

ONTARIO
POWER
GENERATION

2023 Report

in respect of the *Fighting Against
Forced Labour and Child Labour
in Supply Chains Act*

Identifying information

1. This report is for which of the following?

Entity

2. Legal name of reporting entity or government institution

Ontario Power Generation Inc. (“OPG”)

3. Financial reporting year

January 1, 2023 to December 31, 2023. This report covers activities over this period.

4. Is this a revised version of a report already submitted this reporting year?

No.

4.1. If yes, identify the date the original report was submitted.

n/a

4.2. Describe the changes made to the original report, including by listing the questions or sections that were revised (1,500 character limit).

n/a

5. For entities only: Business number(s) (if applicable):

OPG’s business number is 878664226.

6. For entities only: Is this a joint report?

Yes.

6.1 If yes, identify the legal name of each entity covered by this report:

This joint report prepared by OPG covers its own actions and those of entities it controls. In addition to OPG, the parent company, this joint report covers the following subsidiaries (each individually a “Subsidiary” and collectively, the “Subsidiaries” for the purposes of this report):

- ▶ Atura Power (legal name: NV LP; includes Brighton Beach Power L.P. and Portlands Energy Centre L.P.)
- ▶ Lower Mattagami Energy Limited Partnership (LMELP)
- ▶ Lower Mattagami Limited Partnership (LMLP)

These Subsidiaries have substantially similar policies and due diligence processes in relation to forced labour and child labour as OPG and the information provided in this report generally applies to all entities covered in the report. Where Subsidiary information differs from OPG in any material respect, additional Subsidiary-specific information has been provided.

6.2 Identify the business number(s) of each entity covered by this report (if applicable).

NV L.P. - 290353408

Portlands Energy Centre L.P. - 121216485

Brighton Beach Power L.P. - 111116380

LMELP - 200659977

LMLP - 200660009

7. For entities only: Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction?

No.

7.1 If yes, indicate the applicable law(s). Select all that apply.

n/a

8. For entities only: Which of the following categorizations applies to the entity? Select all that apply.

► Listed on a stock exchange in Canada: No

► Canadian business presence (select all that apply):

- Has a place of business in Canada: Yes
- Does business in Canada: Yes
- Has assets in Canada: Yes

► Meets size-related thresholds (select all that apply):

- Has at least \$20 million in assets for at least one of its two most recent financial years: Yes
- Has generated at least \$40 million in revenue for at least one of its two most recent financial years: Yes
- Employs an average of at least 250 employees for at least one of its two most recent financial years: In the case of OPG, yes.

9. For entities only: Which of the following sectors or industries does the entity operate in? Select all that apply.

Utilities.

10. For entities only: In which country is the entity headquartered or principally located?

Canada.

10.1 If in Canada: In which province or territory is the entity headquartered or principally located?

Ontario.

Annual Report

Reporting for entities

- 1. What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity? Select all that apply.**
 - ▶ Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
 - ▶ Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
 - ▶ Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
 - ▶ Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
 - ▶ Developing and implementing due diligence 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
 - ▶ Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
 - ▶ Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
 - ▶ Developing and implementing child protection policies and processes
 - ▶ Developing and implementing anti-forced labour and/or -child labour contractual clauses
 - ▶ Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
 - ▶ Monitoring suppliers
 - ▶ Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour
 - ▶ Developing and implementing training and awareness materials on forced labour and/or child labour
 - ▶ Developing and implementing procedures to track performance in addressing forced labour and/or child labour
 - ▶ Engaging with supply chain partners on the issue of addressing forced labour and/or child labour

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).

- ▶ OPG's contract standards continued to require all suppliers who provide goods and/or services to OPG to comply with OPG's Supplier Code of Conduct ("Supplier Code"). OPG's Supplier Code requires compliance with all applicable labour and employment laws and requires that suppliers be able to demonstrate that no child labour or forced labour is used by suppliers and ensure that their subcontractor arrangements comply with the Supplier Code. See: <https://www.opg.com/documents/supplier-code-of-conduct-pdf/>
- ▶ OPG continued to require all employees to comply with OPG's Code of Business Conduct ("OPG Code"), which requires employees who become aware of conduct by suppliers that violate or appear to violate the OPG Code or the Supplier Code to report this to management. See: <https://www.opg.com/document/opg-code-of-business-conduct/>
- ▶ OPG continued to implement a whistle-blower program with an anonymous reporting portal for employees and members of the public to report known or suspected OPG Code violations.
- ▶ OPG continued to utilize the third-party Ecovadis IT platform ("Ecovadis") to conduct due diligence through its value chain, as described in OPG's response to question #10. <http://www.ecovadis.com/>
- ▶ Greater than 80% of OPG employees are represented by various unions, providing significant protection against the risk of forced labour and child labour.
- ▶ OPG continued to preclude individuals under 18 from being employed by OPG. The parent company maintained hiring records and a comprehensive security clearance program.

3. Which of the following accurately describes the entity's structure?

- ▶ OPG: Corporation.
- ▶ Atura Power: Partnership
- ▶ Lower Mattagami Energy Limited Partnership: Partnership
- ▶ Lower Mattagami Limited Partnership: Partnership

4. Which of the following accurately describes the entity's activities? Select all that apply.

- ▶ Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada: Yes
 - outside Canada: Yes (OPG only)
- ▶ Selling goods
 - in Canada: Yes
 - outside Canada: Yes (OPG only)

- ▶ Distributing goods
 - in Canada: No
 - outside Canada: No
- ▶ Importing into Canada goods produced outside Canada: Yes
- ▶ Controlling an entity engaged in producing, selling or distributing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada: Yes (OPG only)

5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

OPG is an Ontario-based company whose principal business is the generation and sale of electricity. OPG is a commercial enterprise incorporated under the Business Corporations Act (Ontario) and is wholly owned by the Province of Ontario. OPG had approximately 10,500 employees across Ontario and the United States in 2023.

As at December 31, 2023, OPG had an in-service generating capacity of 18,236 megawatts, including two nuclear stations, 66 hydroelectric stations, two thermal stations, one solar facility and four combined cycle natural gas turbine plants in Ontario, Canada.

The combined cycle plants are owned and operated through OPG's subsidiary Atura Power based in Ontario, Canada.

OPG's subsidiaries, LMELP and LMLP, based in Ontario, Canada, own and operate certain hydroelectric facilities located along the Lower Mattagami River in Ontario.

OPG's CEO and executive team lead and establish chain of command within operations, projects, and corporate support business units across the enterprise.

In 2023, OPG worked with approximately 1,800 suppliers, of which about three-quarters were based in Ontario. OPG procured approximately \$3.6 billion in materials and services, with more than 80% sourced from Ontario-based suppliers, and with the remainder predominantly coming from other parts of Canada and the United States.

Of the \$3.6 billion that OPG procured in 2023, greater than 50% was spent on services based in Canada. OPG has a line of sight into the country of origin in respect of certain goods that OPG procured in 2023. For example, OPG procured uranium that was mined in Canada, Uzbekistan, Kazakhstan, and Australia.

In 2024, OPG will take steps to increase visibility of indirect suppliers, both within and outside of Canada. This will aid OPG in identifying source countries, or regions of origin, of all goods and services used at each stage of OPG's supply chain.

6. Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?

Yes.

6.1 If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply.

- ▶ Embedding responsible business conduct into policies and management systems: Yes

- ▶ Identifying and assessing adverse impacts in operations, supply chains and business relationships: Yes
- ▶ Ceasing, preventing or mitigating adverse impacts: Yes
- ▶ Tracking implementation and results: Yes
- ▶ Communicating how impacts are addressed: Yes
- ▶ Providing for or cooperating in remediation when appropriate: Yes

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

- ▶ Embedding responsible business conduct (RBC) into policies and management systems: see OPG's response to question #2 regarding OPG's Supplier Code, OPG Code, OPG's whistle-blower program, and OPG's hiring and security clearance program.
- ▶ Identifying and assessing adverse impacts in operations, supply chains and business relationships: See OPG's response to question #10 regarding the use of Ecovadis to assess adverse impacts.
- ▶ Ceasing, preventing or mitigating adverse impacts: See OPG's response to question #12.
- ▶ Tracking implementation and results: OPG tracked implementation and results by assessing effectiveness in ensuring that forced labour and child labour are not being used in OPG's business and supply chain, as described in OPG's response to question #18.
- ▶ Communicating how impacts are addressed: This is reflected in the training OPG provided to procurement staff on forced and child labour, as described in OPG's response to question #16.
- ▶ Providing for or cooperating in remediation when appropriate: See OPG's response to question #12.

8. Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?

We have undertaken a review of our activities and supply chains with respect to risks of forced labour and child labour and given the breadth of the activities and supply chains, the review is not yet fully complete. However, so far there are no areas that have been identified as carrying a material risk of forced labour and child labour.

8.1. If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply.

- ▶ The use of forced labour: Yes, as described in OPG's response to question #12.
- ▶ Other, please specify: Yes. OPG identified that a small number of its suppliers have an opportunity to strengthen written policies and procedures related to forced and child labour as described in OPG's response to question #10. OPG subsequently specified corrective actions for these suppliers related to strengthening these written policies and procedures, and they are in the process of addressing the corrective actions in 2024.

9. Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply.

► Utilities

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).

In 2023, OPG conducted a risk assessment into the areas within its supply chain that carry a risk of forced labour or child labour using Ecovadis. OPG uses Ecovadis to evaluate key suppliers on environmental performance, ethics, sustainable procurement, and labour and human rights, including forced labour and child labour.

OPG's assessment identified that eight suppliers have an opportunity to strengthen policies and procedures addressing forced labour and child labour. This assessment was in respect of written policies and procedures only and not an assessment of the suppliers' activity or conduct. Seven of the eight suppliers are from Canada and all eight suppliers are tier 1 (direct) suppliers to OPG involving manufacturing or construction.

OPG subsequently specified corrective actions for these suppliers in respect of strengthening their written policies and procedures using Ecovadis and they are in the process of addressing the corrective actions in 2024.

Atura took preliminary steps to begin onboarding additional subsidiary-specific suppliers to Ecovadis¹, and this work, along with OPG's work to continue onboarding suppliers, will continue in 2024.

11. Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?

In respect of one instance as described in the response to question #12 below, it was not known conclusively whether there was any forced labour or child labour activity at the time but OPG has taken preventative measures to eliminate the risk of this in its supply chain.

11.1. If yes, which remediation measures has the entity taken? Select all that apply.

► Other, please specify: Yes, as described in OPG's response to question #12.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).

In 2023, OPG became aware of allegations that a product listed on OPG's purchasing catalogue was manufactured with forced labour. Once OPG became aware of these allegations, and after inquiries indicated that it seemed more probable than not that the allegations may be true, OPG initiated the removal of this product from its purchasing catalogue, which was completed in 2024. For clarity, OPG made no purchases of this product.

¹ LMELP and LMLP do not need to onboard any subsidiary-specific suppliers to Ecovadis, as all of their suppliers are also suppliers of OPG.

OPG determined that no other preventative or remediation measures were applicable to OPG or its Subsidiaries.

13. Has the entity taken any measures 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 its activities and supply chains?

Not applicable, we have not identified 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 chains.

14. Please provide additional information on any measures the entity has 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 its activities and supply chains (if applicable) (1,500 character limit).

n/a

15. Does the entity currently provide training to employees on forced labour and/or child labour?

Yes.

15.1. If yes, is the training mandatory?

No, the training is voluntary.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

OPG provided training to employees on forced labour and child labour in 2023. Procurement staff at OPG and at the Subsidiaries were encouraged to take the training in 2023 and several members of the Supply Chain management team also participated in the training. The one-hour training session was taken by greater than 100 procurement staff and was made available in recorded form internally for staff to reference after.

The training material covered both forced labour and child labour and the scope included definitions of key terms, understanding requirements of the Act, and steps OPG is taking to prevent forced labour and child labour. The training, conducted virtually to engage with staff across the province, included interactive elements including polls, surveys and word clouds as well as video segments.

OPG's Supply Chain management team developed the training material and presented it to OPG procurement staff. The same training material was provided to the Subsidiaries. The development of the training material was informed by OPG's experience managing risks related to forced labour and child labour as well as materials developed by the United Nations International Labour Organization.

OPG also made Ecovadis' web-based training module on forced labour and child labour available to procurement staff to complete on a voluntary basis.

17. Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?

Yes.

17.1 If yes, what method does the entity use to assess its effectiveness? Select all that apply.

- ▶ Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour²
- ▶ Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators
- ▶ Other, please specify: As described in OPG's response to question #18.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

On an ongoing basis, OPG considers the effectiveness of the steps it has taken to ensure forced and child labour are not being used in its business and supply chains. To inform this non-formalized assessment approach, OPG monitors whether any instances of forced and child labour in OPG's business and supply chain have arisen or whether there are opportunities to further reduce or prevent forced labour and child labour-related risks. To this end, OPG obtains information through various channels including, OPG's whistle-blower program, OPG's direct engagement with suppliers through its procurement processes as well as engagement with suppliers through Ecovadis, OPG's direct interaction with staff as well as through a joint working committee and/or grievance-related processes in accordance with OPG's collective bargaining agreements, processes used to identify organizational risks as part of OPG's Enterprise Risk Management program, OPG's participation in industry associations such as Nuclear Procurement Issues Corporation (NUPIC), and OPG's scanning of applicable media reports.

OPG also regularly reviews and updates codes, policies, and procedures for various reasons, including to address risks related to forced labour and child labour³.

² Applicable to OPG's parent company, LMELP and LMLP. Atura Power's practice is to review standards and procedures periodically, as needed.

³ Ibid.

This report has been approved by the Board of Directors.

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.



Wendy Kei
Board Chair

I have the authority to bind Ontario Power Generation Inc.

Date: May 9, 2024



Ontario Power Generation Inc.

Head Office
700 University Avenue,
Toronto, Ontario M5G 1X6
Telephone (416) 592-2555 or (877) 592-2555

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