

2024 Modern Slavery Report

Introduction

Wataynikaneyap Power GP Inc., acting in its own capacity and in its capacity as general partner of Wataynikaneyap Power LP (Wataynikaneyap Power, we, us, our) is pleased to provide its annual report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) for the year 2024.

Wataynikaneyap Power does not produce, sell, or distribute goods (as the term “goods” is understood in the ordinary sense of the word) in Canada or elsewhere, but may, from time to time, import into Canada goods produced outside Canada.

This report describes steps we have taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada. It is organized to address the information requirements under section 11 of the Act. The term “modern slavery”, when used in this report, includes forced labour and child labour.

Structure, Operations, and Supply Chains

Structure and Operations

Wataynikaneyap Power is a licensed transmission company majority-owned by a partnership of 24 First Nations (51%) in partnership with Fortis Inc. and other private investors (49%), regulated by the Ontario Energy Board. FortisOntario Inc., a wholly owned subsidiary of Fortis Inc., acts as the project manager through its wholly owned subsidiary, Wataynikaneyap Power PM Inc. First Nation leadership established Guiding Principles, endorsed by its partners that set out expectations for Wataynikaneyap Power's development. The 24 First Nations also established Opiikapawiin Services LP to lead the community engagement and participation for Wataynikaneyap Power. To connect remote communities to the electrical grid, Wataynikaneyap Power is developing, managing construction, and operating approximately 1,800 kilometres of transmission lines in northwestern Ontario.

Supply Chain

The term “supply chain” is not defined in the Act. The regulated utility industry is highly capital intensive with continuous investment in critical infrastructure. Therefore, for our utilities, “supply chain” primarily relates to the timely and cost-effective sourcing of goods that are necessary to support the operation, expansion, and maintenance of critical electricity infrastructure.

Public utilities have an obligation to serve and are responsible for ensuring safe and reliable utility service. When severe weather or other forces damage utility infrastructure and cause service outages, there is a public expectation that service will be restored promptly. This service obligation means that utilities must maintain stores of inventory for critical system components to enable timely service restoration, as well as to support routine system maintenance.

Public utilities are also subject to economic and other forms of regulation. Generally, regulated utilities are subject to a prudence standard under which the utility's regulator must be satisfied that costs are prudent before they can be recovered in customer rates. Under this model, cost and quality are key considerations between similarly qualified suppliers.

Many goods required by our utilities are specialty products unique to utility operations. Certain components of electric systems can only be sourced from a small number of suppliers around the world, or even a single supplier. In these cases, utilities have limited or no opportunity to choose between “qualified” suppliers.

To date, the tracking of supplier information has focused on the goods specifically required for utility operations rather than general consumables. Less information is collected on suppliers that are not critical to the utility’s service delivery and overall procurement program.

Country of Origin

In the past, we have not generally tracked goods in their supply chains by country of origin. As a result, there is limited data currently available on the country of origin of goods within our supply chain. We expect to implement measures to facilitate the gathering of more country-of-origin data, including investigating the use of vendor management tools in 2025, which could as a repository for country-of-origin data.

Importation of Goods into Canada

While we may import goods into Canada from time to time (i.e., as “importer of record” for customs purposes), the level of this activity is quite low. Most goods procured are purchased through Canadian distributors or manufacturers, who are generally the importer of record.

Policies and Due Diligence

The Act is the first legislation to impose modern slavery-related compliance obligations on Wataynikaneyap Power. Therefore, in 2024 we began to update our policy and compliance framework to address this subject area more fully, including developing a new *Vendor Code of Conduct*, which would supplement our *Code of Conduct* that addresses human rights and modern slavery at a general level. In 2024, a draft *Vendor Code of Conduct* was developed, with the intent to approve and implement the document in 2025.

We will endorse a risk-based approach to assessing the likelihood of human rights abuses in our supply chains, considering the scope, location, and nature of a supplier’s activities and associated risks, as well as the human rights conditions in the countries where goods are produced and sourced. We will also establish expectations regarding the role of our suppliers in seeking to reduce the likelihood of human rights abuses in our supply chains.

Due Diligence Processes

Historically, suppliers would have been vetted for such things as product quality, reliability, reputation, cost effectiveness, timeliness, and efficiency and have not been vetted for modern slavery risk. To support supply chain modern slavery due diligence, a vendor management solution was investigated, and its implementation will be evaluated in 2025.

This vendor management solution would supplement existing supply chain processes. This work may be aided by reference to resources publicly available through reliable and reputable third-party sources such as Walk Free’s Global Slavery Index, the Responsible Sourcing Tool, and the U.S. State Department’s Trafficking in Persons Reports.

Assessing Modern Slavery Risks

As described above, we are working toward a full assessment of modern slavery risk in our supply chains. For utility operations-specific supply chains, most components of utility infrastructure systems are sourced in North America, with the balance coming mainly from Europe, Turkey, Australia, New Zealand, and Asia.

Walk Free provides general information on its website ranking those imports into Canada that are perceived to carry the highest modern slavery risk. Among the goods listed are electronics, garments, and textiles. We consume a range of these products. We use electronics for various purposes, including security and control systems, diagnostic equipment, personal computers, communication devices, and printers. Specialized garments and personal protective equipment are also required to ensure the safety of utility workers. Virtually all of these products are sourced through domestic distributors. To date, we have not completed a comprehensive modern slavery risk assessment on these products independent of any risk assessment done by the domestic distributors.

The actions being taken to assess and manage modern slavery risk in our supply chains are progressing. Implementing a new *Vendor Code of Conduct* is intended to, among other things, bring a standardized approach towards modern slavery risk in our supply chain. The planned evaluation of a vendor management solution with modern slavery due diligence capabilities is expected to assist in identifying potential areas of concern in our supply chain and mitigating such risks. We expect this to be an incremental, multi-year process, as we gain more knowledge, experience, and capability in this area.

Remediation Measures

To date, we have not yet identified any instances of forced labour or child labour in our supply chains, and therefore no remediation measures have been taken. As noted above, we are in the process of evaluating measures that will provide the ability to assess our supply chain in more detail, including potential modern slavery risks.

Training

Employees receive training on subject matters addressed in our *Code of Conduct*. All new employees receive training on key policies as part of their onboarding and orientation process. Periodic recurring training is also provided on certain policies, to either all employees, or targeted to a subset of employees, based on the subject matter of the policy and the nature of the employee's role.

Our *Code of Conduct* is the foundational policy document which provides our employees with guidance on ethical business conduct, including our respect for human rights. *Code of Conduct* training is considered most directly relevant to all employees and therefore all employees receive training on this document. Modern slavery is an important consideration for employees directly involved in supply chain management and as such, modern slavery training activities are primarily focused on employees that oversee and engage with our supply chains. We expect to incorporate general content on modern slavery into our *Code of Conduct* training.

Assessing our Effectiveness

To date, we have not assessed the effectiveness of our planned approach to reduce the risk of forced labour and child labour in our supply chains.

As noted above, we are in the process of evaluating and implementing measures that will provide better visibility and the ability to assess our supply chain in more detail, including potential modern slavery risks.

Attestation

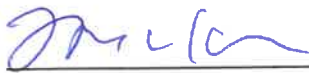
This joint report has been approved by the Wataynikaneyap Power Board of Directors in accordance with the Act.

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.

Full name: Frank McKay

Title: Chair

Date: April 23, 2025

Signature: 

I have the authority to bind Wataynikaneyap Power.