

# Report on Fighting Against Forced Labour and Child Labour in Supply Chains

May 31, 2024



## Report on Activities

**Reporting Period:** April 1, 2023 – March 31, 2024

### Summary

The Canada Deposit Insurance Corporation (CDIC) is committed to upholding ethical business practices. This includes supporting the fight against forced labour and child labour while executing on its mandate.

CDIC is a federal Crown Corporation that acts as Canada's deposit insurer and resolution authority. Its mission is to serve depositors in Canada by protecting deposits, by being prepared to resolve its member institutions and by promoting financial stability.

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) came into force on January 1, 2024, and sets out annual reporting requirements for government institutions and private entities that produce, purchase or distribute goods in Canada or elsewhere. This includes federal Crown Corporations like CDIC.

Recognizing the importance of identifying and mitigating risks of forced labour and child labour in its supply chain, CDIC has focused efforts this year on gathering information about existing activities and aligning with the reporting requirements of the Act. This is CDIC's inaugural report, and it is expected that future reports will evolve over time with further information, data and lessons learned.

The Act requires reporting in seven categories as they relate to the risk of forced labour and child labour in CDIC's supply chain.

### 1. Structure, activities and supply chains

#### Structure

CDIC was established under the *CDIC Act* with a mission to serve Canadians by protecting deposits, by being prepared to resolve its member institutions, and by promoting financial stability. CDIC is funded by premiums paid by its member institutions and do not receive public funds to operate.

CDIC is governed by a Board of Directors which has three standing committees:

**The Audit Committee** assists with the Board's oversight of CDIC's financial reporting processes, internal controls, and independent auditors.

**The Risk Committee** assists with the Board's oversight of CDIC's enterprise risk management framework as well as CDIC's identification, assessment, management and recording of key risks.

**The Governance and Human Resources Committee** assists with the Board's oversight of key corporate governance and human resources and compensation matters. Matters related to CDIC's compliance with the Act are being reported through this committee.

Day to day operations are managed by corporate officers under the direction of the President and Chief Executive Officer (CEO).

### Activities

Most of CDIC's purchasing activities are related to professional services, including advisory and other nonphysical services that are unrelated to goods. The purchase of goods is limited.

Goods purchased are manufactured both in and outside of Canada. CDIC does not produce or distribute goods.

### Supply Chains

CDIC's supply chain includes direct and indirect suppliers of goods, as well as services that contribute to their production. A preliminary review of its supply chain has resulted in the division of goods purchased by CDIC into the following categories:

Category of Goods	Description (non-exhaustive list)
Office Supplies	Stationery, cleaning and paper products.
Computer Hardware	Personal computers, mobile phones, keyboards, monitors, cables, printers.
Computer Software	Licenses, subscriptions.
Promotional Materials	Ceramic mugs, bags, blankets, pens, stickers, signage.
Kitchen supplies	Coffee beans, coffee pods, tea bags, milk, sugar.
Furniture	Desks, chairs, furniture, lamps.

## 2. Policies and due diligence processes

During this reporting period, CDIC has instituted a Supplier Code of Conduct (the Code), a copy of which can be found [here](#).

The Code is included in procurement documentation and outlines the principles and standards that CDIC's suppliers are required to follow and uphold in their commercial relations with CDIC. This includes ensuring that forced labour and child labour do not form part of a supplier's workplace, activities, or supply chains. CDIC has also begun reviewing its contractual templates as they relate

to forced labour and child labour to include the Code and to strengthen existing terms and conditions related to forced labour and child labour.

The Code is supported by an Environmental, Social, and Governance (ESG) Strategy to establish and communicate environmental, social and governance goals for CDIC, and to promote transparency and accountability for our actions. All CDIC directors, employees and consultants operate under both a Code of Business Conduct and Ethical Behaviour and an Internal Disclosure of Information Concerning Wrongdoing in the Workplace Policy. More information about CDIC's business conduct codes and policies can be found [here](#).

### **3. Forced Labour and Child Labour Risks**

CDIC has begun an assessment of its supply chain to identify areas that may carry a risk of forced labour or child labour. As part of this initial assessment, CDIC is conducting a supply chain mapping exercise and will focus future activities on areas where possible risk is identified.

At this time CDIC has not confirmed any forced labour or child labour in its supply chain.

### **4. Remediation measures**

As CDIC has not identified any forced labour or child labour in its supply chain during this reporting period, there are no remediation measures to report.

### **5. Remediation of loss of income**

As CDIC has not identified any forced labour or child labour in its supply chain during this reporting period, there is no remediation of loss of income to report.

### **6. Training**

As part of the preparation of this inaugural report, and to better support activities related to the identification and mitigation of risks in this area, employees from CDIC's Procurement and Legal Services teams completed research and learning related to forced labour and child labour, as well as the Act itself. All employees also complete annual training related to CDIC's Code of Business Conduct and Ethical Behaviour.

Next steps will be to identify areas where further training may be required.

### **7. Assessing Effectiveness**

Baselines are currently being established and CDIC has therefore not yet begun assessing its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains. CDIC may identify areas where monitoring and assessment may be required once it has completed the mapping exercise of its supply chain.

## Attestation

In accordance with the requirements of the Act, and pursuant to paragraph (4) (a), I attest that I have reviewed the information contained in the report for the Canada Deposit Insurance Corporation. 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.

A handwritten signature in black ink that reads "Leah Anderson". The signature is written in a cursive, flowing style.

Leah Anderson  
CDIC President & CEO  
May 23, 2024

I have authority to bind the Canada Deposit Insurance Corporation.