

**PSP INVESTMENTS
FORCED LABOUR AND
MODERN SLAVERY
REPORT**

Public Sector Pension Investment Board

PSP Investments Holding Europe Ltd

TABLE OF CONTENTS

- INTRODUCTION 3

- PART 1: STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS..... 3
 - 1.1 *Structure*..... 3
 - 1.2 *Activities* 3
 - 1.3 *Supply Chains*4

- PART 2: STEPS TO PREVENT AND REDUCE FORCED LABOUR AND MODERN SLAVERY RISKS 4

- PART 3: POLICIES AND DUE DILIGENCE PROCESSES..... 5
 - 3.1 *Policies*..... 5
 - 3.2 *Due Diligence Processes*..... 6

- PART 4: ASSESSMENT AND MANAGEMENT OF FORCED LABOUR AND MODERN SLAVERY RISKS 7

- PART 5: REMEDIATION MEASURES 7

- PART 6: EMPLOYEE TRAINING..... 7

- PART 7: ASSESSING EFFECTIVENESS 8

- PART 8: APPROVAL AND SIGN OFF 9
 - A. *PSPIB*..... 9
 - B. *PSPiHE* 9

Introduction

The Public Sector Pension Investment Board (“PSPIB”) is committed to upholding high standards of corporate governance and ethical conduct. PSPIB has been a signatory of the United Nations supported Principles for Responsible Investment since August 2014. As part of our commitment, we are working to continuously improve our processes aimed at preventing and reducing the risks of forced labour, child labour, and other forms of modern slavery (including, but not limited to, human trafficking, slavery and servitude) (“Forced Labour and Modern Slavery”) in our activities and supply chains.

This Report is submitted by PSPIB and PSP Investments Holding Europe Ltd (“PSPIHE” and collectively, “PSP Investments” or “we”) under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and by PSPIHE under Section 54 of the United Kingdom Modern Slavery Act 2015 (the “MSA”), for the fiscal year starting April 1, 2023 and ending March 31, 2024.

PART 1: Structure, Activities, and Supply Chains

1.1 Structure

PSPIB is a Crown corporation established by the Parliament of Canada under the Public Sector Pension Investment Board Act in September 1999 (the “PSPIB Act”). PSPIHE is incorporated under the Companies Act 2006 (as amended from time to time) of the United Kingdom and is managed from England.

For more information on PSP Investments’ investment governance structure, please see our latest [Annual Report](#) and [Sustainable Investment Report](#).

As of March 31, 2024, PSP Investments employed approximately 985 employees across our head office in Ottawa, our main business office in Montreal and our offices in New York, London, and Hong Kong.

1.2 Activities

PSPIB is one of Canada’s largest pension investors and invests the amounts transferred to it by the Government of Canada for the funding of benefits earned from April 1, 2000 by members of the public sector pension plans of the federal Public Service, the Canadian Forces (Regular Force), the Royal Canadian Mounted Police and, since March 1, 2007, the Canadian Forces (Reserve Force) (collectively, the “Plans”).

In accordance with the PSPIB Act, PSPIB’s statutory mandate is to:

- (i) Manage amounts that are transferred to it under Acts of Parliament in the best interests of the contributors and beneficiaries under those Acts, and
- (ii) Invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the funding, policies and requirements of the Plans and the ability of those Plans to meet their financial obligations.

PSPIB’s strategy involves diversification by geography, sector, and investment products. PSPIB has a diversified portfolio including investments in capital markets, private equity, credit investments, real estate, infrastructure and natural resources. For more information on PSPIB, including its net assets under management, please refer to our latest [Annual Report](#).

PSPIHE is an investment platform of PSPIB. All investments and recommendations must be made in compliance with PSPIB’s applicable policies and approval processes.

PSPIB and PSPIHE purchase goods in Canada or elsewhere to carry out their activities.

As a result of its investments, PSPIB may also be considered to control certain entities that may be engaged in producing, selling or distributing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada. The portfolio entities within PSPIB's existing investment portfolio have their own governance structure and management teams, and the risk profiles, policies, due diligence processes and actions of those entities remain independent and may diverge significantly from PSPIB. Those entities are not covered by the present report.

1.3 Supply Chains

PSP Investments procures a range of goods and services from external providers to carry out its activities, including professional services, such as advisory, legal and recruitment, as well as office supplies, hardware and software, facilities and maintenance services, and travel services. PSP Investments' procurement is primarily managed centrally from its Montreal office; however, PSPIHE and other subsidiaries of PSPIB¹ may each procure goods such as office supplies to support the activities of PSP Investments' offices.

In the fiscal year ended March 31, 2024, PSP Investments procured goods and services from approximately 851 suppliers from 37 countries across our operational and investment activities. Our top 75 suppliers made up 80% of our spend. By country, approximately 80% of our spend was with suppliers based in Canada and the United States of America.

PART 2: Steps to Prevent and Reduce Forced Labour and Modern Slavery Risks

In general terms, in our fiscal year ending March 31, 2024, PSP Investments has taken the following steps to prevent and/or reduce risks of Forced Labour and Modern Slavery in our activities and supply chains:

- We established a dedicated Forced Labour and Modern Slavery Working Group to oversee our efforts to prevent and/or reduce Forced Labour and Modern Slavery risks;
- We conducted an external assessment of our policies and procedures in respect of Forced Labour and Modern Slavery risks;
- We conducted a mapping of our direct supply chains for goods and services and an internal assessment of the Forced Labour and Modern Slavery risks that may be present in those supply chains;
- We developed training for our teams on Forced Labour and Modern Slavery;
- We developed and updated our frameworks, processes or tools to enhance our ability to identify and reduce risks of Forced Labour and Modern Slavery in our activities and direct supply chains for goods and services; and
- We are developing a Supplier Code of Conduct ("Supplier Code") which will set out the standards PSP Investments expects our direct suppliers of goods and services to uphold, including prohibitions on any form of Forced Labour and Modern Slavery.

Those steps are further detailed in this Report.

¹ Other subsidiaries of PSPIB purchase goods in Canada or elsewhere to carry out their activities, but their purchases of goods amount to very minor dealings. On the basis of the guidance for government institutions published by Public Safety Canada, such subsidiaries are therefore not submitting a report under the Act.

PART 3: Policies and Due Diligence Processes

3.1 Policies

PSP Investments has established policies and procedures to promote integrity and corporate responsibility in our activities and supply chains.

The controls and processes set out within these policies and procedures, while not specifically designed to target Forced Labour and Modern Slavery risks, encourage and support our employees and consultants to assess and manage risks relating to human rights, sustainability and regulatory compliance. The key policies and procedures that supported PSP Investments' approach to the management of Forced Labour and Modern Slavery risks in this fiscal year were as follows:

<p>Our Workplaces</p>	<p>Our Code of Conduct ("Code"), the Employee and Consultant Handbook, and related rules outline the common guiding principles and guidelines that PSP Investments directors, employees, and consultants are expected to adhere to. This includes an expectation to act appropriately and with integrity, promote respect, inclusiveness and fairness in the workplace, and foster a safe, respectful, and responsible work environment. The Code details the Speak Up Line through which concerns or breaches of the Code could be reported without fear of retaliation. Non-compliance with the Code may result in disciplinary measures.</p>
<p>Our Risk-Based Approach to our Activities</p>	<p>Our Risk Appetite Statement describes our appetite, attitude and tolerance for a variety of risks that may arise across our activities and as such aims to provide basic parameters for our due diligence processes. The Risk Appetite Statement may take into account considerations related to Forced Labour and Modern Slavery set out as part of our investment-related risks and non-investment-related risks, including: risks to people; legal, contractual, or regulatory risks arising from non-compliance with laws or regulations; financial crime and fraud risks; and operational risks (including health and safety).</p> <p>We also have sustainable investment policies and procedures that promote the consideration of material sustainability-related factors and other frameworks and guidelines that enhance our approach to conducting reputational due diligence. These aim to mitigate the risk of material issues in our investments, which may include Forced Labour and Modern Slavery issues.</p>
<p>Our Procurement of Goods and Services</p>	<p>Our Procurement Policy and related procedures govern our approach to transparent and fair procurement practices. PSP Investments is developing a Supplier Code for our direct suppliers of goods and services, as further described below under "<i>Due Diligence Processes</i>" - "<i>Our Procurement of Goods and Services</i>".</p>

Board level oversight of Forced Labour and Modern Slavery risks primarily resides with i) the Investment and Risk Committee which oversees PSP Investments' investment and risk management function; ii) the Governance Committee which is responsible for monitoring PSP Investments' sustainable investment activities and monitoring compliance with the Code; and iii) the Audit Committee which reviews and approves PSP Investments' Procurement Policy.

3.2 Due Diligence Processes

PSP Investments has implemented or developed due diligence processes or tools that are intended to identify and assess situations that could have adverse and material impacts in our activities and supply chains, track implementation of measures to address these situations and results in our activities, communicate how these impacts are addressed, and provide for appropriate remedial measures.

a. Our Workplaces

PSP Investments typically presents a lower risk of Forced Labour and Modern Slavery across our workplaces due to our reliance on skilled, full-time, permanent employees or consultants who are paid not less than the living wage. Prior to joining PSP Investments, prospective employees and consultants undergo pre-employment verifications.

Our employees and consultants are required to comply with our Code, and relevant rules and policies. Employees and consultants are regularly reminded of their responsibilities and obligations under these documents.

b. Our Risk-Based Approach to our Activities

Prior to investing in investments, investment teams conduct due diligence and/or rely on risk assessments to determine if an investment or relationship is suitable and consistent with PSP Investments' policies and risk tolerances. Our due diligence process on investments includes identifying and assessing material sustainability-related risks including adverse and material human rights impacts such as Forced Labour and Modern Slavery. During this fiscal year, we also updated our tools to enhance our ability to identify countries and industries that pose higher risks of Forced Labour and Modern Slavery.

Material risks, which may include Forced Labour and Modern Slavery risks, identified through due diligence on investments or during the subsequent investment cycle via ongoing monitoring, are escalated, as appropriate, for further discussion and communication of how these impacts are or will be addressed.

For more information on our approach to sustainability-related integration, including potential human rights risks, please see our latest [Sustainable Investment Report](#).

c. Our Procurement of Goods and Services

PSP Investments is developing a Supplier Code that will set out the standards PSP Investments expects direct suppliers to uphold. The Supplier Code will include provisions on fair and safe working conditions, appropriate compensation, and prohibition of any form of Forced Labour and Modern Slavery. Suppliers will be expected to acknowledge the Supplier Code if they do not have one of their own.

During this fiscal year, we have also updated our tools to enhance our ability to identify countries or industries that pose higher risks of Forced Labour and Modern Slavery in our direct supply chains for goods and services.

In addition, our Procurement team has received awareness training on Forced Labour and Modern Slavery (as further described below), as well as training on our updated tools.

PART 4: Assessment and Management of Forced Labour and Modern Slavery Risks

As discussed above, PSP Investments typically presents a lower risk of Forced Labour and Modern Slavery across our workplaces.

In order to fulfil its mandate, PSP Investments manages a diversified global portfolio composed of investments in various asset classes. Investments in certain countries or industries may carry greater risks of Forced Labour and Modern Slavery.

Our updated frameworks, processes and tools aim to enhance our ability to identify material risks of Forced Labour and Modern Slavery in our private investment activities based on certain factors, including those set out in the annual list prepared by the Bureau of International Labor Affairs (“ILAB”) and published by the United States Department of Labour (“USDOL”). The USDOL list describes goods and source countries which the ILAB has reason to believe are produced by child labour or forced labour.

We also completed a preliminary mapping of PSP Investments’ direct supply chains for goods and services by countries or types of goods and, based on this mapping, conducted an internal assessment of the Forced Labour and Modern Slavery risks that may be present in those supply chains. Based on our internal assessment, our direct supply chains present a lower risk of Forced Labour and Modern Slavery.

The management of Forced Labour and Modern Slavery risks is a collaborative effort by multiple functions.

PART 5: Remediation Measures

PSP Investments relies on the use of our existing reporting mechanisms for identifying occurrences or risks of Forced Labour and Modern Slavery at PSP Investments, and where appropriate, in our approach to remediation of Forced Labour and Modern Slavery.

PSP Investments has a Speak Up Line through which concerns or breaches of the Code could be reported without fear of retaliation. The Speak Up Line is available and accessible on PSP Investments’ website and users are able to report confidentially without any fear of retaliation. Concerns or breaches alleged on the Speak Up Line are reported to PSPIB’s Chief Compliance Officer and to the Governance Committee. Diverse measures may be taken to investigate and address complaints received. The appropriate measure in each case is determined in consultation with the appropriate teams and may include remediation for the loss of income where appropriate.

For the fiscal year ending March 31, 2024, PSP Investments has not received any complaints nor discovered any situations with respect to PSP Investments’ workplaces or supply chains relating to Forced Labour and Modern Slavery through the Speak Up Line.

PART 6: Employee Training

PSP Investments believes that training is important for raising awareness within the organization and building employee capabilities to mitigate risks and appropriately escalate concerns. Training is provided, on an ongoing basis, including in this fiscal year, in relation to our Code, human resources policies, compliance, and on the broader topic of sustainable investing.

PSP Investments developed mandatory training for relevant employees and consultants at PSP Investments with respect to recognizing risks related to Forced Labour and Modern Slavery, including a focus on the key principles as contained in the Act and MSA. Training sessions have commenced in this fiscal year and will continue in 2024.

All employees and consultants are educated on the Speak Up Line as part of the Code training. New joiners are required to complete training on the Code upon joining, and there is mandatory training annually on the Code for all

employees and consultants. In 2024, PSP Investments will be adding references to Forced Labour and Modern Slavery in our mandatory Code training to help raise awareness among our workforce.

Training sessions are also organized on a regular basis to keep relevant employees abreast of sustainability-related trends, risks and opportunities and to provide appropriate tools to identify and assess sustainability-related risks, including risks related to Forced Labour and Modern Slavery.

PART 7: Assessing Effectiveness

Our approach to assessing the effectiveness of the steps to prevent and reduce the risks of Forced Labour and Modern Slavery in our activities and supply chains involves:

- Gathering and monitoring data on our workplaces raised through employee surveys or our reporting mechanisms;
- Tracking employee attendance of Code training;
- Monitoring ethical conduct and sustainability-related data points; and
- Carrying out regular reviews of our policies and procedures, including those that support the prevention and reduction of Forced Labour and Modern Slavery risks.

PSP Investments recognizes that the review and assessment of our actions to assess and manage Forced Labour and Modern Slavery and other human rights issues across our activities and supply chains will be an ongoing and evolving process. The goal of PSP Investments is to continue reviewing our approach to assessing effectiveness.

PART 8: Approval and Sign Off

A. PSPIB

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in the report for PSPIB. 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.

Martin Glynn

Chair of the Board of Directors of PSPIB



_____ I have the authority to bind PSPIB.

May 28, 2024

B. PSPIHE

PSPIHE is committed to upholding high standards of corporate governance. The Board of Directors of PSPIHE has primary responsibility for reporting under UK Legislations (including the MSA), together with the Company Secretary.

This statement has been approved by the Board of Directors of PSPIHE on April 19, 2024 and signed by two directors.

Nicola Tassell

Director of PSPIHE



May 23, 2024

Michael Adams

Director of PSPIHE



May 23, 2024