

Fighting Against Forced Labour & Child Labour in Supply Chains Act

Fiscal 2024 Report

Powerex Corp. | May 2024

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About this report

This report (“**Report**”) has been prepared by Powerex Corp. (“**Powerex**”) in respect of its financial year commencing April 1, 2023 through to March 31, 2024 (“**Fiscal 2024**”) and in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (the “**Act**”), and has been approved by Powerex’s governing body pursuant to section 11(4)(a) of the Act.¹ This Report is provided in respect of Powerex only, and does not cover its sole shareholder, British Columbia Hydro and Power Authority (“**BC Hydro**”), or any of BC Hydro’s other subsidiaries.

About Powerex

Powerex, a British Columbia corporation, is a wholly-owned subsidiary of BC Hydro, which is a provincial Crown corporation. Powerex trades wholesale electricity, natural gas and related products and services in western North America.

Supply chains risk assessment

Powerex is filing this Report and completing the associated questionnaire (the “**Questionnaire**”) through the Public Safety Canada website because we support the Act’s goals of preventing and reducing the risk of forced or child labour in supply chains and are committed to responsible procurement. We have conducted a study to determine whether Powerex’s activities in procuring or importing goods in Fiscal 2024 carry any risks of forced or child labour being employed in the production of such goods.

Electricity, natural gas, and renewable energy products accounted for the vast majority of Powerex’s total spend on goods it procured or imported. All such goods were purchased from entities that participate in the North American (United States and Canada) wholesale electricity, natural gas and renewable energy products markets, and were sourced from production in the United States or Canada. The remainder of Powerex’s total spend on goods it procured or imported primarily included office equipment and supplies in support of its day-to-day business operations from entities located in Canada, the United States, the United Kingdom or Switzerland.

Overall, we consider the risk of forced or child labour in Powerex’s activities in procuring or importing goods to be very low for two key reasons. Firstly, the goods procured or imported into Canada by Powerex are highly technical in nature; and secondly, most of what we buy or sell is produced or provided in countries with legal and regulatory protections that decrease the risk of forced or child labour.

Powerex’s corporate values with respect to human rights align with those of its parent company, BC Hydro. As such, Powerex worked (and continues to work) with BC Hydro to develop and implement: (i) an internal approach to assessing potential risks of forced or child labour in its activities and supply chains; and (ii) updates to its procurement policies and practices, including to BC Hydro’s Contractor Standards for Ethical Conduct applicable to Powerex contractors, consultants and suppliers, and to Powerex’s standard procurement contract templates, to

set expectations with and requirements for suppliers to ensure adherence to applicable labour and employment laws, and adoption of responsible business practices and use of reasonable efforts to ensure no forced labour or exploitation of children occurs throughout their supply chains as relevant to their contract with Powerex.

Although the risk of forced or child labour in Powerex's activities and supply chains is considered very low, Powerex is committed to responsible procurement which means that we will continue to assess our approach to identifying, assessing, preventing and reducing the risk of forced or child labour in our procurement and importation activities. Moving forward, we will consider raising greater awareness of this matter among all of our procurement and contract professionals, as well as providing them with training on forced labour and child labour.

To date, Powerex is not aware of any suspected or actual instances of forced labour or child labour in its supply chains, and as such, neither remediation measures nor remediation of loss of income has been required. Should any such suspected or actual instances come to light, Powerex is committed to promptly addressing the matter and taking necessary remedial action.

Report 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 this Report for the entity or entities listed above. 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.

I have the authority to bind Powerex.



Jay Ratzlaff, Chief Legal & Compliance Officer, Corporate Secretary, Powerex Corp.
May 30, 2024

ⁱ Powerex is filing this Report and completing the Questionnaire through the Public Safety Canada website because we support the Act's goals of preventing and reducing the risk of forced or child labour in supply chains. We note Public Safety Canada's position that the Act applies to provincial government institutions such as provincial Crown corporations and their subsidiaries, a position that is untested and may be subject to challenge. By filing this Report or completing the Questionnaire, Powerex is not conceding that the Act applies to it, nor is Powerex conceding that the federal government has jurisdiction over Powerex or any provincial agencies or corporations respecting any of the matters addressed by the Act. This filing is without prejudice to any legal rights, defences, powers, rights, immunities, or exemptions that Powerex may have under any law. This filing does not set a precedent for this or any other similar matter in the future, and we reserve the right to decline to file future reports.