

To: Fraser Valley Regional District Board

Date: 2025-05-15

From: Beth Klein, Controller/Deputy CFO

Subject: 2024 Forced Labour Reporting

Reviewed by: Kelly Lownsbrough, Director of Corporate Services & CFO

Jennifer Kinneman, Chief Administrative Officer

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### RECOMMENDATION

**THAT** the Fraser Valley Regional District Board approve and attest to the Forced Labour Report and submit to the Federal Government by May 31, 2025.

### BACKGROUND

In May 2023, Canada passed new legislation, *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), which came into effect on January 1, 2024. The purpose of the Act is to **increase transparency in Canada’s supply** chain. It gives the Canada Border Services Agency the right to seize goods if they reasonably believe the goods have been produced using forced and/or child labour. The Act applies to local governments if they are selling, distributing, producing or importing goods. This could include imports such as parts for machinery, materials used for public works or products that are sold to customers.

The Act requires annual reporting in relation to **workers in the local government’s extended supply** chain. It needs to describe the full (direct and indirect) supply chain and any measures to identify and manage risks of forced and / or child labour within the supply chain. The report must be publicly posted on a government registry and website.

The Board will be required to attest to the report. Both the government, its senior management and Board could face criminal penalties of up to \$250,000 if the report is not filed or if its contents are inaccurate.

The FVRD filed a report for 2023 and has prepared another report for its activities in 2024 based on the applicability thresholds for organizations as described below:

1. Their activities include producing, selling, or distributing goods in Canada or elsewhere; importing goods into Canada; or controlling an entity engaged in producing, selling, distributing or importing goods;
2. They have a place of business in Canada, do business in Canada or have assets in Canada; and

3. Based on consolidated financial statements, they meet at least 2 of the following conditions for at least 2 of its most recent financial years: (a) at least \$20 million in assets, (b) at least \$40 million in revenue, and/or (c) an average of at least 250 employees.

Organizations are required to file a report by May 31 each year if they meet the above criteria.

## DISCUSSION

Since the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) legislation was adopted in 2023, there have not been any new substantive requirements or guidance on the application of the Act for government institutions; therefore, the FVRD will continue to report based on our third-party advice.

Staff have compiled an updated report for the financial year ending December 31, 2024 with minimal changes from prior year.

The FVRD has not had significant changes to FVRD business processes with relation to procurement prior to December 31, 2024 and continues to train staff on FVRD policies and procedures, being a condition of their employment at the FVRD. Purchases from outside of Canada continue to be minor in comparison to overall procurement, still under 1%.

Attached is the 2025 Forced Labour report under the Fighting Against Forced Labour and Child Labour in Supply Chain Act for approval and attestation prior to submission.

## COST

There is no cost impact to writing this report. All information gathering was completed by Staff.

## CONCLUSION

The FVRD has completed the 2024 report under the Fight Against Forced Labour and Child Labour in Supply Chain Act for approval and attestation prior to submission. There have not been significant changes to business processes in relation to procurement or policy training. Staff compliance with the organization remains to be a condition of employment.

## COMMENTS BY:

**Kelly Lownsborough, Director of Corporate Services / CFO:** The Act specifically excludes provincial and municipal governments from reporting requirements. Other forms of government are required to assess their eligibility for reporting. While the FVRD does meet the first test of the reporting entity it still needs to determine requirements for reporting based on its activities. The FVRD does import goods produced outside of Canada, which is one of the reporting tests, however for the second year in a row, the level of imports is notably low; below one per cent of all goods purchased.

There are no prescribed thresholds for minimum value of goods that an entity imports to be subject to the reporting obligations. However, on its website, the Federal Government states that very minor dealings should be excluded. Based on this information, staff will confirm that the level of imports consistently remains at this low-level next year and if so, will not prepare a report. This will be added to the annual workplan activities and so long as nothing notable changes, reports will no longer be prepared.