

GVS Investments Inc. & Guide Valve Limited

**Fighting Against Forced Labour and Child
Labour in Supply Chains
(Fiscal Year 2024)**

Introduction

The within report is prepared and published pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (hereinafter the “Act”). This is a joint report for Guide Valve Limited (“GVL”) and GVS Investments Inc. (“GVS”), the parent company of Guide Valve Limited (hereinafter collectively “the Companies”).

As required by the Act, this report pertains to the Companies’ 2024 fiscal year, with the fiscal year end being August 31, 2024 for GVS and September 30, 2024 for GVL. As a holding company, GVS conducts business in Canada primarily through GVL.

It is GVL’s mission to effectively and continuously engage in methods of technology and innovation to offer “better by design” valve products, while at the same time, striving to exceed the needs and expectations of its clients. GVL does so while fostering a company culture of overall safety, continuous improvement, cooperation, and mutual respect towards the environment and GVL’s employees, suppliers, and customers.

The Companies' Structure, Activities, and Supply Chains

Structure

GVS is a privately-held Canadian holding company, which is the 100% shareholder of GVL. Both are Ontario corporations, with their head offices located at 51 Terecar Drive, Unit 1 in Vaughan, Ontario, Canada.

Activities

GVL was first formed in 1980 as a valve distributor. Over the years, GVL has grown and evolved into a well-respected industrial pipeline valve manufacturer, which sells its products directly to end users and to third party distributors.

GVL primarily serves the oil and gas industry both in Canada and abroad. The company prides itself on providing high-quality valves and their accessories. GVL's motto "better by design" reflects GVL's commitment to safety and quality. GVL has established quality management systems in compliance with ISO 9001, API Q1 and CSA B51 for the design, manufacturing, and servicing of valves for the oil and gas industries.

GVS owns and controls GVL, and through its subsidiaries GVS owns and controls Guide Valve Wuxi ("GVW") in Wuxi, Jiangsu, China. The majority of GVL's products are manufactured by GVW and GVL in Wuxi and Vaughan. In 2024 GVL employed 35 employees in Canada, while GVW employed an additional 52 employees in China. GVS' subsidiaries employed a further six employees in sales offices in the USA and Mexico, which market GVL's products.

Supply Chain

GVL ensures the high quality of its products by directly controlling much of its manufacturing process. GVW's office and manufacturing facilities in China meet or exceed Canadian standards. GVL and GVW's suppliers are located in North

America, Asia and Europe. Raw materials are purchased from reputable and licensed and/or ISO 9001 certified foundries. The parts and materials are finished and assembled by the Companies' manufacturing plants in Vaughan, Ontario, and Wuxi, China. Every supplier is assessed for their capability to comply with GVL's requirements. Initial selection of suppliers is based on their credentials, references, certifications, previous work history, selection audit, quality, and regular check visits. Once approved, suppliers are placed on an approved vendor list. Suppliers are re-evaluated on an ongoing basis to assure their consistency and continual compliance.

GVL also uses the limited services of sub-manufacturers located in Taiwan, with whom GVL has enjoyed positive years-long relationships. These facilities are subjected to visits and reviews as required.

Prevention and Reduction of the Risk of Forced Labour & Child Labour: 2024

GVL's *Code of Conduct* confirms the company's commitment to the health and safety of employees, as well as its commitment to respecting and complying with domestic and international trade controls and requirements.

Migrant labour, child labour, and forced labour are not used in any of the Companies' operations. Employment is always voluntary. GVL's *Hiring and Human Resources Management* policy outlines GVL's hiring process, which is facilitated by its human resources department. Candidates are recruited and vetted in accordance with established job requirements and necessary qualifications, and new hires are trained on company policies. The *Employee Training and Awareness* policy also requires the effectiveness of employee training to be assessed annually.

GVL's *Risk Management System* allows for the identification and classification of risks to the company, and strategies for their response and management.

GVL's processes are annually audited by the Companies' team of internal auditors, as well as annual third-party audits according to ISO 9001 (by Intertek) and API Q1 (by API: American Petroleum Institute).

In China, GVW operates in keeping with both local and international standards. Employees are recruited, trained, and compensated in keeping with the labour market and with respect for their human rights. Again, all employment is voluntary. GVW's facility in Wuxi meets international occupational health and safety standards, and is also subjected to internal audits to ensure that these standards are maintained. GVW's commitment to occupational health and safety is communicated to all suppliers, along with the expectation that they will similarly uphold these standards.

The Companies' supply chains are monitored as previously noted. Suppliers are required to maintain occupational health and safety standards, and are subject to audits. GVL has not encountered child labour or forced labour in its supply chains.

Current Policies, Risk Assessment and Due Diligence

The Companies continuously strive to comply with all relevant and applicable local and international laws pertaining to illegal labour practices, including child labour and forced labour. In doing so, the Companies never knowingly contract with or carry on a business relationship with an organization or employer that does not adhere to these standards or is in violation of any applicable labour laws.

Both GVL and GVW have formal *Ethical Trading Policies* and *Illegal Labour Policies* which affirm the Companies' commitment to the prohibition of forced labour, child labour, and human trafficking within their own operations and those of their suppliers.

The Companies' policies and procedures are informed by the following local and international standards:

- The United Nations' Guiding Principles on Business and Human Rights (UNGPs) and Universal
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- Applicable human rights laws

Internally, the *Ethical Trading Policy* and *Illegal Labour Policy* are clearly communicated to all employees. GVL monitors its employment practices to ensure compliance with ethical employment standards and protocols. Employees receive training and practical education to inform them about the harm that illegal labour practices can cause, as well as to provide the information and guidance necessary to identify and report suspected instances of noncompliance.

The risk associated with the occurrence of forced labour and/or child labour arise as a result of GVW's and its suppliers' location in Asia. These risks are included in GVL's Risk Assessment Register. GVL conducts quarterly risk assessment sessions and reviews the mitigation plans in place and their efficacy. Compliance with forced labour and child labour policies is also included in GVL's internal audits.

The Policies are also communicated to suppliers and sub-manufacturers. Compliance with the *Illegal Labour Policy* is required in GVL's supplier approval check list. Supplier monitoring and due diligence includes supplier and sub-supplier pre-qualification checks, and the use of site visits and audits as opportunities to ensure third party compliance. Sub-manufacturers and suppliers must also report annually regarding their employment practices, their efforts to eliminate forced and child labour, and their own company policies.

To date, the Companies' efforts have identified no instances of forced labour or child labour in their activities or their supply chains, with no associated loss of income to families or local populations. As such no remediation steps have been required.

Training


The Companies have designed and implemented training amongst their workforce both in Canada and China on the identification and prevention of illegal labour practices, including forced labour and child labour. The Companies remain dedicated to the continuous evaluation of the efficacy of their training programs, and their ongoing development through their internal processes and regular audits.

Approval and Attestation

This Report was prepared in compliance with *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 and approved pursuant to subparagraph 11(4)(b)(ii)&(ii) of the Act by the sole Director of GVS Investments Inc. and Guide Valve Ltd., Calogero (Charles) Lo Cicero.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, I attest that I have reviewed the information contained in this Report. 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.



Calogero (Charles) Lo Cicero

President & Director, Guide Valve Limited

Director, GVS Investments Inc.

May 29, 2025