



2023 Report on Bill S-211:

**An Act to enact the Fighting Against Forced Labour and
Child Labour in Supply Chains Act**

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

Structure, Activities and Supply Chains

Kingston Hydro Corporation (“Entity”), referred to throughout as “Kingston Hydro,” is wholly owned by the Corporation of the City of Kingston. Kingston Hydro was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada. The Corporation is governed by a Board of Directors that consists of three independent directors and three directors appointed by position. The independent directors are appointed by the Shareholder, the Corporation of the City of Kingston. Kingston Hydro provides electricity distribution services in Central Kingston, as well as Canadian Forces Base Kingston and parts of Barriefield Village Kingston. Kingston Hydro is committed to a mission of distributing electricity in a safe and reliable manner, while keeping rates affordable and providing long-term value to the community. Kingston Hydro and the community benefit from a multi-utility services delivery model, provided by 1425445 Ontario Limited (operating as “Utilities Kingston”), to ensure cost savings and superior services for its customers and the community. Kingston Hydro has no employees as all staff are employed under the affiliated company 1425445 Ontario Limited (operating as “Utilities Kingston”). The employees of 1425445 Ontario Limited (operating as “Utilities Kingston”) provide asset management, billing, operational and maintenance services to Kingston Hydro. The assets of Kingston Hydro are managed, maintained and operated by the employees of 1425445 Ontario Limited (operating as “Utilities Kingston”). 1425445 Ontario Limited (operating as “Utilities Kingston”) is filing a separate report on *Bill S-211 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*. Kingston Hydro is regulated and operates under a licence issued by the Ontario Energy Board and adjustments to the electricity distribution rates require Ontario Energy Board approval.

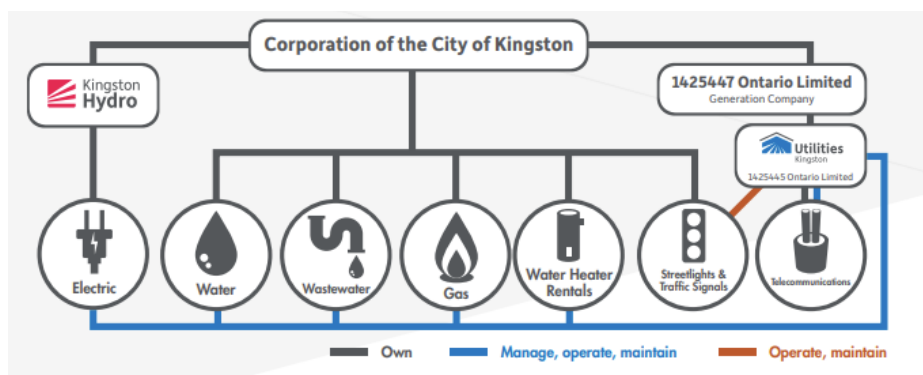


Figure 1: Kingston Hydro's relationship with The Corporation of the City of Kingston and 1425445 Ontario Limited (operating as "Utilities Kingston")

The Ontario electricity system includes the generation, transmission and distribution of electricity. The Independent Electricity Operator (“IESO”) operates and monitors the

electricity grid, directing the flow of electricity and balancing supply resources with demand. Kingston Hydro is a distributor within the electricity system with a role to carry the electricity from the transmission system to consumers. While Kingston Hydro owns the wires, poles, transformers and meters that bring electricity from the provincial electricity transmission grid to the doors of 28,000 homes and businesses, the electrical system is proudly operated by the employees of 1425445 Ontario Limited (operating as “Utilities Kingston”). As the distributor, Kingston Hydro invoices and receives revenue for the bulk electricity system, including generation, transmission and distribution. The revenues collected for generation and transmission are remitted as a pass through (no profit is gained) to the corresponding entities via the IESO.

Kingston Hydro is submitting a report on Bill S-211 because the corporation has a place of business in Canada, does business in Canada, has assets in Canada, and meets the minimum reporting thresholds for assets and revenue. The assets on the financial statements include both current and non-current assets. Non-current assets include the infrastructure for the electricity distribution system and have long useful lives that depend on the operating lives of the infrastructure. The revenue on the financial statements includes both the distribution revenue and the energy sales revenue, along with the cost of energy (the pass-through revenue collected where no profit is gained). **It is uncertain if Kingston Hydro, as a distributor of electricity, is considered to be producing, selling, or distributing “goods” pursuant to section 9 of the Act, without further confirmation Kingston Hydro has chosen to report and comply in support of the Act.**

Policies, Due Diligence Processes, and Training

Kingston Hydro and the employees under the affiliated company 1425445 Ontario Limited (operating as “Utilities Kingston”) are committed to safe and reliable electricity infrastructure services in Central Kingston, as well as Canadian Forces Base Kingston and parts of Barriefield Village Kingston. Kingston Hydro complies with all applicable provincial and federal laws and regulations and ensure core values of safety, integrity, innovation and reliability are supported with fair and equitable hiring practices and employment.

Laws and Regulations include:

- Employment Standards Act 2000;
- Labour Relations Act, 1995;
- Personal Information Protection and *Electronic Documents Act* (Canada), 2000;
- Ontario Human Rights Code, R.S.O. 1990;
- Accessibility for Ontarians with Disabilities Act (AODA); and
- Occupational Health and Safety Act as amended, R.S.O. 1990 (“OHSA”).

Internal Codes & Policies include:

- Code of Conduct;

- Health and Safety Policies and Training;
- Privacy Policy;
- Customer Privacy Policy;
- Diversity, Equity, and Inclusion Policy, referring to the Ontario Human Rights Code, and Canadian Human Right Act;
- Accessible Customer Service Policy; and
- IT Training and Policies.

Kingston Hydro has three suppliers: Hydro One Transmission, the Independent Electricity Systems Operator, and an affiliate 1425445 Ontario Limited (operating as “Utilities Kingston”) which provides all materials, supplies and services to Kingston Hydro. Kingston Hydro strives to only work with suppliers and manufacturers that align with core values. Kingston Hydro has no employees as all staff are employed under the affiliated company 1425445 Ontario Limited (operating as “Utilities Kingston”). Kingston Hydro is committed to continuous review and enhancement of all applicable policies and practices.

Risk and Mitigation of Risk of Forced Labour and Child Labour

Kingston Hydro adheres to laws, policies and procedures and is confident that there is no forced labour or child labour within the employees of its affiliate 1425445 Ontario Limited (operating as “Utilities Kingston”), all of whom work and reside in Ontario, Canada. A large majority of the supply chain for Kingston Hydro includes purchasing finished products and electricity distribution equipment that are used to provide the service of electricity to consumers. Kingston Hydro is committed to the health, safety and well-being of all employees of its affiliate and the community. Any equipment used in Kingston Hydro’s distribution system requiring the approval of a Professional Engineer is approved for use by a Professional Engineer as per Ontario Regulation 22/04, including an annual audit on the approval process by the Electrical Safety Association. Bill S-211 seeks to eradicate child labour 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. Due to the nature of the electricity distribution industry, Kingston Hydro’s regular activities within the supply chain are comprised with first tier suppliers within Canada.

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

Kingston Hydro has witnessed no evidence of forced labour or child labour in its supply chains and activities. Kingston Hydro is actively reviewing first tier suppliers and implementing business practices to continue to enhance risk mitigation. Given the industry, location of Kingston Hydro’s business practices, and the high quality required for equipment purchased by Kingston Hydro to be used in the electrical distribution system, the risk of forced labour and child labour being present in Kingston Hydro’s first

and second tiers of the supply chain is relatively low. However, Kingston Hydro is committed to collaborative work with suppliers within the supply chain, along with industry stakeholders to understand and assess risks of forced labour and child labour and are committed to continuously enhancing practices to combat forced labour and child labour. Forced labour and child labour is a real, yet hidden issue and Kingston Hydro will not tolerate either forms of slavery in its business practices or supply chains.

Attestation

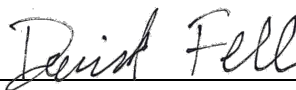
In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

The Kingston Hydro Corporation Board of Directors has approved this report and has approved attestation by David Fell and Randal Murphy.

Full Name: David Fell

Title: President and Chief Executive Officer

Date: May 27, 2024

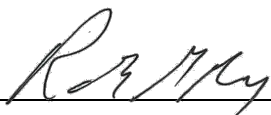
Signature: 

“I have the authority to bind Kingston Hydro Corporation.”

Full Name: Randal Murphy

Title: Chief Financial Officer and Treasurer,
Corporate Secretary

Date: May 27, 2024

Signature: 

“I have the authority to bind Kingston Hydro Corporation.”