

FARM CREDIT CANADA

CORPORATE SOCIAL RESPONSIBILITY REPORT



2017-18

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Agriculture and food | Community | Customers | Employees | Environment

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Message from the President and CEO

(GRI 102-14)



FCC is Canada's largest lender to agriculture and we're proud to serve the industry that feeds the world. With this role comes the responsibility to ensure this industry is successful, resilient and poised for growth. In a time where food insecurity is an issue not only in other places around the globe, but right here on our doorstep, we know Canada's agriculture and agri-food industry is part of the solution. And we know there is growth potential for the industry to increase exports and send more Canadian food products into the world.

To help develop that potential, we reviewed a series of inputs as part of FCC's strategic planning process, including our mandate letter from the Minister of Agriculture and Agri-Food, the Standing Committee on Agriculture and Agri-Food's report on farm debt, and the Advisory Council on Economic Growth's report. From this review, we identified an opportunity to support the industry's goal of being a sustainable provider of safe and nutritious food to consumers worldwide for generations to come.

Our strong relationships with our customers put us in a position of influence and responsibility to encourage change in the industry, while supporting our customers to increase the sustainability of their operations. To fully embrace this opportunity, we'll spend the next several years working to achieve a flagship strategy that positions FCC as a leader in corporate social responsibility (CSR).

We've already made great strides toward operating sustainably and supporting the industry to do the same – we have a strong community investment program, we're steadfast with our support and promotion of the industry, we offer an unwavering focus on our customer, we provide an exceptional employee experience and we'll continue to focus on our environmental footprint. CSR is part of who we are and how we operate.

(GRI 102-14)

Our progress in 2017-18

We're committed to making a difference, and our progress this year includes the following:

- To advance our internal environmental performance, we set targets in 2017-18 to help us lower FCC's greenhouse gas (GHG) emissions by 40% by 2025, in line with federal sustainable development targets. Reducing paper use and air travel, using less on-site energy and purchasing renewable energy certificates to increase renewable energy on Canada's power grid are all part of our GHG strategy.
- FCC was named a Future 40 Responsible Corporate Leader for the fifth consecutive year by the Corporate Knights, an organization that works to create a better world by empowering corporate sustainability.
- FCC Drive Away Hunger continued to make a difference in communities across Canada, providing a record 7.2 million meals to feed Canadian families.
- To build on our commitment to sustainability, the FCC AgriSpirit Fund awarded \$1.5 million in funding this year for capital projects in rural Canada, with new criteria for sustainability-based projects.
- Our employees are engaged in what we're up to at FCC. For the 15th consecutive year, our employees have rated us one of Canada's top employers. Our engagement score in 2017-18 was 85%, 7% higher than the average of the Platinum and Gold employers, and 93% of our employees believe FCC is socially and environmentally responsible, which gives us further assurance we're focusing on the things that matter.
- We're committed to ensuring a great employee experience and supporting the well-being of our employees. It's that genuine care and compassion that led to the development of the FCC Employee Crisis Fund, in place for our 2018-19 fiscal year. This fund, cost-shared with employees, will allow us to show compassion as well as extend a bit of financial help – up to \$1,000 – to coworkers facing difficult circumstances. This fund is similar to the support we provide our customers in times of crisis through the FCC AgCrisis Fund.
- We believe having a diverse workforce is a competitive advantage that makes our whole workforce better. Among our initiatives, FCC is

a proud supporter of Campus for All's 4 to 40 program, which offers term employment to adults with intellectual disabilities.

- FCC takes pride in delivering exceptional customer experiences, and we developed and implemented customer experience principles to define what our customers can expect of us. To rigorously measure our progress, we replaced our Customer Experience Index measure with Net Promoter Score® (NPS®), enabling us to compare FCC to other companies. With a year-end NPS of 76, our customers are giving us top marks on the experience we offer them. An NPS of 70 or more positions FCC among other elite brands across all industries, including Amazon, Costco, Netflix and Ritz-Carlton.
- To expand our knowledge events offering, we launched Ignite: FCC Young Farmer Summit, a series of high-energy events to engage agriculture's next generation and inspire passion and possibility.
- We hosted the second annual Canada's Agriculture Day, which brought the industry together to showcase all the exciting things happening in agriculture and create a closer connection with consumers about where their food comes from and the people who produce it.

The journey ahead

We're committed to agriculture in all cycles, and our work helps our customers reach their greatest potential and enables us to support continued growth, progress and innovation in the industry. As we move more fully into our CSR mandate, FCC is striving to be a catalyst for sustainability in the industry we serve.

To do so, we'll embed and advance CSR organization-wide. This includes defining our expectations with those we do business with regarding social, environmental, labour and animal welfare standards. We'll advance our social and sustainable business practices, including lending, procurement, community investment and sponsorships, and provide knowledge and support to our employees through this transition.

We'll explore ways to support the sustainability journeys of our customers. In the coming year, we'll conduct a survey to engage stakeholders on what CSR topics are important to them to inform our work going forward.

(GRI 102-14)

FCC will support the advancement of women in agriculture through strategic partnerships to help advance women's leadership potential and opportunities in the industry.

Mental health issues are a common concern for many Canadians – and the agriculture and agri-food industry isn't immune. FCC will pursue strategic partnerships to help advance the awareness of mental health issues and support for Canadians involved in farming and rural Canada.

We'll explore how to better support Indigenous agricultural businesses. This will involve consulting to deepen our understanding of what Indigenous organizations need in terms of knowledge, advisory services, lending products and other services to support them in advancing their economic activities in primary production or agribusiness and agri-food.

In looking beyond our internal CSR targets and focus areas, we see an opportunity to contribute on a global scale to the United Nations' Sustainable Development Goals. While there are 17 goals, and FCC has a direct line of sight to many of them, we'll focus our efforts where FCC can make the most impact, based on the nature of our business. We'll also explore ways to support the national food policy the federal government is developing to address issues related to the production, processing, distribution and consumption of food.

As you can see, there are many moving parts. The good news is we have a solid foundation to build from and over the next few years, I'm confident we'll make significant strides and encourage the industry to do the same. Not only has CSR become an expectation, it's also the right thing to do. I'm committed to moving our CSR practice forward and am excited for the opportunities I see for FCC and the agriculture and agri-food industry.

We invite you to read this report to learn more about our CSR efforts over the past year and respond to our online survey. For each completed survey, FCC will donate \$5 to Food Banks Canada, up to \$5,000. Our partnership with our stakeholders is important and we value your input.



Michael Hoffort, President and CEO

Corporate Profile (GRI 102-1, 102-3, 102-4, 102-5, 102-6, 102-53)

FCC is a financially self-sustaining federal Crown corporation reporting to Canadians and Parliament through the Minister of Agriculture and Agri-Food. Our corporate office is located in Regina.

We provide financing and other services to primary producers, value-added operators, suppliers and processors along the agriculture value chain.

At FCC, corporate social responsibility (CSR) is an integral part of who we are and what we do. It guides how we operate and is an essential part of our commitment to advancing the business of agriculture. We focus our CSR activities on five areas: agriculture and food, community, customers, employees and environment.

This is FCC's eighth annual CSR report. The report measures our CSR performance for the 2017-18 fiscal year, highlights the impact our CSR efforts have on our stakeholders and looks ahead to our future commitments and plans. Throughout the report,

key terms have been hyperlinked to the FCC website for further reading. A section at the end of the report provides a comprehensive list of FCC's products, services and programs.

In the spirit of continual improvement, we invite you to send us feedback on FCC's CSR priorities and performance by emailing us at csr@fcc.ca. We also welcome your feedback on this report and invite you to complete an online survey. For each completed survey, FCC will donate \$5 to Food Banks Canada, up to a total of \$5,000.

Our vision (GRI 102-16)

The full agriculture value chain believes FCC is advancing the business of agriculture.

We are the place to obtain financial products, services and knowledge tailored to producers and agribusiness operators.

Our customers are advocates of FCC and can't imagine doing business without us.

We are a socially and environmentally responsible corporation.

FCC is an employer of choice everywhere we operate.

We make it easy for customers and employees to do business.

We are financially strong and stable, and invest significantly in the agriculture and agri-food industry.

Our mission

The purpose of the corporation is to enhance rural Canada by providing specialized and personalized business and financial services and products to farming operations, including family farms, and to those businesses in rural Canada, including small and medium-sized businesses, that are related to farming. The primary focus of the activities of the corporation shall be on farming operations, including family farms.

Our values (GRI 102-16)

We are committed to advancing the business of agriculture. We do this by setting our sights high – working to benefit our customers and to help employees achieve their potential.

Our corporate values represent these core beliefs:

Act with integrity

We are ethical and honest. We treat customers, colleagues and all stakeholders with respect.

Focus on the customer

We care about our customers, and we pride ourselves on providing them with an extraordinary experience based on personal relationships, flexibility and industry knowledge.

Achieve excellence

We share a commitment to high performance, accountability and efficiency in order to achieve excellence.

Working together

We believe in the power of teamwork. Whether delivering service tailored to customer needs or designing solutions to benefit the industry, we work together as one team.

Give back to the community

We take corporate social responsibility seriously. We believe in giving back to the communities where our customers and employees live and work, striving to reduce our impact on the environment and contributing to the success of the agriculture industry.

Our cultural practices (GRI 102-16)

In addition to our corporate values, our cultural practices explicitly outline the behaviours that employees and Board members are expected to demonstrate at all times with colleagues, customers, partners, suppliers and stakeholders:

- We hold ourselves and each other accountable for our impact on business results and our impact on people.
- We hold ourselves and each other accountable for delivering on commitments, agreements and promises.
- We hold ourselves and each other accountable for building and sustaining committed partnerships.
- We hold ourselves and each other accountable for creating a safe environment where people can speak up without fear.
- We measure our success by how others perceive and respond to our leadership, not by our personal point of view.
- We talk straight in a responsible manner. We are committed to the success of others – we do not engage in conspiracies against people.
- We listen for contributions and commitment. We do not listen against people or ideas.
- We are highly coachable. We actively seek and listen to coaching.
- We clean up and recover quickly.
- We acknowledge others often and celebrate both small and large successes.

Strategic themes and vision

(GRI 102-14)

FCC has five major, long-term corporate priorities that will enable us to fulfil our vision and mission. We call these priorities our strategic themes.

Our five CSR focus areas are directly linked to these strategic themes, as indicated below:

1. Sustainable business success – How we remain viable and relevant to customers and the agriculture sector (Agriculture and food, Community, Customers, Environment)

FCC is Canada's leading agriculture and agri-food lender. Recognized as a catalyst for the industry, FCC is respected and supported by stakeholders who understand the unique value that FCC brings to the market. The corporation has the financial strength to serve the agriculture industry through all economic cycles, focusing on small and medium-sized primary producers and agri-businesses.

2. Great customer relationships – How we achieve great customer relationships (Customers)

Strong customer relationships are central to FCC's success. The corporation's unmatched knowledge of agriculture and agri-food, and finance continues to be foundational to building great customer relationships. Partnering with FCC is easy – employees know their customers and are able to offer innovative and flexible solutions to unique business challenges over the long term.

3. Execution excellence – How we enable great customer relationships (Environment)

FCC anticipates customer needs and exceeds expectations through agile and innovative solutions, processes and systems. FCC is a digital organization and internal systems are optimized and employees have the tools and knowledge to do their jobs.

4. Effective enterprise risk management – How we protect FCC and great customer relationships (Agriculture and food, Customers)

Sound risk management ensures ongoing viability for FCC and protects great customer relationships. FCC has risk management processes and practices that are reflective of its mandate and consistent with a federally regulated financial institution. FCC stays within its risk appetite and tolerances and maintains an appropriate level of capital.

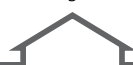
5. High-performance culture – How we work together to achieve great customer relationships (Employees)

FCC is sought out by prospective employees as a highly desirable place to work. Employees come to FCC because of the corporation's outstanding culture and reputation. They stay because the work environment is everything they heard: meaningful work coupled with high expectations that are supported by an unparalleled ability to learn and grow as a professional, and a team environment that is conducive to providing an exceptional customer experience. Customers feel it and appreciate it.

FCC 2017-18 corporate strategy map

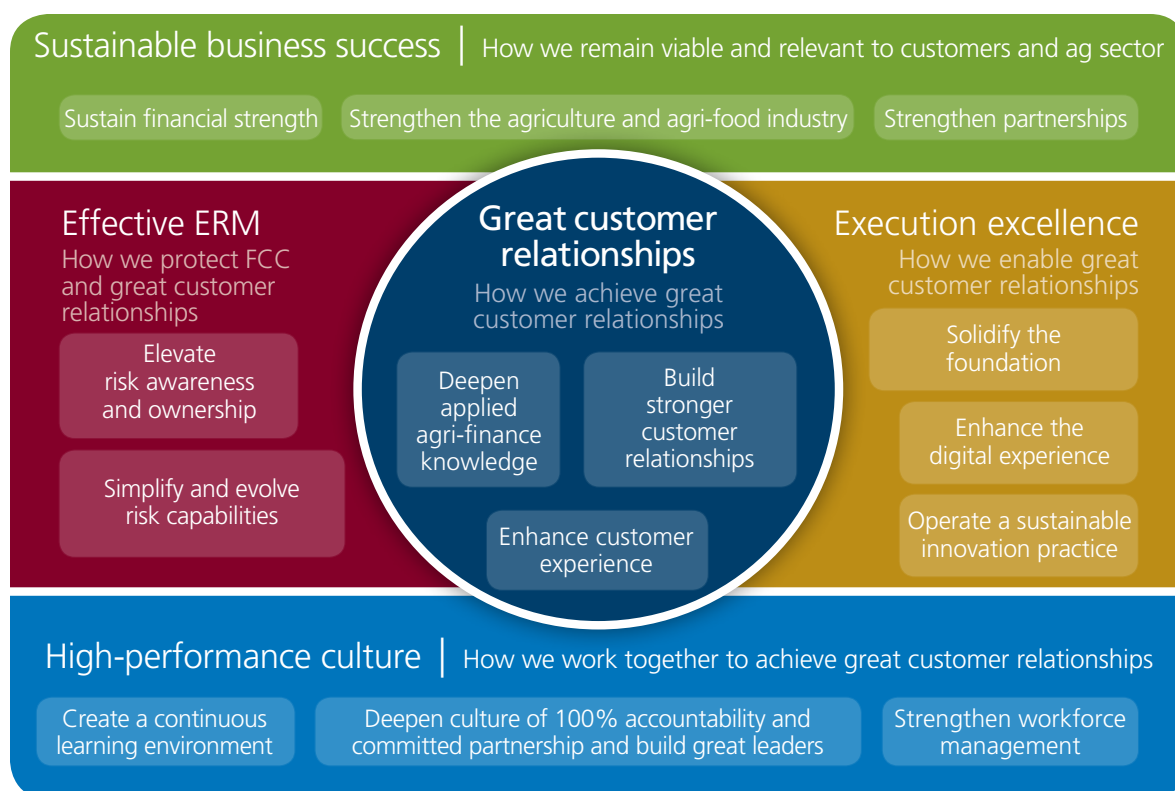
Vision

The full agriculture and agri-food value chain believes FCC is advancing the business of agriculture.
 We are the place to obtain financial products, services and knowledge tailored to producers and agribusiness operators.
 Our customers are advocates of FCC and can't imagine doing business without us.
 We are a socially and environmentally responsible corporation.
 FCC is an employer of choice everywhere we operate.
 We make it easy for customers and employees to do business.
 We are financially strong and stable, and invest significantly in the agriculture and agri-food industry.



Mission

To enhance rural Canada by providing specialized and personalized business and financial solutions to farm families and agribusiness.



CSR focus areas

Agriculture and food



We provide knowledge and education, support initiatives and form partnerships that make the industry stronger.

Community



We foster strong and vibrant communities where our customers and employees live and work, with a focus on rural Canada.

Customers



We provide financing and services for primary producers, suppliers and processors along the agriculture value chain.

Employees



We foster a culture of accountability, partnership and diversity and deliver an exceptional employee experience.

Environment



We improve our environmental performance and support the industry with tools and knowledge to do the same.

Corporate governance (GRI 102-18)

FCC is governed by the Farm Credit Canada Act and the Financial Administration Act. Like other Crown corporations, FCC is subject to laws such as the Privacy Act, Access to Information Act, Canadian Labour Code, Federal Accountability Act, Employment Equity Act and Official Languages Act.

The FCC Board of Directors represents Canadians and the breadth of the agriculture industry. Its expertise contributes significantly to the corporation's mandate and strategic direction. The Board ensures FCC remains focused on our vision, mission and values, and fulfilling our public policy role.

Board members are appointed by the Governor in Council upon the recommendation of the Minister of Agriculture and Agri-Food. Except for the President and CEO, Board members are independent of management. FCC and the Board are fully compliant with the Government of Canada's new process regarding the appointment of directors to fill current and future vacancies.

The Board is responsible for the overall governance of FCC. It ensures business activities are in the best interests of the corporation and the Government of Canada. Board members participate in the strategic planning process and approve FCC's strategic direction and corporate plan.

The Board is composed of 12 members, including the President and CEO and the Chair. Directors serve terms of up to four years and may be reappointed. They bring a combination of agriculture, business and financial experience to the task of governing a corporation that serves an increasingly complex industry. In 2017-18, six new Board members joined the FCC Board of Directors, and one member was reappointed. As of March 31, 2018, the FCC Board of Directors reached gender parity. For more information about the Board and senior management, including their biographies, visit fcc.ca (About FCC > Leadership).

The Corporate Governance Committee reviews and makes recommendations to the Board with respect to sound governance practices. The committee also oversees FCC's policies on ethics, conflicts of interest and codes of conduct for employees and Board members. It is also responsible for approving the CSR report. For more information on Board committees, remuneration and evaluation of Board performance, visit fcc.ca to read our 2017-18 Annual Report (About FCC > Governance).

FCC's Enterprise Management Team oversees our CSR program and is responsible for decision-making on environmental, economic and social impacts. For more information on the Enterprise Management Team, visit fcc.ca (About FCC > Leadership).

Code of conduct and ethics

(GRI 102-16, 102-17)

At FCC, acting with integrity and maintaining the highest ethical standards are vital priorities. On appointment and every year during his or her tenure, each director signs a declaration committing to act in accordance with FCC's Code of Conduct and Ethics. The Board has also established a process to directly disclose any potential violations of the code by the President and CEO and his or her direct reports, and a policy that specifies how to address situations where a director has a conflict of interest.

Employees are obligated to report code of conduct violations to their managers, to FCC's Integrity Officer or to the ConfidenceLine. The ConfidenceLine is available 24 hours a day, 365 days a year, to employees and the public who have questions or want to report possible violations, including fraud and theft, regulatory violations, conflicts of interest, falsification of corporate records, ethics violations and releases of proprietary information.

Employees and the public also have the option to go to the Public Sector Integrity Commissioner with questions and to report possible violations.

FCC's Integrity Officer discloses all possible violations of the code and discusses ongoing employee education and awareness with the Board annually. All employees are required to participate in an online training program each year to ensure they understand and apply the Code of Conduct and Ethics.

Stakeholder engagement

(GRI 102-40, 102-42, 102-46)

At FCC, our CSR approach is centred on stakeholder engagement. We value the opinions of our stakeholders, look for opportunities to hear their feedback and ideas and factor their needs into business decisions.

FCC worked with Canadian Business for Social Responsibility in 2010 to identify our list of stakeholders. We worked with our employees to develop a stakeholder map and key stakeholder groups based on the impact and influence the stakeholder has on FCC and vice versa. Our key stakeholder groups are:

- customers
- employees
- communities
- the agriculture and agri-food industry
- shareholder and elected officials
- the financial sector

The chart on the following page outlines our stakeholder engagement activities.

Approach to stakeholder engagement

(GRI 102-43)

Customers How we engage	How often
Customers receive a customer experience survey annually to evaluate our performance.	Annually
The FCC Customer Service Centre handles a wide variety of phone inquiries from customers, prospective customers and the general public.	Continually
FCC Vision is Canada's largest agriculture-focused research panel, and allows members (both customers and non-customers) to share their ideas and opinions about Canadian agriculture and how FCC can best serve the industry.	Periodically
The FCC Annual Public Meeting is an opportunity for FCC to demonstrate public accountability, transparency and accessibility.	Annually

Employees How we engage	How often
FCC invites feedback through an employee engagement survey conducted by Aon Hewitt.	Annually
The Senior Leadership Team Exchange is an online forum for employees to submit questions to senior management about FCC's policies, practices and procedures.	Continually
The Enterprise Management Team attends a series of spring and fall meetings (which bring all employees together in their geographic area) and takes part in in-person employee question-and-answer sessions.	Annually
Employees take part in discussions with their leaders to review performance and discuss career development.	Semi-annually
Employees can participate in a communication panel to enhance communication across FCC.	Continually
Employees can engage with the Enterprise Management Team and each other through Yammer, an internal online discussion forum that allows employees to ask questions, provide relevant information and acknowledge others.	Continually
The President and CEO has a blog to share insights and obtain employee feedback.	Continually
The Enterprise Management Team has a blog to share insights and obtain employee feedback.	Continually

Approach to stakeholder engagement

(GRI 102-43)

Communities (where our customers and employees live and work) How we engage	How often
FCC conducts surveys of schools and partners of FCC Drive Away Hunger.	Annually
Formal and informal interactions occur between FCC and many community groups across Canada that are recipients of the FCC AgriSpirit Fund, FCC Expression Fund and FCC Regina Spirit Fund.	Occasionally
Formal and informal interactions occur between FCC and our national community investment partners: Food Banks Canada, the United Way, Canadian Agricultural Safety Association (CASA) and Agriculture in the Classroom.	Continually
FCC builds and conducts agriculture safety surveys on behalf of CASA.	Occasionally

Agriculture and agri-food industry (customers and select non-customer groups) How we engage	How often
FCC Vision, as described on page 6 and 9.	Continually
FCC continues to build and maintain mutually beneficial partnerships with agriculture industry organizations across the country whose objectives align with FCC's strategic vision and goals. FCC supports over 250 agriculture industry associations across Canada and sectors through memberships and event and program sponsorships. Beyond the financial sponsorship that FCC offers, the sponsorship program builds relationships and grows advocacy among industry associations, their members and other industry influencers.	Continually
FCC provides learning opportunities for customers to grow their businesses by participating in FCC-sponsored forums, workshops, learning tours and special events.	Continually

Approach to stakeholder engagement

(GRI 102-43)

Shareholder and elected officials	How often
How we engage	
The Minister of Agriculture and Agri-Food is informed about upcoming initiatives and issues by FCC's President and CEO, Government and Stakeholder Relations Director in Ottawa and others.	Continually
Formal and informal interactions occur between the FCC Board of Directors and the FCC Enterprise Management Team.	Bi-monthly
The Member of Parliament (MP) visitation program is an opportunity for FCC Vice-Presidents and District Directors across the country to provide information to, and solicit feedback from, their local MPs who represent both government and opposition caucuses.	Annually
FCC proactively seeks out opportunities to present FCC-specific information to standing committees or to House and Senate committees.	Occasionally

The financial sector	How often
How we engage	
FCC actively builds relationships, partners and shares information with financial institutions and credit unions at the local and national level.	Continually
FCC works closely with commercial Crown corporations to build relationships and share and learn information on initiatives and issues.	Continually

Key topics and concerns raised by stakeholders (GRI 102-44)

FCC has a defined approach to engage stakeholders. We strive to seek input and understand our stakeholders' needs so that we can better align our strategies and build input into our future activities. We encourage, and are responsive to, open and honest communication with all our stakeholders.

This sometimes requires us to answer some tough questions. Our Senior Leadership Team Exchange (an online forum for employees to submit questions to senior management about FCC's policies, practices and procedures) resulted in seven CSR-related inquiries in 2017-18, including topics such as leadership diversity, gender identity, FCC's role in supporting the industry and public trust.

We maintain an open dialogue with all stakeholders. Our Customer Complaint policy is a commitment to hold ourselves accountable by responding to and resolving complaints at the most appropriate level. All complaints that come in through this channel are confidential.

Our Access to Information and Privacy Office responds to any inquiries that come in through that channel. Only access to information requests are listed publicly, as requests made under the Privacy Act are protected. FCC tables annual reports under both Acts that state the number of requests received. There were four access to information requests reported in 2017-18.

Materiality (GRI 102-46)

Content discussed in this report was informed by our materiality analysis conducted with stakeholders, analysis of other stakeholder engagement efforts and discussions with senior leaders at FCC.

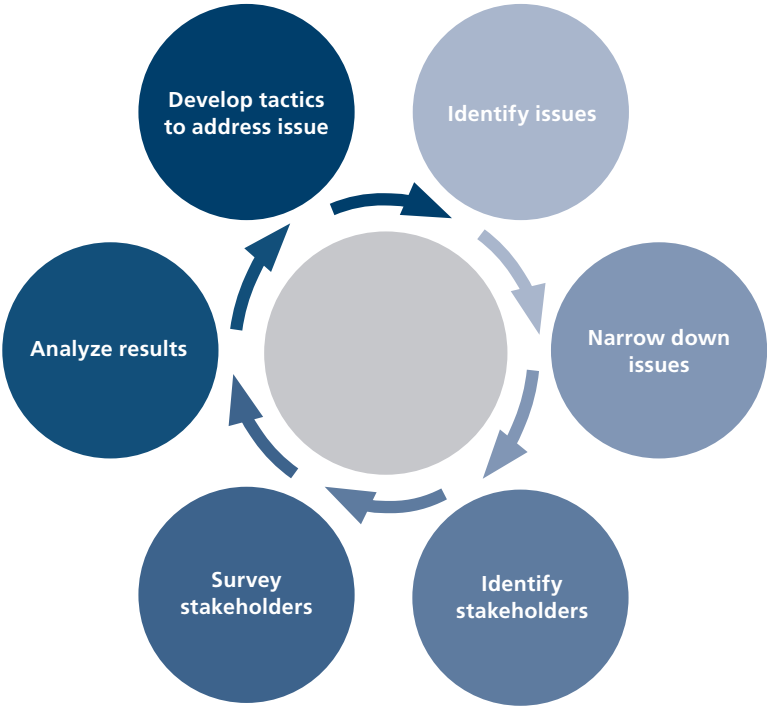
Using best practices in stakeholder engagement, a list of issues was chosen based on their relevance to FCC and the agriculture industry. FCC surveyed the FCC Vision research panel, made up of customers and non-customers, along with our employees, to gauge the significance of these issues. Participants were asked to rank the issues in terms of importance to them and how important they feel the issue should be to FCC.

Over 1,900 stakeholders responded to the survey with 1,300 responses from the FCC Vision research panel and 600 from employees. The results were compiled in 2014-15 and analyzed along with executive feedback

that measured FCC’s ability to influence and control the outcome of the issues, as well as the impact each issue has on our customers.

Every year, this list is reviewed by members of the CSR team and senior leadership to validate its relevance based on trends in the industry and employee and customer feedback. New material topics may be added at this time, while others may be removed. Going forward, new quantitative materiality research will be conducted with stakeholders to reaffirm the materiality topic list.

FCC is a member of the Canadian Roundtable for Sustainable Beef, the Canadian Roundtable for Sustainable Crops, the Canadian Horticulture Roundtable on Sustainability and an associate member of the National Farm Animal Care Council.



Material topics and boundaries (GRI 102-47, 103-1)				
FCC material topics	GRI material topics	Impact boundaries		
		Within FCC	Outside FCC	Page references
Access to markets – logistics and standards	n/a	XX	Customers, agriculture and agri-food industry, Government of Canada	23
Community investments	GRI 201-1/FSS – Economic performance	Yes	Customers and their communities, employees and their communities, rural Canada	32-33
Customer relationships	GRI 102-43, 102-44/ FSS – Product and services labelling	XX	Customers	37
Diversity and inclusion	GRI 405-1 – Diversity and equal opportunity	Yes	Customers, employees	44-45
Economic contribution	GRI 201-1/FSS – Economic performance	Yes	Customers and their communities, Government of Canada, rural Canada, competitors	21
Employee engagement	GRI 401-1 – Employment	Yes	XX	43
Farm animal welfare	n/a	XX	Customers, agriculture and agri-food industry, consumers, retailers	26
Food safety and traceability	n/a	XX	Consumers, customers, agriculture and agri-food industry, Government of Canada	24
Growth of agriculture and agri-food industry	n/a	XX	Consumers, customers, agriculture and agri-food industry	24-25

Material topics and boundaries (GRI 102-47, 103-1)				
FCC material topics	GRI material topics	Impact boundaries		
		Within FCC	Outside FCC	Page references
Long-term environmental impact of agriculture	n/a	Yes	Customers and their communities, agriculture and agri-food industry, Government of Canada	55
Operational footprint	GRI 301-1 – Materials GRI 302-1 – Energy GRI 305-1 – Emissions GRI 305-2 – Emissions GRI 305-3 – Emissions	Yes	Employees and communities where operations exist	54-55, 59-61
Privacy and data security	GRI 418-1 – Customer privacy	Yes	Customers, employees, Government of Canada	38
Rapid evolution of technology	n/a	Yes	Customers	40
Responsible financing	n/a	Yes	Customers	55
Risk management	n/a	Yes	Customers, Government of Canada, rural Canada, competitors, agriculture industry	21-22
Succession planning	n/a	Yes	XX	42
Supporting the agriculture and agri-food industry	n/a	XX	Customers, agriculture industry	24-25
Training and education	GRI 404-1 – Training and education	Yes	XX	43-44

Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes to or which it endorses (GRI 102-12)

Canada Labour Code (including occupational health and safety) and legislation (including the Employment Equity Act and the Official Languages Act).

The Precautionary Principle

(GRI 102-11)

The Precautionary Principle is not commonplace within the financial sector. FCC is committed to operating in an environmentally responsible manner. We hold ourselves to high standards and take the environment into consideration throughout our daily operating activities, including the increased use of teleconferencing and double-sided printing.

Year over year, we make continuous improvements in the efficiency of our building operations. While FCC does not own any of our office buildings, we work in partnership with the property owners to implement environmentally friendly and energy-efficient changes. In 2017-18, a new office in Lloydminster was equipped with interior and exterior LED light fixtures. The 9th floor of FCC Tower was renovated to include a full conversion to LED lighting. And, the washrooms on the 9th and 11th floors were retrofitted to include hands-free faucets and paper towel dispensers, auto-flush toilets and auto-sensor lighting.

Each year, we measure and report on our energy and electrical usage for most of our operations. The 2017-18 results can be found on pages 59-61 of this report.

The FCC corporate office tower is a BOMA BEST® (Building Environmental Standards) rated building. FCC also leases several floors in a tower adjacent to our corporate office tower. The shell of the adjacent building is Leadership in Energy and Environmental Design (LEED) Certified Silver and the core of the building follows LEED Certified Silver guidelines.

Membership of associations

(GRI 102-13)

For a list of organizations FCC holds memberships with, or otherwise supports, refer to the appendix of this report.

FCC facts (GRI 102-3, 102-4, 102-5, 102-7)	
Status	Federal Crown corporation – Farm Credit Act 1959
Corporate office location	Regina, Sask.
President and CEO	Michael Hoffort
Board Chair	Dale Johnston
Number of employees	More than 1,800
Number of offices	98
Number of customers	More than 100,000
Office locations	See fcc.ca (About FCC>Contact)
Public policy	See fcc.ca (About FCC>Governance>Public Policy)
Code of conduct and ethics	See fcc.ca (About FCC>Governance>Transparency>Code of Conduct and Ethics)

Financial performance (GRI 102-7, 201-1)

FCC is a financially self-sustaining Canadian federal Crown corporation. Our profits contribute to the development of new products and services, are reinvested in the agriculture and agri-food industry

and rural communities, and provide a dividend to the Government of Canada, our shareholder. Our portfolio of \$33.9 billion and 25 consecutive years of growth reflect our customers' continued confidence in FCC.

	2015-16	2016-17	2017-18
	(Millions of Canadian dollars)		
Direct economic value generated			
Revenue	1,143.7 ¹	1,184.3	1,325.6
Economic value distributed			
Operating costs	308.1 ²	326.8 ²	396.3
Employee wages and benefits	226.0	230.2	238.2
Payments to providers of capital (dividends)	90.4	268.3	308.3
Community investment	3.0	2.9	3.89
Economic value retained (economic value generated less economic value distributed)	516.3³	356.1³	379.0

¹ Restated due to an error in calculations. (GRI 102-48)

² Restated due to an error in calculations. (GRI 102-48)

³ Total adjusted as a result of operating cost adjustment. (GRI 102-48)

Risk management (GRI 103-2)

As a financial institution, risk is inherent in virtually all FCC activities. FCC takes potential risks into account when providing capital and business services to Canada's agriculture and agri-food industry.

FCC is diligent about effective enterprise risk management and integrates it with corporate initiatives and strategic planning across business lines. We continually improve our approach through implementation and execution of our enterprise risk management framework and measurement of activities against a formal risk appetite. We maintain risk management processes and practices that are reflective of our mandate and appropriately consistent with federally regulated financial institutions.

Managing risk is every employee's responsibility and FCC is committed to doing business with customers that match our brand and integrity expectations. To ensure we know our customers/prospects well and understand their background and operations/businesses, we've enhanced our know-your-customer practices.

We've introduced new learning to help specific FCC teams know what actions should be taken when there are concerns. New systems and tools are being developed that will support automated customer name screening against global watchlists. Additional changes will be introduced over 2018-19 that will touch policies, procedures, employee knowledge, systems, roles and responsibilities.

To gauge our progress on effective enterprise risk management, FCC has adopted KPMG's enterprise risk management maturity measure. The measure uses a five-point scale and is based on a maturity model that indicates how mature FCC's enterprise risk management practices are in the areas of risk governance, risk assessment, risk quantification, risk monitoring and reporting, and risk and control optimization. A measure of 1.0 is considered basic, 3.0 is mature and 5.0 is advanced. FCC's long-term objective is to remain greater than 3.5, and this considers the corporation's size and complexity of operation as well as the ever-evolving nature of risk management standards. FCC has remained above 3.5 since March 2016, and our score was 3.7 at March 31, 2017.

Oversight of enterprise risk management programs and activities at FCC is the responsibility of the Executive Vice-President and Chief Risk Officer.

Supply chain (GRI 102-9)

FCC's supply chain is typical of a business office operation (office supplies, equipment, office furnishings, apparel and other promotional items, etc.).

In 2014-15, FCC developed a Supplier Code of Conduct. Each of our suppliers is expected to apply the standards of this code within its own operations and throughout its supply chain. Implementation of this code has begun in some areas of FCC.

Significant changes during the reporting period to locations of operations and supply chain

(GRI 102-10)

There were no major changes in suppliers in 2017-18.

Facility changes (GRI 102-10)

Location	Office opening, move, expansion or closure
Lloydminster, Alta.	Move
High River, Alta. (Satellite)	Move
Beauharnois, Que.	Opening
Yorkton, Sask.	Expansion
Camrose, Alta.	Expansion
Sallaberry de Valleyfield, Que.	Closure
Stettler, Alta. (Satellite)	Closure

Agriculture and Food

We support the development of a sustainable, competitive and innovative Canadian agriculture industry. We do this by providing knowledge and education and by supporting initiatives and forming partnerships that make the industry stronger.

Material issues impacting the Agriculture and Food focus area

Access to markets – logistics and standards (GRI 103-2)

FCC is committed to providing an alternate source of competitively priced and structured financing to agriculture customers in Canada. As a federal Crown corporation, FCC's sole purpose is to support farm families and small and medium-sized agriculture-based businesses.

Our public policy role is the foundation of everything we do to advance the business of agriculture. At FCC, we take a long-term view, serving agriculture and our customers through highs and lows. Our loan products reflect that agriculture is a cyclical industry and it takes time for business operations to flourish.

Unpredictable weather, logistics and market conditions can negatively affect even the best producers and agribusiness operators. For example, when producers

struggled to sell their grain in the winter due to railway transport delays, FCC supported customers by ensuring they had the financial means to get their crops in the ground in the spring. When situations such as this occur, FCC can approve a customer support program for a particular industry or customer group for a certain time period. Loan restructuring or deferral of principal payments gives producers the flexibility and time they need to recover.

The responsibility for managing this program lies with the Executive Vice-President and Chief Marketing Officer.

Food safety and traceability

(GRI 103-2)

FCC supports the development of a vibrant, sustainable and competitive agriculture industry, which includes ensuring the food Canada supplies is safe and traceable. FCC offers software programs, Field Manager PRO and Ag Expert Field, with built-in tools that make it easier for producers to meet requirements around food traceability. Producers can have an electronic record of the entire life cycle of their product from seed/planting to harvest and storage, and we offer support to help them take full advantage of the software and navigate through any technical issues they may encounter.

The Field Manager PRO software also has CanadaGAP (Good Agricultural Practices) forms built into it that auto-populate and are editable to make it easier for certain producers to comply with regulations. CanadaGAP provides national food safety standards and a certification system for fresh produce suppliers. The GAP program is HACCP-based and is built on producers taking science-based, preventive measures to reduce the risk of contamination. Producers implement the requirements and follow procedures to minimize known food safety hazards. The program helps fresh produce suppliers demonstrate food safety vigilance and is the first Canadian food safety program to achieve international recognition by the Global Food Safety Initiative.

The responsibility for managing FCC's AgExpert Software lies with the Executive Vice-President and Chief Marketing Officer.

Growth of the agriculture and agri-food industry and supporting the industry (GRI 103-2)

The United Nations reports that the world's population is expected to reach 9.8 billion by 2050. This means the world will need 70% more food than it currently produces. Canada is one of just a handful of nations capable of meeting this growing global demand for safe, high-quality food and FCC is committed to supporting our customers, producers and the agriculture and agri-food industry along the way.

Our presence in agriculture puts us in a unique position to be a catalyst for continued growth and progress and to contribute to the lives of Canada's farm families and rural communities.

Through strategic planning efforts, we're taking a more deliberate approach to fostering growth in the agriculture and agri-food sectors. We've identified opportunities to enhance our agribusiness and agri-food offering and will be looking at new services to meet the professional needs of this sophisticated industry.

We work hard to deliver value well beyond the loan transaction and part of how we do this is by sharing knowledge. We share knowledge and insights that enrich the lives and businesses of customers and non-customers alike. The total attendance for our learning events in 2017-18 was 15,203 and we had over 1.5 million views/listens to our ag knowledge articles, videos, blog posts, podcasts and webinars.

We also support the industry through our efforts to contribute to a safe agriculture industry. Our partnership with the Canadian Agricultural Safety Association (CASA) helps CASA develop and execute safety programs, training and awareness for producers. FCC contributed over \$160,000 to agriculture safety initiatives in 2017-18, helping producers develop the skills they need to keep themselves, their families and their employees safe.

(GRI 103-2)

Young producers play a key role in a vibrant, sustainable industry. To engage this group, we introduced a series of events to add fuel to the enthusiasm and passion for agriculture among young people. Ignite: FCC Young Farmer Summit was a series of four free events across Canada aimed at attracting and engaging the next generation of farmers, as well as food manufacturers and retailers. The events featured speakers who inspired, informed and introduced new ways of thinking about agriculture.

We continue to help young people discover the modern, forward-thinking industry of agriculture. We support the next generation through our FCC on Campus program for post-secondary students. We also focus our efforts on teaching school-age children and young adults about where their food comes from and how it's produced, and building a stronger appreciation for the dedication and care that's put into food production every day. We generate passion and interest in an industry that offers many career opportunities by partnering with Agriculture in the Classroom, 4-H Canada, and in Quebec, Croquarium, l'Association des jeunes ruraux du Québec and la Fédération de la relève agricole du Québec.

We know farm transition is on the minds of producers and operators of all ages, so we launched several activities designed to assist producers with the farm transition process. We piloted a program where we introduced Agriculture Transition Specialists to provide in-person advisory services to customers who need support developing transition plans. We also launched

a knowledge campaign, Let's talk transition, through our website and our AgriSuccess farm management publication. This campaign included over 30 articles, videos and tools designed to raise awareness of the importance of a farm transition plan and initiate the farm succession process. Our field staff are also using this knowledge content to guide transition conversations with customers. In addition, we hosted numerous free events around the country on the topic of farm transition.

We know the growth of the industry depends on a positive reputation. That's why we founded Agriculture More Than Ever (AMTE) in 2012. It's an industry cause focused on mobilizing and supporting everyone involved in Canadian agriculture to share their stories and create a closer connection with people about where food comes from and how it's produced. As a resource to the industry, AMTE exists to inspire positive attitudes and pride in the ag and food system, to mobilize people in the industry to tell their story, and to connect individuals and groups with others across the Canadian agriculture and food system.

Goals and targets pertaining to this topic can be found in the Agriculture and Food – Performance Trends table on pages 27-29.

The responsibility for managing this work is shared between our Executive Vice-President and Chief Operating Officer and our Executive Vice-President and Chief Marketing Officer.

Farm animal welfare (GRI 103-2)

In recent years, the market has seen increasing focus on sustainability standards set by retailers and expected by consumers, which are affecting the farm animal welfare practices of agri-businesses and producers. FCC attends board meetings at the National Farm Animal Care Council as an associate member to better understand what this means for the industry and our customers.

This year, FCC approved a principles-based approach to social and sustainable management practices, one such practice being farm animal welfare. The approach outlines FCC's commitment to promoting the respect and protection of animals based on a generally accepted, contemporary, scientific understanding of animal welfare that has emerged from the recognition that animals are sentient beings, in accordance with the National Farm Animal Care Council.

Animal welfare is referenced in our Reputation Risk From Applicants and Customers policy. The policy states: "FCC will not finance people or businesses that deliberately violate provincial or federal laws or regulations regarding the care and treatment of animals." Animal welfare is also mentioned in our risk appetite statement: "We commit to working with customers to understand the material issues they face and help them identify and address these in a way that generates a positive impact on society, animal welfare and the environment. We accept that not all customers will progress at the same pace."

We also provide knowledge to our customers on animal welfare through articles published in our AgriSuccess publication, on our website and through customer workshops.

Lending policies that consider sustainable farm animal welfare practices are the responsibility of our Executive Vice-President and Chief Risk Officer.

Agriculture and Food – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Help young producers develop in the industry	Dollars lent to young producers	\$2.64 billion	\$3.21 billion	\$3.29 billion ⁴	Allows more young producers to choose a career in agriculture, ensuring a future for the industry	Achieve \$3.09 billion in young farmer lending to ag production and \$145.2 million in lending to young agribusiness and agri-food operators Deliver 8-10 Ignite: FCC Young Farmer Summit events across the country
Increase industry knowledge and skills for a successful and profitable industry	Number of individuals benefiting from learning experiences provided by FCC	14,593 – FCC Learning event attendees 203,567 – views of e-learning videos, podcasts and webinars 7,368 – people reached through FCC's Speakers Bureau	11,695 – FCC Learning event attendees 295,128 – views of e-learning videos, podcasts and webinars 6,819 – people reached through FCC's Speakers Bureau	15,203 – FCC Learning event attendees ⁵ 1,520,286 – views of e-learning videos, podcasts and webinars 14,239 – people reached through FCC's Speakers Bureau	Producers and agribusiness operators have the information and training they need to advance their farm management practices	Achieve a score of 4.0 or greater on the post-event survey question "I took home valuable information to my operation" Achieve a total attendance of 12,000 at FCC Learning events

⁴ This total includes lending to young producers and young agribusiness and agri-food operators.

⁵ FCC Learning events include hands-on workshops, seminars and forums with inspiring speakers.

Agriculture and Food – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Strengthen and support agriculture and agri-food networks	Number of industry association partnerships	202	258	250	Industry associations better understand FCC's role in the agriculture industry and are equipped with messaging to promote agriculture	Continue to be diligent in how we allocate our sponsorship dollars and work with national and provincial associations and farm groups to strengthen and support the Canadian agriculture and agri-food industry
	Dollars invested in support of industry associations	\$1.02 million	\$1.44 million	\$1.84 million		
Contribute to the safety of the industry	Number of people trained through the FCC Ag Safety Fund	1,627	n/a ⁶	n/a	Producers have the skills to keep themselves, their families and their employees safe while working in their operations	<p>Pilot a new program with Agriculture Health and Safety Alliance Canada that is focused on agriculture safety for students enrolled in agriculture post-secondary education</p> <p>Continue to strengthen relationships with the Canadian Centre for Health and Safety in Agriculture through funding and in-kind support</p> <p>Continue to provide funding for the Back to Ag program throughout the year</p>
	Dollars invested in agricultural safety	\$287,500	\$184,500	\$162,500		
	Number of people helped through Back to Ag	9	6	1		

⁶ The FCC Ag Safety Fund was eliminated in this fiscal year.

Agriculture and Food – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Promote agriculture as a vibrant, forward-looking industry, fostering excitement and building a positive image of the industry	Dollars invested in Agriculture in the Classroom	\$95,500	\$263,000 ⁸	\$243,000	More students in Canada have a better understanding of the agriculture and agri-food industry and where their food comes from – they are also exposed to career opportunities in the agriculture and agri-food industry	Community investment for agriculture education will shift focus to secondary school students with the goal of generating awareness, interest, and excitement of career opportunities in the agriculture and agri-food industry
	Number of students reached through Canadian Agriculture Literacy Week	19,435 ⁷	25,000	38,345		
	Total partners and advocates ⁹ of Agriculture More Than Ever	459 partners 2,087 advocates	491 partners 3,562 advocates	535 partners 4,659 advocates	Canadian producers and operators feel supported and have an outlet to share their positive story about agriculture – they create a closer connection with people about where their food comes from and how it's produced	Increase annual growth in usage of key industry hashtags on Twitter by 10% over the previous year Build 3-5 strategic relationships along the value chain to support efforts to introduce public trust messages Plan and deliver Canada's Agriculture Day on Feb. 12, 2019, including the event in Ottawa
	Increased dialogue about Canadian agriculture: <ul style="list-style-type: none"> Growth in usage of key Twitter industry hashtag (#CdnAg #AgCan) Growth in Twitter hashtag impressions by amplifying user content and engaging with users (#AgMoreThanEver #AgPlus #AgJamais) 	* *	#CdnAg #AgCan – 1,899 monthly average users #AgMoreThanEver #AgPlus #AgJamais – 2,126,648 monthly average impressions	#CdnAg #AgCan – 3,489 monthly average users #AgMoreThanEver #AgPlus #AgJamais – 4,746,342 monthly average impressions		

⁷ In 2015-16, Agriculture in the Classroom revised the way that final numbers are calculated in Alberta to make it consistent across the country, which resulted in a decrease in overall students reached.

⁸ FCC increased focus on agriculture education, resulting in increased funding and a greater number of students reached in more provinces.

⁹ An advocate is an individual or group that actively promotes agriculture in respectful and meaningful ways.

*Data was not recorded for this year.

Commitments made for 2017-18	Result
<p>Continue to advance the AMTE cause with a focus on being a resource to the industry and mobilizing individuals and groups to be the face and voice of agriculture</p>	<p>FCC met this target by introducing a new metric to measure industry mobilization. The new tracking metric for mobilization measures how often people in agriculture are speaking up, which we define by how many times they use #CdnAg and #AgCan on Twitter. As well, to measure advocate mobilization with the AMTE cause, we track the number of users on Twitter of #AgMoreThanEver and #AgPlusQueJamais. Here are the results:</p> <ul style="list-style-type: none"> • #CdnAg & #AgCan users increased by 84% over the previous year • #AgMoreThanEver & #AgPlusQueJamais impressions increased by 123%, on average, over the previous year
<p>Deliver Canada's Agriculture Day to promote agriculture in Canada</p>	<p>FCC met this target. Canada's Agriculture Day 2018 saw more people/groups involved in the day and 8,700 unique uses of the event hashtags on Twitter counted, which is up 31% from 2017. Across Canada, we estimate over 250 events took place from coast to coast and included events in schools, coffee parties, potlucks, farm tours and more. The Ottawa event hosted over 450 people and included youth, farmers, industry and government stakeholders.</p> <p>Note: Canada's Agriculture Day is an industry event and these results reflect the entire agriculture industry participating, not just AMTE and FCC's participation in the day.</p>
<p>Pilot national young farmer events across Canada and partner with provincial and national producer associations on these events</p>	<p>FCC met this target. FCC worked with young farmer associations and industry partners to deliver four Young Farmer Summits, branded as Ignite. Held across Canada, the Ignite events attracted and engaged the next generation of farmers, inspiring possibilities, sharing knowledge and creating connections between like-minded producers.</p>
<p>Achieve \$2.89 billion in lending to young farmers</p>	<p>FCC exceeded this target, approving \$3.29 billion in lending to young farmers and producers.</p>
<p>Deliver new on campus program, tailoring the presentations to each campus</p>	<p>FCC met this target. FCC's On Campus program was reinvented with a three-tiered approach, reaching 564 students in the main agriculture colleges, plus 37 students from 13 French schools.</p>

Commitments made for 2017-18	Result
Maintain a strong FCC 4-H Canada program	FCC met this target by supporting 216 4-H clubs across Canada for a total of \$107,000.
Reach 14,500 producers through FCC-hosted industry events.	FCC exceeded this target by reaching 15,203 people through FCC-hosted learning events.
Continue to provide funding on the Back to Ag program throughout the year and eliminate the open/closed periods for applications	FCC met this target. FCC continues to support Back to Ag and the open/closed period has been eliminated.
Continue to build/strengthen relationship with the AgriSafe Network and the Canadian Centre for Health and Safety in Agriculture through funding and in-kind support	FCC met this target. We funded a project through the Canadian Centre for Health and Safety in Agriculture where they will develop a series of webinars in English and French on agriculture safety.
Continue to support Agriculture in the Classroom's Canadian Agriculture Literacy month program to reach 25,000+ students	FCC met this target. Canadian Agriculture Literacy Month reached 37,500 students – 7,500 more than the previous year.
Expand the reach of Croquarium in Quebec	FCC met this target. Croquarium reached 845 students – 125 more than the previous year.
Expand Generation Ag (genAG) to reach more than four provinces	FCC met this target, with genAG expanded to include one more province, bringing the total number of provinces it operates in to five. It also reached four additional high schools.

Community

We foster strong and vibrant communities where our customers and employees live and work, with a focus on rural Canada.

Material issues impacting the community focus area

Community investments

(GRI 103-2/FSS)

At FCC, we foster strong and vibrant communities where our customers and employees live and work, with a focus on rural Canada. We do this by supporting projects that make positive changes in these communities.

Our community investment activities are closely aligned with the agriculture industry, focusing on hunger, enhancing rural communities, safety in agriculture, education about agriculture and employee volunteerism.

We have four key funds from which charitable and non-profit organizations can receive support. These funds include the FCC AgriSpirit Fund, FCC Expression Fund, FCC Regina Spirit Fund and FCC Aboriginal Student Empowerment Fund. We hold a national food drive each year, FCC Drive Away Hunger, to help raise food and cash donations for food banks across the country. We also support the United Way and communities in general through other giving initiatives.

Each initiative and program has specific goals and measurements attached to it and we measure success based on these goals and the impact on the beneficiaries. Community investment funding opportunities are reviewed and analyzed based on specific criteria, including, but not limited to, fitting within our focus areas, inclusiveness and impact on the community.

In addition to this, FCC partners with Agriculture in the Classroom, Canadian Agricultural Safety Association, Food Banks Canada, 4-H Canada and the Rick Hansen Foundation.

Goals and targets pertaining to community investments can be found in the Community – Performance Trends table on pages 34-35.

The responsibility for managing community investment lies with the Executive Vice-President and Chief Marketing Officer.

(GRI 103-2, 201-1/FSS)

Focus area	Priorities (goals)	Actions	Percentage dollars allocated of total community investment budget
Hunger	Reduce hunger in rural communities across Canada	Execute the FCC Drive Away Hunger program to raise food and funds for Canadian food banks	11.6%
Agricultural safety	To contribute to the safety of the industry	Offering the Back to Ag program, supporting Progressive Ag Safety Days, Canadian Agriculture Safety Week, the Canadian Centre for Health and Safety in Agriculture and the AgriSafe Network	6.0%
Education about agriculture	To promote agriculture as a vibrant, forward-looking industry, fostering excitement and building a positive image of the industry	Partnering with Agriculture in the Classroom and Croquarium to deliver Canadian Agriculture Literacy Month and Generation Ag	4.8%
Community enhancement	To support the communities where our customers and employees live and work, with a focus on rural Canada	Supporting capital projects in rural Canada through the FCC AgriSpirit Fund Celebrating minority official language communities through the FCC Expression Fund Supporting Regina-based charities and non-profits through the FCC Regina Spirit Fund	57.5%
Volunteerism	To support employee volunteerism	Encouraging employee volunteerism by supporting the organizations our employees serve through our employee donation match program and our monthly volunteer draw	4.0%
Other		Includes support for customers through the AgCrisis program, support for students through the Aboriginal Student Empowerment Fund and additional community investment opportunities	16.2%

Community – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Reduce hunger in rural communities across Canada	Meals provided through FCC Drive Away Hunger	5.2 million meals provided (measure changed in 2015-16)	6.75 million meals provided	7.28 million meals provided	Helped reduce hunger in Canada and increase awareness of the issue of hunger locally, provincially and nationally	Provide five million meals for Canadians in need Continue to support both food banks and hunger programs across Canada
	Number of partners involved in FCC Drive Away Hunger	269	280	279		
	Number of communities involved in FCC Drive Away Hunger	325	Communities are no longer tracked	Communities are no longer tracked		
	Number of schools involved in FCC Drive Away Hunger	402	386	409		
	Number of food banks benefiting from FCC Drive Away Hunger	142	Food banks are no longer tracked	Food banks are no longer tracked		

(GRI 201-1)

Community – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Support the communities where our customers and employees live and work	Number of community projects supported through the FCC AgriSpirit Fund, FCC Expression Fund and FCC Regina Spirit Fund	96 FCC AgriSpirit Fund: 74 FCC Expression Fund: 8 FCC Regina Spirit Fund: 14	103 FCC AgriSpirit Fund: 78 FCC Expression Fund: 8 FCC Regina Spirit Fund: 17	106 FCC AgriSpirit Fund: 78 FCC Expression Fund: 10 FCC Regina Spirit Fund: 18	Funding helped charities and non-profit organizations across Canada make life better in their communities through enhancement projects	To support community projects across Canada through FCC's various funds For FCC's AgriSpirit fund to provide additional consideration to sustainability projects
	Total dollars donated to charities and non-profit organizations	\$3 million	\$3 million	\$3.89 million ¹⁰		Donate \$3.6 million to Canadian charities, non-profit organizations and communities
Support employee volunteerism	Dollars donated to charities and non-profit organizations via the employee volunteer program	\$81,274	\$78,851	\$105,045	Employees received the encouragement and support needed to give back to the charities and non-profits they're passionate about to enhance their communities	Fund all eligible employee requests via the FCC Employee Volunteer program in 2018-19 Increase volunteerism with the FCC United Way campaign

¹⁰ This total includes dollars invested through the FCC AgCrisis Fund.

Commitments made for 2017-18	Result
Provide five million meals for Canadians in need	FCC exceeded this targeted by providing 7.28 million meals for Canadians in need.
Continue to support community projects across Canada through FCC's various funds	FCC met this target by supporting 106 community projects across Canada.
For 100% of the projects funded through the FCC Regina Spirit Fund to benefit people within the four diversity categories (Aboriginal peoples, persons with disabilities, women and visible minorities)	FCC met this target and 100% of projects funded directly benefit those who fit within one of the four diversity categories.
Donate a maximum of \$3 million to charities and non-profit organizations	FCC met this target by donating \$3.89 million to charities and non-profit organizations.
Fund all eligible employee requests through the employee volunteer program in 2017-18	FCC met this target and funded all eligible employee requests through the employee volunteer program.

Customers

We focus on primary producers, as well as suppliers and processors along the agriculture value chain. We provide our customers with flexible, competitively priced financing, insurance, software, learning programs and other business services.

Material issues impacting the Customer focus area

Customer relationships

(GRI 102-43, 103-2/FSS)

In today's marketplace, customers expect an extraordinary experience all the time, whether they deal with us in person, on the phone or via written and online communication. Because the customer experience begins with each employee, FCC has customer experience standards in place that apply to all employees.

We established customer experience principles in 2017-18 that enable our employees to deliver an intentional, differentiated and outstanding customer experience. These principles provide clarity on the experience we want to deliver to our customers at every touch point. All employees at FCC participated in a customer experience workshop to explore their line of sight to the customer. We also have a deliberate and disciplined approach to managing customer relationships, known as the Relationship Management Program.

We measure how we're doing at providing an extraordinary customer experience. The Customer Experience Index (CEI) is a survey we used until

mid-2017 to send to customers at various stages in their relationship with FCC that allowed us to receive ongoing feedback. We used the results of the CEI to measure our success at providing an extraordinary customer experience at all times. Mid-way through the year, we changed our measurement tool from the CEI to the Net Promoter Score (NPS). This tool is a customer advocacy measure that allows FCC to compare the customer experience to other recognized companies with a similar customer experience focus.

Goals and targets pertaining to customer relationships can be found in the Customers – Performance Trends table on page 41.

The responsibility for customer relationships lies with the Executive Vice-President and Chief Operating Officer.

Privacy and data security

(GRI 103-2)

Privacy and data security is of vital importance to Canadians, and controlling the collection, use and disclosure of personal information has become a pressing issue facing the financial services industry, including FCC.

We're committed to respecting the privacy of our customers and employees. We continue to raise awareness among employees about the importance of privacy and data protection, and we strive to continually improve the policies, systems and tools we use to secure personal information and protect it from unauthorized collection, use and disclosure.

FCC is subject to the Privacy Act (Canada), which is administered by the Office of the Privacy Commissioner of Canada. Under the Privacy Act, FCC must limit the collection, use and disclosure of personal information, provide appropriate security to guard against a loss or misuse of data and provide individuals with a right of access to the personal information that FCC holds about them.

Compliance with the Privacy Act is managed by a team in our Governance division:

- FCC's Executive Vice-President, Law and Corporate Secretary is our Chief Privacy Officer. The Chief Privacy Officer manages FCC's compliance with the Privacy Act, has oversight of FCC's privacy policies and guides the corporation in identifying and managing privacy risks.
- FCC's Privacy Officer reports to the Chief Privacy Officer. The Privacy Officer responds to requests for personal information under the Privacy Act, manages FCC's investigation and response to privacy incidents, and advises the corporation on privacy protection.
- FCC's Director of Government Relations also reports to the Chief Privacy Officer. The Director of Government Relations acts as a liaison with the Minister of Agriculture and Agri-food's office and the government generally, and also acts as FCC's Complaints Officer. Customers or the public can make complaints to him or her regarding privacy incidents and other matters involving FCC.

Concerns or complaints about FCC's privacy practices or our compliance with the Privacy Act can be escalated to the Privacy Commissioner, who acts as an independent ombudsman to resolve privacy problems and oversee compliance with the Privacy Act.

Much of FCC's IT infrastructure is outsourced to service providers. Privacy standards are documented and included in all service agreements and service providers are subject to recurrent audit by FCC. We regularly conduct penetration tests of our IT systems and continually update and upgrade our cyber security with the help of third-party industry experts. To date, we have not suffered a privacy breach as a result of third-party intrusion into our IT systems.

Incidents and complaints (GRI 418-1)

A privacy incident is any potential or actual compromise of personally identifiable information in a form that could be accessed by an unauthorized person. Given FCC's size (1,800 employees, 98 offices and over 100,000 customers), privacy incidents do occur. Employees are responsible to identify privacy incidents, which are reported to and logged by FCC's Privacy Officer. For the most part, incidents have involved human error on the part of an employee. In the past fiscal year, FCC experienced 31 minor privacy breaches, none of which were determined to be material breaches. No significant privacy incidents were reported to FCC's Privacy Officer and no complaints concerning FCC have been made to the Office of the Privacy Commissioner of Canada.

Promoting privacy protection

We expect employees to respect FCC's privacy principles and integrate privacy protection into their day-to-day business operations:

- Our Code of Conduct and Ethics makes all employees accountable for the personal information in their care. A breach of privacy is treated as a serious matter and may result in discipline up to and including termination of employment.
- FCC maintains an internal Privacy policy and an online Privacy policy on our public website. Our privacy policies reflect our compliance requirements under the Privacy Act and are consistent with the Canadian Standards Association's Model Code for the Protection of Personal Information.
- Privacy training is provided as part of the orientation for all new employees, and privacy information is included in FCC's online integrity training that is completed annually by all employees.
- Resource materials on privacy protection are available to all employees. For example, our customer experience standards, which all employees are required to follow, include privacy and confidentiality standards and guidelines.

FCC has three contact options for privacy complaints:

- Contact FCC's Privacy Officer for questions about FCC's privacy practices or privacy access requests.
- Individuals not satisfied with FCC's response to their questions can contact the Office of the Privacy Commissioner of Canada.
- Anyone wanting to make a complaint – anonymously if they choose – about any type of concern from privacy to employee wrongdoing can do so by contacting ConfidenceLine, an independent whistleblower hotline accessible 24 hours a day, 365 days a year. Callers will talk to an independent professional who will ensure their report of misconduct is handled properly, without having to give their name.

Acting with integrity (GRI 102-17)

We support our commitment to our customers through our core values, which include acting with integrity. FCC's Code of Conduct and Ethics guides how we operate and our employees have an obligation to speak up in good faith and report possible violations of this code. FCC also provides the public with direct access to FCC's Integrity Officer if they would like to discuss a possible situation.

This code applies to FCC, the FCC Board of Directors and all employees (including permanent, term, contract and work placements). Compliance with this code is a condition of employment and all new employees must sign both the code and a Declaration of Promise of Fidelity and Secrecy, confirming that the employee understands the code and their commitment to comply with it. Employees are required on an annual basis to reaffirm their understanding of the code and their commitment to uphold it, and are also required to complete an online training module.

Initiatives to enhance financial literacy (GRI 102-43, 103-2/FSS)

We believe sound financial management is essential to succeed in agriculture. Through our FCC programs, we offer support in farm financial management targeted to agriculture producers across Canada. One of the ways we do this is through our AgriSuccess magazine, which is delivered four times a year to over 75,000 readers. In each edition, we feature a column called “Your Money” that discusses various financial topics relevant to producers, including succession planning, accounting and taxes.

Another important area where we enhance financial literacy is through our FCC Ag Knowledge Exchange workshops. We offer a series of events across the country to provide financial management advice. Two topics we focus on in particular are financial management on the farm and providing financial tips for a smoother transition of operations through transition planning.

Responsibility for managing financial literacy lies with the Executive Vice-President and Chief Marketing Officer.

Rapid evolution of technology (GRI 103-2)

It’s materially important to FCC to ensure we remain technologically competitive. The expectations of our customers and employees are evolving as rapidly as the technology around us. As a result, we’re investing in our infrastructure to improve the employee and customer experience, and keep pace with other financial institutions. A fundamental way to address rapidly evolving technologies is to explore and assess how these technologies impact and can be leveraged to benefit our customers and employees. We train and develop our solution and delivery teams to ensure awareness of the most current capabilities and we hold Innovation Weeks to brainstorm potential new solutions to existing challenges. We’ve invested in an innovation lab to experiment with new technologies to understand their fit for FCC. We have staff dedicated to exploring areas such as blockchain and artificial intelligence. We’ve set up our delivery teams to deliver value continuously, measure the outcomes, learn from the results and apply the insights.

Among our measures, we used a subset of our Customer Experience Index to assess the customer experience we’re providing through FCC’s online and mobility channels. As we innovate and improve, we must also protect our systems and customer information from cyber-attack, which becomes a bigger risk the more access we provide. We’re continuously improving in this area and are committed to protecting FCC from this risk.

Managing the rapid evolution of technology and corresponding initiatives and mitigation tactics is the responsibility of the Executive Vice-President and Chief Information Officer.

Customers – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Consistently provide an extraordinary customer experience	Customer Experience Index	62.8%	64.5%	Customer experience index (as of Sept 30, 2017): 65.8% ¹¹ Net Promoter Score as of March 31, 2018: 76	More than 62% of all customer responses to CEI questions reflected the best possible score for that question	Continue to focus on the customer experience with the goal of all employees achieving an NPS score of 70 as our standard of excellence
Demonstrate unwavering support and commitment to customers	Number of customers supported by the FCC AgCrisis Fund	162	233	287	Customers received funding to help support their families and operations in the short term during times of crisis	To continue to financially support customers facing difficult times through the FCC AgCrisis Fund

¹¹ The CEI measure was replaced with the Net Promoter Score as of October 1, 2017. Measurement for this year will reflect both the CEI score as of September 30, 2017 and the Net Promoter Score as of March 31, 2018.

Commitments made for 2017-18	Result
To achieve a national CEI score of 62% in 2017-18	FCC exceeded this target with a score of 65.8%. The CEI measure was replaced with the Net Promoter Score as of October 1, 2017. This measurement reflects the CEI score as of September 30, 2017.
To continue to financially support customers facing difficult times through the FCC AgCrisis Fund in 2017-18	FCC exceeded this target with 287 customers supported through the FCC AgCrisis Fund. This is a significant increase in uptake from the years prior.

Employees

We foster a culture of accountability, partnership and diversity – and deliver an exceptional employee experience.

Material issues impacting the Employee focus area

Succession planning (GRI 103-2)

Succession planning is critical to FCC's business success. It creates an effective process for identifying, developing and retaining top talent and it ensures we have a supply of qualified candidates ready to fill key leadership positions should they become vacant. Given the competition for top talent in Canada, failing to focus on succession management could affect our ability to serve our customers and achieve our business goals in the future.

To manage this risk, we're developing a more structured, intentional process to identify and develop talent for future needs. This process involves using standard criteria to identify employees with the desire

and potential to move to more senior roles and to ensure we create the conditions to help them reach their potential. We've worked with leadership teams across FCC to create a pool of high-potential talent, from senior leadership to front-line employees, who aspire to be formal leaders. We're working with leaders to ensure good quality development plans are in place for everyone in the succession pool, and we're also creating more development opportunities. Over time, these efforts will help embed succession planning as an organizational process.

Employee engagement

(GRI 102-44, 103-2)

Employee engagement is very important to FCC. When employees are intellectually and emotionally committed to FCC, they're more likely to speak positively about the corporation, stay with us for the long term and strive to do their best every day. When employees are inspired to give that extra effort to work with their colleagues in an environment of 100% accountability and committed partnerships, it helps to create an extraordinary customer experience, inspires customer loyalty and sets FCC apart in the marketplace.

FCC participates in the annual Aon Hewitt Employee Engagement survey as one way to listen to our employees. Typically, more than 80% of employees complete the annual survey, which takes place in June. This is considered to be a very high participation rate and it speaks to how highly invested our employees are in sharing their feedback. Our overall employee engagement score was 85% in 2017, up 3% over the previous year's result. This is a very high rate of engagement that places FCC in the top group of employers – the Platinum level – who take part in the Hewitt survey. Survey results are shared with leaders, who engage their teams in conversations around the employee experience and come up with action plans to continue deepening and sustaining engagement. These plans are all reviewed by Human Resources to identify common themes and any potential gaps in the employee experience that need to be addressed at a corporate level.

Training and education

(GRI 103-2)

FCC fosters a culture where learning is encouraged and supported by management and our employees' success in meeting their learning objectives is measured and recognized.

Given that FCC is a knowledge-based organization, it's critical that our employees have the learning and knowledge they need to perform in their roles with confidence. Currently, FCC is implementing a comprehensive learning strategy to modernize the design and delivery of employee learning. The goal is to provide employees with both foundational learning, as well as tools and knowledge at the point of need, to support on-the-job performance. This blended approach encompasses formal and informal learning opportunities, including online learning, post-secondary education, internal and external learning events, job shadowing, coaching and mentoring.

In addition to the learning that is required for their jobs, we also support broader, self-directed learning. Our Employee Development policy outlines our commitments. FCC requires all permanent employees, including those on probation or in developmental roles, and term employees hired for six months or more, to engage in meaningful conversation with their manager about their development. Typically, employees focus on two aspects of growth – development in their current jobs and preparing themselves for future career opportunities. We believe this growth happens most effectively when employees have ongoing discussions with their managers and create deliberate plans to achieve their goals.

We're also committed to developing leaders who genuinely care about their teams, live our culture, listen with curiosity, communicate openly and are authentic and vulnerable. Great leadership is a key part of the employee experience at FCC. We offer formal development programs to support new leaders during the first two years in their roles – helping them develop who they are as a leader and the critical skills and capabilities needed to excel. More generally, leadership learning never ends. We provide tools and resources for all leaders to continue growing, including an online leadership community, leadership effectiveness workshops, and access to coaching and other external development opportunities as required.

(GRI 103-2)

We measure progress through our annual employee engagement survey, which includes four statements focused on learning and development:

- Employee learning and development is strongly supported in this organization.
- The learning programs provided by this organization provide me with the knowledge and skills necessary to do my job effectively.
- There are sufficient opportunities within this organization for me to gain new skills.
- This organization has an effective process to help me identify my development needs.

In the 2017 employee engagement survey, FCC's score across the Learning and Development dimension was 75%, up 2% over the previous year's survey.

Diversity and inclusion (GRI 103-2)

FCC strives to have a representative workforce – one that reflects the diversity of the qualified Canadian workforce. We're committed to providing a work environment that is inclusive and supports the productivity, personal goals and dignity of all employees.

Diversity makes us stronger – keeping us innovative and competitive now and in the future by enabling us to benefit from different perspectives, abilities and strengths. It enriches our culture and positions us for long-term success so we can continue to serve and advance the Canadian agriculture and agri-food industry.

In addition to this, as a federal Crown corporation operating under the Employment Equity Act, FCC must provide equal opportunities for employment to the four designated groups: women, Aboriginal peoples, persons with disabilities and visible minorities. Under the Employment Equity Act, FCC is required to make progress in creating a level playing field for all employment equity groups.

We're continuing to make progress on our diversity initiatives:

- We have diversity awareness information and resources available to support our employees in creating a work environment that is respectful of all differences.
- Diversity information on the importance of providing appropriate accommodation has been woven into our talent supply process to help managers create a transparent and equitable hiring process.
- We continue to integrate diversity information around employment equity gaps into our workforce planning process, enabling leaders across FCC to consider these gaps as they make hiring plans.
- Our corporate website follows accessibility standards and regulations.
- We initiated a new three-year diversity and inclusion strategy in 2017-18. The plan includes actions that will advance FCC's ability to attract and recruit, as well as retain and develop diverse employees. The plan also builds on our commitment to fostering an inclusive workplace with a focus on growing employee and leader awareness and competency related to diversity and inclusion through knowledge sharing and learning.
- In 2018-19, we'll continue to advance our Diversity and Inclusion Plan, using insights, analytics and feedback from employees and leaders to refine the plan going forward.

(GRI 103-2)

The following policies are in effect at FCC pertaining to diversity and inclusion:

- Harassment-free Workplace policy
- End-to-end talent supply process
- Canadian Human Rights Act (1998)
- Employment Equity Act (1995)
- Canadian Multiculturalism Act (1988)
- Official Languages Act (1988)

FCC also strives to support the health and well-being of all employees. From online and in-person support through our Employee and Family Assistance Program to articles and blogs pertaining to mental health awareness, employees are offered tools and knowledge to support and maintain good mental health. In 2017, FCC hosted a Mental Health Week, which featured speakers who shared openly about mental health warning signs and practical steps to improve overall mental health.

To support leaders and equip them with the skills to manage mental health issues, FCC offered a Mental Health First Aid course. Approximately 100 employees (primarily managers) have taken the two-day in-person course aimed at improving mental health literacy and providing the skills and knowledge to help people better manage potential or developing mental health problems. Leaders also have access to tools and articles on topics ranging from preventing mental health problems to mental health warning signs, to getting their employees help and how leaders care for their own mental health.

Goals and targets pertaining to employee engagement, training and education, and diversity and inclusion can be found in the Employees – Performance Trends table on pages 46-47.

The responsibility for managing succession planning, employee engagement, training and education, and diversity and inclusion lies with the Executive Vice-President and Chief Human Resources Officer.

Employees – performance trends*						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Sustain and grow our culture	Employee engagement score (Aon Hewitt survey)	83%	82%	85%	Our employees value our culture and understand that it's foundational to our ability to serve our customers and work successfully as a team	Launch the new culture refresher learning program in 2018-19 to engage a high percentage of leaders and employees in the various components of the program Add questions to the Hewitt survey in 2018 that will more directly measure the health of the culture
	Leadership satisfaction score (Aon Hewitt survey) ¹²	80.7%	78.7%	79.5%		
Enhance leadership capabilities throughout the organization	Leadership effectiveness score (Aon Hewitt survey) ¹³	88%	85%	81% ¹⁴	When employees feel supported, valued and inspired by their leaders, they are more likely to stay at FCC and to give their all to serving our customers	To be equal to or better than the other Gold and Platinum employers identified by Aon Hewitt

*The measures "Percentage of employees who have completed individual development plans (IDP)" and "Percentage of employees who have implemented most of the actions outlined in their IDPs over the past year" have been removed from this table as they have not been tracked since 2014-15.

¹² The leadership satisfaction score is created by averaging the scores of five key drivers from the survey (senior leadership, direct manager, managing performance, career opportunities, recognition) that strongly correlate to leadership.

¹³ Part of the Aon Hewitt employee survey, the leadership effectiveness score measures the percentage of employees who feel their leader is highly effective, moderately effective or not effective. The results above show the percentage of employees who feel their leader is highly effective.

¹⁴ Aon Hewitt changed how they calculate the Leadership Effectiveness Index in 2017.

Employees – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Build a workforce that reflects the diversity and linguistic duality of our customers and the qualified Canadian workforce	New diversity candidates hired ¹⁵	23 new diversity candidates hired	32 new diversity candidates hired	32 new diversity candidates hired	Diversity makes us stronger at FCC – keeping us innovative and competitive now and in the future by enabling us to benefit from different perspectives, abilities and strengths Bilingualism contributes to the vitality of FCC and we're committed to the equal status of Canada's official languages as we deliver products and services and communicate with customers, employees and stakeholders	Hire 24 new diversity candidates in 2018-19 Implement updated Diversity and Inclusion Plan tactics and activities designed to enhance FCC's ability to attract, hire, retain and engage diverse employees
	Number of employees enrolled in second language training	48 learning English: 18 learning French: 30	39 learning English: 16 learning French: 23	46 learning English: 23 learning French: 23		

¹⁵ Our corporate measure for diversity was revised in 2015-16 from "number of net new diversity candidates hired" to "number of new diversity candidates hired."

Commitments made for 2017-18	Result
<p>Develop a three-year strategy to outline plans and actions for the future that will include plans to measure and track the health of the culture on an ongoing basis</p>	<p>FCC exceeded this target. Our engagement score was 4% higher than the average score of the Gold and Platinum employers identified by Aon Hewitt.</p>
<p>Be equal to or better than the other Gold and Platinum employers identified by Aon Hewitt</p>	<p>FCC exceeded this target. Our leadership index score was 6% higher than the average of the other Gold and Platinum employers identified by Aon Hewitt.</p>
<p>Continue to assess employee learning options and provide development opportunities that meet employee and business needs</p> <p>Note: This commitment is tied to the targets “Percentage of employees who have completed individual development plans (IDP)” and “Percentage of employees who have implemented most of the actions outlined in their IDPs over the past year,” which are no longer reported on in 2017-18</p>	<p>FCC met this target. We’re continuing to focus on building our succession management process so we can work with leaders to identify and develop employees who are considered high potential. In 2017-18, a new development planning form along with support tools and workshops were made available to employees. We also supported the work of “aspiring leader” groups initiated by employees to help employees who want to become leaders learn about leadership and develop their mindset and skills.</p>
<p>Hire 24 new diversity candidates in 2017-18</p>	<p>FCC exceeded this target with 32 new diversity candidates hired.</p>
<p>Implement year one actions from the new three-year Diversity and Inclusion Plan</p>	<p>FCC met this target. Activities that we undertook as part of year one of the Diversity and Inclusion Plan included advancing conversations with hiring managers where employment equity gaps exist and advancing FCC’s internal offering of both formal and informal learning opportunities related to diversity and inclusion.</p>
<p>Develop a new culture refresher program to be rolled out across FCC in 2018-19</p>	<p>FCC met this target. We completed the design and development of a new culture refresher program. It will be launched in 2018-19 as a blended learning program for all leaders and employees. The goal is to deepen the level of commitment and skill related to a number of key behaviours that support our culture.</p>

Information on employees and other workers (GRI 102-8)

Total number of employees by employment contract (permanent and temporary), by region			
	2015-16	2016-17	2017-18
Alberta	201 193 P 8 T	202 196 P 6 T	203 191 P 12 T
British Columbia	62 61 P 1 T	65 64 P 1 T	65 65 P 0 T
Manitoba	70 69 P 1 T	75 69 P 6 T	77 72 P 5 T
New Brunswick	83 76 P 7 T	82 79 P 3 T	84 81 P 3 T
Newfoundland and Labrador	3 3 P 0 T	3 3 P 0 T	3 2 P 1 T
Nova Scotia	11 11 P 0 T	12 12 P 0 T	12 11 P 1 T
Ontario	296 280 P 16 T	294 278 P 16 T	294 279 P 15 T
Prince Edward Island	8 8 P 0 T	9 9 P 0 T	7 7 P 0 T
Quebec	130 113 P 17 T	134 120 P 14 T	130 125 P 5 T
Saskatchewan	918 866 P 52 T	951 900 P 51 T	997 927 P 70 T
Total	1,782	1,827	1,872

FCC uses "more than 1,800" as our employee number, which includes active, leave without pay and paid leave permanent employees. However, for the purposes of this report, and as per Global Reporting Initiative (GRI) criteria, this employee number also includes short-term (less than six months), student and term (greater than six months) employees.

(GRI 102-8)

Total number of employees by employment type (full-time and part-time), by gender			
	2015-16	2016-17	2017-18
Female	1,121 1,052 F/T 69 P/T	1,134 1,072 F/T 62 P/T	1,168 1,111 F/T 57 P/T
Male	661 649 F/T 12 P/T	693 678 F/T 15 P/T	704 691 F/T 13 P/T
Total	1,782	1,827	1,872

(GRI 102-8)

Total number of employee by employment contract (permanent and temporary), by gender			
	2015-16	2016-17	2017-18
Female	1,121 1,049 P 72 T	1,134 1,069 P 65 T	1,168 1,095 P 73 T
Male	661 631 P 30 T	693 661 P 32 T	704 665 P 39 T
Total	1,782	1,827	1,872

(GRI 401-1)

Total number and rate of new employee hires and exits, by gender and region		
as of March 31, 2018	Hires	Exits
Alberta	37 26 F 11 M	28 21 F 7 M
British Columbia	10 4 F 6 M	10 5 F 5 M
Manitoba	13 5 F 8 M	13 5 F 8 M
New Brunswick	10 4 F 6 M	7 4 F 3 M
Newfoundland and Labrador	2 2 F 0 M	1 1 F 0 M
Nova Scotia	3 3 F 0 M	3 1 F 2 M
Ontario	33 18 F 15 M	41 21 F 20 M
Prince Edward Island	0 0 F 0 M	1 0 F 1 M
Quebec	15 11 F 4 M	18 15 F 3 M
Saskatchewan	157 96 F 61 M	112 62 F 50 M
Total	280 169 F 111 M	234 135 F 99 M

Note: Turnover and hire information is presented based on permanent employees only. We don't maintain information on our contingent workforce at this time and are therefore unable to report on what portion of FCC's work is performed by workers who are legally recognized as self-employed or by individuals other than employees or supervised workers.

(GRI 401-1)

Total number and rate of new employee hires and exits by age group		
as of March 31, 2018	Hires	Exits
Under 30 years	154	86
30-50 years	96	76
Over 50 years	30	72
Total	280	234

(GRI 404-1)

Average hours of training per employee			
	2015-16	2016-17	2017-18
New employees (less than two years)¹⁶	58.3 59.7 F 55.7 M	47.6 45.4 F 51.0 M	42.3 40.0 F 45.6 M
Existing employees (more than two years)¹⁷	38.1 36.4 F 40.8 M	9.6 10.2 F 8.4 M	12.9 13.5 F 11.8 M
Average of all employees (both new and existing)¹⁸	42.2	17.3	19.7

¹⁶ Gender breakdown calculated by dividing the total number of training hours for new employees by the total number of new female and male employees.

¹⁷ Gender breakdown calculated by dividing the total number of training hours for existing employees by the total number of existing female and male employees.

¹⁸ Calculated by dividing the total number of training hours for both new and existing employees by the total number of employees.

Diversity and equal opportunity (GRI 405-1)

By management vs. non-management and gender*			
	2015-16	2016-17	2017-18
Management	257 126 F 131 M	260 124 F 136 M	260 120 F 140 M
Non-management	1,525 995 F 530 M	1,567 1,010 F 557 M	1,612 1,048 F 564 M
Total	1,782	1,827	1,872

*FCC currently measures only the breakdown of employees according to gender.

FCC has no employees who are covered under collective bargaining agreements (GRI 102-41)

Employee survey results – CSR

Each year, several CSR-specific questions are included in the Aon Hewitt employee survey.

Since 2011, all scores have either increased or remained at high levels. We attribute this to several factors, including increased communication to employees about FCC's CSR efforts through our CSR report,

in particular our environmental efforts and the expansion of FCC Drive Away Hunger and other community investment initiatives.

Here's a snapshot of our survey questions and results, including a comparison to the 2017 Best Employers in Canada:

	2015	2016	2017	2017 Best Employers in Canada
This is a socially and environmentally responsible organization.	94%	94%	93%	85%
We have a work environment that is open and accepts individual differences (e.g., gender, race, ethnicity, sexual orientation, religion, age).	95%	95%	94%	91%
This organization is fair, respectful and honest with customers/clients.	94%	94%	96%	*
This organization has an excellent reputation in our local community.	94%	93%	96%	87%
It is important to me that this organization is socially and environmentally responsible.	91%	90%	88%	**
This organization considers long-term social and environmental impacts when it makes decisions.	90%	89%	90%	**

*Aon Hewitt removed this question from their core survey.

**These are custom questions developed by FCC and they aren't asked of other survey participants.

Environment

We improve our environmental performance and support the industry with tools and knowledge to do the same.

Material issues impacting the Environment focus area

Operational footprint

(GRI 103-2, 301-1)

Like many organizations, our success is inevitably linked to environmental issues. Human-made climate change and other global megatrends – including resource scarcity and population growth – all have an impact on our business, our customers and our communities. With 98 office locations across Canada, managing our operational footprint and being an environmentally responsible organization is important to us. In fact, we speak directly to it in our corporate values.

This year, we've set aggressive greenhouse gas (GHG) emission reduction targets. Our goal is to reduce our Scope 1, 2 and 3 emissions by the equivalent of 40% by 2025, based on 2012 levels. Our 2012 baseline levels were 8,386 tonnes of CO₂e, and we will be targeting to reach 5,032 tonnes of CO₂e by 2025. To reach this target, FCC will strive to reduce our emissions by 307 tonnes of CO₂e every year from 2017-18 to 2025.

Our internal efforts reinforce our corporate commitment to the environment, and we call on all employees to look for ways to make FCC and their own households more environmentally efficient. Many of our employees have taken this challenge to heart and actively use recycling stations at work, turn off lights and audiovisual equipment when leaving a meeting room and participate in other environmental initiatives. FCC's corporate offices, accounting for over one-third of our total square footage, use a sophisticated building automation system to continuously monitor

and control all of the heating ventilation and air conditioning systems as well as some lighting systems. This enables the building to automatically respond to changes in outdoor temperature, indoor comfort conditions and air quality. The use of lighting occupancy sensors and operating schedules further reduces energy waste.

FCC has offices across the country and many are in rural Canada. With our corporate office located in Regina, our employees need to travel periodically to keep operations running efficiently and smoothly. We measure emissions produced by our business travel (air and vehicle). Employees are encouraged to travel only when necessary, and to look for ways to bundle meetings so that air and vehicle travel is optimized. Employees are also encouraged to consider whether video or teleconferencing is a viable option in place of air travel. Our goal is to offer cost-effective and environmentally sound transportation choices. In 2017-18, air travel increased slightly by 1% over 2016-17, and vehicle travel increased by less than 1%, which is explained by an increase in overall FTEs.

As a financial institution, we create documentation throughout our business activities. We measure our paper consumption each year and encourage conservation efforts through initiatives such as our recycling program, encouraging double-sided printing, printer hardware and software upgrades and

(GRI 103-2, 301-1)

implementing other initiatives. Last year, we rolled out a corporate initiative to provide all employees with new laptops. In addition to encouraging collaboration, the laptops and Microsoft Office 365 features have the added benefit of reducing paper use at meetings as employees become more familiar with creating and sharing electronic documents.

While we've made good progress in recent years, we still have some work to do. Our overall paper usage emissions have increased to 356 tonnes corporately from 199 tonnes last year. This increase is due to an increase in printed paper notebooks offered to customers at our FCC events to assist them in taking notes and bringing the FCC knowledge offering back to their operations.

Long-term environmental impact of agriculture and responsible financing (GRI 103-2)

With population growth, resource scarcity and the increasing sustainability standards expected by consumers and retailers, a sustainable agriculture industry is vital to the success of our organization, our customers and the industry.

FCC exercises all reasonable care to safeguard the environment. We understand the agriculture industry will play an important role in addressing environmental challenges in the future and we want our customers to have the information they need to make educated decisions.

FCC offers support to our customers and the industry by developing and sharing tools, knowledge and environmental products to help them manage their environmental performance. FCC's Enviro-Loan encourages sound environmental practices by deferring principal payments on environment-related projects or upgrades. FCC's Energy Loan assists producers who want to use renewable energy sources on their farms to save money and become more self-sufficient by producing their own energy.

As a federal Crown corporation, FCC is also responsible to comply with the Canadian Environmental Assessment Act, 2012 (CEAA 2012) where required. Our Environmental Risk Management policy provides the standards and criteria that employees need to follow throughout the lending process. As part of our loan approval process, we work with customers to review environmental risk through questionnaires, site inspections and assessment reports from qualified consultants.

(GRI 301-1)

Environment – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Reduce our greenhouse gas (GHG) emissions and environmental impact	Total GHG emissions in tonnes (t) carbon dioxide equivalent (CO ₂ e)	7,711 t CO ₂ e office energy: 5,572 t air travel: 952 t vehicle travel: 966 t paper: 220 t	7,487 t CO ₂ e ¹⁹ office energy: 5,410 t ¹⁹ air travel: 895 t vehicle travel: 982 t paper: 199 t	7,382 t CO ₂ e office energy : 5,134 t air travel: 904 t vehicle travel: 988 t paper : 356 t	We are managing our business and resources responsibly	To continue to focus on strategies to ensure we responsibly manage our GHG emissions over time
	Revenue in millions of Canadian dollars (\$)	\$1,143.7	\$1,184.3	\$1,323.5		To roll out the recommendations on our re-envisioning of our internal Think Green program corporate-wide
	Tonnes (t) of carbon dioxide equivalent emissions (CO ₂ e) per revenue in millions of Canadian dollars (\$)	6.74 t CO ₂ e / \$ million revenue	6.32 t CO ₂ e / \$ million revenue	5.58 t CO ₂ e / \$ million revenue		To continue to roll out our Supplier Code of Conduct corporate-wide
						To implement consistent environmental practices corporate-wide

¹⁹ Restated due to error in calculations. (GRI 102-48)

Environment – performance trends						
Priorities	Measures	2015-16 performance	2016-17 performance	2017-18 performance	Impact of 2017-18 performance	Future plans
Develop and share tools, knowledge and environmental products	Number of dollars loaned to customers who are advancing environmental practices ²⁰	Energy Loan – \$3.6 million	Energy Loan – \$1.5 million	Energy Loan – \$12.7 million	Customers have access to financing to adopt new environmental and energy practices	These products are reviewed annually and updates will be made as needed
		Enviro-Loan – \$0	Enviro-Loan – \$0	Enviro-Loan – \$0		
Identify and evaluate environmental risks ²¹	Number of new real property loans ²²	9,409	9,736	8,872	To protect the environment and mitigate identified risks, FCC conducts environmental assessments of all properties used by customers to secure financing ²³	To continue to require environmental assessments for each new real property loan

²⁰ The Energy Loan and Enviro-Loan are niche products that enable our customers to increase the sustainability of their operations. Customers have the opportunity to use FCC custom loan products to advance their environmental practices. Customers also use other loan products for environmental purposes depending on the overall need for financing.

²¹ To protect the environment and mitigate identified risks, FCC conducts environmental assessments of all properties used by customers to secure financing. The lending decision process also requires customers to provide written declarations that these properties are free from contamination. As a federal Crown corporation, FCC is a federal authority with accountabilities under the Canadian Environmental Assessment Act, 2012 (CEAA 2012). We don't provide financing to projects or activities that will cause significant adverse environmental effects.

²² This number is a conservative estimate based only on new real property loans. Additional environmental risk assessments are also required in certain situations.

²³ All FCC employees involved in real property loans are required to take training on our Environmental policy, environmental risk and mitigation measures to identify the environmental risk related to customer property.

Commitments made for 2017-18	Result
To continue to focus on strategies to ensure we responsibly manage our GHG emissions over time	FCC met this target. FCC has set a GHG emission reduction of 307 tonnes of CO ₂ e per year until 2025. This will amount to a 40% GHG emission reduction by 2025, based on 2012 levels.
To roll out the recommendations on our re-envisioning of our internal Think Green program corporate-wide	FCC did not meet this target. FCC is exploring new ideas for employee engagement from a CSR perspective.
To continue to roll out our Supplier Code of Conduct corporate-wide	In progress. The Supplier Code of Conduct has been implemented in one division to date and is being reviewed as part of FCC's overall vendor management strategy.
To implement consistent environmental practices corporate-wide	In progress. New employee expectations around environmental practices will be rolled out in 2018-19.
To review products annually and update the products as needed	FCC met this target. FCC's Energy Loan saw an increase in uptake over years prior. Despite no uptake on the Enviro-Loan as a stand-alone product, customers are using FCC's other loan products to make environmental and energy efficiency upgrades.
To continue to require environmental assessments for each new real property loan	FCC met this target. In 2017-18, an environmental assessment was required for all new real property loans.

FCC greenhouse gas emissions

(GRI 305-1, 305-2, 305-3)

We've been reporting our greenhouse gas (GHG) emissions since 2010-11. The CSR team analyzed the areas of FCC operations that impact the environment. We looked at FCC's core business and used the GHG Protocol to evaluate environmental impacts and emissions according to scope. The 2017-18 GHG emission assessment is based on a representative sample of 77% of FCC's total office square footage.

Based on this assessment, we determined that FCC's energy use from buildings, employee air and vehicle travel, and paper use have the most significant environmental impact:

- Our 2017-18 building results show a decrease in carbon dioxide equivalent (CO₂e) compared with 2016-17 levels, largely due to a reduction in electricity use. Emissions decreased from 7,487 tonnes of CO₂e in 2016-17, to 7,382 tonnes of CO₂e in 2017-18, which can be attributed in part to electricity savings realized through the many efficiencies gained in leasing a LEED Certified Silver building for our corporate office, such as using LED lightbulbs and using sensors to turn lights on and off.
- We increased our air travel slightly by 155,359 kilometres, a 1% increase over 2016-17 levels (equal to nine tonnes of CO₂e). This number stayed relatively stagnant as a result of both an increase in the number of employees working at FCC and requiring travel for training and business purposes, tempered by the availability of video and tele-conferencing options that allowed employees to do business from their respective locations.
- As part of our commitment to create a great customer experience, our employees have been on the road to meet face-to-face with customers, and our CO₂e emissions have increased as a result. Our employees travelled 25,444 more vehicle kilometres in 2017-18 than the year before. This is an increase of less than 1% (and equal to over six tonnes of CO₂e).

(tonnes of CO ₂ equivalent)	2015-16	2016-17	2017-18
Natural gas	1,067	1,402	1,407
Diesel	0.0	0.0	0.6
Propane	0.0	0.0	0.3
Gasoline	0.0	0.0	0.0
Fuel oil	0.0	0.0	0.0
Electricity	4,505	4,008	3,727
Air travel	952	895	904
Vehicle travel	966	982	988
Paper use	220	199	356
Total emissions	7,711²⁴	7,487²⁵	7,382²⁶

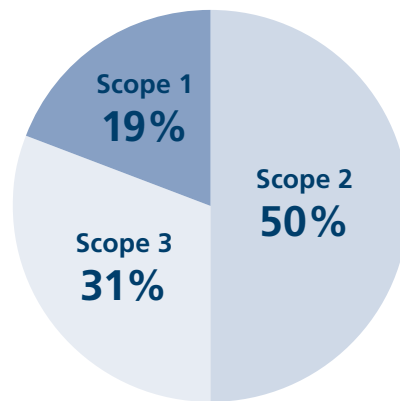
²⁴ 2015-16: Based on an assessment of 57 out of 100 offices, representing 74% of FCC's total square footage.

²⁵ Restated due to an error in calculation from 2016-17 totals. (GRI 102-48) 2016-17: Based on an assessment of 50 out of 100 offices, representing 77% of FCC's total square footage.

²⁶ 2017-18: Based on an assessment of 59 out of 98 offices, representing 79% of FCC's total square footage.

2017-18 FCC emissions by scope (GRI 305-1, 305-2, 305-3)

We measure and report our direct and indirect GHG emissions into three broad scopes according to GHG Protocol accounting principles:



Scope	Emissions (t CO ₂ e)	Emissions (t CO ₂ e)
Scope 1	Direct GHG emissions from sources that are owned and/or controlled by FCC (e.g., on-site fuel combustion)	1,407
Scope 2	Emissions created from the consumption of purchased electricity that occurs off-site, but is still attributable to FCC's activities	4,727
Scope 3	Emissions from sources not owned or controlled by FCC, but still integral to FCC operations (e.g., emissions attributable to airlines that employees use for business travel)	2,248
Total		7,382

FCC paper use (GRI 301-1)

FCC paper use for full-time employee (FTE)	2015-16	2016-17	2017-18
Total paper use in tonnes (t)	168.5	152.7	264.7
Number of FTEs	1,782	1,810	1,872
Total paper use by weight in kilograms (kg) by FTE	96.8	84.5	140.7
Average post-consumer recycled content of paper (%)	19.3	19.9	11.5

FCC energy use (GRI 302-1)

FCC saw a 4% decrease in gigajoules (GJ) of energy per square foot despite the increase in space occupied from last year. The number of GJ per full-time employee decreased from 35.4 GJ/FTE to 33.5 GJ/FTE. This is a testament to the focus that FCC places on energy efficiency at both the employee and facility levels.

	2015-16	2016-17	2017-18
Total energy use in gigajoules (GJ)	55,112	64,082	62,862
FCC energy use per full-time employee (FTE):			
Total direct energy use in GJ: share from renewable sources (%) ²⁷	21,785; 0% ²⁸	28,704; 0% ²⁸	30,111; 0% ²⁸
Total indirect energy use in GJ: share from renewable sources (%) ²⁷	33,327; 39.5% ²⁸	35,378; 34.9% ²⁸	32,751; 38.2% ²⁸
Number of FTEs	1,740	1,810	1,872
GJ of energy per FTE (GJ/FTE)	31.7	35.4 ²⁹	33.5
FCC energy use per office square footage (ft ²):			
Total office square footage (ft ²)	554,347	674,894	692,339
GJ of energy per square foot (GJ/ft ²)	0.099	0.095 ²⁹	0.091
Heating degree days, Canada ³⁰	3,637	4,704	3,699

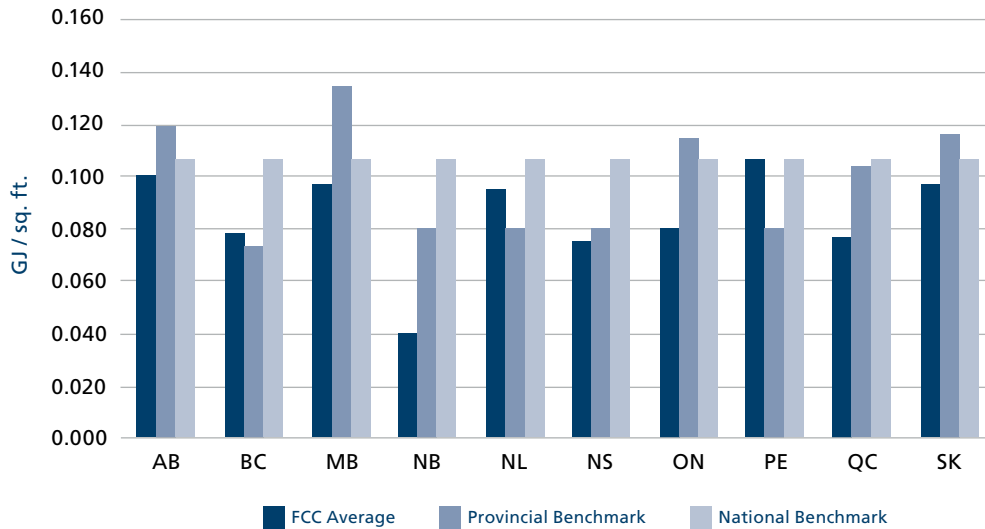
²⁷ Renewable energy refers to hydro, solar, wind and tidal sources.

²⁸ Source: Canada's Greenhouse Gas Inventory, "National Inventory Report: Greenhouse Gas Sources and Sinks in Canada 1990-2016." Greenhouse Gas Division, Environment Canada, April 2018. Available online at <https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/inventory.html>

²⁹ Restated due to an error in calculation from 2016-17 totals. (GRI 102-48)

³⁰ Source: Canadian Gas Association. <http://www.cga.ca/gas-stats/>

FCC office building energy intensity by province, 2017-18 (GRI 302-1)



*Note: The national energy intensity benchmark has been adjusted according to an FCC-specific blended average based on FCC provincial office space distribution.

FCC is below the national energy intensity benchmarks in all provinces, except Prince Edward Island, where we are nearly on par. The FCC energy intensity level is lower than all provincial benchmarks in all provinces except British Columbia, Newfoundland and Prince Edward Island. In British Columbia, this result is likely due to the high energy efficiency standard in British Columbia. In Newfoundland and Prince Edward Island, this result is likely due to the relatively small sample size obtained from these provinces, making it difficult to accurately compare to the provincial benchmark.

In 2017-18, there were 3,699 heating degree days (HDDs) compared to 4,704, a 21% decrease from last year. This decrease would contribute to the decrease in energy used.

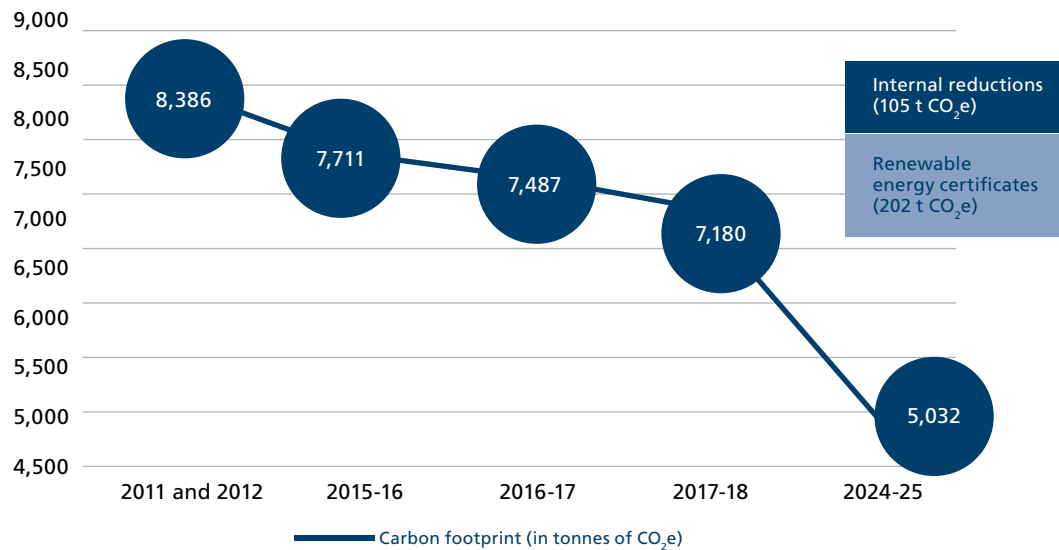
HDD reflects the demand for energy needed to heat an office. It's derived from measuring the average outside air temperature and is compared to the minimum office temperature outlined in the Workplace Hazardous Materials Information System (WHMIS), which is 18° Celsius (C). HDDs are calculated by taking the high and low temperature for a day, averaging them to form a single value, and then subtracting it from the minimum office temperature set by WHMIS. The number of HDDs for a day with an average temperature of -10°C would be 28 (for example $-10^{\circ}\text{C} - (+18^{\circ}\text{C}) = 28$ HDDs). The number of HDDs can be calculated in a given year or month to provide a snapshot of overall climate variability.

Meeting our target

To date, FCC has reduced our carbon footprint by 12% based on 2012 levels. Our progress to date is based on significant effort toward upgrading the energy efficiency of our facilities and encouraging behaviour changes around travel and paper use. We believe in making steady and sustainable progress toward meeting our goal.

To meet our target of a 40% GHG emission reduction by 2025, based on 2012 levels, we must continuously reduce our carbon footprint by 307 tonnes of CO₂e

per year. This year, we reduced our footprint by 105 tonnes of CO₂e thanks to energy savings with our buildings. To reach our target of 307 tonnes of CO₂e, we've purchased renewable energy certificates from Bullfrog Power to the equivalent of 202 tonnes of CO₂e. These efforts help us reach our target and effectively support the production of clean energy into Canada's energy grid.



About this Report

Our report scope and boundary

(GRI 102-49, 102-50, 102-51, 102-52, 102-54, 102-55, 102-56)

FCC's annual CSR report provides our stakeholders with an overview of our economic, social and environmental performance.

The 2017-18 report measures our CSR performance for the fiscal year (April 1, 2017, to March 31, 2018) in our five focus areas. Our previous report was published in October 2017. All reports are available online at fcc.ca.

This report doesn't include the performance of our business partners through FCC Alliances or FCC Ventures.

Scope, boundary or measurement methods applied in this report that have changed since 2016-17:

There were no significant changes from the previous reporting period with the scope and topic boundaries.

Our process

This report was prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards. GRI is a non-profit organization that promotes economic, environmental and social sustainability. It provides a comprehensive sustainability reporting framework that is widely used around the world. For more information about GRI, visit globalreporting.org.

This report has been prepared in accordance with GRI Standards: Core option and is not externally assured. Our GRI Standards Content Index, which lists the GRI indicators we report on, is on pages 65-71. The report was submitted for the GRI Materiality Disclosures Service and GRI confirmed the correctness of the locations of the GRI Standards materiality disclosures (GRI 102-40 – 102-49). Our CSR team is responsible for planning, executing and reporting, with input from CSR working group members across the corporation, including Corporate Communication, Facilities and Administration, Finance, Human Resources, Information Technology, Legal, Marketing, Operations and Research.

Global Reporting Initiative Standards Content Index (GRI 102-55)

This report has been prepared in accordance with the GRI Standards: Core option.



General Standard Disclosures		
GRI Standard	Disclosure	Page
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-1 Name of the organization	Page 5
	102-2 Primary brands, products and/or services	Pages 72-74 in this report; 44-48 in the FCC 2017-18 Annual Report at fcc.ca/annualreport
	102-3 Location of organization's headquarters	Pages 5, 20
	102-4 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Page 5
	102-5 Nature of ownership and legal form	Page 5
	102-6 Markets served, including geographic breakdown, sectors served and types of customers/beneficiaries	Page 5 in this report, 49-50 in the FCC 2017-18 Annual Report at fcc.ca/annualreport
	102-7 Scale of the reporting organization	Page 21 in this report, 49-50 in the FCC 2017-18 Annual Report at fcc.ca/annualreport
102-8 Workforce breakdown	Pages 49-50	

(GRI 102-55)

General Standard Disclosures		
GRI Standard	Disclosure	Page
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-9 Supply chain	Page 22
	102-10 Significant changes during the reporting period to locations of operations and supply chain	Page 22
	102-11 Precautionary principle	Page 20
	102-12 Externally developed economic, environmental and social charters and/or principles	Page 19
	102-13 Memberships of associations	Page 20 and the appendix in this report
	Strategy	
	102-14 Statement from the most senior decision-maker of the organization	Pages 2-4
	Ethics and integrity	
	102-16 FCC's values, principles, standards, code of conduct and ethics	Pages 6-7 and 12
	Governance	
	102-18 Governance bodies of FCC, including committees of the highest governance body and any committees responsible for decision making on economic, environmental, social impacts	Page 11 in this report, 12-16 in the FCC 2017-18 Annual Report at fcc.ca/annualreport
	Stakeholder Engagement	
	102-40 List of stakeholder groups engaged by FCC	Page 12
	102-41 Employees covered under collective bargaining agreements	Page 52
	102-42 Basis for identification and selection of stakeholders with whom to engage	Page 12
102-43 FCC's approach to stakeholder engagement, including frequency and engagement type	Pages 13-15, 37 and 40	
102-44 Report key topics and concerns that have been raised by stakeholder engagement and how FCC responded to those concerns	Page 16	

(GRI 102-55)

General Standard Disclosures		
GRI Standard	Disclosure	Page
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Identified Material Topics and Boundaries	
	102-45 All entities included in FCC's consolidated financial statements	Pages 44-48 in the FCC 2017-18 Annual Report at fcc.ca/annualreport
	102-46 Process for defining report content	Page 12 stakeholder engagement; page 17 materiality
	102-47 Material aspects/topics and boundaries	Pages 18-19
	102-48 Restatements from previous reports	Pages 21, 56, 59, 61
	102-49 Significant changes in scope and aspect boundaries from previous reports	Page 64
	Report Profile	
	102-50 Reporting period	Page 64
	102-51 Date of most recent report	Page 64
	102-52 Reporting cycle	Page 64
	102-53 Contact point for questions regarding the report and its content	Page 5
	102-54 Claims of reporting in accordance with GRI Standards	Pages 64-65
	102-55 GRI Standards Content Index	Pages 65-71
102-56 Report has been externally assured and FCC's policy and current practice with regard to seeking external assurance	Page 64	

(GRI 102-55)

Material Topics			
GRI Standard	Disclosure and indicators	Page number and explanatory notes	Omissions
GRI 200: Economic Standard Series			
Community Investments			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Pages 32-33 Pages 34-36	XX
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 21 revenue generated and distributed; and pages 33 and 35 community investments	XX
GRI 300: Environmental Series			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 54-55 Pages 56-58	XX
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Pages 56, 61	Renewable resources are only material to FCC
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 54-55 Pages 56, 58, 61	XX
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 61, 62	XX
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 54-55 Pages 56, 58-60	XX
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (scope 1)	Pages 56, 59, 60	XX
	305-2 Energy indirect greenhouse gas (GHG) emissions (scope 2)	Pages 56, 59, 60	XX
	305-3 Other indirect greenhouse gas (GHG) emissions (scope 3)	Pages 56, 59, 60	XX

(GRI 102-55)

Material Topics			
GRI Standard	Disclosure and indicators	Page number and explanatory notes	Omissions
GRI 400: Social series			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Page 43 Pages 46, 48	XX
GRI 401: Employment 2016	401-1 Total number and rates of new employee hires and employee turnover by age group, gender and region	Page 51	XX
Training and education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 43-44 Pages 46, 48	XX
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee, by gender and by employee category	Page 52	XX
Diversity and equal opportunity			
GRI 103: Management	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Pages 44-45 Pages 47-48	XX
GRI 405: Diversity and Equal Opportunity 2016	405-1 Composition of governance bodies and breakdown of employees per category and by significant location of operations	Page 52	XX
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 38-39 Page 41	XX
GRI 418: Customer Privacy 2016	418-1 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Page 38	XX

(GRI 102-55)

Non-GRI Material Topics			
GRI Standard	Disclosure and indicators	Page number and explanatory notes	Omissions
Access to markets – logistics and standards			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Page 23 Page 23	XX
Customer relationships			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Page 37 Page 41	XX
Farm animal welfare			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Page 26 Page 26	XX
Food safety and traceability			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Page 24 Page 24	XX
Growth of the agriculture and agri-food industry			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 18 Pages 24-25 Pages 27-31	XX
Long-term environmental impacts of agriculture			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Page 55 Pages 57-58	XX

(GRI 102-55)

Non-GRI Material Topics (CONTINUED)			
GRI Standard	Disclosure and indicators	Page number and explanatory notes	Omissions
Rapid evolution of technology			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Page 40 Page 40	XX
Responsible financing			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Page 55 Pages 57-58	XX
Risk Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 21-22 Pages 21-22	XX
Succession Planning			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Page 42 Pages 46, 48	XX
Supporting the agriculture and agri-food industry			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Page 19 Pages 24-25 Pages 27-31	XX

FCC Products, Services and Programs

(GRI 102-2)

The following is an extensive list of FCC's products, services and programs. Selecting any of the highlighted words will take you to further information on the FCC website.

Agriculture and food

- We help build success for young farmers with products such as the FCC Young Farmer, FCC Young Entrepreneur and Transition loans.
- We give a boost to students by helping improve agriculture student lounges and distributing backpacks at agriculture colleges and universities across Canada.
- We're a national and provincial sponsor of 4-H Canada and we provide local funding through the FCC 4-H Club Fund.
- Our valuable agricultural news and information is offered free of charge and includes AgriSuccess, Farmland Values Report, FCC Ag Economics Reports and FCC Express.
- FCC offers free learning events for anyone involved in Canadian agriculture, including FCC Ag Knowledge Exchange, FCC Forums, FCC Ignite: Young Farmer Summit, agriwebinars and FCC's AgExpert Software events.
- FCC's AgExpert Software is Canada's leading farm management software for producers and gives our customers easy-to-use tools to plan, manage and grow their businesses.
- We work with national and regional industry associations to strengthen and grow the agriculture and agri-food industry. This includes participating in events and meetings to share knowledge and solicit input and feedback on issues facing the industry.
- We help producers keep safety top of mind by presenting Canadian Agricultural Safety Week in partnership with the Canadian Agricultural Safety Association, the Canadian Federation of Agriculture, and Agriculture and Agri-Food Canada.
- In partnership with the Canadian Agricultural Safety Association and the Rick Hansen Foundation, our Back to Ag program enables injured farmers and agricultural workers to apply for funding to purchase specialized equipment or adapt existing equipment to get them back to working in agriculture.
- FCC supports agriculture education by working with Agriculture in the Classroom, which distributes resources to schools across the country that are used to teach children about Canadian agriculture. FCC is the founding sponsor of Canadian Agriculture Literacy Month and genAG.
- Since 2006, we've hosted Canada's largest agriculture research panel through FCC Vision. The panel has approximately 4,000 members who share their ideas and opinions about Canadian agriculture and how FCC can serve this exciting, growing industry. FCC Vision panelists are from all levels of production, agribusiness and agri-food, or have a business associated with agriculture.

(GRI 102-2)

Community

- Our flagship community investment program, FCC Drive Away Hunger, focuses on reducing hunger in Canada.
- Through the FCC AgriSpirit Fund, we give \$1.5 million in annual funding to rural community groups across Canada.
- Our FCC Regina Spirit Fund is an annual \$150,000 fund that supports community enhancement projects in Regina.
- Through the FCC Expression Fund, we give a total of \$50,000 to projects that promote the vitality of official language minority communities and help residents express the cultural and linguistic diversity of their areas.
- Our employee volunteer program includes employee volunteer monthly draws, community team volunteer projects and an employee matching donation program.
- Our FCC United Way campaign supports positive change in the communities where our employees live and work.

Customers

- We serve our customers through our 98 offices, located primarily in rural Canada.
- We provide our customers with products and services tailored to their unique needs. Customers can choose lending options that match their business plans and goals.
- We partner with agribusiness and agri-food producers to expand into new markets, improve efficiency and capacity, adopt new technologies and take advantage of opportunities.
- We offer a convenient online service that allows customers to access up-to-date information about their online accounts and loan payment schedules.
- Our customer support programs are a regular part of our business and we encourage customers to contact us if they need assistance.
- The FCC AgCrisis Fund allows employees to request support for individual customers facing difficult times, such as a serious illness, fire or farm accident.

Employees

- We provide employees with a learning program on how to apply FCC's cultural practices. The Culture Fundamentals program helps all employees understand what our culture is about and what is expected in terms of how employees behave and work together every day. New employees also have the opportunity to read about the culture and get information from their managers before they enter the program.
- We support the development of our leaders with the Leadership Transformation Program. This program is mandatory for all new leaders at FCC. The focus is on helping leaders develop an authentic leadership presence that inspires employees to do their best every day. The program includes classroom learning, coaching, a leadership project and other development experiences to ensure leaders transfer their new way of being to the workplace every day.
- Our Aboriginal Summer Student Program provides students with work experience that helps prepare them for possible employment at FCC upon graduation.
- The Aboriginal Student Empowerment Fund helps Aboriginal post-secondary students in Regina and Moose Jaw achieve their educational goals while creating awareness about FCC as a potential employer. FCC provides \$50,000 to assist with expenses such as bus passes, child care and damage deposits, so that students will be able to spend more time focused on school and less time worrying about financial stress.
- Our employee-led Indigenous Affinity Group helps us strengthen our shared understanding of diversity in our workplace and community. The group creates a safe, supportive and inclusive sense of community for members. Members of the group also represent FCC at events in the community.
- We create meaningful employment opportunities at FCC for graduates of the University of Regina's Campus for All program. Campus for All is a four-year inclusive post-secondary experience for adults with intellectual disabilities.

(GRI 102-2)

- To support employees in creating a work environment that is respectful of differences, we offer online diversity awareness training for new employees. This required training provides learners with awareness, knowledge and strategies on providing equitable service to our customers and employees and creating positive conversations in the workplace about diversity.
- To increase FCC's visibility among members of the four designated groups, we sponsor various ethno-cultural community events and maintain our presence at universities, colleges and career fairs across the country.
- To provide superior service in both official languages, we offer language training programs for employees in bilingual positions.
- Our Employee and Family Assistance Program enables employees and their families to access confidential counselling, advisory and information services.
- Our FCC Health and Safety Policy Committee, made up of management and employee representatives, ensures safety is top of mind throughout the corporation.
- Our training programs help employees efficiently gain the skills and knowledge they require to be successful in their positions.
- Our FCC Employee Crisis Fund is cost-shared with employees and allows us to show compassion as well as extend financial help to coworkers facing difficult circumstances.

Environment

- We measure the GHG emissions of our internal operations each year by collecting corporate-wide information on paper consumption, vehicle and flight travel, and fuel and electricity consumption at our corporate and field offices.
- We promote carpooling through a program for corporate office employees. And, we provide underground parking for cyclists.
- Our FCC Enviro-Loan and Energy Loan products help customers enhance their environmental performance and reduce environmental risks. We work with customers to assess their environmental risks through questionnaires, site inspections and assessment reports. FCC also has accountabilities under the Canadian Environmental Assessment Act, 2012 (CEAA 2012).
- Our internal print shop is certified by the Forest Stewardship Council®, which means we ensure the paper we use is made from responsibly managed forests, both environmentally and socially, whenever possible. We continue to research the options available and we welcome the opportunity to try new environmentally sustainable paper when it's available. FSC® license: C014114

Appendix

Memberships of associations

(GRI 102-13)

Visible, proactive sponsorship and support is provided through formal partnerships and/or multi-year agreements that enable FCC to connect with industry stakeholders and association members.

FCC has been building relationships with about 50 agriculture industry associations included among more

than 250 associations we support across Canada each year. We continue to focus on our industry association strategy to strengthen existing partnerships and further engage with new groups, with the intent of growing relationships and awareness of industry opportunities and delivering value through knowledge and insights.

In addition to our industry partnerships, FCC is actively involved with a number of other organizations to advance our business practices, including CSR.

Our major partners include the following:

Agricultural Alliance of New Brunswick
 Agriculture in the Classroom
 Agriculture Producers Association of Saskatchewan
 Alberta Federation of Agriculture
 Alberta Milk
 L'Association québécoise des industries de nutrition animale et céréalière
 Atlantic Grains Council
 Atlantic Outstanding Young Farmers
 B.C. Agricultural Council
 B.C. Greenhouse Growers' Association
 B.C. Outstanding Young Farmers
 Canadian Agricultural Safety Association
 Canadian Association of Agri-Retailers
 Canadian Association of Farm Advisors
 Canadian Cattlemen's Association
 Canadian Centre for Diversity and Inclusion
 Canadian Federation of Agriculture
 Canadian Horticultural Council
 Canadian Poultry & Egg Processors Council
 Canadian Produce Marketing Association
 Canadian Roundtable for Sustainable Beef
 Canadian Roundtable for Sustainable Crops
 Canadian Society for Training & Development
 Canadian Young Farmers Forum
 Canadian Centre for Food Integrity
 Chartered Professionals in Human Resources (CPHR) Saskatchewan
 Chicken Farmers of Canada
 Conference Board of Canada
 Dairy Farmers of Canada
 Dairy Farmers of Manitoba

Dairy Farmers of Ontario
 Dairy Farmers of P.E.I.
 Egg Farmers of Canada
 Farm and Food Care
 Fédération de la relève agricole du Québec
 Food and Beverage Canada
 Food Processors of Canada
 4-H Canada
 Grain Growers of Canada
 International Association for Human Resources Information Management
 Institute of Performance and Learning
 Keystone Agriculture Producers Inc.
 Le Conseil de la transformation alimentaire et des produits de consommation
 Manitoba Outstanding Young Farmers
 National Farm Animal Care Council
 Newfoundland Federation of Agriculture
 Nova Scotia Federation of Agriculture
 Ontario Federation of Agriculture
 Ontario Outstanding Young Farmers
 PEI Federation of Agriculture
 Pulse Canada
 Saskatchewan Diversity and Inclusion Network
 Saskatchewan Outstanding Young Farmers
 L'Union des producteurs agricoles
 United Potato Growers of Canada
 Western Canadian Wheat Growers Association
 Western Equipment Dealers Association
 World at Work

In pursuit of being a good corporate citizen, FCC partners with:



We post our CSR report online at fcc.ca to help reduce our impact on the environment. Our current and past CSR reports are available in both English and French.

To provide feedback about this report or FCC's CSR efforts, complete the online survey. For each completed survey, FCC will donate \$5 to Food Banks Canada, up to \$5,000.

