



## About this report

This document constitutes Power Sustainable Capital Inc. (“PSC”)’s Modern Slavery Report (the “Report”), covering our fiscal year ended December 31, 2023. In 2023, PSC was a fully owned subsidiary of Power Corporation of Canada (“PCC”). We make this Report pursuant to sections 11(1) and 11(3) of *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Modern Slavery Act” or the “Act”).

We do not report under similar legislation in any other jurisdiction.

## Introduction

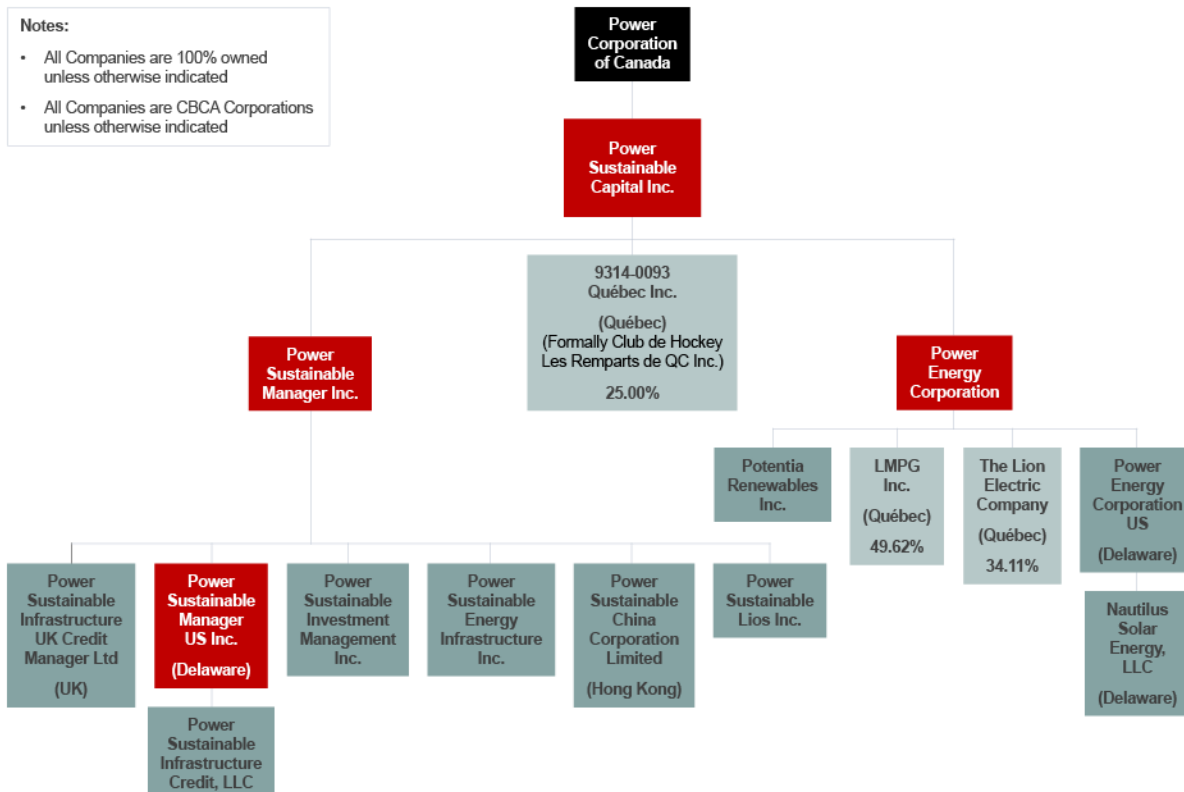
As a subsidiary of PCC, we have endeavoured to build our business on a foundation of integrity and ethical conduct, with responsible management being an intrinsic part of our commitment to sustainability.

We recognize that modern slavery might take various forms, such as slavery and slavery-like practices, servitude, compulsory, forced and child labour, all of which have in common the deprivation of a person’s liberty by another to exploit them for personal or commercial gain (“Modern Slavery”). In any form, Modern Slavery is a violation of fundamental human rights, and we are committed to taking the steps necessary to prevent and reduce the risk that Modern Slavery is used in our business or supply chains.

## Our structure, activities and supply chains

### Structure and activities

PSC was established on March 26, 2020, under the *Canada Business Corporations Act* (“CBCA”), having been incorporated since December 11, 2006. PSC is a North American holding company that focuses on sustainable alternative investments. Its head and registered office is located at 751 Victoria Square, Montréal, Quebec H2Y 2J3.



As at December 31, 2023, Power Sustainable had 110 employees globally. Power Sustainable employees are employed by Power Sustainable Manager Inc. ("**PSM**") or fully owned subsidiaries of PSM. All operations of PSC occur at the PSM (together with PSC, "**Power Sustainable**") or Power Energy Corporation ("**PEC**") level.

As seen in the organizational chart above, which provides PSC's structure as at December 31, 2023, PSC controls PSM and PEC. PEC houses certain assets separate from our asset management business. PSM is an asset manager for each of our investment platforms, which, as at December 31, 2023, included Power Sustainable Lios ("**Lios**"), Power Sustainable Energy Infrastructure Partnership ("**PSEIP**"), Power Sustainable Infrastructure Credit LLC ("**PSIC**"), Power Sustainable China Corporation Limited ("**PSCCL**"), Power Sustainable Infrastructure UK Credit Manager Ltd. ("**PSIE**") and Power Sustainable Investment Management Inc. ("**PSIM**"). Of the listed platforms Lios and PSEIP have places of business in Canada and focus on investments in the agrifood sector and the renewable energy sector, respectively.

## Supply chains

As a part of our business, we have limited supply chains of service providers mainly in the following sectors: professional services (such as lawyers, accountants, consultants, auditors, banking and marketing professionals); asset management, brokerage and custodian services; IT services; human resources and recruitment services; equipment leases; and insurance.

As a holding company, PSC does not produce, distribute, or sell goods in Canada or elsewhere, nor does it import goods into Canada ("**Reportable Activities**"). Accordingly, our reporting obligations under the Act arise by virtue of our portfolio companies or subsidiaries, some of whose activities include Reportable Activities.

We have engaged with our portfolio companies and subsidiaries and have been advised that the following Power Sustainable group entities will independently be filing a Modern Slavery Report under the Act (the "**Independent Reporting Entities**"):

Independent Reporting Entities	General Description
LMPG Inc. and its reporting subsidiaries	An internationally recognized designer, developer, and manufacturer of a wide range of high-performance and sustainable specification-grade LED solutions for commercial, institutional, and urban environments.
PBC Nutritionals Inc.	A company that provides high quality private label baby food products in Canada and in the USA.
Potentia Renewables Inc.	A fully integrated developer, owner, and operator of solar and wind energy assets.
Potentia Renewables Canada Holdings LP	A holding entity which holds all Potentia project entities under the Energy Infrastructure Fund.

## Our policies and due diligence

As a PCC subsidiary, the Power Sustainable group companies adhere to PCC's responsible management philosophy which has enabled us to build the foundations for a resilient and sustainable business. Power Sustainable's sustainability approach is supported by our Compliance Manual which groups together several key corporate policies including:

- *Code of Conduct and Ethics*
- *Diversity and Inclusion Policy*
- *Anti-Bribery Policy*
- *Anti-Money Laundering Policy*
- *Respectful Workplace Policy*
- *Lobbying Policy*
- *Whistleblowing Policy*

As set out below, Power Sustainable's commitment to human rights is supported by its Environmental, Social, and Governance ("ESG") related policies, specifically the *Sustainable Investment and Stewardship Policy*.

In addition, as a fully owned subsidiary of PCC, PSC adheres to and ensures that its suppliers adhere to its *Third Party Code of Conduct*<sup>1</sup> in the absence of our own such policy. The *Third Party Code of Conduct* contains a specific section pertaining to Labour and Human Rights. In the event of a violation or potential violation of the *Third Party Code of Conduct*, the third party shall take all reasonable measures to meet the requirements set out in the *Third Party Code of Conduct* in a diligent manner. Additional information on the *Third Party Code of Conduct* and its coverage of Modern Slavery can be found in PCC's Modern Slavery Report.<sup>2</sup>

Additional information on policies implemented by our Independent Reporting Entities will be included in their separate reports.

### Code of Conduct and Ethics

At Power Sustainable, the *Code of Conduct and Ethics* (the "Code") applies to Directors, officers and employees of Power Sustainable and its wholly owned subsidiaries, unless a comparable Code applies in respect of the subsidiary. Each year, all individuals subject to the Code are required to acknowledge that they have read the Code, that they understand their obligations under it, and that they agree to comply, and have complied, with it.

---

<sup>1</sup> Found [here](#).

<sup>2</sup> Found [here](#).

## **Mechanisms to report concerns**

Power Sustainable maintains appropriate mechanisms for its stakeholders to report or raise concerns should they suspect or witness unethical or unlawful behaviour, which, as at December 31, 2023, was being formalized through our *Whistleblowing Policy* and the implementation of an anonymous whistleblowing system which is available on the Power Sustainable website at all times. All reports are taken seriously and treated with the utmost confidentiality. Power Sustainable has processes in place to ensure reports are promptly investigated and addressed.

---

## **Potential risk of forced and child labour in our business and supply chains**

Although PSC had not begun the process of identifying the potential risks in our supply chain in 2023, we are committed to identify such risks in 2024 and have begun to do so in relation to this Report .

The most prominent risks regarding Power Sustainable's activities are posed by the companies our investment platforms invest in and certain Power Sustainable subsidiaries. We have engaged with such companies regarding Modern Slavery. As such, more information regarding the risks of Modern Slavery in our investment platforms' and subsidiaries' supply chains can be found in each Independent Reporting Entity's Modern Slavery Reports.

### **Potential risks in our activities**

As a North American holding company, PSC bears the risks associated with being a significant shareholder of the Independent Reporting Entities. As the Independent Reporting Entities have indicated that they are producing their own reports, a description of these risks is presented in their filings. The respective boards of directors of the Independent Reporting Entities are responsible for the risk oversight function at their companies.

With respect to the matters which are subject to this report, we consider the risk of Modern Slavery within PSC's operations to be low. In 2023, our employees operated in Canada, the USA, the UK and China. Our employees at the relevant time were all professionals and our operations rely primarily on skilled individuals.

---

### **Potential risks in our supply chains**

As a holding company, with very limited direct supply chains, we view the risk of Modern Slavery being used in the supply chains subject to this Report as low. However, the risk of Modern Slavery in the Independent Reporting Entities' supply chains may differ from the risk at the PSC level and refer to their reports for more detail on the potential risks in their supply chains.

PSC's initial assessment of its business and supply chains for the risk of Modern Slavery did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate the presence of Modern Slavery, or the loss of income associated with remediation efforts.

---

## **Our training**

As part of our mandatory annual *Code of Conduct and Ethics* training, Power Sustainable raises awareness about key ESG themes and educates all officers and employees on our key policies and procedures. The Power

Sustainable training program, which is completed upon entering Power Sustainable as well as annually thereafter, contains testing to demonstrate understanding of the *Code of Conduct and Ethics* and Power Sustainable's other key policies, including the various mechanisms available to report concerns. At the end of the training, as part of our annual certification requirement, all are required to certify their compliance with our *Code of Conduct and Ethics* and key corporate and ESG-related policies. We are committed to have mandatory training on Modern Slavery for our employees implemented in 2024 in order to bring awareness to the risks of such activities in our supply chain.

## **Assessing our effectiveness**

Responsibility for sustainability matters and ESG considerations at the Board level is assigned to the *Sustainability Committee*, whose responsibilities include monitoring the implementation of Power Sustainable's statement and strategy with respect to sustainability in our investment activities, which includes ESG matters. In addition to assuring sustainability in investments, our sustainability team is committed to improving corporate sustainability at Power Sustainable.

We plan to continue to review our statements, policies, procedures and practices annually to reinforce our commitment to preventing Modern Slavery from taking place in our business and in any of our supply chains, including by considering, where appropriate, implementing measures to assess the effectiveness of any of our processes.

## **Approval and attestation**

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Power Sustainable Capital Inc. on May 14, 2024.

In my capacity as a Director of Power Sustainable Capital Inc., and not in my personal capacity, I make this attestation for and on behalf of Power Sustainable Capital Inc. in accordance with the requirements of the *Modern Slavery Act*.

*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.*

\_\_\_\_\_/s/ Dominic Grimard\_\_\_\_\_

I have the authority to bind Power Sustainable Capital Inc.

### **Dominic Grimard**

Director and Chief Financial Officer

May 14, 2024