



Modern Slavery Report 2023-24



Purpose

This report is filed on behalf of The Saskatchewan Research Council (SRC) in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the fiscal year (FY) ending March 31, 2024.

SRC’s Structure and Activities

SRC is a Saskatchewan Treasury Board Crown Corporation governed by *The Research Council Act*. It is overseen by an independent Board of Directors and is accountable to the Minister Responsible for SRC. It receives a portion of its funding from government with the remainder coming from contract research and fee-for-service work.

SRC is Canada’s second largest research and technology organization with 1,600 clients in 22 countries around the world. With over 350 employees and \$232 million in annual revenue (FY2023), SRC focuses its efforts on Saskatchewan’s key industries, including agriculture, energy, environment, mining, nuclear and rare earth elements. SRC helps clients from across the world solve technology problems, make improvements, seize opportunities, maintain competitiveness, increase productivity, and develop new markets. Home to several state-of-the-art laboratories, SRC offers professional commercial laboratory services. We also have dedicated labs that focus on contract research and development, as well as pilot plants that offer clients the opportunity to develop and test technologies.

Although we have clients outside of Canada, our operations and activities for FY2024 were primarily carried out within Canada. We did not export goods in FY2024, and our import activities were limited to importing goods when a purchase meets best criteria described in the SRC Supply Chain section below.

SRC Supply Chain

SRC’s goal is to serve its clients’ needs by obtaining the best value in supply chain management. We work with clients and suppliers to add value through strategic relationships with best-in-class suppliers, reducing or avoiding costs and creating efficiency and effectiveness throughout the procure-to-pay process.

As an entity of the Government of Saskatchewan, SRC is dedicated to strengthening Saskatchewan’s economy. To achieve this, SRC has committed to trade agreements which provide fair and equal access to procurement. These agreements also open opportunities to Saskatchewan suppliers and trading partners. In addition, SRC has an inclusive procurement strategy that includes Indigenous vendors and businesses. This strategy is part of the overall process of determining best value which supports, grows, and strengthens Saskatchewan’s economy. Saskatchewan’s Indigenous population is proportionately high, and including Indigenous businesses in our strategy ensures that the province’s economy is driven by the innovation found within the supply chain.

Purchases may be sourced outside of Saskatchewan or Canada in certain instances where a supplier meets our best value criteria. In FY2024 94.0% of SRC’s purchase orders were issued to Canadian suppliers while 5.4% were from the United States. The remaining 0.6% was sourced worldwide, with China making up 0.4% of our total purchase order value for the fiscal year.

Risk Assessment

During the FY2024, we conducted a preliminary risk assessment on our activities and supply chain to identify modern slavery risks. This assessment included the following steps:

- Working with external legal counsel to understand requirements and best practices,
- Review of current policies and procedures to identify gaps, and
- Internal assessment of risks of forced labour and/or child labour in our current supply chain using the Global Slavery Index and the List of Goods Produced by Child Labor or Forced Labor¹ published by the Bureau of International Labor Affairs.

Potential Risk

Based on our preliminary risk assessment, SRC considers the risk of modern slavery occurring within our operations as low. In addition, our preliminary assessment did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chain.

Our People. SRC's main business operations are in Canada, which is ranked as a low-risk jurisdiction by the Global Slavery Index.² Canada is also a country with strong legislative human rights protections. SRC complies with all such human rights and employment legislation applicable to our operations. In doing so, all employee recruitment activities are centrally led by our HR team, which allows for a consistent and fair process. In addition, mechanisms and controls are in place to ensure that all employees are recruited voluntarily and that they have ways to seek assistance and report potential concerns when needed.

Our Supply Chain. Although our supply chain primarily consists of suppliers within Canada, we do have some suppliers in other countries. Our preliminary assessment of our supply chain based on geological location and product risk using the Global Slavery Index and the List of Goods Produced by Child Labor or Forced Labor has identified China as being a high-risk source country. Suppliers from China were sourced in FY2024 for our Rare Earth Facility and Mineral Processing Business Unit where the equipment is highly specialized and difficult to source within Canada. Additional mitigation steps have been implemented in our due diligence process to address this risk.

Mitigating Steps

In FY2024 SRC took the following steps to prevent and reduce the risk that forced labour or child labour is used in its operations and supply chain:

Client and Supply Chain Due Diligence. All SRC suppliers and clients are vetted through our due diligence process which uses Dow Jones Risk and Compliance and local jurisdictional corporate registries to verify the integrity of each supplier and client. We have developed and implemented guidelines to ensure higher risk suppliers and clients are vetted more frequently through this process. Initial steps have also been taken to refine

¹ <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

² [Global Slavery Index by Country 2024 \(worldpopulationreview.com\)](https://www.worldpopulationreview.com/global-slavery-index-by-country-2024)

procurement processes to ensure due diligence reviews are completed early in the process.

Policies. SRC has updated current policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains.

Supplier Contracts. SRC has worked closely with external legal counsel to develop and implement anti-forced labour and/or child labour contractual clauses in our supply contracts.

Training and Awareness. SRC worked closely with external legal counsel to provide mandatory training to its executive team and voluntary training to its board members. Awareness on forced labour and/or child labour has also been promoted to all employees across the organization.

Assessing Effectiveness

To ensure continuous improvement, SRC will use the following methods to assess the effectiveness of the above-noted mitigating steps:

- Regularly review our policies and procedures, including as it relates to forced labour and child labour.
- Regularly review and update measures that impact modern slavery risk.
- Track relevant performance indicators such as:
 - the number of companies flagged in our due diligence process and the resulting mitigation steps taken.
 - numbers of cases reported and solved through grievance mechanism.

Looking Forward

SRC is committed to identifying modern slavery risks and continuing to improve the ways to address those risks. Looking forward to FY2025, SRC will strive to:

- Further increase employee awareness,
- Review our current due diligence process and guidelines and introduce improved mechanisms for risk level identification and continuous monitoring, and
- Implement a new procurement platform and refine current processes to ensure supplier due diligence is engaged early in the procurement process.

Attestation

This report was approved by SRC's Board of Director's on May 14, 2024. 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 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.

DocuSigned by:


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Mike Crabtree, President and CEO

I have the authority to bind SRC

May 26, 2024 | 18:51:11 PDT