

2023 Report
Pursuant to the *Fighting Against
Forced Labour and Child Labour
in Supply Chains Act*

Presented jointly by:
Caisse de dépôt et placement du Québec and
Ivanhoé Cambridge Inc.



Table of Contents

- Introduction.....3**
- A. Structures, activities and supply chains3**
- B. Policies, due diligence processes and prevention and mitigation measures4**
- C. Risk of forced labour and child labour and remediation measures7**
- D. Training.....7**
- E. Assessment of effectiveness7**
- F. Approval7**

Introduction

This report is produced pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). It is a joint report by **Caisse de dépôt et placement du Québec** and its subsidiary **Ivanhoé Cambridge Inc.** for the financial year that ended on December 31, 2023. In this report, unless otherwise indicated or unless the context requires a different interpretation, “us,” “our” and other similar terms refer to Caisse de dépôt et placement du Québec and its subsidiary Ivanhoé Cambridge Inc. collectively.

As a global investment group managing public and parapublic pension and insurance funds, we work alongside our partners to build enterprises that drive performance and progress. We are active in the major financial markets, including private equity, infrastructure, real estate and private debt. Therefore, the nature of our activities does not involve production, sales, distribution, or importation of goods, which are activities covered by the Act. However, we are aware of the impact we can have on communities through the size of our portfolio and our global presence.

Furthermore, it is possible that, through our investments, we indirectly control certain entities that carry out activities covered by the Act. As these entities are operated independently, to the extent that some of them are subject to the Act, they are responsible for complying with the applicable requirements and for submitting a report about their own activities.

This first edition of the report presents our policies, processes and risks related to fighting against forced labour and child labour in our supply chains for 2023. It is aligned with our objectives to integrate and promote environmental, social and governance (ESG) criteria in our business strategies and internal processes. It also provides an overview of certain initiatives that we are planning with regard to fighting forced labour and child labour, with the understanding that those initiatives are continuously evolving.

A. Structures, activities and supply chains

1- Our structure and our activities

Caisse de dépôt et placement du Québec is a legal person established in the public interest within the meaning of the *Civil Code of Québec*, without share capital and without shareholders, created on July 15, 1965, by a special act of the National Assembly of Québec titled *Act respecting the Caisse de dépôt et placement du Québec*. An investment firm, it manages the public funds of 48 depositors representing over 6 million Quebecers. Its dual mandate is to generate optimal returns for its depositors and contribute to Québec’s economic development.

Ivanhoé Cambridge Inc. is a corporation governed by the *Business Corporations Act* of which CDPQ was, in 2023, the majority shareholder. As a world leader in real estate, it invests in high-quality real estate properties, development projects and companies worldwide. In 2024, the activities of Ivanhoé Cambridge will be integrated into those of CDPQ.

2- Our supply chains

As investment firms, our main suppliers are service providers. Our procurement of goods represents only a small portion of our purchases, and mainly consists of computer equipment and other office equipment required for the provision of services by our employees and consultants. Ivanhoé Cambridge, as a property

owner, also procures office equipment occasionally and to a lesser extent. All other acquisitions of goods in connection with development projects in which Ivanhoé Cambridge participates are made by service providers or partners.

The goods that we acquire are almost entirely from Canadian intermediaries and even though we occasionally import certain goods, these transactions are very minor. Nevertheless, we recognize the importance of doing business with goods and service suppliers that have good ESG practices, including in terms of the risk related to the use of forced labour or child labour. The methods we apply for this are summarized in the following section.

B. Policies, due diligence processes and prevention and mitigation measures

In general, our prevention and mitigation measures for the risk related to the use of forced labour or child labour include implementing internal policies and processes for responsible procurement and due diligence for our supply chains. CDPQ also offers its employees training, as described later in this report.

1- Integration of ESG factors in our investment activities

Firstly, we believe that it is appropriate to highlight the importance we place on sustainability, including social factors, as part of our organizations' daily activities and our investment decisions, by giving a brief overview of our commitments to this matter.

As stated in its *Policy – Sustainable Investing*¹, CDPQ aims to maintain the highest standards in the exercise of its activities and to associate with investment partners whose corporate conduct is in line with its convictions. Throughout the entire investment cycle and for all asset classes, CDPQ teams have implemented rigorous due diligence and analysis processes that take into account ESG factors. Human rights, working conditions, supply chain management, taxation and community relations are part of the social factors considered by CDPQ in its analyses and investment decisions in accordance with their impact in each situation.

As part of the post-investment process, CDPQ monitors the management of ESG issues in its portfolio companies and supports them in adopting sustainability best practices. To that end, it uses several levers, including strategic support, dialogue and engagement, as well as shareholder voting, which is subject to its *Policy Governing the Exercise of Voting Rights of Public Companies*².

CDPQ continuously monitors ESG developments. Its active participation in investor groups promotes the adoption of best practices in this matter. Signatory to *The United Nations-supported Principles for Responsible Investment* (PRI) since 2006, CDPQ joined, in 2023, the PRI *Advance*³ initiative which seeks to advance human rights through responsible investment management. For more information about CDPQ's sustainability initiatives and commitments, please refer to its approach to sustainable investing⁴ and sustainable development⁵.

¹ [Policy – Sustainable Investing](#)

² [Policy Governing the Exercise of Voting Rights of Public Companies – CDPQ](#)

³ <https://www.unpri.org/investment-tools/stewardship/advance>

⁴ <https://www.cdpq.com/en/approach/sustainable-investing>

⁵ <https://www.cdpq.com/en/approach/sustainable-development>

Ivanhoé Cambridge shares the sustainability objectives described above and the actions outlined in the *Sustainable Development Action Plan 2023–2028* (SDAP) also apply to it. Moreover, Ivanhoé Cambridge has its own *Sustainable Investment Policy* where it clearly states its aspirations to develop and invest in real estate properties, projects and companies that are shaping the urban fabric in dynamic cities around the world while taking into account ESG factors. At the transactional stage, Ivanhoé Cambridge carries out a due diligence review that includes an analysis of ESG risks and opportunities and is working to mobilize its stakeholders to regularly report on their ESG performance throughout the asset management period.

Ivanhoé Cambridge annually assesses its ESG performance in compliance with the Global Benchmark for Real Assets (GRESB). For more information about Ivanhoé Cambridge's social initiatives, please visit the page dedicated to this subject on its website⁶.

2- Our Codes of Ethics

At CDPQ and Ivanhoé Cambridge, we aim to act with ethics, integrity and responsibility in all of our business relationships. In this sense, compliance with our Codes of Ethics for employees⁷ (the Codes) is at the heart of our priorities. In particular, our Codes convey our commitment to promoting respect, inclusion and collaboration where everyone must participate in order to maintain a working environment free of discrimination, harassment and intimidation. The participation of our employees is essential to achieving these objectives. Therefore, people can express themselves without fear of reprisal when they report a problem in good faith. In addition, each year, all staff must complete mandatory training on the code of ethics of their organization and renew their adherence to it. Our training includes scenarios and additional information about the application of the Codes and the inherent responsibilities.

We also expect our suppliers to adhere to the same ethical standards that we do. Our contract templates set out, among other things, that suppliers are required to comply with and ensure their representatives comply with our Codes as part of their contractual relationship, to the extent that the provisions of the Code can reasonably apply to them.

3- Procurement process

Our procurement processes for goods and services are governed by our procurement policies and related directives. Their administration is centralized, for each organization, by a team dedicated to procurement that monitors their compliance and ensures transparency in our contracting processes.

CDPQ's *Policy on Contracts for the Acquisition or Leasing of Goods and Services*⁸ sets out the major principles that govern its procurement processes, in particular:

1. The priority it places on suppliers complying with ESG best practices in their respective industries;
2. Its expectations that suppliers will comply with legislation applicable to their activities regarding the environment, sustainable development, human rights, labour and employment rights, the protection of privacy and personal information, cybersecurity and combating corruption;
3. The importance it places on its suppliers implementing programs and initiatives that promote equity, diversity and inclusion (EDI) within their company;

⁶ <https://www.ivanhoecambridge.com/en/about-us/social/>

⁷ [Code of Ethics – CDPQ](#);

https://www.ivanhoecambridge.com/content/uploads/2023/02/20220104_CodeEthique_ANG.pdf

⁸ [Policy on Contracts for the Acquisition or Leasing of Goods and Services](#)

4. Its desire to promote the use of Québec suppliers, in compliance with the applicable rules for awarding contracts and ensuring healthy competition;
5. Its refusal to conclude contracts with suppliers listed in the register of enterprises ineligible for public contracts (Registre des entreprises non admissibles aux contrats publics or RENA).

At Ivanhoé Cambridge, the *Goods and Services Procurement Policy* governs the subsidiary's procurement in compliance with principles of ethical business conduct. The major guiding principles of this policy are: (i) sound management, (ii) sustainable business relationships, (iii) ethics and integrity and (iv) responsible procurement, diversity and inclusion.

Like its parent company, Ivanhoé Cambridge works with suppliers that adopt practices aligned with its own strategic objectives that encompass the guiding principles mentioned above.

In addition to other initiatives mentioned in this report, beginning in 2024, CDPQ will add in its contract templates provisions related to compliance with laws that deal with the protection of human rights.

4- Due diligence of our suppliers

CDPQ uses caution when selecting its suppliers. It put in place a review process that aims to assess the risk level of companies that it does business with, including risks related to the use of forced labour or child labour. This process is carried out by the procurement team at three key moments:

1. At the outset of an acquisition or a leasing process;
2. Over the course of the relationship, in the case of a triggering event, such as the start of activities in a sector that poses a high reputational, legislative or compliance risk; and
3. When a contract is renewed, if necessary.

For 2023, this review included screening through private databases targeting financial crimes and implementing a media coverage process. CDPQ also implemented a due diligence questionnaire to collect more information from its suppliers, particularly concerning the protection of human rights. For their respective supply chain, the targeted businesses must:

- Describe their due diligence policies and processes concerning forced labour and child labour;
- Name the measures taken to fight cases of forced labour or child labour;
- Describe the processes in place to assess the effectiveness of the steps taken aimed to ensure the absence of forced labour or child labour;
- Confirm that they are not aware of any known or suspected case of human rights violations within their supply chain and their operations.

Similar processes have been in effect at Ivanhoé Cambridge since January 1, 2024, in order to assess more precisely the level of financial security risk of suppliers in the supply chain.

For 2023, Ivanhoé Cambridge continued to pay particular attention to the assessment of risks related to the procurement process concerning the main categories of goods and services purchased as well as to suppliers and their subcontractors. Ivanhoé Cambridge also requires certain suppliers identified as “high-risk vendors” to comply with its *Anti-Corruption Policy* and related guidelines, by providing a declaration on ethics. This declaration particularly sets out that each supplier is responsible for following the letter and the spirit of relevant labour laws, providing its employees with a fair salary and benefits, ensuring working conditions comply with the relevant laws and standards and prohibiting forced labour, slavery and child labour.

C. Risk of forced labour and child labour and remediation measures

As investment firms, our mandate does not involve the production, sale, distribution or importing of goods, and the low volume of goods that we procure as part of our activities are almost entirely from Canadian intermediaries. Nevertheless, our purchases are governed by a clear and documented process, including a review of the level of risk of companies we do business with, and we have a team of experts within each organization to ensure that it is applied. In this context, our supply chain's exposure to the risk of forced labour and child labour is limited.

For 2023, no situations of forced labour or child labour in our supply chain were brought to our attention. The implementation of remediation measures for known cases of forced labour or child labour in our supply chain was therefore not necessary, and as a result, no such measure led to loss of income for vulnerable families. Nonetheless, we remain vigilant and intend on improving our assessment of risks to promptly apply the appropriate measures, if necessary.

D. Training

We believe that raising awareness is an essential tool to fight forced labour and child labour. In 2023, employees of CDPQ and Ivanhoé Cambridge, including legal advisors, took part in trainings given on the subject by professional services firms. These trainings aimed to present the Act and make businesses aware of the resulting obligations. We also carry out regular monitoring to stay up to date on any new development related to the Act and the issues of forced labour and child labour in supply chains.

Training was also prepared by CDPQ's internal legal advisors and is continuing in 2024. In addition, we have retained the services of an external law firm to provide, in 2024, training to targeted teams in our organizations, including employees who act as board members designated by CDPQ in corporations in which it invests.

E. Assessment of effectiveness

We are sensitive to the issues that result from forced labour and child labour and continue to keep ourselves informed about this reality in order to continuously improve our practices. Our policies and directives are regularly updated to reflect legislative developments on social matters.

F. Approval

This report was approved by the Board of Directors of Caisse de dépôt et placement du Québec on April 5th, 2024, in compliance with subparagraph 11(4)(b)(ii) of the Act and constitutes the joint report for CDPQ and Ivanhoé Cambridge Inc. for the year ending December 31, 2023.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Caisse de dépôt et placement du Québec.



Charles Emond
President and Chief Executive Officer and Director
Date: May 22, 2024