



Farm Credit Canada

Fighting Against Forced Labour and Child Labour in Supply Chains Act

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:

Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)

Act: An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

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 2024-25 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 [financing](#) and other services to more than 103,032 customers. We're a team of more than 2,500 employees operating from 103 offices located primarily in rural Canada and our corporate office in Regina, Saskatchewan.

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

It's crucial that our suppliers share FCC's values and reflect our standards. FCC believes that conducting business with integrity, focusing on good governance and adhering to our internal policies will uphold our reputation as a trusted partner to our customers, shareholder and the public. Customers, partners and vendors play a role in protecting FCC's reputation of integrity, supported by our policies and processes.

We engage with individuals or businesses that respect and comply to applicable municipal bylaws, provincial and federal laws and regulations, hold all required permits and licenses, and conduct activities that respect 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 assists employees in holding vendors accountable for their ethical and moral business practices.

Policies and due diligence process

FCC's Procurement and Vendor Management policy and processes are in place as controls to ensure value for money when procuring goods and services. These business practices promote fairness and transparency in procurement decisions, effectively managing vendor relationships and mitigating risks associated with vendor-performed services or activities on our behalf.

Last year, FCC integrated responsible business conduct practices into our Procurement and Vendor Management policy and systems as part of our due diligence process regarding forced and child labour. This was accomplished by amending our Procurement and Vendor Management policy to include a section that outlines the Act's requirements for employees when procuring goods and services on behalf of FCC.

FCC requires that all vendors agree with our Supplier Code of Conduct and that it be included in all contractual relationships with FCC. In our last report, we noted that an assessment of FCC's contract terms and conditions and the Supplier Code of Conduct was completed to enhance FCC's principled approach to contracting with businesses who have similar values to ours.

This year, FCC took another important step by expanding the Sustainable Procurement team to include additional talent. We have dedicated, skilled resources on our Sustainable Procurement team, focused on implementing sound sustainable procurement practices.

Risk identification and actions

For our initial report last year, FCC identified spending categories 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 our assessment of risk.

In the prior year, FCC reviewed internal policies and processes related to third-party risk management, which included collaborating with other federal Crown corporations to share and develop best practices. This led to enhancements to FCC's third-party risk management practices. For all contracts with a value of \$5,000 and greater where the risk of forced labour or child labour exists, 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 and, where appropriate, develops mitigations prior to making a final contract award decision. We collaborated with other Crown corporations and closely monitored regulatory requirements throughout the year as this area continues to evolve.

Measures to remediate any forced labour or child labour

FCC has found no instances of vendors using forced labour or child labour within our activities or supply chain during this or previous reporting periods. We will continue to monitor our contracts and enable our employees through training to identify and report suspicion of forced labour or child labour.

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

In fiscal year 2024-25, FCC implemented a phased approach to employee training on forced labour and child labour within our activities and supply chain. FCC's primary procurers of goods and services have completed mandatory training, with a smaller subset of roles scheduled to receive training in fiscal year 2025-26.

FCC's training program highlights the ongoing issues of modern slavery and forced labour in many global markets. It emphasizes the importance of human rights compliance for companies operating within global supply chains. The training also covers the Act, FCC's response to it and the crucial role employees play in supporting FCC's initiatives.

Assessing effectiveness

In fiscal year 2024-25, FCC incorporated language into its Procurement and Vendor Management policy and, as part of this fiscal year's action plan, established procedures for management to follow if forced labour or child labour is suspected or discovered within our supply chain. This further advanced our effectiveness in this area.

FCC evaluates its progress in preventing and mitigating the risk of forced labour or child labour within our supply chain by assessing its practices against the practices of other Crown corporations and regulatory expectations, and through leveraging learning opportunities in this field.

Forward looking

In the next fiscal year, FCC will re-evaluate our spend categories to identify any additional risks. We will continue to expand employee training and enhance existing processes. FCC will also continue to collaborate with industry peers 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

March 5, 2025



I have the authority to bind Farm Credit Canada



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