

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Canada Mortgage and Housing
Corporation

2025 Annual Report

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Submission Information

About the Report

This Report is submitted on behalf of Canada Mortgage and Housing Corporation (CMHC) and covers activities and the steps CMHC has taken during its previous financial year (January 1 to December 31, 2024) to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods purchased by CMHC, in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”).

Annual Report

Definitions

The Act defines the terms child labour and forced labour as follows:

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.

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.

When the terms child labour or forced labour are used in this Report, those definitions apply.

Reporting topics described under Section 6 (1) and 6 (2) of the Act

Structure, Activities, and Supply Chains

Structure

CMHC is a federal Crown Corporation created under the *Canada Mortgage and Housing Corporation Act*. CMHC has headquarters in Ottawa, Ontario, and 5 offices across the country in Montreal, Toronto, Halifax, Calgary, and Vancouver. CMHC employs over 2,300 employees across Canada.

The Corporation operates in the following sectors:

- Finance and Insurance
- Real estate
- Securitization and Capital Markets
- Delivery of Government Housing Programs

We are accountable to Parliament through the Minister responsible for CMHC.

We report on progress against our Corporate Plan through our quarterly financial reports and our annual reports. CMHC is Canada's national housing agency. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country. CMHC works to enhance Canada's housing finance options, assist Canadians who cannot afford housing in the private market, improve building standards and housing construction, and provide policymakers with the information and analysis they need to sustain a vibrant housing market in Canada.

The [2024-2028 Summary of the Corporate Plan](#) provides an overview of our strategy and outlines our path ahead to achieve 3 outcomes:

- *Ensure the stability of Canada's housing finance system.* We'll do this by delivering our commercial products as effectively as possible. This includes providing mortgage insurance benefiting all Canadians. Additionally, we ensure lenders have reliable access to mortgage funding.
- *Deliver the federal government's commitments to Canadians.* This includes National Housing Strategy programs. This helps us address challenges across the housing continuum. Our focus is on meeting a range of housing needs, particularly those of vulnerable populations.
- *Positioning ourselves to meet Canada's future housing needs.* We'll do this by staying at the forefront of research, data and insights. We'll help shape the future of housing. Our efforts will align with other critical national priorities, including addressing climate change, promoting equity and fostering reconciliation with Indigenous peoples.

Activities and Supply Chains

CMHC is typically in the business of purchasing services in the areas of professional services, facilities, appraisal, data, real estate and IT, which are accessory to our core activities. CMHC does not frequently purchase goods and those that we do purchase are predominantly related to the operation of Granville Island located in Vancouver, BC., a property managed by CMHC on behalf of the Government of Canada. Operationally self-sustaining, Granville Island is home to more than 300 businesses employing more than 3,000 people.

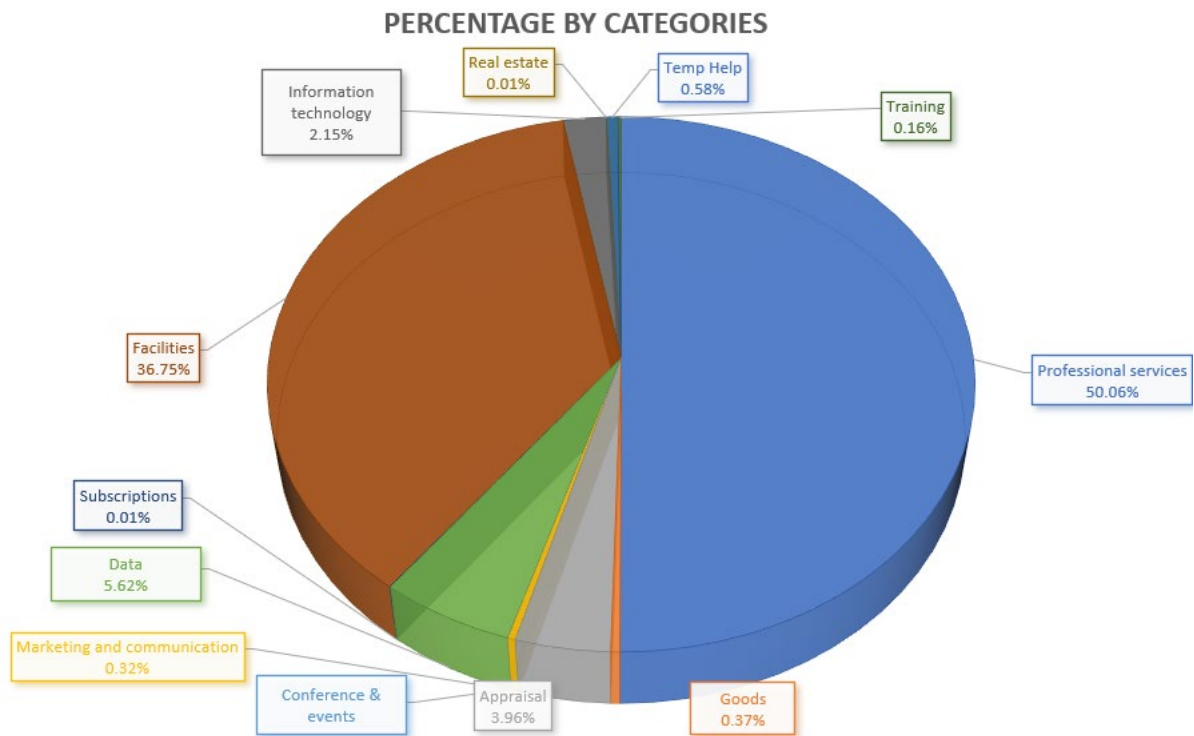
CMHC generally includes the following goods in its supply chain, excluding those purchased with acquisition cards:

- Office equipment and furniture, including to retrofit buildings and make leasehold improvements
- Other equipment, including construction goods supporting the operation of Granville Island (GI)
- Telecom and network infrastructure

In 2024, CMHC’s purchase of goods mainly included hardware, janitorial and first aid equipment for the support of Granville Island.

In most cases, goods and services are purchased from Canadian-based suppliers. Currently, 12% of all procurement vendors for purchases of goods and services are located outside of Canada (57 out of 494 are located in the United States and Europe.) From January 1 to December 31, 2024, the total dollar value of contracts awarded for goods and services by CMHC was \$258,303,794, which included \$958,156 (0.37%) of goods contracted from Canadian suppliers. No contracts for the purchase of goods were awarded to non-Canadian suppliers. CMHC does not have any existing contracts with vendors from geographic regions deemed as high risk by Global Affairs Canada for use of forced labour and child labour, such as the the Xinjiang Uyghur Autonomous Region as per their [advisory notice](#), or from countries on which Canada has imposed sanctions.

Included below is a visual representation of new commitments CMHC entered into during 2024 by category. The data presented below does not take into consideration purchases using acquisition cards, as per updated reporting guidance from Public Safety Canada.



Steps to Prevent and Reduce Risks of Forced Labour and Child Labour - Policies and Due Diligence

Policies and Due Diligence

CMHC's procurement practices are governed by CMHC's Procurement Policy, its supporting directive, and its Vendor Risk Management Framework. CMHC conducts all sourcing and procurement activities on the principles of transparency, openness, and fairness, and in compliance with laws and trade agreements. Any new procurement activity undergoes a robust risk assessment that includes, among other things, consideration of operational and reputational risks. Our standard contract templates contain representations from vendors that they comply with all applicable laws, regulations, as well as CMHC policies, including CMHC's Vendor Code of Conduct.

CMHC's Vendor Code of Conduct sets out principles and expectations that vendors, service providers, and independent contractors, must comply with when conducting business with, or providing goods or services to, or acting on behalf of CMHC. It states that CMHC is committed to sourcing goods and services from vendors who respect human rights, ethics, and the environment and have responsible policies and practices. Under the Code, vendors must abide by applicable employment standards, labour, health and safety, non-discrimination, and human rights legislation.

Steps Taken in 2024 to Prevent and Reduce Risks of Forced Labour and Child Labour

In furtherance of CMHC's compliance with its obligations under the Act, CMHC has conducted a mapping of our activities and supply chains, including an analysis of the goods purchased in 2024 and the location of our vendors.

In addition, CMHC has developed the following measures in 2024 aimed at its policies and due diligence activities to prevent and reduce the risk that forced labour or child labour is used in the production of goods purchased by CMHC:

- CMHC implemented a questionnaire to have vendors disclose their processes and practices in relation to labor practices, human rights, forced labour and child labour;
- CMHC updated its contract templates for the purchase of goods and services to embed a representation and warranty from vendors that they will comply with the Vendor Code of Conduct;
- CMHC updated its Vendor Code of Conduct to include references to forced labour and child labour, including a new Attestation that sets out various representations and warranties from its vendors, including their compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and the *Customs Tariff*, as applicable, and CMHC's Vendor Code of Conduct. Under the Attestation, vendors will also be prohibited from producing, importing, or purchasing goods produced in whole or in part by forced labour and child labour, and will conduct proper due diligence and monitoring of their own supply chains for risks of forced labour and child labour;
- CMHC hired an external consultant to lead a mandatory training session for CMHC Procurement and Vendor Risk Management employees on the topic of forced labour and child labour. CMHC's external legal counsel provided voluntary training to CMHC employees in Legal and Procurement during the month of March 2024. Various CMHC teams also attended Public Safety Canada's information sessions on the Act during the month of April 2024;
- CMHC continues to engage the services of external counsel to advise on reporting requirements, compliance with the Act, and implementation of best practices.

Forced Labour and Child Labour Risks

CMHC is continuing its analysis of its supply chain to better understand which areas of its activities and supply chain may carry an increased risk of forced labour and child labour. The assessment and identification of risks is currently in progress. The results of this assessment will help inform the adoption of appropriate measures seeking to address any identified risks of forced labour and child labour in its activities and supply chains.

For goods purchased in 2024, we have not identified any specific industries or sectors at risk of use of forced labour and child labour. In 2024, all new vendors purchasing goods for CMHC responded to a questionnaire addressing their processes and practices in relation to labor practices, human rights, forced labour and child labour. All responses received were satisfactory. Additionally, all responses received from our existing critical vendors were satisfactory. A vendor will be deemed a critical vendor if the vendor is assessed to have high inherent risk in any of the five risk categories: 1) Organisational Resilience; 2) Cyber and Information Security; 3) Privacy; 4) Data Governance; and 5) Ease of Replacement. Please refer to the “Steps to Prevent and Reduce Risks of Forced Labour and Child Labour - Policies and Due Diligence” section of this Report for additional information on measures taken.

While CMHC uses reasonable efforts to better understand any risks associated with tier 2 or tier 3 suppliers, an area for further exploration is the assessment and identification of potential risk further down our supply chains.

Remediation Measures

CMHC does not currently have any indications of forced labour or child labour in the organization’s supply chains. As a result, CMHC has not taken any measures to remediate forced labour or child labour. The results of CMHC’s ongoing assessment of risk will inform whether to adopt, and the nature of, any appropriate remediation measures seeking to address any risks of forced labour and child labour in our activities and supply chains.

Remediation of Loss of Income

CMHC has not identified any forced labour or child labour in our activities and supply chains. Therefore, CMHC has not taken any measures to remediate loss of income to the most vulnerable families.

Training

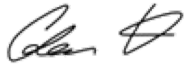
CMHC, through external legal counsel, has provided voluntary training to CMHC employees in Legal and Procurement during the month of March 2024. Various CMHC teams also attended Public Safety Canada’s information sessions on the Act during the month of April 2024. In addition, CMHC’s Procurement Office and the Vendor Risk Management team participated in a mandatory training session, in November 2024, focused on mitigating risks of forced labour and child labour in supply chains.

Assessing the Effectiveness

In 2024, CMHC has developed various measures to help improve its assessment of effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains, including by working with suppliers to measure the effectiveness of their actions to address forced labour and child labour. As further detailed above, CMHC has updated its contract templates, Vendor Code of Conduct, and has also contracted the services of an external consultant for the completion of mandatory training focused on mitigating risks of forced labour and child labour in supply chains. Such training was followed by members of CMHC's Procurement Office and Vendor Risk Management team.

CMHC has also implemented a questionnaire that is provided to critical vendors and new vendors that addresses their processes and practices in relation to various matters, including labour practices, human rights, forced labour and child labour, to assist with the identification and assessment of risk in our supply chain.

CMHC continues to engage the services of external counsel to advise on reporting requirements, compliance with the Act, and implementation of best practices.



Coleen Volk

President and Chief Executive Officer

Date: April, 14, 2025