

## Canada’s Modern Slavery Act Annual Report 2023

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### Introduction

Aspin Kemp & Associates Inc. (AKA Energy Systems) is committed to combating modern slavery and human trafficking in all its forms. This report outlines our efforts and progress in addressing these critical issues throughout our operations and supply chains during 2023. Our dedication aligns with the principles set out in Canada’s Modern Slavery Act, aiming to ensure ethical practices and protect human rights across all our business activities.

### Business Structure, Activities, and Supply Chain

AKA Energy Systems is a leading provider of integrated power and propulsion systems, serving various sectors including marine, offshore oil and gas, and renewable energy. Headquartered in Prince Edward Island, Canada, our operations extend globally, supported by a network of specialized contractors and partnerships. As of December 31st, 2023, we employed 140 people based in Canada. Our products and services involve long engineering and production lead times, and our workforce is typically highly skilled and in permanent employment. We do not typically employ seasonal, temporary, or agency labour.

Our supply chain includes sourcing components and services from diverse suppliers worldwide. These suppliers range from small local businesses to large multinational corporations. Ensuring the integrity and ethical standards of our supply chain is critical to our operations. We work directly with suppliers from various regions, primarily specialist engineering and manufacturing organizations, as well as classification societies, certification bodies in the maritime and industrial sectors, engineering consultancies, software providers, and general business consulting services.

Purchase Orders issued in 2023 by Currency (Figures before taxes):

Currency	Goods	Services
CAD	12,310,422.86	7,347,698.57
EUR	4,969,730.83	1,126,144.07
USD	4,010,945.54	942.95
GBP	41,151.94	12,527.61
<b>Total</b>	<b>21,332,251.17</b>	<b>1,948,765.17</b>

Our main suppliers for goods include electrical, electronical and mechanical components as detailed below:

Supplier	Location
ABB Inc	CANADA
Siemens Canada Limited	
RAE Industrial Electronics Ltd	
Atlantic Advanced Power Technologies	
Rexel Atlantic	
Schneider Electric Canada Inc	
Newark	
ABB Electrification Canda	
Innomotics (Formerly Siemens Large Drives)	US
ISOTECH SRL	EUROPE
Leclanché Mobility SA	

We source goods mainly in North America through our main partners' branches, even though their production facilities might be located around the globe. Most of the time, our terms with them are DDP, having our vendors as the importers of record for most of what we use to build our final products.

The head office sets strategy, policy, and governance, including those relating to human rights. We are committed to maintaining the highest ethical standards and creating an environment where everyone at AKA Energy Systems and across our value chain can perform at their best. This includes upholding global policies and processes to avoid any potential complicity in human rights violations, including instances of modern slavery and human trafficking.

**Policies And Due Diligence Processes**

AKA Energy Systems is committed to implementing comprehensive policies and due diligence processes to prevent modern slavery and human trafficking. These efforts are integrated into our Code of Conduct and Harassment Policy, which mandate compliance with all applicable laws related to forced and child labour. Although we do not have a standalone modern slavery policy, our commitment to combating these issues is embedded within our broader ethical framework.

Our Code of Conduct supports all our activities, setting out our principles and their application to our business operations. It applies to all employees, and we encourage our non-controlled contractors to adopt these principles, working only with partners who demonstrate the same commitment to high ethical standards.

In 2024, AKA Energy Systems will implement additional measures to prevent and reduce the risks of forced or child labour in our purchasing processes. We have recently included a section related to Human Rights and Forced Labour in our assessment questionnaire for new suppliers. As part of our Quality Management System (QMS), we follow a detailed process for qualifying both new and existing vendors, consistently monitoring their performance and taking corrective and preventive actions regarding quality.

We are enhancing our ongoing due diligence processes by adding risk assessments to ensure all active vendors comply with both product quality and our ethical standards as outlined in our Code of Conduct. Specific clauses are being incorporated into the Standard Terms and Conditions attached to our Purchase Orders for goods and services, ensuring vendors and their sub-contractors comply with Canada's prohibition on importing goods produced by forced or compulsory labour, including forced or compulsory child labour.

Furthermore, we will explore conducting sustainability assessments with tier-one suppliers to share challenges and best practices. As part of our continuous improvement process within the QMS, the Code may be amended periodically.

### **Exposure To Modern Slavery, Forced Labour and Child Labour Risks**

We recognize that forced labour and child labour are significant risks within global supply chains. Our risk assessment process identifies sectors and regions with higher vulnerability to these issues. Specific measures we undertake include:

- Mapping our supply chain to understand the origin of materials and components.
- Prioritizing suppliers in regions with known higher risks for detailed audits and engagement.
- Collaborating with industry groups and initiatives aimed at eradicating forced and child labour.

Our approach to identifying and assessing modern slavery risk is embedded within our broader enterprise risk management framework. Risks are identified across all business functions, ensuring a comprehensive evaluation of potential issues. Our Code of Conduct and related policies affirm our commitment to respecting the human rights of our employees and those working on our behalf, emphasizing core labour standards such as anti-discrimination, the right to work in a healthy and safe environment (HSE), and diversity and inclusion.

All employees are required to adhere to our Code of Conduct and related policies, which include assessments of how individuals embody our company values, behaviors, and ethical conduct. These policies and business conduct expectations are integral to our employee onboarding and induction process, as well as ongoing learning and development activities.

To do business with us, we expect all suppliers to be ethical, responsible, and fully compliant with all applicable laws and regulations. We are currently developing a Supplier Code of Conduct that aligns with the principles in our Code. Once finalized, all suppliers will be required to adhere to this Supplier Code or a mutually agreed alternative.

There have been no known instances of modern slavery identified in our supply chain during 2023. If any future investigation identifies confirmed or potential victims of modern slavery, we will act in the best interests and protection of these individuals or groups.

### **Remediation measures**

When cases of non-compliance are identified, AKA Energy Systems is committed to taking immediate and effective remediation actions. Our remediation measures include:

- Working with suppliers to develop and implement corrective action plans.
- Providing support and resources to help suppliers improve their practices and compliance.
- Terminating relationships with suppliers who fail to make necessary improvements or who violate our policies repeatedly.

In 2024, we will implement additional measures to prevent and reduce risks of forced or child labour in our purchasing of goods.

If a supplier's practices are found unsatisfactory or non-conformant with our Supplier Code, the issue is investigated and escalated appropriately. We address these issues on a case-by-case basis, seeking advice from subject matter experts and legal counsel where appropriate. We have not experienced any significant

breaches of the Supplier Code related to modern slavery to date. In the event of significant non-conformance, we retain the right to terminate any contractual agreement with immediate effect.

### **Remediation of loss of income**

We understand that addressing forced and child labour may sometimes lead to disruptions in income for affected workers. Our approach includes:

- Ensuring that remediation plans do not adversely impact the livelihoods of workers.
- Facilitating access to alternative employment opportunities or training programs for affected individuals.
- Collaborating with local organizations to support community development and income-generating activities.

### **Training**

Training is a crucial component of our strategy to combat modern slavery. We provide ongoing training to our employees to raise awareness and equip them with the knowledge to identify and address modern slavery risks. Our training programs for Human Rights are embedded in our Code of Conduct and Harassment Policy, which cover:

- Understanding the forms and indicators of modern slavery.
- Procedures for reporting and responding to suspected cases of forced or child labour.
- Best practices for maintaining ethical standards in supply chain management.

In 2024, we will continue reinforcing these policies internally but also looking for ways to provide training to our suppliers and partners.

### **Assessing effectiveness**

To ensure the effectiveness of our efforts, we regularly review and assess our policies, processes, and outcomes. This involves:

- Monitoring compliance through audits and supplier feedback.
- Reviewing the impact of our training programs and making improvements as needed.
- Setting and evaluating key performance indicators related to modern slavery prevention.
- Reporting our findings and progress to stakeholders transparently.

In 2024, AKA Energy Systems will develop methods to assess the effectiveness of its initiatives to reduce or eliminate the risks of forced labour or child labour.

### **Declaration**

Aspin Kemp & Associates Inc. is dedicated to maintaining the highest ethical standards and safeguarding human rights across all our operations and supply chains. We recognize the complexity of eliminating modern slavery and are committed to continuously improving our efforts to tackle this global issue. This report demonstrates our ongoing commitment to transparency and accountability in the fight against modern slavery.

This statement is made in accordance with the reporting requirements of the new Canadian Modern Slavery Act, also known as the Fighting Against Forced Labour and Child Labour in Supply Chains Act (formerly Bill S-

211). This legislation mandates businesses operating in Canada to report on their measures to combat modern slavery within their operations and supply chains.

This statement has been signed by the Chief Executive Officer on May 31<sup>st</sup>, 2024.



Jason Aspin  
CEO  
Aspin Kemp & Associates Inc.

