

MANITOBA HYDRO INTERNATIONAL LTD. REPORT ON SUPPLY CHAIN (YEAR ENDING MARCH 31, 2024)

This report describes actions that have been taken in support of federal legislation Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C 2023, c.9)

The completion and filing of this report is undertaken on a voluntary basis and without prejudice to the reporting entity's rights to ascertain or challenge the applicability of the referenced legislation to Manitoba Hydro International Ltd.

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Identification

Reporting entity:	Manitoba Hydro International Ltd. (MHI)
Financial reporting year:	April 1, 2023 - March 31, 2024 (2023/24)
Revised report:	No
Business number(s):	877434621
Joint report:	No
Reporting obligations other jurisdictions:	No
Categorization:	Entity
Sector/industry:	Software Sales and Consulting Services
Location:	Manitoba

Approval and Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9) (the “Act”), and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for Manitoba Hydro International Ltd. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Full name: Donald Lorne Bjornson

Title: General Counsel and Corporate Secretary

Date: May 21, 2024

I have the authority to bind Manitoba Hydro International Ltd.

Steps taken to prevent and reduce risk

Actions this year centered on:

- elevating internal awareness
- consideration of existing internal mechanisms including MHI's draft Human Rights Policy and project-specific Anti-Trafficking Plan
- identification of further mechanisms, policies and processes required to address, eliminate and mitigate risks of forced labour and child labour in MHI's supply chain
- identification of the internal resources that will be tasked with their development and implementation moving forward.

Requirement a) Structure, activities and supply chains

Structure and Activities

Manitoba Hydro International Ltd. (MHI), a wholly-owned subsidiary of the Manitoba Hydro-Electric Board (Manitoba Hydro), was incorporated in September 1998 and commenced operations on April 1, 1999. On the basis that MHI has at least \$20 million in assets and has generated at least \$40 million in revenue in one of the last two fiscal years, and given the significant differences between their respective business focus, size, revenues and operations, MHI will report independently of Manitoba Hydro.

MHI currently has four business segments, International Utility Services, Power Systems Technology Centre, Transmission and Distribution Solutions and Telecom Services. International Utility Services provides professional consulting, training and electricity infrastructure management services primarily to developing markets. The Power Systems Technology Centre provides technology products, research and development and engineering services to the electrical power system industry. Transmission and Distribution Solutions provides engineering solutions and software development services to the energy sector. Telecom Services provides state of the art broadband telecommunication solutions for telecom carriers, internet service providers and large commercial customers in Manitoba.

MHI Employees: 61
MHI Assets: \$105.12 million

Supply Chain

The majority of MHI's revenue is generated from software sales and professional consulting services. As a result, MHI does not have a large volume of purchases of tangible goods. Primarily, for the reporting period, these purchases consisted of project material and equipment, office equipment, promotional goods, and other items for use by MHI's head office. Given these limited procurement activities, MHI considers its footprint with respect to forced labour and child labour in its supply chain to be extremely limited.

Purchase of Goods: \$2.3 million (90% domestic)
Total active vendors: 144 (87% domestic)

90% of MHI's annual purchases of tangible goods were from domestic vendors. MHI acknowledges that while the majority of purchases of these goods are from domestic suppliers, there is additional risk of forced and child labour when these suppliers are distributors, importers or resellers and goods originate outside of Canada.

Requirement b) Policies and due diligence processes

Existing policies and processes

MHI's Code of Conduct, Respectful Workplace Policy and Integrity Program Policy set out the fundamental values and expectations of MHI with respect to ethical business conduct, standards of conduct regarding treatment of personnel in a respectful workplace and expectations and process for reporting of suspected wrongdoing in the operation of MHI's business. The Code and these policies highlight a number of guiding principles including respect for others, diversity and inclusion, harassment and discrimination-free workplace, safety, environmental stewardship, integrity and accountability, legal and regulatory compliance, as well as fairness in human resource management and procurement. MHI also complies with the Manitoba Employment Standards Code with respect to minimum requirements for wages, benefits, working hours and overtime for its personnel. In addition, MHI complies with all federal legislation, regulations and requirements to ensure all persons employed or contracted to MHI are legally entitled to work in Canada.

Forced labour and child labour in MHI's supply chain do not align with the principles and objectives and legislated requirements to which MHI is committed.

New Actions

In this reporting period MHI:

- commenced elevating awareness of the Act with its management team
- identified the need to review its risk management process and protocols to ensure that risks of forced labour and child labour could be identified, reviewed and eliminated or mitigated for MHI projects reviewed by MHI's Risk Management Committee
- identified the need to finalize its draft Human Rights Policy and to ensure such policy adequately addresses the issues of forced labour and child labour in MHI's supply chain including processes for identifying, reviewing, reporting and addressing these issues.
- Identified key departments and internal resources to assist with the development and implementation of further measures regarding forced labour and child labour within MHI's supply chain

Requirement c) Forced labour and child labour risks

At a high level, MHI is of the view that the risk of significant forced labour and child labour risks in MHI's supply chain is low based upon the type and low dollar value of procurements that MHI undertakes on an annual basis. MHI's business is primarily focused on the sale of an in-house developed and maintained software product as well as consulting services performed directly by MHI employees and independent

contractors. Purchases from suppliers related to goods are relatively low dollar value and primarily from domestic suppliers.

Requirement d) Remediation measures

As no issues were identified with respect to forced labour or child labour in MHI's supply chain in this reporting period, no remediation efforts were taken.

Requirement e) Remediation of loss of income

As no issues were identified with respect to forced labour or child labour in MHI's supply chain in this reporting period, no remediation efforts with respect to loss of income were taken.

Requirement f) Training

MHI did not internally conduct nor receive training with respect to forced labour or child labour risks in supply chains nor with respect to the Act within the reporting period.

Requirement g) Assessing effectiveness

Developing an assessment mechanism was not part of this year's activities.