

A photograph of a modern, multi-story office building with a glass and white facade, set against a clear blue sky. The building is partially obscured by a dark blue horizontal band that serves as a background for the title.

BCI's Forced and Child Labour Risk Assessment Report

Fiscal Year 2024

INTRODUCTION

This report has been prepared by British Columbia Investment Management Corporation (**BCI, we, our**) pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act)*.

At BCI, we recognize the importance of assessing and addressing the risk of forced labor and child labour in our supply chains and internal operations. BCI has taken steps to identify and reduce these risks in our supply chains and internal operations. This report describes the measures we have taken and what we plan to do in the years ahead.

STEPS TAKEN THIS YEAR

From April 1, 2023 to March 31, 2024, we took additional steps to prevent and reduce the risk that forced labour or child labour is used in the production of goods imported by BCI into Canada. These steps included:

- **Procurement updates.** A review and update of our template procurement documents. These updates were designed to help determine whether prospective suppliers bidding to supply BCI with goods or services have measures or policies in place to identify and reduce the risk of forced labour and child labour in their supply of goods and services and in their supply chains.
- **Contract updates.** A review and update of our template commercial contracts. These updates were designed to clarify our requirement that BCI's counterparties comply with all applicable laws by specifically requiring that our suppliers acknowledge that BCI is subject to the Act and that they will notify BCI with details of any instance of forced labour or child labour in their supply of goods or services to BCI.
- **Supply chain risk audit.** We enhanced our due diligence of our key suppliers to screen for reported instances of forced labour or child labour transgressions.
- **Training.** We engaged an external law firm to present to BCI's Legal and Compliance teams on the Act and on the risk of forced labour and child labour.

We believe that these steps provide a foundation for BCI to make further progress in the coming years.

BCI'S STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

BCI is a statutory corporation created by British Columbia's *Public Sector Pension Plans Act (PSPPA)*. BCI's Board, structured in accordance with the PSPPA, appoints the Chief Investment Officer (**CEO**)/Chief Investment Officer (**CIO**). The CEO/CIO is a single individual who is accountable to the Board of Directors for the efficiency and effectiveness of conducting BCI's mandate.

BCI is amongst the largest institutional investors in Canada. Based in Victoria, British Columbia, with offices in Vancouver, New York, and London, U.K., BCI manages a portfolio of diversified public and private market investments on behalf of our 32 British Columbian public sector clients. The majority of assets under BCI's management belong to public pension funds. BCI seeks investment opportunities around the world and across a range of asset classes that converts our clients' savings into productive capital. These investment options include public and private equity, infrastructure and renewable resources, fixed income and private debt, as well as real estate equity and real estate debt.

In limited instances, BCI holds a controlling stake—defined as 50%+1 of voting shares—in private operating companies. These companies have management independent of BCI and, to the extent they are subject to the Act, they are expected to report independently of BCI.

As an investment management company, the majority of our supplier engagement is for the supply of financial related services. However, during the past fiscal year, BCI purchased goods for its offices, including office equipment and furniture, information technology equipment, and workplace stationary.

POLICIES AND DUE DILIGENCE

BCI will continue to integrate forced labour and child labour preventive measures into its policies and due diligence processes, including BCI's procurement directive and our Code of Ethics & Professional Conduct (**Code**).

BCI's procurement directive requires BCI to source goods and services in accordance with our domestic and international trade agreement obligations. Where we run a competitive procurement process, we have introduced a requirement that participating vendors have policies and measures in place to identify and minimize the risk of forced labour and child labour in their supply chains generally and in the goods or services procured by BCI specifically.

BCI's Code applies to all employees, contractors, consultants, officers (collectively, our **staff**), as well as to BCI's Board of Directors. The Code establishes expectations and standards for staff and directors while performing their professional duties. It also details how staff can report suspected or actual violations of the Code. This anonymous and confidential reporting is managed by an independent third-party vendor.

FORCED LABOUR AND CHILD LABOUR RISKS

BCI uses a third-party due diligence platform to screen our key suppliers for adverse media coverage or regulatory data related to, for example, modern slavery, human trafficking, forced labour, child labour, servitude, and child exploitation. The key suppliers that were examined included our suppliers of tangible goods as well as our top service providers by spend.

BCI continues to evaluate its business and supply chains for the risk of forced labour or child labour. Additional steps will be taken this year to better assess these risks.

As an investment management service provider, the risk of forced labour or child labour among BCI's staff is very low. As awareness of this issue increases among our staff, our Code's anonymous hotline will assist us in monitoring this risk going forward.

REMEDIATION MEASURES TAKEN

To date, BCI has not identified any instances of a vulnerable individual or family experiencing a loss of income because of steps that BCI has taken to eliminate forced labour or child labour. As a result, no remediation steps are required at this time.

TRAINING PROVIDED

BCI engaged external legal counsel to present to its Legal and Compliance teams on the Act, including how to assess the risks of forced labour and child labour in BCI's operations and supply chains.

BCI has mandatory annual compliance training for all staff. BCI plans to incorporate education on forced labour and child labour into this training.

HOW DOES BCI ASSESS ITS EFFECTIVENESS?

As our understanding and awareness of the risk of forced labour and child labour increases, we will expect to measure our effectiveness at identifying and reducing these risks from the following sources:

- Ongoing and deeper assessments of BCI's suppliers and supply chains to determine where potential risks exist and the progress our suppliers are making to address these risks.
- Notifications from our suppliers who discover an instance of forced labour or child labour in their supply of goods or services to BCI.
- Reports made through our Code's anonymous hotline.

We expect to gather more information over time to both identify the risk of forced labour and child labour and to measure BCI's effectiveness at mitigating these risks.

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of BCI. The undersigned has the authority to bind BCI and has approved the information contained in this report for BCI.

A handwritten signature in black ink, appearing to read 'Peter Milburn', is written over a horizontal line.

Peter Milburn
Chair, BCI Board of Directors