

DEVELOPMENT FINANCE
INSTITUTE CANADA (DFIC) INC.

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2024 REPORT

Our commitment

As Canada's bilateral Development Finance Institution ("**DFI**"), Development Finance Institute Canada (DFIC) Inc. ("**FinDev Canada**") recognizes its responsibility to respect human rights enshrined within the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We operate in a manner consistent with Canadian law, which embeds the international commitments made by Canada. We strive to align our practices with applicable international standards, frameworks, and principles, including the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**"). While we are a financial services organization with a relatively small annual spend with respect to the procurement of goods, we are nonetheless committed to doing our part to prevent forced labour and child labour in our supply chains.

About this report

This disclosure is intended to meet FinDev Canada's reporting obligations as a government institution under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (2023) (the "**Act**") for fiscal year 2024. This report outlines the steps taken in 2024 to prevent and reduce the risk that forced labour or child labour is used in the production of goods purchased by FinDev Canada.

About FinDev Canada

FinDev Canada is a Crown corporation and DFI, supporting development through the private sector. We provide financing, investment, and blended finance solutions, as well as technical assistance and knowledge, to promote sustainable and inclusive growth in emerging markets and developing economies aligned with the Sustainable Development Goals ("**SDGs**") and Paris Agreement commitments.

FinDev Canada is a wholly owned subsidiary of Export Development Canada ("**EDC**") that was incorporated under the *Canada Business Corporations Act* and is headquartered in Montreal. As of December 31, 2024, there are 117 staff working in 3 offices across Canada supporting FinDev Canada's work and mandate. FinDev Canada is governed by a Board of Directors, appointed by EDC's Board of Directors. The Board, chaired by EDC's President and Chief Executive Officer ("**CEO**"), is composed of members of the EDC Board of Directors, as well as independent members with experience in international development and business in emerging and developing markets. Reporting to the Board, FinDev Canada's CEO, in collaboration with other members of the Executive Team, plans and executes FinDev Canada's business strategy in accordance with FinDev Canada's policies, procedures and frameworks. FinDev Canada, through EDC, reports to Parliament through the Minister of International Trade and Intergovernmental Affairs, in consultation with the Minister of Foreign Affairs and International Development.

FinDev Canada leverages the expertise of our parent company in areas where it would not be cost effective to develop our own internal practice, particularly in specialized corporate services, including procurement. EDC provides fee-based services to support procurement and supplier management to FinDev Canada under the terms of a Master Service Level Agreement. Executive oversight of EDC's Procurement function is provided by EDC's Senior Vice-President & Chief Legal Officer.

Our supply chain

As a financial services organization, we do not produce goods in Canada or elsewhere or directly import goods into Canada. FinDev Canada primarily purchases services and some goods, which are typically provided by domestic suppliers who are distributors and resellers rather than directly from manufacturers. Given FinDev Canada's mandate and regions of operation, FinDev Canada also works with foreign suppliers of services. In 2024, our total procurement spend for goods and services was approximately \$5.1 million (approximately \$100,000 for goods and approximately \$5 million for services). We purchased services in a range of categories including professional services, licenses, subscriptions, training and sponsorships. The goods we purchased in 2024 were mainly office equipment including laptops, phones, furniture and supplies. EDC's current procurement systems and purchasing arrangements do not enable analysis and reporting of factors including supplier sectors, industries and locations or the regions of origin and materials used in the goods purchased by our organization. Despite this, we recognize the potential for exposure to forced labour and child labour via our suppliers' supply chains and activities and will work with EDC to mitigate this through policies and will leverage due diligence processes that EDC is developing that govern how we work with suppliers. EDC also engaged a third-party expert to help assess suppliers to identify forced labour or child labour risk, which enhance future reporting and risk-management activities in this area.

In 2024, EDC purchased a small percentage of goods through Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC). Both agencies have programs in place to protect human rights in supply chains. EDC is engaging with these purchasing agencies to further understand their current policies, practices and effectiveness, and to understand areas of alignment and consistency in approaches between federal entities.

Our policies and due diligence practices

The management of risks related to activities that fall under the Master Service Level Agreement with EDC require the application of the below EDC and FinDev Canada policies to FinDev Canada's procurement practices.

Relevant policies

EDC Code of Conduct FinDev Canada Code of Conduct	Our aligned codes of conduct include our commitments to respect human rights. Approved by our respective board of directors, these codes apply to both permanent and contract employees.
EDC Procurement Policy and Guideline	The policy outlines how we engage suppliers in alignment with EDC's risk management practices. EDC put the policy into practice through its internal Procurement Guideline, which includes reference to ESG considerations in decision making, such as respect for internationally recognized human rights, including the provision of safe working environments and fair working conditions that prohibit forced labour and child labour. While EDC's Procurement Policy is available on its website, the Procurement Guideline is not shared publicly to ensure fairness and competitiveness.
EDC Supplier Code of Conduct	FinDev Canada seeks to select suppliers whose corporate values are consistent with ours. The Supplier Code of Conduct sets out the principles and expectations that suppliers must comply with when conducting business with EDC and FinDev Canada. New suppliers are required to confirm the code during supplier registration. Suppliers are required to act in accordance with all applicable laws and regulations governing labour and employment standards, human rights and non-discrimination. The code provides that in jurisdictions where laws and regulations do not adequately address human rights, EDC and FinDev Canada expect suppliers to provide the greatest level of protection possible to workers, including prohibiting forced labour and child labour.
Additional due diligence practices	FinDev Canada's standard procurement contracts also require that suppliers comply with applicable laws (including employment, labour and health and safety laws) and agree not to engage in prohibited actions. EDC also uses a dedicated software to screen prospective suppliers for risks, including human-rights related risks.

Training our people

FinDev Canada staff undertake annual mandatory Code of Conduct training. In 2023, FinDev Canada staff in risk management, digital office and corporate affairs participated in training on forced labour and child labour supply chain risks. The 1.5-hour training was developed and delivered by a third-party expert in human rights in consultation with EDC. In 2024, EDC engaged a third-party expert to provide focused training on the Act and supply chain human rights due diligence for EDC's procurement team. FinDev Canada leverages EDC's procurement services under the terms of a Master Service Level Agreement to fulfill its procurement needs. Training in this area continues to be a priority in 2025.

Remediation

We did not have any instances of remediation related to forced labour or child labour, nor any instances of remediation of loss of income for vulnerable families in our supply chains in 2024. Where appropriate, EDC, as relationship manager on behalf of FinDev Canada, will seek to support the supplier in taking corrective action to meet our expectations. Failure to comply may result in termination of the contract.

Evaluating our effectiveness

Given the evolutionary nature of human rights practices, FinDev Canada monitors international and national human rights discourse. The EDC Supplier Code of Conduct was reviewed in 2023 and updated to include further clarification of language and definitions with respect to forced and child labour.

Summary

FinDev Canada is committed to upholding human rights in all aspects of our business, including through our supplier relationships.

This disclosure was developed in consultation with the EDC and FinDev Canada teams responsible for procurement, risk management and ESG functions.



Lori Kerr

Chief Executive Officer, FinDev Canada
May 20th 2025

Legal statement

FinDev Canada has prepared this report for the sole purpose of satisfying its obligations under the Act, for the period of January 1, 2024 to December 31, 2024 and the report is current as of the date indicated herein. The report relates solely to FinDev Canada's reporting obligations under the Act. The report is not intended for any other purpose and shall not be relied upon by anyone for any purpose whatsoever, other than in connection with the Act. Neither FinDev Canada nor EDC shall be responsible for any loss or damage whatsoever arising from the use of this report, or the information contained herein, by anyone other than pursuant to the Act.

This report contains statements about future events and expectations that are forward-looking in nature including, for example, statements about FinDev Canada's goals, targets and commitments related to upholding human rights in all aspects of our business, including through our supplier relationships. FinDev Canada cautions that the accuracy of these forward-looking statements is subject to a number of factors and uncertainties which could cause actual results to differ materially from our expectations, commitments, and targets.

