

PSP Investments Forced Labour and Modern Slavery report

Public Sector Pension Investment Board
PSP Investments Holding Europe Ltd

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Introduction

This Report is submitted by the Public Sector Pension Investment Board (“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, 2024 and ending March 31, 2025.

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](#).

As of March 31, 2025, PSP Investments employed 1087 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 the superannuation acts of the Plans 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, 2025, PSP Investments procured goods and services from approximately 911 suppliers from 37 countries across our operational and investment activities. Our top 84 suppliers made up 80% of our spend. By country, approximately 92% of our spend was with suppliers based in Canada, the United Kingdom and the United States.

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

In general terms, in the fiscal year ending March 31, 2025, PSP Investments has taken the following steps to assess, manage, prevent and/or reduce the risks of forced labour, child labour, and other forms of modern slavery ("Forced Labour and Modern Slavery") in our activities and supply chains.

- We continued our dedicated Forced Labour and Modern Slavery Working Group to oversee the completion of this Report, as well as our efforts to assess, manage, prevent and/or reduce Forced Labour and Modern Slavery risks. We also established Terms of Reference describing its governance;
- We conducted an internal assessment of our policies and procedures with a view to determining whether updates were necessary in respect of Forced Labour and Modern Slavery risks;
- We conducted a high-level 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 conducted an external assessment of the risks of Forced Labour and Modern Slavery that may be present in our direct supply chains for goods;
- We conducted a high-level mapping (on the basis of countries and sectors) of our internally managed investments and certain externally managed investments for all asset classes;
- We provided training on Forced Labour and Modern Slavery as part of (i) the general [Code of Conduct](#) ("Code") training offered to our workforce, and (ii) more specifically-targeted training offered to investment teams and other business groups whose functions may involve recognizing Forced Labour and Modern Slavery risks;
- We finalized our Supplier Code of Conduct ("Supplier Code") which sets the standards that PSP Investments expects our direct suppliers of goods and services to uphold, including prohibitions on any form of Forced Labour and Modern Slavery; and
- We developed and/or updated our frameworks, processes, controls or tools to enhance our ability to identify and mitigate Forced Labour and Modern Slavery risks in our operational and investment activities and direct supply chains for goods and services, and to comply with our obligations under this Act and the MSA.

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

The key policies and procedures that supported PSP Investments' approach to the assessment and management of material Forced Labour and Modern Slavery risks in this fiscal year were as follows:

Our Workplaces	<p>Our 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>We developed an internal human resource procedure for refusing unsafe work. In accordance with Part II of the <i>Canada Labour Code</i> and the UK <i>Employment Rights Act 1996</i>, this procedure outlines the steps to be taken if an employee believes a workplace condition poses a danger to them.</p>
Our Risk-Based Approach to our Investment Activities	<p>Our Risk Appetite Statement describes our appetite, attitude and tolerance for a variety of risks that may arise across our investment activities and as such aims to provide basic parameters for our due diligence processes. The Risk Appetite Statement includes considerations related to Forced Labour and Modern Slavery set out as part of our investment-related risks and non-investment-related risks, for example: 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 have also published a new internal risk management corporate procedure and under this procedure, investments groups complete a standardized questionnaire that includes the topic of social matters, which covers human rights violations, and Forced Labour and Modern Slavery issues, if relevant to the investment.</p> <p>We also have sustainable investment policies and procedures that support the integration of material sustainability-related factors into our investment activities with the objective to enhance the adaptability of our portfolio and to contribute to long-term value creation. These aim to mitigate the risk of material issues in our investments, which may include Forced Labour and Modern Slavery issues.</p>
Our Procurement of Goods and Services	<p>Our Procurement Policy and related procedures govern our approach to transparent and fair procurement practices. PSP Investments has developed 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 help 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, primarily 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 Investment Activities

Prior to making an investment, our investment teams aim to determine if an investment or relationship is suitable and consistent with PSP Investments' policies and risk tolerances by conducting due diligence and/or reviewing risk assessments. Our due diligence process on investments is designed to identify and assess material risks, which may include adverse and material human rights impacts such as Forced Labour and Modern Slavery risks. Material 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.

c. Our Procurement of Goods and Services

PSP Investments has finalized a Supplier Code that sets out the standards PSP Investments expects direct suppliers of goods and services to uphold. The Supplier Code includes provisions on fair and safe working conditions, appropriate compensation, and prohibition of any form of Forced Labour and Modern Slavery. The Supplier Code was launched internally during this fiscal year, and is expected to be rolled-out to all direct suppliers during the next fiscal year. Suppliers will be expected to acknowledge the Supplier Code if they do not have one of their own.

During this fiscal year, we continued to use our tools aimed at identifying countries or industries that pose higher risks of Forced Labour and Modern Slavery in our direct supply chains for goods and services.

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.

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 frameworks, processes and tools aim to enhance our ability to identify material risks of Forced Labour and Modern Slavery in our investment activities based on certain factors, such as countries and industries. We conducted a high-level mapping (on the basis of countries and sectors) of our internally managed investments and certain externally managed investments for all asset classes.

We also completed a high-level 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. We also completed an external assessment of the risks of Forced Labour and Modern Slavery that may be present in our direct supply chains for goods. Based on those assessments, we determined that PSP Investments presents a lower risk of Forced Labour and Modern Slavery with respect to our direct supply chains.

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

PART 5: Remediation Measures

PSP Investments relies on the use of our existing reporting mechanisms to help identify 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. 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, 2025, 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 training with respect to recognizing risks related to Forced Labour and Modern Slavery. Training sessions have been provided to investment teams and other business groups whose functions may involve recognizing such risks, including Procurement.

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. We added references to Forced Labour and Modern Slavery in our mandatory Code training to help raise awareness among our entire workforce.

Training sessions are also organized on a regular basis to keep investment teams in all asset classes 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 completion 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.

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.

Maryse Bertrand

Chair of the Board of Directors of PSPIB



I have the authority to bind PSPIB.

May 26, 2025

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 (x date) and signed by two directors.

Richard Chang

Director of PSPIHE



May 26, 2025

Stéphane Jalbert

Director of PSPIHE



May 26, 2025