



**Bill S-211: An Act to enact the Fighting Against Forced Labour and
Child Labour in Supply Chains and to amend the Customs Tariff**

2024 Report

196 Taylor Road
Bracebridge, ON
P1L1J9
Phone: (705) 349-0987
Email: tservos@lakelandholding.com

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

1) Structure, Activities and Supply Chains

a) Structure

Legal & Corporate Structure & Employees

Lakeland Holding Ltd. is wholly owned by the municipalities of: Bracebridge, Huntsville, Parry Sound, Burks Falls, Magnetawan & Sundridge. Lakeland Holding Ltd. was incorporated on September 1st, 2000, under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada.

Lakeland Holding Ltd. employs ~100 people between all 5 companies and/or divisions (listed below). All this workforce is engaged directly via employment contracts or via a Collective Bargaining agreement. Our employment contracts and workplace policies are regularly reviewed to ensure compliance with workplace laws.

Partner Organizations/Control of Other Organizations

Lakeland Holding Ltd. is the parent company of Bracebridge Generation Ltd. (known as Lakeland Generation), Lakeland Power Distribution Ltd., Lakeland Energy Ltd. (known as Lakeland Networks), & Lakeland Solutions (a division of Bracebridge Generation Ltd.). This report is for all of Lakeland Holding Ltd.'s subsidiaries.

b) Activities

Lakeland Holding Ltd.'s mandate is to provide safe, reliable, efficient /cost effective delivery of services to the residents and businesses in our service territory, the citizens of the cities in which we service and the municipalities of: Bracebridge, Huntsville, Parry Sound, Burks Falls, Magnetawan & Sundridge under a license issued by the Ontario Energy Board ("OEB"). Lakeland Power Distribution Ltd. is regulated by the Ontario Energy Board (OEB) and adjustments to Lakeland Power Distribution Ltd.'s electricity distribution rates require OEB approval.

c) Supply Chains

Lakeland Power Distribution Ltd. & Lakeland Generation & Lakeland Solutions:

The bulk electricity system in Ontario is broken into three main segments:

- 1) Generation: the production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind, etc. facilities;
- 2) Transmission: the bulk movement of the electricity from the generating site along high-voltage power lines over long distances; and
- 3) Distribution: carrying the electricity from the transmission system to individual consumers.

Another important participant in the bulk electricity system, is the Independent Electricity System Operator ("IESO"), which operates and monitors the province wide electricity grid, directing the flow of electricity, balancing the hundreds of supply resources with demand.

As a generator & distributor, Lakeland Holding Ltd.'s role is to generate & deliver electricity safely and reliably, at a reasonable cost. However, as the point of contact for electricity with the end-use customer, Lakeland Holding Ltd. invoices and receives revenue for the entire bulk electricity system, including generation, transmission, and distribution.

Lakeland Networks:

Lakeland Networks is a Federally Regulated communications company that consists of buying and distributing bandwidth, TV, and phone to business and residential customers safely & reliably.

Depending on which stance you take on the definitions, and the thresholds for compliance of Bill S-211, Lakeland Holding Ltd. may or may not be deemed to have this Act enforced. While Lakeland Holding Ltd. 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 Lakeland Holding Ltd.'s financial statements, two of the three thresholds for compliance are satisfied but only in one of our four divisions. Though there are facts not explained in the financial statements that add complexity to our decision to self-report.

- i. The definition of a good, in the normal sense of the word, would not include the delivery of electricity, production of waterpower or delivery of internet.
- ii. Lakeland Holding Ltd.'s Consolidated 2023 Total Revenue is \$70.4M. Total Assets for Lakeland Holding Ltd. is \$139M as of 2023.
- iii. Lakeland Power Distribution Ltd.'s 2023 Total Revenue is \$47.1M, \$37.1M of which is a pass-through wholesale electricity to the IESO. As the owner, constructor, and maintainer of the Power distribution system within its territory, Lakeland Power Distribution Ltd.'s total Assets is based on the infrastructure assets which have an operating life of between 10 and 50 years. In 2023, this totaled CAD \$42.7M. However, the capital expenditures in 2023, which more closely reflects the purchase of new assets, totaled CAD \$2.9M, 6.7% of Lakeland Power Total Assets.
- iv. Lakeland Generation's 2023 Total Revenue is \$11.2M. As the owner, constructor, and maintainer of 10 Hydro-Electric Facilities & 1 Solar/Battery Facility in Ontario, Lakeland Generation's Total Assets is based on infrastructure assets which have an operating life of between 10 and 50 years and in 2023, this totaled CAD \$60.3M. However, the capital expenditures in 2023, which more closely reflects the purchase of new assets, totaled CAD \$830,000, 1.4% of Total Assets.
- v. Lakeland Network's 2023 Total Revenue is \$13.1M. As the owner, constructor and maintainer of a Fibre Network in Ontario, Lakeland Networks Total Assets is based on infrastructure assets which have an operating life of between 5 and 20 years and in 2023, this totaled CAD \$35.9M. However, the capital expenditures in 2023, which more closely reflects the purchase of new assets, totaled CAD \$4.1M, 11% 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, Lakeland Holding Ltd. has chosen to self-report.

2) Policies and Due Diligence Processes

a) Internal

Lakeland Holding Ltd. is committed to being a workplace that is trusted by employees, customers, and shareholders. 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.

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

Laws and Regulations

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

Internal Codes & Policies

- Code of Conduct;
- Respect in the Workplace Policy;
- Health & Safety;
- Diversity, Equity, and Inclusion Policy, referring to the Ontario Human Rights Code, and Canadian Human Right Act;
- Discrimination and Harassment Policy;
- Violence in the Workplace Policy;
- Code of Business Ethics and Conduct; and
- Accessibility (AODA) Policies.

Hiring Practices & Policies

Within the various policies and hiring procedures, Lakeland Holding Ltd. adheres to the following extracted items:

- All open job opportunities are posted on a variety of website job boards, and on Lakeland Holding Ltd.’s websites, inviting candidates to apply;
- Complying with provincial regulations & federal regulations, no one under the age of 14 will be employed, and co-op students must be enrolled full time in a high school, college or university program;
- In no case shall an employee be required to work more than 60 hours in any one week;
- Barring exceptional circumstances, and subject to the Employment Standards Act, 2000, an employee cannot be required to work on a public or paid holiday;
- Employees are entitled to rearrange their work duties without loss of pay to observe the religious holiday(s) of their faith; and
- Employees are offered: sick leave, bereavement leave, pregnancy leave, parental leave, family medical leave.

Lakeland Holding Ltd. has 21% of employees represented by the Power Workers Union, providing the prompt and equitable resolution of employment related complaints, grievances and disputes, promoting co-operation and understanding between the Lakeland Holding Ltd. and members of the bargaining unit, recognizing the mutual value of joint discussions and negotiations in matters pertaining to the improvement of working conditions, scale of wages, employee benefits and other employment-related matters.

b) External

Lakeland Holding Ltd. strives to only work with suppliers and manufacturers that align with our key principles, behaviours, and core values. Working to maintain an open and competitive purchasing environment, Lakeland Holding Ltd. has a Purchasing Policy in place to ensure reliable suppliers and contracts. This policy 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, Lakeland Holding Ltd. is confident that there is no forced labour or child labour within its employees, all of whom work and reside in Ontario, Canada.

b) External

Lakeland Holding Ltd. purchases finished products or equipment that it then uses to assemble according to its own designs or plans to generate electricity or provide the service of electricity, and internet. The equipment and the assemblies of the equipment must be specifically designed for a few main factors: 1) the services we provide (i.e. water generation, electricity distribution and communications distribution) can be dangerous to everyone and anything that is near it, 2) electricity & internet are necessary services that every resident, business – commercial and industrial customer relies on; 3) the systems are installed and operated in the public domain, overhead along the streets, highways, and underground of the streets and houses. To deliver a safe, reliable system that will withstand the outside environment in which it is situated for many decades, most of the equipment utilized is designed to an industry specification and must meet performance tests as per an industry standard, such as those developed by the Canadian Standards Association. As a further step of due diligence, all equipment used in the Lakeland Power Distribution Ltd.'s system specifically is approved for use by a Professional Engineer as per Ontario Regulation 22/04, which includes an annual audit on the approval process. Therefore, production of electricity generation & distribution equipment, as well as communications equipment, requires high quality and precision, which is achieved with a manufacturing sector that has high skill, training, and labour rates. As such, neither the electricity or communications sectors are 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 Lakeland Holding Ltd. in the electricity distribution system, generation system & communication system notes that almost all equipment is supplied from vendors in Canada, Europe and the United States of America. Any capital spending outside of Canada, Europe, or the United States of America are from reputable industry vendors and are required for the delivery of essential services.

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

Lakeland Holding Ltd. has witnessed no evidence of forced labour or child labour in its supply chains. We completed a high level, initial review of our first-tier suppliers and some second-tier manufacturers, finding that some of the second-tier manufacturers have addressed forced labour and child labour in their Codes of Conduct. Given this and the location and high quality involved in manufacturing the equipment purchased by Lakeland Holding Ltd. to be used in the generation, distribution & communications systems, the risk of forced labour and child labour being present in first and second tiers of the supply chain is relatively low.

However, Lakeland Holding Ltd. is 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 Lakeland Holding Ltd. or the 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.

Full Name

Taylor Servos

Title

People & Culture Officer

Date

May 30th 2024

Signature



I have the authority to bind Lakeland Holding Ltd.