



# **Modern Slavery Report**

## **2024-25**

## Purpose

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), this report is filed on behalf of The Saskatchewan Research Council (SRC) for the 2025 reporting period and covers activities from April 1, 2024 to March 31, 2025 (FY 2024-25).

## 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 the government with the remainder coming from contract research and fee-for-service work.

SRC is Canada's second largest research and technology organization with 1,400 clients in 22 countries around the world. With over 350 employees and \$83 million in annual revenue (FY 2023-24), 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 facilities that focus on contract research and development services, as well as pilot plants that offer clients the opportunity to develop and test technologies.

SRC's revenue-generating activities have been primarily services and SRC focuses its efforts on Saskatchewan's key industries, as follows:

**Agriculture.** SRC delivers a broad portfolio of genomic, microbiology bioprocessing and climate services, as well as DNA and environmental testing services, to support commercial and small-scale farmers, communities, equipment manufacturers, associations and more.

**Energy.** SRC provides technology evaluation and development services to help industries broaden their energy mix, improve existing operations and navigate the energy transition. We support the oil and gas industry with services that improve efficiencies and energy transition initiatives.

**Environment.** SRC develops and provides sustainable solutions to a wide variety of environmental challenges, from sample testing to technology development to remediation support. Our services can help industries reduce their environmental impacts and measure, model, monitor and report on their environmental performance.

**Mining.** SRC provides services across every stage of a mining project, for a wide range of metals and minerals. We provide laboratory and technological services, from testing to modelling, diagnostics to optimization and monitoring to remediation.

**Nuclear.** SRC has taken the lead in pursuing the licensing and demonstration of the first microreactor in Saskatchewan. SRC is working closely with microreactor technology providers on this project to better understand this type of technology and the potential for future microreactor projects in the province.

**Rare Earth Elements.** With support from the Government of Saskatchewan, SRC is constructing North America's first fully integrated, commercial, demonstration Rare Earth Processing Facility (the "**REPF Facility**"), with hydrometallurgy, separation and metal smelting units. The REPF began producing rare earth metals at a commercial scale in summer 2024 – making Saskatchewan the first and only jurisdiction to do so in North America.

Although we have clients outside of Canada, our operations and activities for FY 2024-25 were primarily carried out within Canada. SRC did not produce or distribute any good outside of Canada in FY 2024-25, 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 goal, 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 the 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 where a product cannot be sufficiently sourced within Canada and/or a supplier meets our best value criteria (See Our Supply Chain under Potential Risk below). In FY 2024-25, 97.7% of SRC's purchase orders were issued to Canadian suppliers while 1.2% were from the United States. The remaining 1.1% was sourced worldwide.

## **Risk Assessment**

During FY 2024-25, we continued to assess our activities and supply chain to identify modern slavery risks. This assessment included the following steps:

- Ongoing assessment of current policies and processes to identify gaps, and
- Ongoing 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 Labor<sup>1</sup> published by the Bureau of International Labor Affairs.

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

## Potential Risk

Our preliminary risk assessment has not changed since FY 2023-24 and SRC continues to identify the risk of modern slavery occurring within our operations as low. In addition, 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 chain for the FY 2024-25.

**Our People.** SRC's main business operations continue to be in Canada, which is ranked as a low-risk jurisdiction by the Global Slavery Index.<sup>2</sup> Canada is also a country with strong legislative human rights protections. SRC continues to comply with all such human rights and employment legislation applicable to our operations. In doing so, all employee recruitment activities continue to be centrally led by our HR team, which allows for a consistent and fair process. In addition, mechanisms and controls continue to be 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 continues to consist of suppliers within Canada, we did have some suppliers in other countries in FY 2024-25. Our preliminary assessment of our supply chain for FY 2024-25 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 South Africa, Brazil, China, and Vietnam as being higher risk source countries. We procured rare earth carbonate from a supplier in Vietnam in FY 2024-25 for our REPF Facility where the material is difficult to source within Canada. Although SRC also secured monazite from vendors in Brazil and South Africa, we did not import any monazite from them in the current fiscal year. In addition, equipment was purchased from vendors in China for our REPF Facility and Mineral Processing Business Unit where the equipment is highly specialized and not easily sourced within Canada. Additional mitigation steps have been implemented in our due diligence process to address these risks (see Client and Supply Chain Due Diligence below).

## Mitigating Steps

In FY 2024-25 the following steps were taken 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 continue to be 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. Steps have also been taken to refine procurement processes to ensure due diligence reviews continue to be completed early in the process.

With respect to the procurement of the monazite and carbonate supply for the REPF Facility, SRC undertook additional due diligence steps which included an onsite inspection of the supplier's facility in each of Brazil and Vietnam.

**Policies.** In FY 2023-24 SRC updated current policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's

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

activities and supply chains. SRC continues to monitor and enforce these policies and processes this fiscal year.

**Supplier Contracts.** In FY 2023-24 SRC's included robust anti-forced labour and/or child labour contractual clauses in its supplier contracts. In FY 2024-25 SRC continues to monitor best practices in this area and look for ways to improve mitigations as they apply to our supplier contracts.

**Training and Awareness.** SRC's due diligence team has taken modern slavery training offered through Public Safety Canada. Awareness on forced labour and/or child labour has not been promoted to all employees across the organization in FY 2024-25.

## Assessing Effectiveness

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

- Regularly review our policies and processes, 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 next fiscal year, SRC will strive to:

- Increase employee awareness.
- Continue to regularly review our current due diligence process and guidelines and introduce improved mechanisms for risk level identification and continuous monitoring.

## Attestation

This report was approved by SRC's Board of Director's on May 14, 2025. 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.



Mike Crabtree, President and CEO  
I have the authority to bind SRC