

Joint Modern Slavery Report 2023

Inuvialuit Regional Corporation

-and-

Inuvialuit Development Corporation

I. Introduction

This Joint Modern Slavery Report (this “**Report**”) is made and filed as a joint submission by Inuvialuit Regional Corporation (“**IRC**”) and Inuvialuit Development Corporation (“**IDC**”), pursuant to and in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The filing of this Report is in respect of the financial year ending December 31, 2023, for both IRC and IDC. References to IRC shall generally be considered to also include IDC throughout this Report unless otherwise specified.

Message from IRC

IRC and the Inuvialuit deeply understand the profound and detrimental generational impacts that inhumane treatment can have on individuals (with added emphasis on the impacts on children), their relatives and communities. This understanding is rooted in the experiences our Inuvialuit beneficiaries have endured for generations within their respective communities, with particular emphasis on those who were impacted by Canada’s residential school systems.

The residential school systems represent a dark chapter in Canadian history, where countless Inuvialuit children were subjected to systemic abuse and separation from their families, communities, culture and language, and deprived of quality education. The Truth and Reconciliation Commission of Canada has notably published numerous reports with mountains of findings that uncover the long and dark historical treatment of Canada’s Indigenous population, including the Inuvialuit. When reading the Act, consideration should be given to these injustices as our communities have endured both Forced Labour and Child Labour (as defined in the Act), as well as other forms of what now is considered “modern slavery”.

Given the Inuvialuit’s deep understanding and direct experience with the gravity of such issues, IRC is well-equipped in understanding the importance of adhering and promoting ethical labour practices and preventing inhumane treatment of others in Canada and abroad.

II. Structure, Activities and Supply Chain

On June 5, 1984, the Government of Canada and the Committee for Original Peoples' Entitlement approved the Inuvialuit Final Agreement ("IFA"). The IFA was the first comprehensive land claim settlement in the Canadian Arctic and was established to (a) preserve Inuvialuit cultural identity and values, (b) enable Inuvialuit to be equal and meaningful participants in the northern and national economy and society, and (c) protect and preserve the Arctic wildlife, environment and biological productivity in the Inuvialuit Settlement Region.

IRC was formed in accordance with the IFA to manage the settlement and represent the collective interests of the Inuvialuit. As such, IRC's goal as a not-for-profit corporation is to continually improve the economic, social and cultural well-being of the Inuvialuit through implementation of the IFA and by all other available means.

IRC has four principal subsidiaries, which provide most of the corporation's operational funding. In addition to IDC, these subsidiaries include the Inuvialuit Investment Corporation, Inuvialuit Land Corporation and Inuvialuit Petroleum Corporation. IRC confirms that as of the date of this Report, IDC is its only directly controlled subsidiary that meets the threshold reporting requirements under the Act. Weldco-Beales Manufacturing Inc., a wholly-owned subsidiary of IDC, is also required to file a report under the Act and has done so separately.

In addition to its activities through its subsidiaries, are the activities of IRC's internal divisions, including, but not limited to, certain core services such as the Inuvialuit Cultural Centre, Education & Training, Capacity, Human Resources, Inuvialuit Land Administration, Innovation, Science & Climate Change, as well as Health & Wellness Division, all of which contribute to form IRC.

With a diverse portfolio, IRC, through its controlled entities, has a robust supply chain. Notwithstanding, due to IRC's policies, which are complimented by the policies of its controlled entities, risks of modern slavery in its supply chains remain low, as IRC primarily contracts with Canadian suppliers, including mandating priority access to Inuvialuit-owned businesses.

Additional information pertaining to IRC's business, leadership and supply chains can be found on the IRC website: <https://irc.inuvialuit.com/>.

III. 2023 Measures to Prevent/Reduce the Risk of Child & Forced Labour

Aside from its standard and existing practices which safeguard and ensure compliance with applicable laws, IRC's measures with respect to modern slavery prevention were headed by management and in-house legal counsel, who took the following steps:

- reviewed publications and updates with respect to the implementation of, and compliance with, the Act;
- considered the requirements imposed by the Act and guidance issued by the Minister of Public Safety, along with such other resources made publicly available both in Canada and internationally;

- engaged with external experts, including external counsel to share and understand the purpose of the Act and identify best practices;
- reviewed its corporate policies, including the policies, practices, and contractual safeguard mechanisms of its primary subsidiaries, while assessing potential areas for improvement; and
- identified certain areas in its corporate policies that may require revision to better align with the Act.

IV. Policies and Due Diligence Processes

IRC has several existing policies in place with general and specific applications that prevent and reduce the risk of forced and child labour or modern slavery within its operations and supply chain. IRC's governance policies mandate adherence to its commitment to maintaining the highest of standards, including compliance with applicable laws by all employees and specific references to labour, workplace and safety standards, as well human rights legislation.

With respect to due diligence, appropriate screening policies and procedures are in place, which includes screening during the hiring process as well as for vendors and potential partnerships. Where appropriate, legal counsel and other experts are also engaged (both internally and at times, externally) to ensure appropriate processes are followed.

V. Risk Assessment and Risk Management

IRC considers itself well equipped to assess, manage and mitigate risks in its supply chain through its existing policies and procedures, which includes contractual mechanisms such as legal review and compliance, and the inclusion of such other rights in favour of IRC when contracting with vendors and suppliers.

As is the case for most companies, although IRC's risks remain low in its supply chain regarding forced and child labour or modern slavery, risks that may remain include those related to Tier 2+ suppliers.

With an emphasis on continuous improvement, and to ensure the highest of standards are upheld, IRC has identified certain areas it may wish to address or improve to further mitigate the risks associated with modern slavery. Such areas are summarized as follows and are subject to direction from management and the availability of company resources:

- consider implementing a standalone policy for forced and child labour or "modern slavery";
- consider establishing a forced and child labour or "modern slavery" task force or committee;
- consider growing the risk management team for enhanced oversight;
- enhance certain contractual requirements in favour of IRC as added protection when dealing with vendors and suppliers;
- include supply chain mapping exercises in procurement practices;
- enhance collaboration with business partners to ensure consistency across operations; and
- enhance training for employees on applicable subject matter.

VI. Remediation Measures

As of the date of this Report, no evidence of any instances of forced labour or child labour or modern slavery has been identified in IRC's supply chains during the year. As such, no remediation measures were or are required.

VII. Training

IRC implements mandatory and optional training for its employees on matters related to its policies and businesses. Employees involved in the organization's supply chain and business operations also possess extensive experience and various training and education with respect to identifying applicable risks, conducting applicable due diligence, and practicing ethical sourcing.

With respect to specific training on the subject matter contemplated in the Act, IRC has engaged a third-party consulting firm to provide such training through its E-Course offering: "*Combating Forced and Child Labour in Supply Chains & Canada's Regulation of Modern Slavery*." The E-Course will be made available to all of IRC's employees and include the following as part of its curriculum:

- examination of the prevalence of modern slavery in global supply chains;
- exploration of the interplay between modern slavery and the complexities of supply chains;
- identification of risks, including problematic practices, industries, goods, and regions;
- overview of global regulations on modern slavery;
- detailed review of the Act; and
- general guidance for businesses on strategies to combat modern slavery and meet compliance obligations under the Act.

Subject to review and guidance by IRC leadership, and IDC, the above E-Course training may be implemented as mandatory or optional for employees, depending on their role in the organization. The E-Course includes two modules and quizzes, with employees required to achieve an 80% pass rate to receive a Course Completion Certificate. The Course Completion Certificate allows companies to assess its training effectiveness and track employee progress.

VIII. Assessing Effectiveness

IRC can monitor the effectiveness of its measures to prevent forced and child labour or modern slavery through its robust policies and the extensive experience of its various departments, including its in-house legal team. On a go-forward basis, IRC will continue to consider improvements that can be made to better assess its effectiveness.

IX. Approval and Attestation

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

I have authority to bind IRC and IDC. However, it is not possible to obtain the necessary board approvals required under the Act until our next board meeting takes place in August. This is due to various reasons, including the makeup of our leadership and self-governing nature. The IRC board is composed of members from remote communities who have limited access to internet, and as a self-governing organization, the approval process is robust and generally requires in-person unanimous approvals from the board. As a further complication, the IRC board could not approve this Report at the February board meeting as one of its board members passed away unexpectedly.

As IRC stakeholders have first hand knowledge and deep understanding of issues to inhumane treatments such as slavery and "modern slavery", this is something we take very seriously. As a result, and in keeping with our commitment to upholding the highest of standards, it is expected that a revised report will be submitted to the IRC board for review and approval in August. If approval is received, we expect to instruct our legal counsel to file such revised report, as permitted by the Act, prior to December 31, 2024.

Signed: _____

Date: May 31, 2024

Mark Fleming
CFO and Chief of Staff

I have the authority to bind Inuvialuit Regional Corporation and Inuvialuit Development Corporation