

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023 Report

1. Identifying information

Institution: Bank of Canada, a federal Crown corporation headquartered in Ottawa, Ontario.

Financial reporting year: From January 1, 2023, to December 31, 2023.

2. Introduction

This report outlines the steps the Bank has taken during its previous financial reporting year to prevent and reduce the risk that forced labour or child labour is used in its activities or supply chains. The Bank is committed to combatting modern slavery and to meeting its obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

3. Structure, activities and supply chains

The Bank is the nation's central bank. Its mandate, as per the *Bank of Canada Act*, is "to promote the economic and financial welfare of Canada." The Bank has five core functions:

- **Monetary policy:** to keep inflation low, stable and predictable
- **Financial system:** to promote safe, sound and efficient financial systems, within Canada and internationally
- **Currency:** to design, issue and distribute Canada's bank notes
- **Funds management:** to act as the fiscal agent for the Government of Canada
- **Retail payments supervision:** to supervise payment service providers, according to the *Retail Payment Activities Act*

The Bank carries out a range of activities to fulfill its mandate. As at December 31, 2023, the Bank had 2,350 employees. For financial information relating to the Bank's operations, please refer to the [Annual Report 2023](#).

The Bank works with suppliers to ensure the successful delivery of its core functions and, ultimately, its mandate. The Bank's supply chains cover a range of activities. For example:

- The bank note supply chain involves procuring raw materials (primarily from Australia and Europe) and partnering with specialized printers in Canada.
- The Bank's technology infrastructure relies on suppliers of information technology hardware to maintain the Bank's systems and support its research and administration functions.
- The Bank also procures goods to support these functions, including office equipment and supplies, uniforms and equipment for Bank security officers and marketing materials for the Bank of Canada Museum.

4. Policies and due diligence processes

The Bank has a well-established procurement policy that governs the Bank's purchases of goods and services. The policy ensures that the Bank's procurements comply with all applicable laws.

The Bank also requires that all employees, contractors, consultants and agents of the Bank observe the highest standards of professional ethics under the Bank's comprehensive Code of Business Conduct and Ethics. The Code reaffirms the Bank's commitment to open, fair and ethical procurement practices. In line with this commitment, the Bank seeks to ensure that its supplier agreements include clauses requiring suppliers to:

- adhere to applicable sections of the Code
- comply with all applicable laws

In 2024, the Bank plans to assess its internal procurement policies, procedures and supplier agreements. The assessment will pinpoint opportunities to prevent and reduce the risk of forced labour and child labour in its supply chains.

5. Risks in activities and supply chains

In 2023, the Bank took steps to address the risks of forced labour and child labour within its supply chains. It began discussions with suppliers about combating forced labour and child labour in supply chain operations. The focus during the year was on the supply chains relating to bank note production. Following engagement with its largest providers of raw materials and contracted printing companies, the Bank confirmed that these suppliers have policies and procedures in place, both internally and with their subcontractors, to protect against the use of forced labour or child labour.

In 2024, the Bank intends to map its supply chains and engage with its other suppliers. It will further explore what policies and safeguards these suppliers have in place to mitigate the risk of forced labour and child labour in their activities and supply chains.

6. Remediation measures

Not applicable. The Bank has not identified any:

- forced labour or child labour in its activities and supply chains
- loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in the Bank's activities and supply chains

7. Employee training

The Bank is aware that Public Services and Procurement Canada is currently developing guidance materials for suppliers, targeted to sectors at high risk of forced labour and child labour. These materials will raise awareness and include strategies for mitigating risk. The Bank is monitoring the development of these materials and will leverage them when they are published.

8. Assessment of effectiveness

Not applicable. The Bank does not currently have mechanisms in place to assess the effectiveness of policies or procedures to ensure that forced labour and child labour are not used in its activities and supply chains. The Bank plans to address the issue in 2024.