

Fighting Against Forced Labour and Child Labour in Supply Chains Act Fiscal 2024 Annual Report

ABOUT THIS REPORT

This F24 Annual Report (the "Report") has been prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC2023, c 9 (the "Act") which imposes an obligation on certain private-sector entities involved in manufacturing, producing, growing, extracting or processing goods in Canada or elsewhere to report on the measures taken to prevent and reduce the risk of forced labour or child labour in their supply chains.

Powertech Labs Inc., a wholly owned subsidiary of British Columbia Hydro and Power Authority, is a British Columbia corporation with a place of business in Surrey, British Columbia. During its previous financial year, Powertech Labs Inc. maintained at least \$20 million in assets in Canada and generated at least \$40 million in revenue. Accordingly, Powertech Labs Inc. is an 'entity' as defined by the Act and is therefore subject to the reporting obligations stipulated therein.

The Report has been prepared consistent with the Act, detailing the steps taken by Powertech Labs Inc. to reduce the risks of forced or child labour in its supply chains during its previous financial year: April 1, 2023, to March 31, 2024 (the "reporting year"). Following submission of the Report to the Minister of Public Safety on or before the reporting deadline: May 31, 2024, a copy of the Report will be published on a prominent place on Powertech Labs Inc.'s website: <https://powertechlabs.com>.

"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."



Pierre Poulain, President & CEO, Powertech Labs Inc.
May 22, 2024
I have the authority to bind Powertech Labs Inc.



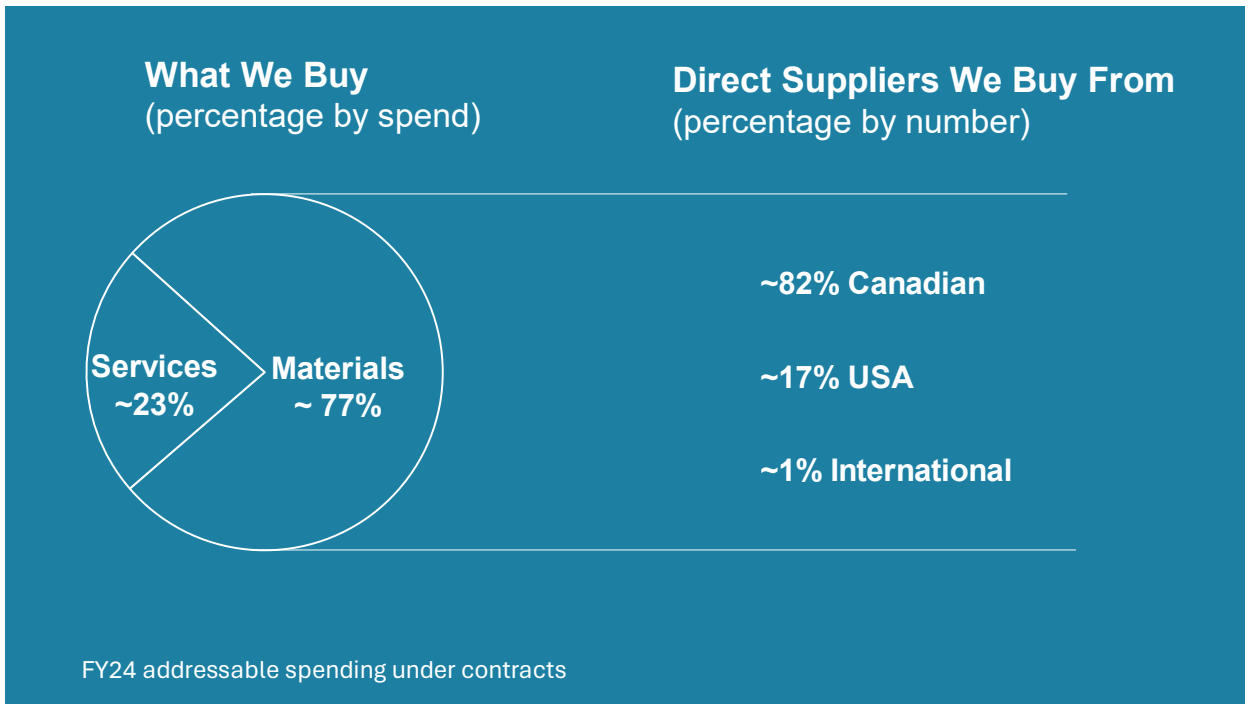
John Nunn, Director, Powertech Labs Inc.
May 22, 2024
I have the authority to bind Powertech Labs Inc.

ABOUT POWERTECH LABS INC.

Powertech Labs Inc. (“Powertech”), a wholly owned subsidiary of British Columbia Hydro and Power Authority (“BC Hydro”), is a multidisciplinary testing, research and development facility. Powertech is home to broad range of scientists, engineers, and technical specialists from around the globe who pool their efforts and expertise to support electrical utilities’ capital assets: generation, transmission and distribution, original equipment manufacturers, automotive manufacturers, and government and research organizations through specialized testing and investigation services. For over 30 years, we have been providing world leading expertise in performance/type testing, modelling and studies, asset inspection/assessment, and consulting services and its cross-departmental teams investigate, diagnose, and solve complex problems within a variety of markets with highly technical specialization and to exceptional standards. Additionally, since 2001, we have been designing and constructing compressed hydrogen fueling stations and other equipment related to hydrogen refueling, including dispensers, tube trailers, and mobile refuelers.

OUR SUPPLY CHAIN & UNDERSTANDING RISKS OF CHILD AND FORCED LABOUR

We are committed to responsible procurement and take social, environmental, and ethical considerations into account in procurement decisions. Our Purchasing department facilitates the sourcing and delivery of materials and services necessary for Powertech to provide our expertise to our customers.



Approximately 23% of our supply chain spending is on services rendered in Canada and the United States. Examples of services include facility upgrades and maintenance, engineering services, and specialized testing services. The remaining ~77% of spending is on materials and equipment, typically

consumables and specialized products required for the execution of our services. Most materials and equipment are manufactured in or delivered from the US or Canada.

Overall, we assess the risk of forced or child labour in our direct supply chain to be low and primarily arising in relation to a few specific categories, such as IT equipment and accessories, safety clothing (eg: gloves) and maintenance, repair, and operations materials (eg: packaging supplies), that may be sourced from higher-risk jurisdictions through distributors.

OUR ACTIONS IN FISCAL 2024

Powertech upholds human rights and commits to fighting forced or child labour across supply chains. In fiscal 2024, we started to take proactive steps to manage these risks in our supply chain and with our suppliers.

We focused on the following objectives: (i) improving our due diligence by strengthening policies and updating contracts; (ii) getting a better understanding of forced and child labour through cross-functional work, research, and industry engagement; and (iii) creating awareness with procurement personnel.

We strengthened our policy statement. Our policies and processes guide us to act with integrity as we procure goods to manufacture hydrogen fueling stations for and provide professional, scientific, and technical services to our clients. BC Hydro's [Contractor Standards for Ethical Conduct](#), which is part of our standard agreements with suppliers, was updated to confirm Powertech's policy against human rights violations and to include express requirements for suppliers to comply with applicable labour and employment laws, adopt responsible business practices and use reasonable efforts to ensure no forced labour or exploitation of children occurs throughout their supply chains.

We enhanced our contracts and due diligence processes to set expectations with suppliers for child and forced labour risks. Our standard contract templates for the supply of goods and/or services were reviewed and updated to include supplier representations and warranties declaring that no forced labour and exploitation of children was used to supply goods, materials and/or equipment to Powertech and that responsible business practices are adopted to ensure that. We also added a requirement to notify us of any suspected or actual instances of forced or child labour within the supply chain relevant to our contracts.

We improved our understanding and knowledge of forced and child labour risks. We are committed to raising awareness within the company and externally of our approach to identifying and managing forced and child labour risks. We engaged with our parent BC Hydro to discuss best practices and capabilities and to exchange information.

To date, Powertech is not aware of any suspected or actual instances of forced labour or child labour in our supply chain. Should any such instance come to light, Powertech is committed to investigate and take remedial action as necessary promptly and thoroughly. We will continue to review and adapt our policies and process for effectiveness and engage with suppliers and industry peers as best practices in preventing forced and child labour evolve.