



2023 Modern Slavery Report

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|------------|--------------|
| Page: | 1 of 5 |
| Signed: | May 21, 2024 |
| Issue No.: | 1.0 |

Wataynikaneyap Power GP Inc., acting in its own capacity and in its capacity as general partner of Wataynikaneyap Power LP (Wataynikaneyap Power, we, 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 2023.

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.

The sections below describe steps we have taken during 2023 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 and are 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.

(a) Structure, activities, and supply chains

Structure and Activities

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 utility industry is highly capital intensive due to its requirement for 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 charged with ensuring 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.



2023 Modern Slavery Report

| | |
|------------|--------------|
| Page: | 2 of 5 |
| Signed: | May 21, 2024 |
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Public utilities are also subject to economic and other forms of regulation. Generally, regulated utilities are subject to a prudency 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.

Historically, the tracking of supplier information has focused more on the goods required for utility operations rather than general consumables that are broadly used in our society. Generally, less information is collected on suppliers that are less critical to the utility's service delivery and overall procurement program.

Country of Origin

To date, we have generally not 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.

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. Third parties are generally the importer of record for goods produced outside of Canada which are sourced.

(b) Policies and due diligence processes in relation to forced labour and child labour

The Act is the first legislation to impose modern slavery-related compliance obligations on Wataynikaneyap Power. Therefore, steps will be taken to update our policy and compliance framework to address this subject area more fully. Specifically, a new *Vendor Code of Conduct* will be reviewed and developed in 2024 (supplementing our *Code of Conduct* which addresses human rights and modern slavery at a general level).

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.



| | |
|------------|--------------|
| Page: | 3 of 5 |
| Signed: | May 21, 2024 |
| Issue No.: | 1.0 |

Due diligence processes

Historically, our supply chain due diligence activity has not specifically addressed modern slavery risk. Rather, suppliers would be vetted for such things as product quality, reliability, reputation, cost effectiveness, timeliness, and efficiency. To support supply chain modern slavery due diligence, a vendor management solution will be investigated.

This modern slavery due diligence tool is expected to augment 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.

(c) Parts of the business and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk

We are preparing to conduct 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. Other countries of origin for these goods may include Norway, Finland, the Netherlands, Germany, Turkey, Australia, New Zealand, Mexico, Taiwan, and South Korea.

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 and tablets, communication devices, and printers. Specialized garments and personal protective equipment (PPE) are also required to ensure the safety of utility workers. Virtually all 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 main actions being taken to assess and manage modern slavery risk in our supply chains are in their early stages. Developing a new *Vendor Code of Conduct* is intended to, among other things, bring a standardized approach towards modern slavery risk in our supply chain. Evaluating 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.

(d) Measures taken to remediate any forced labour or child labour

As noted above, we are in the planning stages of implementing measures to provide the ability to assess our supply chain and identify potential modern slavery risks. 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.

(e) Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in activities and supply chains

As noted above, we are in the planning stages of implementing measures to provide the ability to assess our supply chain and identify potential modern slavery risks. 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.

(f) Training provided to employees on forced labour and child labour

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 this training. While modern slavery is an important consideration for employees directly involved in supply chain management, many employees do not encounter issues implicating modern slavery in their day-to-day work. Therefore, it is expected that modern slavery training activities will be tailored to the intended target audience. We expect to incorporate general content on modern slavery into our Code of Conduct training.

(g) Assessing effectiveness in ensuring that forced labour and child labour are not being used in the business and supply chains

As noted above, we are in the planning stages of implementing measures to provide the ability to assess our supply chain and identify potential modern slavery risks. To date, we have not assessed the effectiveness of our planned approach to reduce the risk that forced labour and child labour is used in our supply chains.



2023 Modern Slavery Report

| | |
|------------|--------------|
| Page: | 5 of 5 |
| Signed: | May 21, 2024 |
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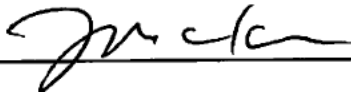
Attestation

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 Angus McKay

Title: Chair

Date: May 21, 2024

Signature: 

I have the authority to bind Wataynikaneyap Power.

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