



EfficiencyOne Annual Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act

For reporting period January 1, 2023 – December 31, 2023

Contents

About this report..... 3

Steps to prevent and reduce risks of forced labour and child labour..... 3

Structure, activities and supply chains 3

Policies and due diligence processes..... 4

Forced labour and child labour risks..... 5

Remediation of loss of income 5

Training..... 6

Assessing effectiveness..... 6

Attestation..... 6

About this report

This report has been prepared pursuant to the *Canadian Fighting against Forced Labour and Child Labour in the Supply Chains Act* (the “**Act**”) and sets out the measures taken by EfficiencyOne during the fiscal year from January 1, 2023, to December 31, 2023, to prevent and reduce the risk of forced labour or child labour in its operations and supply chain. When used in this report, the terms “forced labour” and “child labour” have the respective meanings ascribed to them by the Act.

This report is prepared by EfficiencyOne for the reporting period of January 1, 2023, to December 31, 2023.

EfficiencyOne recognizes that forced and child labour are pressing global issues and is committed to preventing and combating forced or child labor within its business operations and supply chains. We uphold the high standards of ethical conduct and continuously work to ensure we engage in activities with transparency and respect for human rights.

Steps to prevent and reduce risks of forced labour and child labour

EfficiencyOne is committed to reducing the risks of forced labour and child labour in its supply chain and ensuring that our business practices reflect our dedication to maintaining high ethical standards and respecting human rights. By integrating environmental, social and governance considerations into our decision-making processes, EfficiencyOne endeavors to engage with suppliers that uphold similar values surrounding their business operations and procurement processes. The steps taken to date consist of our policies outlined in this report, as well as supplier engagement to assess the risk associated with the goods imported and distributed during the reporting period. EfficiencyOne has upheld and continues to implement our values, which are reflected in our policies and procedures described in detail below.

Structure, activities and supply chains

EfficiencyOne is a federally incorporated, non-profit organization based in Nova Scotia, Canada, with an average of 189 employees in fiscal year 2023 that helped people achieve their energy goals, save money, conserve resources, improve wellbeing, and combat climate change. EfficiencyOne is governed by an independent Board of Directors, while the day-to-day operation of the organization is the responsibility of the Executive Leadership Team. Information on EfficiencyOne’s Board of Directors, Executive Leadership Team, and the Corporate Governance can be found on our website <https://www.encyone.ca/about-us/who-we-are/>.

EfficiencyOne is a member of several organizations that support the advancement of the energy efficiency industry, building capacity in the local Nova Scotia economy, and combating climate change. Examples include Efficiency Canada, Building to Zero Exchange (BTZx), the Association of Energy Engineers, the Halifax Partnership, the Halifax Chamber of Commerce, and others. Additionally, EfficiencyOne has two subsidiaries Halifax Climate Investment, Innovation and Impact Fund and EfficiencyOne Services Inc. that do not have reporting obligations under the Act.

EfficiencyOne designs, delivers and administers resource efficiency programs to Nova Scotians. In addition, EfficiencyOne provides Nova Scotia Power Inc. with demand side management services, performed under a fee-for-service agreement, as approved by the Nova Scotia Utility and Review Board. EfficiencyOne is also engaged by the Province of Nova Scotia under fee-for-service agreements to provide non-electric efficiency and low carbon services to Nova Scotians to. EfficiencyOne holds the exclusive franchise rights to operate and carry on business under the name Efficiency Nova Scotia.

EfficiencyOne's primary activities involve the design, delivery, administration of energy efficiency programs and services to Nova Scotians. EfficiencyOne does not produce, manufacture, or sell products but occasionally imports and distributes goods. During its 2023 reporting year, EfficiencyOne purchased and imported one product, which was then distributed to end users. The goods were imported from the United States (“USA”) where they were also made and assembled. Once imported, the goods were warehoused in Canada and distributed to end users in Nova Scotia.

Policies and due diligence processes

EfficiencyOne operates solely in Canada and has the following policies that can be used to assist in the prevention, and fight against forced or child labour risks within its operations:

- Environmental, Social and Governance (“**ESG**”) Policy
- Procurement Policy
- Code of Conduct and Business Ethics Policy (the “**Code**”)

Each of these policies have been adopted by the Board of Directors of EfficiencyOne and apply to EfficiencyOne and all its subsidiaries, unless determined otherwise in accordance with the policies.

It's important to recognize that while these policies establish an ethical framework for decision-making within Efficiency One's supply chain practices, they may not explicitly address concerns related to forced or child labor. However, they serve as a foundation for responsible and sustainable business practices.

1. **ESG Policy**

EfficiencyOne was incorporated with, in part, a purpose to “contribute to economic prosperity, environmental sustainability and societal well-being”. EfficiencyOne's commitment to ESG is reflected in our organizational policies, where we apply an ESG lens to day-to-day activities. Our ESG Framework comprises five integrated pillars: Board of Directors' leadership, ESG Policy, ESG Steering Committee, Tracking and Reporting Performance, and Communications. We identify ESG risks and opportunities by reviewing our organizational activities and, when applicable, conducting a materiality assessment. In 2023, certain ESG targets were integrated into our strategies, workplans, and day-to-day operations.

2. **Procurement Policy**

Our Procurement Policy includes minimum required standards to ensure that procurement risks are identified (e.g. supply chain risks, ESG factors, and others); that appropriate approvals and internal controls are followed; that procurement processes are consistent and coordinated across the organization; and that procurement decisions are aligned with Board-approved policies and objectives, including the ESG Policy.

To the best of our abilities, ESG is considered in our procurement decisions. This may include asking proponents to identify their governance and ethics policies (e.g. protection from supplier kickbacks, regulatory compliance, geopolitical risks, and other internal practices, controls and procedures adopted by the vendor's/contractor's organization to govern itself, make effective decisions, comply with the law, and meet the needs of internal and external parties). It may also include asking proponents about their efforts as related to employee health and safety, fair wage, health promotion, diversity and inclusiveness and gender equality.

3. Code of Conduct and Business Ethics Policy

We are committed to maintaining a high standard of legal and ethical business conduct. The directors, officers, and employees are expected to become familiar and comply with the provisions of this policy. We promote a workplace that is free from discrimination and harassment and to ensuring EfficiencyOne's operations comply with applicable legislative standards related to health and safety. All our directors, officers and employees renew their commitment to comply with this policy on an annual basis. This policy is also reviewed every two years to ensure it reflects the changing needs, realities, and responsibilities of EfficiencyOne.

Forced labour and child labour risks

As part of our commitment to prevent and combat forced and child labour, we have taken steps to assess the risk of forced labour or child labour in our own activities and supply chains. This involved engaging directly with our suppliers to understand their practices and conducting due diligence on their operations. The product imported and distributed by us during the reporting period was imported, assembled, and manufactured in the USA. We found that our direct suppliers and their immediate manufacturers are low risk for using forced or child labor. While tracing the sources of raw materials beyond these points presents challenges, we expect our suppliers to uphold similar business practices and values and will continue to work diligently to ensure ethical practices throughout our supply chain. Our policies as well as our ongoing efforts in this area reflect our dedication to maintaining high standards of integrity and responsibility in all aspects of our business operations.

EfficiencyOne is committed to reducing and preventing the risk of forced or child labour in its supply chains by the continued improvement of its internal policies and procedures relating to diligence, risk assessment and remediation processes and engagement with its suppliers.

Remediation of loss of income

EfficiencyOne has not identified any instances of forced or child labour in its activities and supply chains within the financial year ended 2023 and therefore, did not undertake any remediation measures.

Further, EfficiencyOne recognizes that efforts to eliminate forced or child labour in its activities can result in a loss of income to vulnerable families. Since EfficiencyOne has not identified any forced or child labour in its supply chain or business operations, there has been no resulting loss of income to vulnerable families. Consequently, we have not taken any specific measures to remediate such loss.

Training

EfficiencyOne does not currently provide forced or child labour specific training to its employees. Executive Leadership Team, and the Board of Directors of EfficiencyOne have been informed of EfficiencyOne's reporting obligations, and their own responsibilities under the Act. EfficiencyOne is considering implementation of employee training in this area as it recognizes the importance of educating all members of the organization.

Assessing effectiveness

While no active steps were taken to assess effectiveness during the 2023 reporting period in ensuring that forced labour and child labour are not being utilized in our activities and supply chains, EfficiencyOne is open to considering ways to evaluate its effectiveness.

Attestation

This is a report prepared on behalf of and approved by the Board of Directors of EfficiencyOne pursuant to section 11 (4) (a) of the Act.

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.

For clarity, I have provided the attestation above in my capacity as a member of the EfficiencyOne Board of Directors and Chair of the Finance Committee and not in my personal capacity.

[signature page follows]

Dated at Halifax, Nova Scotia, this 30th day of May 2024.

Per: 

Name: Sean O'Connor

Title: Chair, Finance Committee and Director, EfficiencyOne

I have the authority to bind EfficiencyOne.