

Fighting Against Forced Labour and Child Labour in Supply Chains Act

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About the report

The purpose of this report is to document the steps that Farm Credit Canada (FCC) has taken during the previous fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased or distributed by FCC.

Definitions

The following definitions apply throughout this report:

Child labour: labour or services provided or offered to be provided by persons under the age of 18 years and that

a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;

b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;

c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or

d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999. (travail des enfants)

Forced labour: labour or service provided or offered to be provided by a person under circumstances that

a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or

b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930. (travail forcé)

Areas described under Section 6 (1) and 6 (2) of the Fight Against Forced and Child Labour in Supply Chains Act

Throughout the 2024 fiscal year, FCC has taken the steps identified in this report to prevent and reduce the risk that forced labour or child labour is present in our supply chain.

Structure, activities and supply chain

FCC is a federal Crown corporation reporting to Canadians and Parliament through the Minister of Agriculture and Agri-Food. We provide flexible financing, AgExpert business management software, information and knowledge to more than 102,000 customers.

Our customers include primary producers and agribusiness and agri-food operators who provide inputs or add value to the agriculture and food industry. We're a team of more than 2,300 employees, operating from 103 offices located primarily in rural Canada and our corporate office in Regina, Saskatchewan.

FCC's supply chain is typical of a financial institution, procuring primarily IT hardware, software, professional services, leases and leasehold improvements, office supplies, equipment and office furnishings. FCC utilizes robust procurement and vendor risk management practices aligned with regulatory requirements, including those in this Act.

It's important that suppliers we work with share FCC values and reflect what we stand for. FCC knows that doing business with integrity, focusing on good governance and complying with policies will maintain our reputation as a trusted partner to our customers, our shareholder and the public. Customers, partners and vendors play a role in ensuring FCC's integrity and we have policies and processes in place to support this. We lend and contract with individuals or businesses who respect and adhere to applicable municipal bylaws, provincial and federal laws and regulations, who hold all permits and licenses required by law, and whose activities respect and care for the environment, animal welfare and labour standards.

Our procurement practices support fair consideration of suppliers, appropriate risk management for FCC and our shareholders, and follow the Treasury Board of Canada Secretariat recommendations. Our Supplier Code of Conduct outlines our expectations of vendors and helps employees who manage contracts hold vendors accountable for their ethical and moral business practices.

Policies and due diligence process

FCC's Procurement and Vendor Management policy ensures controls are in place for FCC to obtain value for money when procuring goods and services, apply fairness and transparency in procurement decisions, manage vendor relationships and mitigate risks when services or activities are being performed by vendors on our behalf.

Elements of the due diligence process that FCC has implemented in relation to forced labour and child labour include embedding responsible business conduct practices into our Procurement and Vendor Management policy and systems. This was accomplished by amending our Procurement and Vendor Management policy to include a section for employees that outlines the Act's requirements when procuring goods and services on behalf of FCC.

Additionally, assessments of FCC's current contract terms and conditions, and Supplier Code of Conduct were completed and updated accordingly to enhance FCC's principled approach to contracting with businesses who have similar values to ours.

Another important step was the fulfilment of dedicated, skilled resources within FCC's supply chain management teams, focused on implementing ESG procurement practices with a goal of ensuring that businesses we partner with have the same values as FCC.

Risk identification and actions

FCC has identified categories of spend from within our supply chain and assessed the type of products and services sourced within those categories that carry a risk of forced labour or child labour. FCC also compared the identified spend categories to external resources to validate the categories we deemed at high risk for forced labour and child labour.

FCC reviewed our policies and processes related to third-party risk management. The result of the review led to enhancements to FCC's third-party risk management practices, specifically around reputational risk. Within the Reputational Assessment, vendors must identify whether they have had any labour practice infractions and describe all infractions that have occurred. They are also asked to provide any policies their company has in place regarding labour practices and the abolition of forced labour and child labour. FCC then reviews and assesses the responses received to determine whether any associated risks can be mitigated prior to making a final contract award decision.

Measures to remediate any forced labour or child labour

FCC has not identified any forced labour or child labour in our activities or supply chains.

Measures to remediate loss of income

FCC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Employee training

FCC has not provided training to employees on forced labour and child labour. In fiscal year 2024 FCC has focused on evaluating our supply chain, managing risk and building the action plan, which includes employee training, as described in the "Forward looking" section below.

Assessing effectiveness

FCC does not currently have policies and procedures in place to assess the effectiveness of measures we have taken to ensure that forced labour and child labour are not being used in our activities and supply chains. FCC will take steps to assess the effectiveness of the measures taken in fiscal year 2024 as described in the "Forward looking" section below.

Forward looking

In the next fiscal year, FCC will develop an action plan to further strengthen our practices, focusing on vendors operating in high risk spend categories and by designing a training program to enable employees to identify potential non-compliant vendors and cease contract discussions with any vendor where there are concerns related to forced labour and child labour in FCC's activities and supply chain. FCC will continue to benchmark our practices against peers in this space and monitor regulatory requirements.

Attestation

In accordance with the requirements of the Act, and in particular section 6 thereof, I attest that I have reviewed the information contained in the report for Farm Credit Canada. 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.

Jane Halford
FCC Board Chairperson
April 8, 2024

A handwritten signature in black ink, appearing to read 'Jane Halford', written in a cursive style.

I have the authority to bind Farm Credit Canada.



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