



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](#)

Modern Slavery Statement for the Financial Year ended March 31st, 2024

This statement is made pursuant 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. This statement outlines the approach and initiatives by VDB Grains Ltd. to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing April 1st, 2023 and ending March 31st, 2024.

At VDB Grains, we are deeply committed to upholding human rights across our operations and supply chain. We unequivocally condemn forced labour and child labour in all forms. Our commitment extends to ensuring that every stage of our supply chain, from sourcing raw materials to delivering products, is free from exploitation. We believe in fostering ethical practices that prioritize the dignity and well-being of all individuals involved in our business ecosystem.

Group Structure and Activities

VDB Grains Ltd. is an independent, family owned and operated grain trading and elevator company based in Mitchell, Ontario, Canada. Originally established in 2007, with help from many grain producers both locally and abroad. We purchase, condition, and supply all major grains and oil seeds throughout Ontario & globally. Over the years the company has evolved & expanded to meet the needs of the growing Ontario agricultural sector. The core mission of the company is to continue investing in Canadian sourced food & energy products to serve the needs of a growing global population.

Supply Chain

We source grain and oilseed commodities – namely wheat, corn, and soybeans – from over 1,000 farms across Southwestern Ontario. Our direct suppliers are closely aligned with the location of our operations in Canada.

VDB Grains Ltd. outsources selected operational activities to third parties in Canada such as transportation and further processing of certain grains.

Policies and Due Diligence Processes

At VDB Grains Ltd., we firmly believe in and uphold the principles of human rights as outlined in international law and standards, including the Universal Declaration of Human Rights. We recognize that respecting, protecting, and promoting human rights is not only a moral imperative but also essential for sustainable business success. Our commitment to human rights extends across all aspects of our operations, from our employees and suppliers to the communities in



which we operate. Specifically, we are committed to:

- Respecting the inherent dignity and worth of every individual, regardless of race, ethnicity, gender, religion, nationality, age, disability, sexual orientation, or any other characteristic.
- Providing a safe and healthy work environment free from discrimination, harassment, and abuse.
- Ensuring that our supply chain is free from forced labour, child labour, and any other forms of exploitation.
- Supporting and engaging with stakeholders, including local communities and civil society organizations, to address human rights challenges and promote positive social change.

We recognize that upholding human rights requires ongoing vigilance, collaboration, and continuous improvement. As such, we are committed to regularly assessing and addressing our human rights impacts, integrating human rights considerations into our decision-making processes, and transparently reporting on our progress and challenges.

At VDB Grains Ltd., we are committed to upholding labour rights as fundamental principles that underpin our operations and supply chain. We recognize that respecting and protecting the rights of workers is essential for creating a fair, equitable, and sustainable economy. Our commitment to labour rights is rooted in international labour standards, including those set forth by the International Labour Organization (ILO), and is reflected in our policies, practices, and partnerships.

Specifically, we are committed to:

- Providing fair wages, benefits, and working conditions for all employees, including opportunities for career development and advancement.
- Prohibiting all forms of discrimination, harassment, and abuse in the workplace, and fostering an inclusive and diverse work environment where every employee is valued and respected.
- Ensuring that our supply chain partners share our commitment to labour rights and adhere to applicable labour laws and regulations.

We recognize that safeguarding labour rights requires ongoing diligence, engagement, and collaboration across our organization and throughout our supply chain. As such, we are committed to continually evaluating and improving our labour practices, addressing any gaps or issues that arise, and working towards a future where all workers are treated with dignity, fairness, and respect.

On all signed supplier agreements, they declare that all grains meet the eligibility set forth by the Canadian Grain Commission. The Canadian Grain Commission (CGC) primarily regulates and monitors the grain industry in Canada, focusing on grain quality, safety, and market integrity. While the CGC's primary mandate may not directly involve issues related to labor practices such as forced labor and child labor, Canada does have legislation and regulations in place to address these issues in various industries, including agriculture.



Risks in Supply Chain

Forced Labour and Child Labour in agriculture, while less common in regions like Southwestern Ontario compared to some other parts of the world, can still pose risks due to various factors. Here are some potential risks to forced labour and child labour in agriculture in Southwestern Ontario:

- 1) **Migrant Worker Exploitation:** Southwestern Ontario relies heavily on migrant workers, who may be vulnerable to exploitation due to language barriers, lack of awareness of their rights, and dependence on their employers for housing and visas. Children of migrant workers could be at risk if their families are subjected to exploitative conditions.
- 2) **Seasonal Nature of Agriculture:** Agriculture in Southwestern Ontario often involves seasonal work, which may lead to fluctuations in labour demand. In some cases, farmers may resort to employing children to meet short-term labour needs during peak seasons, especially if adult labour is scarce or expensive.
- 3) **Subcontracting and Supply Chain Complexity:** Complex supply chains and subcontracting arrangements in agriculture can obscure labour practices, making it difficult to monitor and enforce labour standards effectively. Children may be employed by subcontractors or third-party labour providers without the knowledge of the primary employers.
- 4) **Informal Work Arrangements:** Some agricultural work, such as small-scale farming or farm work done by family members, may operate outside formal employment structures. In such cases, children may be engaged in agricultural activities without adequate safeguards or oversight.
- 5) **Poverty and Socioeconomic Factors:** Economic hardship and poverty in rural communities may compel families to send children to work in agriculture to supplement household income. Inadequate access to education and social services can exacerbate the risk of children being engaged in hazardous or exploitative labour.
- 6) **Cultural Norms and Attitudes:** Cultural norms and attitudes towards child labour may vary within communities, influencing perceptions of acceptable work practices for children. In some cases, there may be a lack of awareness or concern about the risks and consequences of child labour in agriculture.

Risk Assessment

While no actions were taken in the past fiscal year, VDB Grains Ltd has intentions and has begun to implement the following:

- **Supplier Screening and Auditing:** Implementing thorough screening processes for suppliers to ensure they comply with labor standards and conducting regular audits to verify compliance.
- **Supplier Code of Conduct:** Developing and enforcing a supplier code of conduct that prohibits forced and child labor, outlining expectations and consequences for non-compliance.
- **Continuous Improvement:** Continuously monitoring and evaluating supply chain practices to identify areas for improvement and take corrective action.
- **Zero Tolerance Policy:** Adopting a zero-tolerance policy towards forced and child labor,



with clear procedures for reporting and addressing violations.

Remediation

VDB Grains Ltd. is in the process of developing and implementing policies and procedures to establish clear expectations regarding remediation and to ensure that any complaints or concerns related to forced labor and/or child labor are promptly addressed and resolved effectively. These include:

- 1) **Clear Policy Framework:** A transparent and accessible policy framework outlining the company's zero-tolerance stance on forced labor and child labor, emphasizing compliance with relevant laws and international standards.
- 2) **Risk Assessment and Due Diligence:** Regular risk assessments and due diligence processes throughout the supply chain to identify and address potential instances of forced labor and child labor.
- 3) **Supplier Engagement and Monitoring:** Engaging with suppliers to communicate expectations and requirements regarding labor practices, conducting monitoring and audits to ensure compliance, and providing support and guidance for improvement where needed.
- 4) **Investigation and Remediation:** Prompt and thorough investigation of reported concerns, involving relevant stakeholders such as human resources, legal counsel, and external experts if necessary. Implementing appropriate remediation measures to address root causes and prevent recurrence.

By implementing these policies and processes, VDB Grains Ltd. will ensure that complaints or concerns relating to forced labor and child labor are heard, taken seriously, and addressed with urgency and effectiveness.

Training

VDB Grains Ltd continuously provides ongoing training to employees about new and improving company and industry policies. Implementing training programs for employees on forced and child labor is essential for fostering a culture of ethical business practices. These programs educate employees about the signs of exploitation, relevant laws and regulations, and company policies for reporting and addressing concerns. By raising awareness and providing tools to identify and prevent forced and child labor, organizations can mitigate risks, protect vulnerable populations, and uphold their commitment to human rights and social responsibility.

Upon conclusion of the specific training program on forced and child labour, VDB Grains Ltd. will track employee completion and follow up with employees who have not completed the training by the deadline day.



Effectiveness Assessment

Measuring the effectiveness of forced and child labor policies requires a comprehensive approach that assesses both compliance with legal requirements and the impact on reducing instances of forced and child labor. Here are some key steps and indicators VDB Grains Ltd will use when measuring the effectiveness of these policies:

Compliance Monitoring:

- Conduct audits and inspections of workplaces to assess compliance with labor laws and company policies related to forced and child labor.
- Track the number of reported cases of forced and child labor and investigate any allegations or suspicions promptly.

Training and Awareness:

- Measure the participation rates in training programs on forced and child labor prevention among employees and relevant stakeholders.
- Conduct surveys or assessments to evaluate the effectiveness of training in raising awareness and understanding of labor rights and responsibilities.
- Monitor feedback from employees and stakeholders to identify areas for improvement in training content and delivery.

Recruitment and Employment Practices:

- Assess recruitment processes to ensure they comply with legal requirements and ethical standards, including verification of workers' age and authorization to work.
- Monitor the use of subcontractors to identify potential risks of forced labor and child labor in the supply chain.

Incident Response and Remediation:

- Measure the timeliness and effectiveness of responses to reported incidents or allegations of forced and child labor.
- Monitor the outcomes of investigations and disciplinary actions taken against individuals or entities found to be engaged in forced or child labor.

By adopting a multi-dimensional approach to measurement, we will gain insights into the effectiveness of our forced and child labor policies and identify areas for continuous improvement in preventing and addressing labor rights violations. Regular evaluation and adaptation of policies and practices are essential to ensuring sustained progress towards the elimination of forced and child labor in supply chains.



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 VDB Grains Ltd. 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 VDB Grains Ltd."

Ron Vanderburgt
Owner/Senior Grain Merchant
May 2nd, 2024