# CPA Canada Fiscal Year 2024 Modern Slavery Report April 1, 2023 to March 31, 2024

### 1.0 Introduction

This report is prepared by the Chartered Professional Accountants of Canada ("CPA Canada" or "we" or "us") for the fiscal year ended March 31, 2024 ("Fiscal 2024") as required by the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). This report summarizes the steps taken to prevent and reduce the risk that modern slavery is used at any step of the production of goods that are produced, sold, or distributed by us.

In this report, we use the term "modern slavery" to refer to forced labour and child labour.

# 2.0 Steps to Prevent and Reduce the Risk of Forced Labour and Child Labour

Broadly, we took the following steps during Fiscal 2024 to prevent and reduce the risk of forced labour or child labour in our operations and supply chain:

- Conducted an internal assessment to identify areas of our operations that have a risk of forced labour and child labour;
- Contacted suppliers to ascertain the risks of forced labour and child labour in their supply chain;
- Mapped activities and our supply chain;
- Developed and deployed a formal statement on modern slavery in our supply chain;
- Developed and implemented anti-forced labour and child labour contracting clauses and a compliance checklist for employees with responsibility for procurement; and
- Created awareness and training materials to enhance employees' understanding of the Act and their related responsibilities.

# 3.0 Structure, Activities and Supply Chains

CPA Canada is incorporated under the *Canada Not-for-profit Corporations Act* and was formed in 2013 following the unification of the three Canadian accounting designations. CPA Canada is one of the largest accounting organizations in the world with over 220,000 members. We have five core priorities:

- 1. Support an independent, efficient, and effective standard-setting system and enhancing Canada's position as a leader in the arena.
- 2. Develop and deliver learning-centric precertification education to build competent CPAs ready to meet the needs of the future.
- 3. Enhance our global network to elevate the Canadian CPA profession's leadership in national and international matters.
- 4. Empower people across Canada to build their financial literacy and transform their financial wellbeing.
- 5. Deliver thought leadership and professional development to support the future of the profession in building capacity and members support in core and emerging areas.

CPA Canada is headquartered in Toronto, Ontario and has 340 employees as of March 31, 2024, all of whom are in Canada. CPA Canada also maintains a presence in Ottawa, Ontario, Vancouver, British Columbia and Montreal, Quebec.

CPA Canada's supply chain consists of suppliers of finished goods based either in Canada or the United States.

#### 3.1 Our Mission, Vision, and Values

#### **Mission**

Our mission is to enhance the relevance and value of the Canadian accounting profession by:

- Acting in the public interest.
- Supporting our members.
- Contributing to economic and social development.

#### Vision

The Canadian CPA is the preeminent, globally respected business and accounting designation.

#### **Values**

We create trust by living by our values:

- Act with integrity.
- Foster excellence.
- Be accountable.
- Work collaboratively.
- Respect others.

# 3.2 Our Activities and Supply Chains

CPA Canada's support of standards setting, distribution of thought leadership, and development of certification exams are conducted almost exclusively in Canada by professional staff and result in very limited production, sale, or distribution of goods. Table 1 below summarizes the limited set of goods produced, sold, or distributed by CPA Canada.

Category	Department	Description of Goods
Books and	Member Experience,	Print version of some learning solutions,
Magazines	Integrated Communications	financial literacy books and CPA Canada's
		member magazine, <i>Pivot</i> .
Recognition	People and Culture	Custom frames, plaques, and wine boxes and
Gifts		non-personalized briefcases and duffel bags.
Exam	Education	USB keys, calculators and bins used in the
Delivery		delivery of precertification exams.

Table 1: Main Goods Used or Procured by CPA Canada

CPA Canada is not the importer of any goods for the purposes of the Customs Act.

# 4.0 Policies and Due Diligence Processes

## 4.1 Code of Conduct

The CPA Canada Code of Conduct (the "Code") has been adopted as the minimum standard of ethics for all internal stakeholders of CPA Canada (i.e., employees at every level and the Board of Directors). Complying with the Code is part of the terms and conditions of the employment relationship with CPA Canada. The Code is intended to help guide all internal stakeholders to continue to effectively recognize and address ethical issues, enhance existing mechanisms of

reporting unethical conduct, and help to continue to foster and sustain a culture of honesty and accountability. All CPA Canada internal stakeholders are bound by the Code and must comply with its requirements.

## 4.2 Considerations for Modern Slavery in Procurement

In Fiscal 2024, CPA Canada amended our Expenditure Authority and Control Policy, which governs procurement, to reduce the risks of modern slavery in our supply chain. We developed in tandem a checklist that guides staff on the key considerations to be made with respect to modern slavery during procurement.

## 4.3 Third Party Risk Management Policy and Framework

In recent years, CPA Canada has undertaken a significant investment in risk management and compliance; the Third-Party Risk Management Policy (the "TPRM Policy") is one of the outcomes of this investment.

CPA Canada's TPRM Policy forms the basis for a standardized, risk-based approach to all phases of the vendor lifecycle, incorporating best practices in the selection, management, and evaluation of third parties engaged by CPA Canada to manage the risk within our risk appetite. The TPRM Policy provides the structure required to identify, assess, prioritize, manage, reduce, monitor, and respond to risks in third-party service activities while enabling achievement of CPA Canada business objectives.

#### 4.4 Contractual Clauses

CPA Canada has developed contractual clauses that seek to reduce the risk of modern slavery. Going forward, we intend that all contracts to be negotiated with suppliers of goods shall include such clauses.

# 4.5 Supplier Code

Our Risk Management team is currently developing a Supplier Code of Conduct ("Supplier Code"). The Supplier Code will set out rules for our suppliers that require them to take certain steps to reduce the modern slavery risks in their supply chains. We plan to deploy the Supplier Code in 2024.

#### 4.6 Reporting Mechanisms

CPA Canada's Fraud Policy outlines the avenues in which any stakeholder of CPA Canada can report suspected wrongdoing, fraudulent acts, questionable behavior and/or violations of our Code of Conduct. Reporting can be done by mail, online via <a href="ConfidenceLine">ConfidenceLine</a> or by calling the 24/7 phone line: 1-800-661-9675. Violations of applicable federal and provincial laws and CPA Canada's policies, procedures and Code are within the scope of the Fraud Policy. Accordingly, suspected use of modern slavery in our supply chain can be reported through these channels.

Our full Fraud Policy including reporting mechanisms can be found on our website.

#### 5.0 Risk Assessment

CPA Canada's operations are located entirely within Canada and are largely focussed on services. We are not engaged in the type of work normally associated with forced labour or child labour.

Nonetheless, we recognize that the potential exists for forced labour or child labour to be present in our supply chain, either with direct suppliers or indirect suppliers further down the supply chain.

To inform our assessment of risks, we considered research published by the US Department of Labor that examines which goods are at risk of being produced by forced labour and child labour. We also made direct inquiries with applicable suppliers about how they assess risks of modern slavery in their supply chains.

While we must continue to be vigilant, our current assessment is that we have minimal exposure to modern slavery risks in our supply chain. A more detailed summary of risks is set out below.

## 5.1 Books and Magazines

CPA Canada publishes books for professional development and financial literacy purposes. We also publish our member magazine, *Pivot*, on a quarterly basis.

The US Department of Labor has identified timber (used in paper production) as a good that is at risk of being produced by forced labour and child labour.

To reduce such risks, we made inquiries with our suppliers about their due diligence practices and any policies or codes relating to modern slavery. Also, during a contract renegotiation with one such supplier in Fiscal 2024, we inserted contractual clauses that require the supplier to take steps to avoid modern slavery risks and notify us promptly if any instances of modern slavery are discovered.

## 5.2 Recognition Gifts

CPA Canada distributes gifts to recognize the contributions of our volunteers. The gifts are acquired from companies with operations and supply chains primarily or only within Canada.

## 5.3 Exam Delivery

CPA Canada acquires goods for sale or distribution in support of exam delivery—USB keys, calculators, and bins.

The US Department of Labor has identified certain components in electronics as goods that are at risk of being produced by forced labour and child labour.

To reduce such risks, we made inquiries with our suppliers about their due diligence practices and any policies or codes relating to modern slavery. We also extended our diligence to second-level suppliers by confirming that all calculator brands we purchase have supplier codes of conduct or policies that prohibit the use of forced labour and child labour.

#### 6.0 Remedial Measures

CPA Canada is unaware of any instances of forced labour or child labour in our supply chain, and therefore we did not take any measures to remediate any adverse impacts or the loss of income to families that could have resulted from measures taken to address modern slavery.

If we learn of any potential or confirmed instances of modern slavery, we will investigate and take appropriate remedial measures.

# 7.0 Training

CPA Canada employees receive regular training on regulatory requirements, ethical practices, and our policies. All new employees are assigned a mandatory onboarding package which includes a review and acknowledgement of our Code of Conduct. Additionally, employees are required to review, sign off and abide by our Code of Conduct annually.

In Fiscal 2024, CPA Canada held mandatory training for staff who are directly responsible for procurement matters. The training session was recorded and published for all employees to view. Internal awareness building was also conducted for all employees on the Act, why CPA Canada is subject to it, our reporting requirements and employee responsibilities.

CPA Canada will include awareness building on modern slavery in all employee onboarding packages along with an annual refresh course for employees directly responsible for procurement matters.

# 8.0 Assessing Effectiveness and Future Improvements

An assessment of the new measures in Sections 4.2, 4.4 and 4.5 of this report will be conducted at the end of the next fiscal year to determine their effectiveness. This assessment will determine what future improvements are needed to enhance our commitment to preventing and reducing the risk of modern slavery in our supply chain.

# 9.0 Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of the Chartered Professional Accountants of Canada for the fiscal year ended March 31, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 the Chartered Professional Accountants of Canada.

Full Name: Pamela Steer

Title: President and Chief Executive Officer

Date: April 24, 2024

I have the authority to bind the Chartered Professional Accountants of Canada.

Full Name: Beth Wilson

Title: Chair, Board of Directors

Date: April 24, 2024