between its vendors and its manufacturers.

### **Approval and attestation:**

Pursuant to Fighting Against Forced Labour and Child Labour in Supply Chains Act, with particular reference to Section 1 (4) and (5), I have reviewed the information contained within this report for Grand Valley Fortifiers Limited, and as President and Chief Executive Officer, I hereby approve this report.

With the knowledge of Grand Valley Fortifiers' organizational structure, activities, policies and procedures, I attest that the information contained within this document, is true testament of the actions Grand Valley Fortifiers Limited has taken to address the disclosure topics required by Bill S-211 for the 2023 fiscal reporting year.

"I have the authority to bind Grand Valley Fortifiers Limited."



Ian Ross  
*President and Chief Executive Officer*  
May 29, 2024