



MODERN SLAVERY STATEMENT

March 31, 2024 - March 31, 2025



Canadian Nuclear
Laboratories | Laboratoires Nucléaires
Canadiens

WHO WE ARE

Canadian Nuclear Laboratories (“CNL”) stands proud as a global leader advancing nuclear science and technology. The world comes to us to solve the toughest technological challenges. We have the most effective industrial partnerships of any national laboratory. Our campuses are home to a vibrant community of the world’s brightest innovators. Our people know they are making a difference in the lives of people around the world. Our customers in industry and the Canadian government value us.

Our mission is to: restore and protect Canada’s environment by reducing and effectively managing nuclear liabilities; provide the world with sustainable energy solutions including the extension of reactor operation lifetimes, hydrogen energy technologies, and fuel development for the reactor designs of tomorrow; together, with partners, demonstrate the commercial viability of advanced reactor designs of tomorrow; work collaboratively with medical/educational institutions and pharmaceutical companies to pioneer new alpha therapies for cancers treatments to save countless lives; and leverage all our capabilities for commercial success in Canadian and international markets.

Our Commitment

CNL holds amongst its core values integrity and the highest standards for ethical business conduct. This commitment influences and guides all aspects of our business, from how we manage and deal with human rights issues, to how we manage our staff, to how we deal with governments and regulatory agencies, to our commercial and procurement dealings with third parties. It is simply who we are as a company.

As an extension of these core values, we at CNL are committed to championing human rights, and preventing modern slavery, including forced and child labour, in all our operations.

CNL is also committed to continually improving and enhancing our compliance and ethics programs through risk assessments, monitoring, auditing, and benchmarking to ensure we are reflective of industry and global best practices.



This document constitutes CNL's Modern Slavery Statement covering the time period March 31, 2024 to March 31, 2025.

Reporting Entities

The reporting entities for this Report under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act are:

Canadian Nuclear Laboratories, domiciled at 286 Plant Road, Chalk River, ON, Canada K0J 1J0

Applicability

All CNL policies, standards and codes of conduct are applicable to all CNL operations, regardless of site or location. These Policies, Standards and Codes of Conduct, as well as this Modern Slavery Statement, are developed in consultation with the various appropriate corporate functions, including Legal & Insurance, Human Resources, Business Management, and Supply Chain.

Our Structure

Atomic Energy of Canada Limited (AECL) has contracted CNL to manage and operate its sites and facilities across the country. CNL is also contracted to carry out AECL's mandate to enable nuclear science and technology and to protect the environment by fulfilling the government of Canada's radioactive waste and decommissioning responsibilities. In turn, AECL sets the direction and oversees the contract. While AECL owns the sites and the nuclear liabilities, CNL is responsible for the day-to-day operations and maintenance of the facilities. CNL operates under a GoCo model, meaning government-owned, contractor-operated.

The Government of Canada selected Canadian National Energy Alliance, a private sector consortium that represents some of the world's most experienced nuclear engineering and management firms, to run CNL in 2015 after an international competition.

CNL's operations are diverse and cover a number of different missions.

Restoring and Protecting the Environment

CNL is managing the largest and most complex environmental clean-up missions in Canada, including the Chalk River and Whiteshell Laboratory sites, and the remediation of historic waste as part of the Port Hope Area Initiative (PHAI). We are also leading a number of major nuclear decommissioning projects, including the Near Surface Disposal Facility (NSDF) project, the Nuclear Power Demonstration (NPD) Closure Project, and the WR-11 Closure Project.

Clean Energy for Today and Tomorrow

In clean energy, CNL is working to bring the next-generation of clean energy technologies to Canada— Small Modular Reactors (SMRs). Our work also includes technical advances in hydrogen energy, the development of advanced nuclear fuels, the integration of clean energy technologies, and research to enable the safe and reliable operations of today's nuclear fleet.

Contributing to the Health of Canadians

With over one billion medical treatments conducted using isotopes produced at the Chalk River campus, CNL has been a world leader in the production of radiopharmaceuticals for decades. We are leveraging this expertise to become an international hub in the development of a new generation of medical isotopes, including Actinium-225, a rare isotope that enables a revolutionary new cancer treatment.



SUPPLY CHAIN

CNL has a strong, effective and diverse Supply Chain supporting our operations, and is committed to supporting small, medium, local and indigenous businesses where capabilities exist.

CNL's Supply Chain is a key enabler supporting CNL's missions through procurement, contract management, supplier management and logistical services. The Supply Chain function is responsible for developing and implementing strategies that align with and contribute to CNL's need to efficiently procure a range of services that include warehouse and distribution services, inventory management, global transportation capabilities as well as support to the CNL import/export control program.

CNL's Supply Chain is broken down into three main functions: Procurement & Contracting; Materials & Logistics; and Contractor Management.

As Canada's national nuclear laboratory, sustainability is integrated into all of the work we do, and all the decisions we make. CNL publishes an annual Sustainability Report, found [here](#), CNL releases 2024-25 Sustainability Report - Canadian Nuclear Laboratories, which tracks the company's progress towards more sustainable operations.

CNL's Supply Chain management and operations are guided by the following principles:

Respect: We are honest, equitable, fair and respectful with our colleagues, partners, clients, all the while recognizing their individual contributions and diversity.

Integrity & Ethics: We act with integrity and ensure our actions and interactions are fair, accountable and responsible. We will be accountable for our actions and act with integrity in every relationship with each other, our clients, our business partners and other stakeholders.

Excellence: We work collaboratively to provide for excellence and professionalism in the delivery of services to our partners, clients and Canadians while achieving best value for government, building supplier capabilities and driving innovation in our supply chain.

RISKS OF MODERN SLAVERY

Risks of Modern Slavery in our Operations and Supply Chains

According to the Responsible Sourcing Tool, employees in the nuclear sector in Canada are a generally low risk for modern slavery. However, we recognize that modern slavery could arise in our Supply Chain or operations, especially those occurring outside of Canada, involving sectors such as: construction, transportation, agriculture, or healthcare. We also acknowledge that modern slavery predominantly affects blue collar workers, or occupations that primarily involve manual labour, which are present in CNL's operations.

CNL is committed to proactively identifying any risk of modern slavery in our operations and Supply Chains. CNL identifies risk proactively through risk assessments, Supply Chain mapping and due diligence, and manages the risk through a framework of policies, corporate governance, training, and compliance programs.

CNL undertakes organizational and Supply Chain risk mapping which thoroughly assesses all aspects of our business and operations, covering all our sites and locations, including both direct work CNL conducts itself as well as indirect work CNL engages through its Supply Chain. This mapping process includes lower tier suppliers and distributors that comprise CNL's Supply Chain. Using global indices such as the Global Slavery Vulnerability Score and Freewalk.org, we benchmark and assess our relative risks with an eye towards ensuring industry best risk mitigation practices.

Where our risk assessments identify areas of our business that are exposed to a higher risk for modern slavery, we implement enhanced monitoring and mitigation measures. We are particularly attuned to identifying risks related to the engagement of workers from vulnerable populations, high risk geographies, high risk economic sectors/industries or work that comes through outsourcing/labour-hire models.

Framework, Policies and Governance

At CNL, we believe that good governance and our organizational values of safety, teamwork, excellence, accountability, respect, and integrity undergird and provide the foundation for our corporate culture. The Board of Directors of CNL oversees management of culture and conduct, including any breaches of CNL's Code of Conduct. The Board is also responsible for reviewing CNL's Policies and Code of Conduct.

CNL's Policies set the tone from the top of the organization and establish our commitment to ethical business conduct and human rights. Modern slavery is directly addressed in our Ethics & Business Conduct Policy, Supply Chain Policy, as well as our Supplier Code of Conduct. However, various other Policies also contribute to a culture that is based on a respect for human rights and commitment to ethical business conduct.

All CNL's Policies are available to all employees through our Company website. Both our Employee and Supplier Codes of Conduct are publicly available on CNL's website. The Supplier Code of Conduct is also embedded into the standard contract language CNL has with all Suppliers.

Ethics & Business Conduct Policy

CNL's Ethics & Business Conduct Policy sets the tone from the top for the entire organization, and establishes the expectations and requirements that all CNL business be conducted in adherence to the highest standards for ethics and integrity. It requires all CNL workers to do the right thing, at all times, even when no one is watching. It establishes the responsibility of supervisors and leaders to lead by example and set the standard for the rest of the company to follow. This Policy also explicitly outlines CNL's absolute insistence that all aspects of our business remain free of modern slavery, in all its forms.

People Policy

CNL's People Policy commits CNL to providing a work environment which includes physiological safety, where all individuals are treated with dignity and respect. It dedicates CNL to developing and sustaining a diverse, equitable and inclusive workplace culture that values all employees; one that strives to identify and remove system barriers that may impact employees, and sets high standards for performance. The Policy describes how CNL values personal and professional growth of employees, provides fair and equitable access to employment and development, and provides a positive, collaborative and inclusive work environment.

Supply Chain Policy

The Supply Chain Policy outlines how CNL conducts business with its suppliers and contractors through its Supply Chain. This policy emphasizes professional standards and ethical business conduct as being an overriding priority for CNL's Supply Chain. It includes a clear, zero-tolerance stance on any forms of human trafficking, child or forced labour, and emphasizes that human rights and ethical employment practices are always the priority. Additionally, this Policy outlines Supply Chain Management's commitment to continuous improvement, collaboration and transparency.

Code of Conduct

Code of Conduct

CNL's Code of Conduct is the foundational document establishing behaviour and professional conduct expectations and standards for all workers at CNL. It serves to guide the actions of every employee at all times when working for or on behalf of CNL, and compliance with the Code is a condition of employment at CNL.

Our organizational values of Safety, Teamwork, Accountability, Integrity, Respect and Excellence are enshrined in our Code of Conduct. These values are the basis for our respect for human rights and opposition to all forms of modern slavery.

We require any suspected violations of the Code, including human rights violations, to be reported immediately so they can be investigated and addressed. CNL maintains a whistleblowing hotline for anyone to use to report suspected violations of CNL's Code of Conduct.

Supplier Code of Conduct

CNL's Supplier Code of Conduct establishes a common understanding of the expectations of behaviour for all of CNL's contractors, consultants and suppliers. All of CNL's suppliers are required to take responsibility for their own conduct and for those who work on their behalf on CNL projects. The Supplier Code of Conduct applies wherever CNL business may be conducted, worldwide. Adherence to the Supplier Code is a contractual requirements of doing business with CNL.

CNL's Supplier Code of Conduct specifically states that:

We require all our Suppliers to act in a respectful manner when dealing with everyone they come into contact with in the course of delivering CNL's business. CNL requires all Suppliers to be able to demonstrate that, in their workplace, they: comply with all applicable health and safety law, statutes, regulations and operate a safe and healthy work environment for their workers and all with whom they come into contact; do not use child or forced labour; do not tolerate discrimination, harassment and workplace violence; ensure employees are free to raise concerns without fear of reprisal; and have respect for the rights of workers to associate and bargain collectively.

The Supplier Code of Conduct also establishes that Suppliers are obligated to report any credible suspicions about possible violations of this Code or relevant laws or regulations, related to their work with CNL.

Our Risk Screening and Due Diligence Process

Before engaging or making commitments to third parties, CNL takes proactive steps to evaluate risk and ensure the third party will share our same commitment to human rights, ethics and integrity. CNL employs a comprehensive, risk-based approach to screen and vet all third parties and carry out due diligence investigations and assessments. This process screens on the basis of the third party itself, as well as the specific work that the third party will be doing for or on behalf of CNL.

In particular, CNL screens all third parties for business compliance risks related to: modern slavery, bribery and corruption, import/export compliance and economic espionage/foreign interference. Risks identified in this screening process are categorized and rated to enable CNL to undertake more thorough due diligence investigations to ascertain and mitigate the risk.

Remedial Measures

CNL is committed to adopting a comprehensive response to forced and child labour, which includes taking positive steps not just to prevent it from occurring in our operations and Supply Chain, but also to taking remedial action if it arises, notwithstanding our best efforts to avoid it. This includes investigating fully any suspected instances to determine what improvements to CNL's internal controls could further reduce the risk of any future recurrence.

CNL is aware of and sensitive to the possibility that vulnerable families and populations could be negatively affected by our efforts to eliminate forced and

child labour from our operations and Supply Chain. In cases where CNL must reduce or eliminate aspects of our business, based on forced and child labour risk considerations, we are committed to taking reasonable steps to mitigate the loss of income that could be felt by such vulnerable people.

Our Training

Training is a critical component for the success of CNL's Ethics & Business Conduct program. Complying with the expectations and standards set out in CNL's Ethics & Business Conduct policy and Code of Conduct is a condition of working at CNL for every employee, from the shop floor to the Boardroom. Each year, every employee is required to take ethics training and sign off an acknowledgement that they have read and understood the Code of Conduct and will comport themselves in accordance with its standards and expectations for behaviour. This annual training and sign off includes specific content on CNL's anti-modern slavery policy and program.

In addition to this general, all staff training, employees in certain outward facing roles, who interact with our third parties directly, receive additional advanced training and awareness on modern slavery, how to spot it and what to do if any red flags are identified. This ensures that the right people have the right knowledge and training in order to identify early warning indicators that alert CNL to risk that might need to be investigated.

Our Compliance Program

Adherence to our Code of Conduct is a fundamental expectation at CNL. CNL maintains an Ethics & Business Conduct office dedicated to receiving and investigating reports or concerns related to violations of the Code of Conduct.

Having a strong reporting culture is also a critical component of compliance. Under CNL's Code of Conduct, all employees are required to report immediately any concerns about possible violations of the Code, either through management, Human Resources or through CNL's anonymous reporting hotline, so issues can be addressed as soon as possible. The anonymous reporting hotline is available to employees, contractors or the general public 24/7, and is monitored directly by Ethics & Business Conduct. All corporate investigations at CNL are performed by trained professionals with oversight from the Vice President, Legal. The results of investigations are reported, in aggregate, to the Executive and Board of Directors.

All CNL leaders are expected to promote and foster a reporting culture, where concerns are brought forth in a timely manner, and staff who raise concerns in good faith are protected from retaliation or reprisal.

Assessing our Effectiveness

CNL is a learning organization and is committed to continuous monitoring and improvement of our effectiveness. To support this commitment, CNL engages in numerous internal audits, self-assessments, OPEX (Operational Experience) reviews, benchmarking exercises, and corrective performance processes. CNL's Ethics & Business Conduct program, in particular, is audited regularly, reviewed, benchmarked and evaluated.

Ethics & Business Conduct reports directly to the Executive Code of Conduct Oversight Committee, as well as the Audit Committee of the Board of Directors on a regular basis regarding aggregated information about issues, trends and areas of concern. These regular reports to the Executive and Board enable proper governance in respect of CNL's culture and business conduct.

There have been no known instances or occurrence of modern slavery in CNL's operations or Supply Chain in 2024.

Approval

This statement has been formally approved by CNL's Board of Directors on February 19, 2025.

Signed,

Jack Craig
President & CEO, Canadian Nuclear Laboratories



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