

Holland Power Services Inc.

Report on Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act

1) Structure, Activities and Supply Chains

a) Structure

Holland Power Services Inc. (“Entity”) is a wholly owned subsidiary of Alectra Inc.

The Entity employs around 120 people on a full time basis and has a casual workforce of roughly 1,000 people. Most of this workforce is engaged via definite assignment contracts for on-call casual work. Our employment contracts and workplace policies are regularly reviewed to ensure compliance with workplace laws.

b) Activities

Entity’s mandate is to provide safe, reliable, efficient / cost effective power restoration services for utility partners across the Eastern United States and from Ontario to the east coast of Canada.

c) Supply Chains

As a restoration contractor, the Entity’s role is to repair and restore electricity safely and reliably, at a reasonable cost. The primary resource of the Entity is skilled labour, supported by the use of vehicles and specialized tooling required to perform such services.

Depending on which stance you take on the definitions, and the thresholds for compliance of Bill S-211, Entity may or may not be deemed to comply. While Entity has a place of business in Canada, does business in Canada, and has assets in Canada, the compliance obligations for Bill S-211 are not clear. According to Entity’s financial statements, two of the three thresholds for compliance are satisfied. However, there are facts that add complexity to our decision to comply.

- i. The definition of a good, in the normal sense of the word, would not include the restoration of electricity services.
- ii. Effectively, the 2023 revenue earned from the Entity is approximately CAD \$75 million.
- iii. Entity’s Total Assets is approximately CAD \$111 million. Of this amount however, only CAD \$25 million is associated with physical assets. Capital expenditures in 2023, which more closely reflects the purchase of new assets, totaled CAD \$6.5 million, or 5.85% of Total Assets.

Despite the size of the organization in comparison to the Act’s thresholds, and without further clarity on the definition of a good, Entity has chosen to comply.

2) Policies and Due Diligence Processes

a) Internal

Entity is committed to being a workplace that is trusted by employees, contractors, customers, and consultants.

All Individuals are expected to adhere to the highest ethical standards of behaviour to perform their work in a manner that is consistent with our corporate values to preserve and enhance the reputation of the Entity. All Individuals have the right to work in a safe and healthy environment and one that is committed to providing safe and healthy working conditions. Compliance with applicable laws and standards, exercising good judgment in avoiding or dealing with conflicts of interest, the protection of privacy, and maintaining confidentiality are foundational to achieving the company's ethical standards and goals. All Individuals are responsible for reviewing, understanding, complying with, and acknowledging the policy. Individuals who are new to Entity are required to review and acknowledge the Respect in the Workplace Policy during their onboarding or before commencing work with Entity. All Individuals have the obligation of ensuring their own personal compliance with this policy. Individuals must also report any known or suspected non-compliance or potential noncompliance with the Respect in the Workplace policy.

We encourage employee actions that align with our purpose, and to be a long-term community partner. We maintain a respectful workplace free of discrimination, sexual harassment, and workplace harassment, and believe that all workplace incidents, illnesses, and environmental impacts are preventable and that no task or production schedule is more important than the mental and physical health of a worker, the safeguarding of the public, or the protection of the natural environment. The Entity is committed to meeting the needs of current and future generations by empowering its customers, communities, and employees, protecting the environment, and embracing innovation.

Entity complies with all applicable provincial and federal laws and regulations as a minimum standard. All employees acting on behalf of Entity are expected to comply with this commitment and all related corporate policies, including:

Laws and Regulations

- Employment Standards Act 2000;
- Labour Relations Act, 1995;
- Municipal Freedom of Information and Protection of Privacy Act;
- New Brunswick Human Rights Act, RSNB;
- New Brunswick Employment Standards Act;
- Quebec Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST)
- Ontario Human Rights Code, R.S.O. 1990; and

- Occupational Health and Safety Act as amended, R.S.O. 1990 (“OHSA”).

Internal Codes & Policies

- Respect in the Workplace Policy;
- Health & Safety Policy;
- Workplace Equity, Diversity and Inclusion Policy; and
- AODA - Integrated Accessibility Standards Regulation (IASR) Policy.

Hiring Practices & Policies

Within the various policies and hiring procedures, Entity adheres to the following extracted items:

- All job opportunities open externally are posted on a variety of website job boards, and on Entity’s website, inviting candidates to apply;
- Complying with provincial regulations, no one under the age of 16 will be employed, and students must be enrolled full time in a community college or university program;
- Employees are entitled to rearrange their work duties without loss of pay in order to observe the religious holiday(s) of their faith; and
- Employees are offered: sick leave, bereavement leave.

b) External

Entity strives to only work with suppliers and manufacturers that align with our key principles, behaviours, and core values. All contracts for goods and services require suppliers to comply with applicable Canadian laws.

Working to maintain an open and competitive purchasing environment, Entity has a purchasing program in place to ensure reliable suppliers and contracts. This program ensures that employees in the purchasing department are operating within guidelines towards the procurement of equipment in accordance with industry standards and regulations.

3) Risk of Forced Labour and Child Labour, Mitigation of the Risk

a) Internal

Given the adherence to laws, and the policies and procedures in place for all employees, Entity is confident that there is no forced labour or child labour within its employees, all of whom work and reside in Canada or in the United States.

b) External

Entity purchases finished products or equipment that is used to provide power restoration services, most notably vehicles or specific tooling. The primary resource of the Entity is skilled labour, supported by the use of vehicles and specialized tooling required to perform such services. The products and equipment used must be specifically designed for a few main factors: 1) electricity is dangerous to everyone and anything that is near it, 2) the system is installed and operates in the public domain, overhead along the streets, highways, and underground of the streets and houses. In order to restore a safe, reliable system that will withstand the outside environment in which it is situated for many decades, the majority of the

equipment utilized is designed to an industry specification and must meet performance tests. Therefore, production of electricity equipment requires high quality and precision, which is achieved with a manufacturing sector that has high skill, training, and labour rates. As such, the electricity sector is not prone to forced labour or child labour.

Bill S-211 seeks to help eradicate child and forced labour contributions to the Canadian economy particularly in the areas as identified by the report *Ending child labour, forced labour and human trafficking in global supply chains*: International Labour Organization, Organisation for Economic Co-operation and Development, International Organization for Migration and United Nations Children’s Fund, 2019. The report specifically identifies Africa, Asia, Latin America and the Caribbean as areas of concern.

A review of the equipment used by Entity in power restoration activities notes that the bulk of it is supplied from Canada or the United States of America.

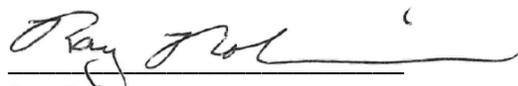
4) Assessment its Effectiveness, Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

Entity has witnessed no evidence of forced labour or child labour in its supply chains. Given the location and high quality involved in manufacturing the equipment purchased by Entity to be used in its activities, the risk of forced labour and child labour being present in Entity’s supply chain is relatively low.

The Entity is however committed to working collaboratively with the suppliers we are in business with, along with industry stakeholders to understand where risks are, and where we need to make changes. We are committed to improving our practices to combat forced labour and child labour. We recognise that forced labour and child labour is a real yet hidden issue. We will not tolerate either forms of slavery in our business or supply chain.

5) Attestation

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 . 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.



Ray Robinson
CEO

I have authority to bind Holland Power Services Inc.