



MODERN SLAVERY REPORT

2023-24

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

INTRODUCTION

This Report constitutes the SaskEnergy Incorporated Report Regarding Modern Slavery (“Report”), covering the fiscal year April 1, 2023, through March 31, 2024 (the “Reporting Period”).

In particular, this Report is made on behalf of SaskEnergy Incorporated and its subsidiaries (collectively “SaskEnergy”, “we”, “us” or “our”) pursuant to section 6(2) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”).

The Report outlines SaskEnergy’s approach and efforts to detect, mitigate and prevent the risk of modern slavery in our supply chains. SaskEnergy 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, SaskEnergy is not conceding that the Act applies to it, nor is SaskEnergy conceding that the federal government has jurisdiction over SaskEnergy 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 SaskEnergy 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.

Identifying Information

- Reporting entity’s legal name: SaskEnergy Incorporated
- Financial reporting year: Fiscal year 2023-24 (April 1, 2023 – March 31, 2024)
- Identification of a revised report (if this is a revised version of a report already submitted this reporting year): N/A
- Business number(s): Sask. Corporate Registry Entity Number 101020011
- Identification of a joint report: For clarity, this report covers SaskEnergy and its subsidiaries (subsidiaries are noted in “Corporate Profile” below). The information provided in this Report generally applies to both SaskEnergy and its subsidiaries.
- Identification of reporting obligations in other jurisdictions: N/A
- Entity categorization according to the Act: entity¹
- Sector/industry: natural gas utility
- Location: SaskEnergy’s head office is located in Regina, Saskatchewan, with locations and operations throughout the province

¹ Subject to the caveat in the preceding paragraph indicating the report is being filed on a without prejudice basis.

OUR STRUCTURE, BUSINESS, AND SUPPLY CHAINS

Corporate Profile

SaskEnergy is Saskatchewan's natural gas distribution and transportation company serving residential, farm, commercial and industrial customers. SaskEnergy is a provincial Crown corporation governed by *The SaskEnergy Act*.

SaskEnergy has the following subsidiaries: TransGas Limited provides transportation and storage services; Bayhurst Gas Limited produces and sells natural gas; and Many Islands Pipe Lines (Canada) Limited owns and operates transmission gas interconnections into Alberta, the United States and Manitoba. BG Storage Incorporated is an indirect subsidiary, wholly owned by Bayhurst Gas Limited.

SaskEnergy is a designated subsidiary of the Crown Investments Corporation of Saskatchewan ("CIC"). CIC is also a Crown corporation and is the holding company for Saskatchewan's commercial Crown corporations including SaskEnergy.

Pursuant to *The SaskEnergy Act*, the President and Chief Executive Officer of SaskEnergy reports to a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, our company's Board of Directors are accountable to the Minister Responsible for SaskEnergy. The Minister² functions as a link between SaskEnergy and provincial cabinet, as well as the Saskatchewan Legislative Assembly.

Our Operations

With a team of more than 1,300 permanent full-time employees, SaskEnergy manages over \$3.6 billion in transmission, distribution and other assets. We reach communities across Saskatchewan through our network of over 87,000 kilometres of transmission and distribution lines and serve more than 411,000 customers across the province.

² As of January 1, 2024, the Province of Saskatchewan became the Registered Distributor of marketable and non-marketable natural gas in the Province of Saskatchewan in place of SaskEnergy as a result of an amendment to *The SaskEnergy Act* in December 2023. All of SaskEnergy's powers, rights, authority and obligations with respect to Part 1 of the *Greenhouse Gas Pollution Pricing Act* became exclusive to the Provincial Crown.

In addition, SaskEnergy was directed to undertake the physical distribution and delivery of marketable natural gas or non-marketable natural gas in Saskatchewan as a service provider to the Provincial Crown pursuant to a Directive of the Minister.

Our Supply Chain

SaskEnergy's supply chains play an important role in ensuring operational integrity, safeguarding the reliability of our pipelines, and helping maintain affordable natural gas for our customers.

Through centralized procurement and contracting, SaskEnergy procures goods and services from local, regional, Indigenous and international suppliers of all sizes.

SaskEnergy has and continues to develop policies and procedures that mitigate against modern slavery, including supply chain due diligence review. This includes, for example:

- use of an approved manufacturer's list — certain manufacturers are reviewed and approved to be the permitted suppliers of select goods and services. This review and approval may include site visits, audits and review of quality assurance process and documentation.
- compliance verification: working to ensure suppliers meet legal and regulatory requirements, particularly by vetting vendors during evaluations and including related provisions in resulting contracts.

SaskEnergy is expanding supplier performance management activities throughout the procurement and contracting process. We prioritize transparency and accountability in our procurement activities.

Our procurement spend primarily focuses on the following areas:

- sustainment of existing infrastructure
- new infrastructure development supporting customer growth and new customer connections
- software and license purchases and renewals

In 2023-24, SaskEnergy's procurement spending reached \$397 million as follows:

- \$258 million (or 65%) from Saskatchewan suppliers
- \$132 million (or 33%) from Canadian suppliers outside of Saskatchewan
- \$6 million (or 2%) from U.S. and other international suppliers³

SaskEnergy takes a competitive approach to procurement, which is driven by operational needs.

³ Comprised of United States, European Union, Dubai and Japan.

OUR POLICIES AND DUE DILIGENCE PROCESSES

Employee Code of Conduct

The SaskEnergy Code of Business Conduct and Ethics Policy (“Code of Conduct”) applies to SaskEnergy’s Board of Directors, officers, employees and contractors (collectively “Personnel”). The Code is intended to provide SaskEnergy Personnel with both general and specific guidelines relating to ethical, moral and legal dilemmas during employment or duties.

SaskEnergy expects its Personnel to uphold our corporate values and principles in their work activities and in any area where they could be seen to be representing the SaskEnergy. In relation to modern slavery, our Code of Conduct helps ensure that Personnel act in accordance with fair labour practices, comply with health and safety legislation, promote a respectful workplace, and follow all procurement policies and procedures.

Supplier Expectations

SaskEnergy’s Corporate Purchasing Policy articulates our expectations with respect to suppliers. In particular, suppliers are expected to avoid unethical actions, act in accordance with the law, and fulfill all contractual obligations in a professional and competent manner.

Suppliers are to abide by the Code of Conduct. Our suppliers are also expected to comply with their agreements with SaskEnergy, which typically include a compliance with laws provision. SaskEnergy is looking to enhance these contractual terms.

Contracts and Due Diligence Processes

SaskEnergy supports combating modern slavery. We prioritize early detection and prevention of potential issues as integral components of our supply chain due diligence process.

Our standard procurement templates and contracts are being reviewed and updated to include supplier representations and warranties declaring no forced labour and exploitation of children was used to supply goods or services to SaskEnergy. We are also considering a requirement that SaskEnergy be notified of any actual or suspected instances of forced or child labour within the supply chain relevant to our contracts.

When evaluating global sourcing options, especially where countries or regions present elevated risks, SaskEnergy 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, and to ensure appropriate measures are being taken to address any issues or concerns.

STEPS TAKEN 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.

VendorSight Survey

SaskEnergy's inaugural VendorSight Supplier Survey was conducted this year, intended to promote dialogue between SaskEnergy and our suppliers. The survey focuses on how our suppliers perceive SaskEnergy as a customer and enables suppliers to provide feedback on targeted issues in relation to SaskEnergy's procurement and contracting performances across multiple supplier relationship competencies. The results are used to inform our future sourcing strategies and continuous improvement efforts.

Supplier Performance Management Program

Through SaskEnergy's Supplier Performance Management Program, contract administrators can proactively manage suppliers and associated performance matters, to ensure suppliers conform to SaskEnergy's performance requirements and ethical standards.

If SaskEnergy becomes aware and reasonably believes that a supplier, subcontractor, or any party for whom they are responsible is violating applicable laws or SaskEnergy policies, we reserve the right to escalate the matter with the party. This may include provision of a formal notice under a contract, reporting the matter to applicable regulators, and possibly taking investigative steps. If the supplier does not take corrective action in accordance with the terms of the notice, we may decide to exercise legal rights to terminate any existing contracts and their inaction may also impact their ability to secure future SaskEnergy work.

Avenues for Whistleblowers

SaskEnergy is committed to integrity and accountability in its supplier relationships. If an employee suspects wrongdoing either internally or of an external supplier, they can file a report using the processes described in *The Public Interest Disclosure Act*, or through the anonymous reporting process provided through SaskEnergy's Whistleblower Policy.

RISK AREAS

SaskEnergy is not aware of any instances of forced or child labour within its direct supply chain during the Reporting Period. We will promptly respond to any such concerns should we become aware of them.

REMEDIATION MEASURES

If SaskEnergy becomes aware of any confirmed or potential instances of forced or child labour in our supply chains, we will investigate and take the appropriate remedial measures to address any adverse impacts. We did not identify any instances of forced or child labour in our supply chains during the Reporting Period. Therefore, no remedial measures were taken.

TRAINING AND AWARENESS

Understanding and complying with the Code of Conduct is a condition of employment at SaskEnergy, and employees and contract workers must complete an annual Code of Conduct training course and acknowledgment. This course is developed and delivered in-house.

ASSESSING OUR EFFECTIVENESS

SaskEnergy acknowledges that increasing transparency and awareness about the prevalence of forced and child labour in supply chains is a collaborative effort that requires input from all stakeholders. SaskEnergy remains committed to continuously evaluating and improving our practices by attending supplier/industry forums and events, discussing and sharing procurement best practices with other Crowns, and monitoring the industry for new developments.

APPROVAL AND ATTESTATION

The contents and delivery of this Report were approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of SaskEnergy as the governing body for SaskEnergy and its subsidiaries.

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. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in the Report is true and accurate and complete in all material respects for the purposes of the Act, for the fiscal year ending March 31, 2024.

SaskEnergy Incorporated

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Per:

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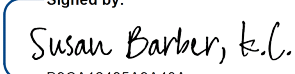


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Mark H.J. Guillet, K.C.
President and CEO

Dated: April 11, 2025 | 1:12 PM CST

Signed by:



Per:

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Susan Barber, K.C.
Chair, Board of Directors

Dated: April 21, 2025 | 11:56 AM CST