

# **TEPCO RESOURCES INC.**

2023 Modern Slavery Report

For financial year ended December 31, 2023.

## Introduction

Tepco Resources Inc. (“Tepco”) is committed to upholding the highest standards of ethical conduct and integrity in its business practices. This report is prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* S.C. 2023, c. 9, (the “Act”), which mandates transparency and actions against modern slavery and child labour within supply chains. This report pertains to Tepco’s statement for the financial year ending December 31, 2023. Tepco does not currently report under similar legislation in any other jurisdiction.

## Company Structure and Supply Chains

Tepco was incorporated on April 1, 1997, under the *Canada Business Corporations Act* (“CBCA”), and continued under the *Business Corporations Act*, (British Columbia), on December 15, 2014. Tepco is 100% owned by the Tokyo Electric Power Company, which was created on May 1, 1951, as a joint stock company under the Companies Act of Japan.

Tepco is involved in the exploration, development, and production of mineral resources and their operations are limited to Canada.

### **Canadian Operations:**

Tepco’s sole Canadian-based operation is their 5% interest in the Cigar Lake Joint Venture, a significant uranium mining project located in northern Saskatchewan. The Cigar Lake project is managed and operated by Cameco Corporation, which adheres to stringent regulations and standards regarding labour practices and environmental stewardship. We work closely with our partners to ensure compliance with our ethical standards and the requirements of the Act.

### **Global Supply Chains:**

Our supply chains are extensive and involve numerous suppliers and contractors who provide goods and services ranging from raw materials and equipment to logistical support. Given the nature of our operations, we recognize the complexities and challenges in managing and monitoring these supply chains to prevent modern slavery and child labour.

## Policies in Relation to Modern Slavery and Child Labour

Tepco is dedicated to ensuring that there is no forced labour or child labour in our supply chains or in any part of our business. Our policies reflect our commitment to act ethically and with integrity in all our business relationships. These policies include:

- **Supplier Code of Conduct:** Tepco’s Supplier Code of Conduct was overhauled in 2021 to explicitly establish Tepco’s expectations regarding human rights for their suppliers. The Supplier Code of Conduct outlines the expectations for all suppliers to comply with laws regarding forced labour, child labour, and human trafficking, among other sustainable procurement guidelines developed and implemented by Tepco. Each supplier of Tepco must complete and submit to Tepco a “Confirmation of Compliance with Sustainable Procurement Guidelines.”

- **Human Rights Policy:** Commits to upholding international human rights standards, including the principles set out in the United Nations Guiding Principles on Business and Human Rights, which explicitly prohibits any human trafficking, forced labour, or child labour. The Policy was established based on international human rights norms and principles (e.g., the International Bill of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the Children’s Rights and Business Principles), and by incorporating opinions of external experts.
- **Whistleblower Policy:** Provides a confidential reporting mechanism for employees and suppliers to report any concerns related to unethical practices, including modern slavery and child labour. The policy also sets out that Tepco will protect any client or employee who reports under the policy, and it explicitly prohibits unfavorable treatment and retaliation against them.

### **Policies and Due Diligence Processes**

To identify and mitigate the risk of forced labour and child labour in our supply chains, Tepco has implemented the following due diligence processes:

- **Risk Assessment:** Regular assessments of our supply chains to identify areas at high risk for modern slavery and child labour and regularly consulting the Global Slavery Index to identify areas that may be considered high risk for modern slavery or child labour.
- **Supplier Audits:** Conducting audits of high-risk suppliers to ensure continued compliance with our Supplier Code of Conduct. Tepco does not knowingly directly engage suppliers located in countries identified in the Global Slavery Index as having the highest prevalence of modern slavery in 2023.
- **Training and Capacity Building:** Providing training for employees and where applicable, our suppliers, to recognize and address issues related to modern slavery and child labour.
- **Stakeholder Engagement:** Engage in dialogue with all stakeholders, including workers’ representatives, suppliers and other business partners, and local communities, so that we can understand and respond to the human rights-related impacts of Tepco’s operations from the perspective of the affected stakeholders. This includes regularly engaging with industry groups, NGOs, and other stakeholders to stay informed about best practices and emerging issues related to modern slavery and child labour.
- **Reporting Mechanism:** Tepco maintains appropriate mechanisms for its stakeholders to report or raise concerns should they suspect or witness unethical or unlawful behaviour, which is formalized through our Supplier Code Conduct, Human Rights Policy, and Whistleblower Policy. These documents outline the processes in place for directors, officers, employees, and third parties to promptly report any suspected violation of our codes and policies, or of any law, rule, or regulation.

### **Risk Assessment and Management**

Tepco conducts comprehensive risk assessments to identify the potential for modern slavery and child labour within our supply chains. This assessment includes:

- **Country Risk:** Evaluating the risk based on the country of operation, considering factors such as governance, labour laws, and enforcement practices.
- **Sector Risk:** Assessing risk based on the industry sector, recognizing that certain sectors may have higher incidences of forced labour or child labour.
- **Supplier Risk:** Monitoring suppliers based on their history of compliance and previous audit outcomes.

Mitigation strategies are implemented based on the risk assessment, which may include increased monitoring, collaboration with suppliers to improve practices, and in some cases, termination of contracts with non-compliant suppliers. In 2023, Tepco did not identify the need to terminate any contracts with its suppliers due to non-compliance with Tepco policies and procedures. Further, in 2023, Tepco has not identified any instances of the use of forced labour or child labour within our operations or supply chain. Therefore, no remediation measures are currently in place, nor have we been required to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

### **Effectiveness and Performance Indicators**

To measure the effectiveness of our efforts to combat modern slavery and child labour, Tepco uses the following quantifiable key performance indicators (KPIs):

- **Number of Supplier Audits Conducted:** Tracking the number and results of audits conducted in high-risk areas.
- **Training Participation Rates:** Monitoring the participation and completion rates of training programs for employees and suppliers.
- **Incident Reports:** Recording and investigating any reported incidents of modern slavery or child labour, along with the actions taken to address them.

### **Training for Staff and Suppliers**

Tepco provides regular training for our employees and engagement with our suppliers to ensure they understand the risks of modern slavery and child labour and can effectively identify and address these issues. Training includes:

- **Awareness Training:** General awareness about modern slavery and child labour, including indicators and reporting mechanisms. As well as ensuring our suppliers are aware of our Corporate Governance, Human Rights and Whistleblower Policies through their compliance with our Supplier Code of Conduct.
- **Role-Specific Training:** Tailored training for employees in procurement, supply chain management, and compliance roles. Tepco implements human rights training from the top of their parent organization downward; in 2023, over 370 executives from Tepco and their parent organization attended training led by a third-party professional providing guidance and solutions to meet Tepco's goals and expectations with respect to human rights. As well, beginning in late 2022, and continuing into 2023, over 23,000 employees of Tepco and their parent organization engaged in workplace-level trainings led by local managers and the Human Rights Committee, using tools such as the human rights training manual

developed by the Human Rights Committee. As well, all newly hired employees and executives of Tepco are trained in all policies of Tepco as part of their onboarding process.

- **Supplier Engagement:** Providing consultation and sharing our resources with our suppliers to help them understand and comply with our policies and legal requirements. This includes distribution of our human rights training materials, soliciting direct feedback from our suppliers via sustainable procurement surveys and our requirement that suppliers confirm their compliance with our Sustainable Procurement Guidelines.

### **Conclusion**

Tepco is committed to continuously improving our practices to combat modern slavery and child labour within our operations and supply chains. We will regularly review and update our policies and procedures to ensure they remain effective and in line with the latest legal requirements and industry standards.

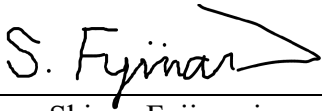
### **Approval and Attestation**

This report was approved by the board of directors of Tepco Resources Inc. on May 30<sup>th</sup>, 2024, in accordance with section 11(4)(b)(i) of the 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.

I am providing this attestation in my capacity as a director and officer of Tepco Resources Inc. and not in my personal capacity. I have the authority to bind Tepco Resources Inc.

**TEPCO RESOURCES INC.**

A handwritten signature in black ink that reads "S. Fujinami" followed by a long, sweeping horizontal stroke that extends to the right.

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Name: Shigeo Fujinami  
Title: President & CEO  
May 31, 2024