

FIGHTING AGAINST MODERN SLAVERY

— 2023-24 REPORT —



May 29, 2024

The Honourable Dominic LeBlanc, P.C., M.P.
Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs
House of Commons
Ottawa, Ontario
K1A 0A6

Re: *SaskPower's Modern Slavery Report (2023) - Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)*

Dear Minister:

In accordance with the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SaskPower is submitting its Report Regarding Modern Slavery, covering its fiscal year April 1, 2023, through March 31, 2024 (the "Report").

The Report captures SaskPower's supply chain due diligence practices and continued efforts towards detecting, preventing and mitigating the risk of modern slavery.

Respectfully submitted,



Rupen Pandya
President and CEO
SaskPower

Attachment: *SaskPower's Modern Slavery Report (2023) - Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)*

Cc: The Honourable Dustin Duncan, Minister Responsible for SaskPower
Chief Darcy Bear, Chair, Board of Directors, SaskPower
The Honourable Gary Anandasangaree, Minister of Public Safety
Kent Campbell, President and CEO, Crown Investments Corporation of Saskatchewan
Francis Bradley, President and CEO, Electricity Canada
Rachelle Verret Morphy, Executive Vice President, Legal & Corporate Services and General Counsel, SaskPower
Rhea Brown, Executive Vice President, Customer Experience & Procurement, SaskPower

FIGHTING AGAINST MODERN SLAVERY | REPORT

Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)

2023/24

INTRODUCTION

This Report constitutes Saskatchewan Power Corporation's Report Regarding Modern Slavery (Report), covering our fiscal year April 1, 2023, through March 31, 2024 (the "Reporting Period").

This Report is made on behalf of Saskatchewan Power Corporation (collectively "SaskPower", "we", or "our") pursuant to the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act).

It captures SaskPower's supply chain due diligence practices and our continued efforts towards detecting, preventing, and mitigating the risk of modern slavery. This includes but is not limited to forced labour, human trafficking, and exploitation, that may be used in SaskPower's supply chains. SaskPower encourages our suppliers to be leaders in their industries and demonstrate a strong commitment to sustainable development by adopting diversity, health and safety, labour, environmental, and ethical principles that ensure the fair treatment and equitable opportunities for all individuals involved in their operations and supply chains.

OUR STRUCTURE, BUSINESS, AND SUPPLY CHAINS

OUR CORPORATE STRUCTURE AND BUSINESS ACTIVITIES

Corporate Profile

SaskPower traces its origins to the Saskatchewan Power Commission that was founded in 1929. In 1949, our company was incorporated as a provincial Crown corporation under the authority and mandate of *The Power Corporation Act*. *The Power Corporation Act* has had several modifications over its lifetime. However, SaskPower's mission — ensuring reliable, sustainable, and cost-effective power for our customers and the communities we serve — has not fundamentally changed.

The Power Corporation Act grants SaskPower the exclusive franchise within the province of Saskatchewan (except for the City of Saskatoon and the City of Swift Current) to supply, transmit and distribute electricity, as well as to provide retail services to customers.

Our company's vision, mission and values flow from *The Power Corporation Act* and SaskPower's relationship with Crown Investments Corporation of Saskatchewan (CIC). We support the strategic direction provided by CIC. In turn, CIC is responsive to general government direction as articulated in a variety of ways, such as through the annual Speech from the Throne or formal policy statements.

Pursuant to *The Power Corporation Act*, the President and Chief Executive Officer of SaskPower reports to a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, our company's Board of Directors is accountable to the Minister Responsible for SaskPower. The Minister functions as a link between SaskPower and provincial cabinet, as well as the Saskatchewan Legislative Assembly.

Our Operations

SaskPower's team is made up of over 3,200 permanent full-time employees. We manage almost \$14 billion in generation, transmission, distribution, and other assets. Our company operates seven natural gas stations, three coal-fired power stations, seven hydroelectric stations, and two wind facilities. Combined, they generate 3,874 MW of electricity. SaskPower also buys power from various independent power producers. Our company's total available generation capacity is 5,355 MW.

We are responsible for serving over 550,000 customer accounts within Saskatchewan's geographic area of approximately 652,000 square kilometres. About three customer accounts are served per circuit kilometre. We maintain nearly 160,000 circuit kilometres of power lines, 65 high voltage switching stations and 191 distribution substations. Our company also has transmission interties at the Manitoba, Alberta, and North Dakota borders.

OUR SUPPLY CHAIN

SaskPower's supply chains play a pivotal role in ensuring operational integrity, safeguarding the reliability of the provincial power grid, as well as helping maintain affordable power for our customers.

SaskPower's supply chains involve centralized procurement, contracting, and logistic functions that oversee the procurement of goods and services from suppliers of all sizes. We work with hundreds of local, regional, Indigenous, and international suppliers. This demand sparks increased economic activity and hiring in various industries across Saskatchewan and beyond.

SaskPower has and continues to develop policies and procedures to fight against modern slavery, including supply chain due diligence review, supplier onboarding assessments, and supplier performance management throughout the procurement and contracting process. We prioritize transparency and accountability in our procurement activities. We are committed to promoting equal opportunity and supporting the economic development of women-owned businesses and Indigenous vendors in the communities where we operate and having an inclusive supply chain that is reflective of the communities we serve.

In 2023-24, SaskPower's procurement spending reached \$1.5 billion, of which \$877 million (or 57.9 percent) are with suppliers in Saskatchewan. The remaining are sourced from suppliers in other parts of Canada, the United States, and the European Union region etc., driven by SaskPower's operational needs and the outcome of the competitive procurement process.

Our procurement spend primarily focuses on the following areas:

- sustainment of existing infrastructure
- new infrastructure development supporting customer growth and new customer connections
- investing in new low emission natural gas generating facilities

OUR POLICIES AND DUE DILIGENCE PROCESSES

Employee Code of Conduct

The SaskPower Code of Conduct Policy ("Code") applies to the Board of Directors of SaskPower, SaskPower officers, employees, and contractors, as well as to directors, officers, and employees of SaskPower subsidiaries (collectively "SaskPower Personnel"). The Code is intended to provide SaskPower Personnel with both general and specific guidelines to protect those faced with ethical, moral and legal dilemmas during the course of their employment or in carrying out their duties.

SaskPower expects all personnel to uphold the corporate values and principles in their work activities and in any area where they could be seen to be representing SaskPower. In keeping with this, it is the responsibility of all personnel to ensure they become familiar with and stay current on the contents of the Code as it is updated from time to time. In relation to modern slavery, our Code helps ensure that employees and contractors obey fair labour practices, comply with health and safety legislation, promote a respectful workplace, and follow all procurement policies and procedures.

Supplier Code of Conduct

We have a principles-based Supplier Code of Conduct that articulates SaskPower's expectations with respect to a supplier's business integrity, responsible business practices, and responsible treatment of individuals and the environment. SaskPower encourages our suppliers to be leaders in their industries and to demonstrate strong commitment to sustainable development by adopting diversity, health and safety, labour, environmental, and ethical principles that ensure the well-being of their employees.

In all activities, suppliers must conduct business in full compliance with the laws, rules, and regulations of the countries and jurisdictions that are applicable to them. Suppliers are encouraged to exceed legal compliance to advance social and environmental responsibilities. Suppliers are expected to take all reasonable measures to apply the Supplier Code of Conduct across their entire business and within their own supply chain.

Due Diligence Processes

SaskPower is committed to combating modern slavery. We prioritize early detection and prevention as integral components of our supply chain due diligence process and anti-modern slavery strategy.

As part of the procurement and contracting process, suppliers are afforded the opportunity to self-assess and provide information. In addition to assessing the suppliers' voluntary disclosures, SaskPower may also perform our own due diligence in relation to the supplier that may include, but is not limited to: third-party audit, factory/site visit, adverse media search, and public database searches (corporate search, court filings in Canada and abroad), to ensure conformance to our quality, performance, and ethical standards.

Furthermore, when evaluating global sourcing options, especially where countries or regions present elevated risks, SaskPower also consults advisories and alerts published by the relevant federal and provisional authorities to obtain updated information and enhanced level of understanding on the risks involved to ensure appropriate measures are being taken to address any issues or concerns.

MODERN SLAVERY RISKS

As the energy transition accelerates globally, our supply chains are both rapidly evolving and significantly impacted by the ongoing restructure of the global energy supply chains. We remain vigilant on our supply chain management practices given forced labour, child labour, and human trafficking may be present in our extended supply chains.

OUR ACTIONS TO ADDRESS MODERN SLAVERY RISKS

We understand that getting suppliers to recognize their potential links to modern slavery in their supply chains is an important initial step in combating modern slavery. We work diligently and collaboratively with our suppliers to collect information, share practices, and identify potential weak links in our collective supply chains.

Voice of the Supplier Survey

SaskPower's Voice of the Supplier Survey is conducted annually to promote dialogue between SaskPower and our suppliers. The survey focuses on how SaskPower is perceived as a customer by our suppliers and enables the supplier community to provide feedback on targeted issues in relation to SaskPower's procurement and contracting performances across multiple supplier relationship competencies. The results are used to inform our future sourcing strategies and continuous improvement efforts.

As many modern slavery risks are linked to corruption, human rights violations, and unfair labour practices and exploitation, we identified human rights and fair labour practices as part of the key issues to be included in the 2023 survey. Based on the survey results received, suppliers highly recognized SaskPower's performance regarding our approach towards addressing the risks of modern slavery and acknowledged that through their engagement with SaskPower's procurement activities:

- SaskPower ensures suppliers understand its fair labour policies
- SaskPower has clear expectations regarding human rights
- SaskPower clearly communicates its anti-corruption policies and expectations
- SaskPower has a confidential process to report incidents of ethical or legal violations

Supplier Performance Management Program

Through SaskPower's Supplier Performance Management Program, supply chain users are empowered to proactively manage their suppliers and associated performance matters to ensure that suppliers conform to SaskPower's performance requirements and ethical standards.

If SaskPower becomes aware and reasonably believes that a supplier, subcontractor, or any party for whom they are responsible is violating applicable laws or SaskPower policies, we reserve the right to issue a notice to the supplier, requiring immediate corrective action. If the supplier does not take immediate corrective action in accordance with the terms of the notice, SaskPower may direct the supplier to stop all work at the site and/or pause the delivery of product or services until the supplier takes the corrective action. Non-compliance matters may be escalated to the Bid Restriction Advisory Committee, which comprises representatives from Law, Generation, Transmission, Distribution, Project Delivery Office, and Procurement business divisions to further review, assess, and investigate, where appropriate. If non-compliance has been proven, SaskPower reserves the right to terminate the contract with a supplier and/or suspend that supplier from bidding on SaskPower procurements for a minimum of two years. After this period, the supplier may apply for reinstatement. Additionally, SaskPower may impose other sanctions or disciplinary measures at its sole and absolute discretion.

OUR REMEDIATION MEASURES

SaskPower is not aware of any instances of forced labour or child labour during the Reporting Period. Nor are we aware whether vulnerable families have experienced any loss of income as a result of steps taken to address forced labour or child labour; no remediation activities have been undertaken.

OUR TRAINING AND AWARENESS

Understanding and complying with the Code of Conduct is a condition of employment at SaskPower, and employees and contract workers must complete the Code of Conduct training course and acknowledgment annually.

Our suppliers are also required to abide by SaskPower's Supplier Code of Conduct throughout the term of the contract and ensure their employees and supervisory staff take relevant training in the requirements for their aspects of the work.

ASSESSING OUR EFFECTIVENESS

We acknowledge that the battle against modern slavery is a long-term endeavor, necessitating sustained efforts from all stakeholders across supply chains. SaskPower remains committed to continuously improving our approach, due diligence, and supply chain practices to assess the progress we're making in addressing risks related to modern slavery and human trafficking.

We actively host and participate in various supplier sessions, industry events, and dialogues throughout the year. During these engagements, we discuss and share our current procurement practices. Additionally, we bring back innovative approaches, industry standards, and best practices to our organization, further strengthening our programs and efforts in the fight against modern slavery.

REPORT APPROVAL AND ATTESTATION

The Report is approved by Directors of the SaskPower Board 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 SaskPower. 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 financial year ending March 31, 2024.

NOTICE

SaskPower is filing this Report because we support the Act's goals of preventing and reducing the risk of forced or child labour in supply chains. By filing this Report, SaskPower is not conceding that the Act applies to it, nor is SaskPower conceding that the federal government has jurisdiction over SaskPower or any provincial agencies or corporations respecting any of the matters addressed by the Act. This filing is without prejudice to any legal rights, defenses, powers, rights, immunities or exemptions that SaskPower may have under any law. This filing does not set a precedent for this or any other similar matter in the future, and we reserve the right to decline to file future reports.



I have authority to bind SaskPower
Rupen Pandya
President and CEO

May 29, 2024



I have authority to bind SaskPower
Chief Darcy Bear
Chair, Board of Directors

May 29, 2024