

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

This Joint Report has been prepared and is filed by Enova Energy Corporation and Enova Power Corp. (Enova Power) (collectively referred to herein as “we” and “our”) for the financial year ending, 2023 (the “Reporting Period”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Enova Energy Corporation and Enova Power.

1) Structure, Activities and Supply Chains

a) Structure

Legal & Corporate Structure & Employees

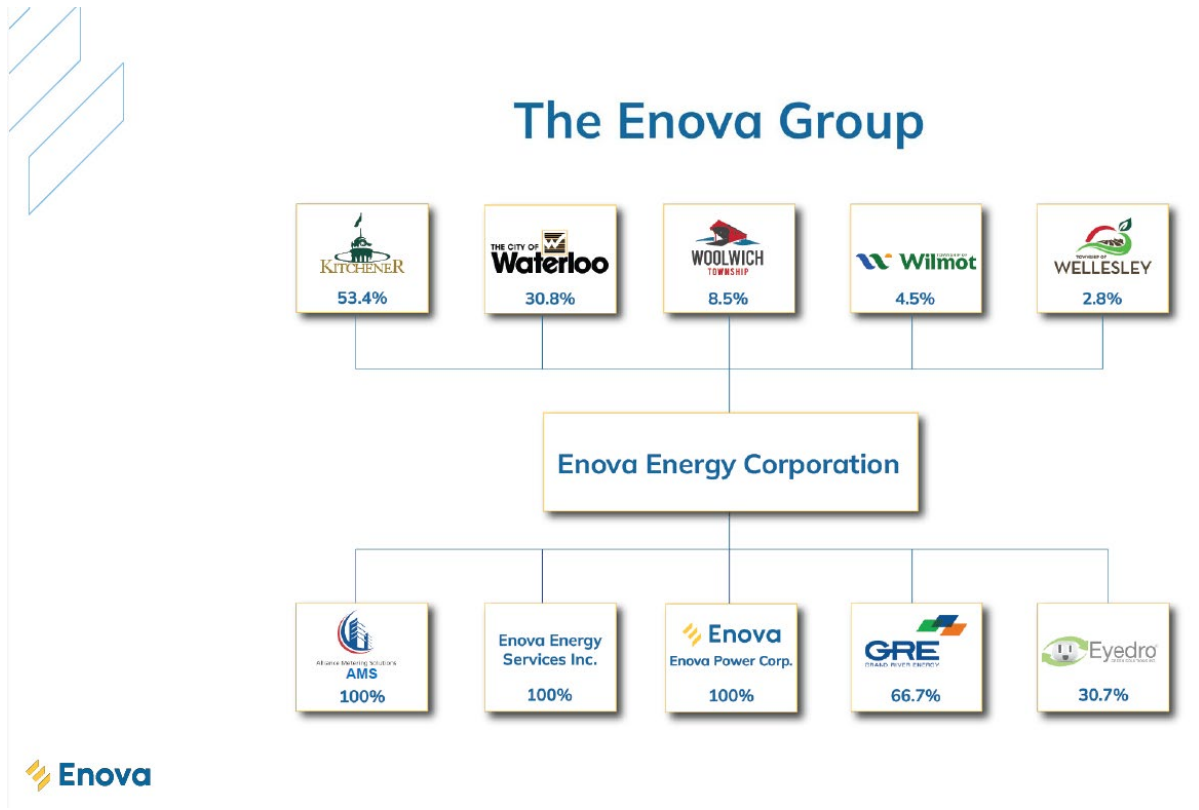
Enova Energy Corporation is a wholly owned subsidiary of five (5) Ontario municipalities (The Corporation of the City of Kitchener (53.4%), The Corporation of the City of Waterloo (30.8%), The Corporation of the Township of Woolwich (8.5%), The Corporation of the Township of Wilmot (4.5%), and The Corporation of the Township of Wellesley (2.8%).

Enova Energy Corporation was incorporated on the 09 month, 01st day, of 2022 under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada. Enova Energy Corporation is a holding company with three (3) wholly owned Ontario based Subsidiaries (Enova Power Corp., Enova Energy Services Inc. and Alliance Metering Solutions Inc.). Enova Energy Corporation is also a majority shareholder of Grand River Energy Solutions and a minority shareholder of Eyedro Green Solutions Inc.

Enova Power is a wholly owned subsidiary of Enova Energy Corporation. Enova Power Corp was incorporated on the 09th month, 01st day, of 2022 under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada.

Enova Power is the 7th largest electricity distribution company in Ontario by customer count, providing energy solutions to over 160,000 residential and business customers in the City of Kitchener, City of Waterloo, Township of Woolwich, Township of Wilmot, and Township of Wellesley. Enova Power’s 309 employees are dedicated to providing safe and reliable energy solutions that energize and empower their communities. Most of this workforce is engaged directly via employment contracts or via a Collective Bargaining agreement. Enova’s employment contracts and workplace policies are reviewed to ensure compliance with workplace laws.

Control of Other Organizations



b) Activities

Enova Energy Corporation is a holding Company as described above. At this time, the bulk of Enova Energy Corporation's revenues come from Enova Power. Enova Energy Corporation's supply chain, outside of its affiliates (and most notably Enova Power) are locally sourced directors, lawyers and other professionals. Enova Energy Corporation does not purchase goods per se.

Enova Power's mandate is to provide safe, reliable, efficient/cost effective delivery of electricity to the residents and businesses in its service territory, the citizens of the Cities and the Townships under a license issued by the Ontario Energy Board ("OEB"). Enova Power is regulated by the OEB and adjustments to Enova's electricity distribution rates require OEB approval.

c) Enova Strategic Direction

Vision: To drive what's next in energy and sustainability for our communities and beyond.

Values:

- Safety and wellbeing above all
- Everyone has a voice
- Transparency
- Driven to explore new ideas
- Inclusive and empowered

Pillars:

- Dependable and reliable service
- Customer and community partnerships
- Continuous improvement

Supply Chains

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

- a. Generation: the production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind, etc. facilities.
- b. Transmission: the bulk movement of the electricity from the generating site along high-voltage power lines over long distances; and
- c. 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 distributor, Enova Power’s role is to deliver electricity safely and reliably at a reasonable cost; however, as the point of contact for electricity with the end-use customer, Enova Power invoices and receives revenue for the entire bulk electricity system, including generation, transmission, and distribution. The revenues collected for generation and transmission are remitted as a pass through (with no profit generated) to the corresponding entities via the IESO.

While Enova Power 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.

The definition of a good, in the normal sense of the word, would not include electricity.

Looking at the Act and without further clarity on the definition of a good, both Enova Energy Corporation and Enova Power have chosen to comply as it meets the qualifying criteria of the Act.

2) Steps Taken to Prevent and to reduce the Risk of Forced labour and Child Labour in its activities and Supply Chains

The steps taken by Enova Energy Corporation and Enova Power are primarily disclosed below in Section 3 Policies and Due Diligence Processes and Section 4 Risk of Forced Labour and Child Labour, Assessment and Management of the Risk.

3) Policies and Due Diligence Processes

a) Internal

Enova Energy Corporation and Enova Power are committed to being workplaces that are trusted by employees, customers, and shareholders. Enova encourages employee actions that align with its purpose and to be long-term community partners. Enova Power maintains respectful workplaces free of discrimination, sexual and or 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.

Enova Energy Corporation and Enova Power comply with all applicable provincial and federal laws and regulations as a minimum standard. All employees acting on behalf of Enova Energy Corporation and Enova Power. are expected to comply with this commitment and all related corporate policies.

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
- Occupational Health and Safety Act as amended, R.S.O. 1990 ("OHSA)
- Ontario Energy Board Act 1998

Applicable Internally Codes & Policies

- Code of Conduct
- Respect in the Workplace Policy
- Health & Safety
- Diversity, Equity, and Inclusion in the workplace Policy
- Discrimination and Harassment Policy
- Violence in the Workplace Policy
- Supply Chain Canada Code of Ethics
- Student employment policy
- Accessibility (AODA) Policies

Hiring Practices & Policies

Enova Energy Corporation does not have any active full-time employees. It utilizes Enova Power staff to manage its daily operations.

Enova has various hiring policies and procedures which Complying with provincial regulations and ensures no one under the age of 16 is employed.

b) External

Enova Power strives to work only with suppliers and manufacturers that align with its key principles, behaviours and core values. Current suppliers are expected to comply with all applicable Canadian laws.

Working to maintain an open and competitive purchasing environment, Enova Power 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.

4) Risk of Forced Labour and Child Labour, Assessment and Management of the Risk

Internal

Given the adherence to laws, the policies and procedures in place for all employees, Enova Power is certain that there is no forced labour or child labour within its workplace, all of whom work and reside in Ontario, Canada.

External

Enova Power purchases finished products or electricity distribution equipment (“equipment”) that it then uses to assemble according to its own engineered designs to provide the service of electricity. The design of the equipment and the assemblies of the equipment must be specifically designed for a few main factors: 1) electricity is dangerous to everyone and anything that is near it, 2) it is a necessary service where every resident, business – commercial and industrial customer connected to the electricity system relies on the power; 3) the system is installed and operates in the public domain, overhead along the streets, highways, and underground of the streets and houses. In order to deliver a safe, reliable system that will withstand the outside environment in which it is situated for many decades, the majority 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 Enova Power’s system 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 distribution equipment requires high quality which is achieved with high skill, training, and corresponding labour rates, which are not prone to forced labour or child labour. The foregoing provides Enova Power with additional insight into its supply chain for finished products and electricity distribution equipment.

A review of Enova Power's equipment that is used in the electricity distribution system notes that 99% are supplied from Tier 1 companies in Canada and 1% are from the United States of America.

5) Remediation Measures

We have not identified any forced labour or child labour in our activities and supply chains.

6) Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

7) Training on forced labour and/or child labour

We have not provided training to employees on forced labour and/or child labour.

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

Enova Power has witnessed no evidence of forced labour or child labour in its supply chains. Enova completed a high level, initial review of its first-tier suppliers and some second tier manufacturers, finding that many 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, the risk of forced labour and child labour being present in Enova Power's first tier of the supply chain is relatively low.

However, Enova Power is committed to working collaboratively with its suppliers it is in business with, along with industry stakeholders to understand where risks are, and where changes are needed.

Enova Power is committed to assessing its current practices to identify instances where the risk of forced labour or child labour may exist. Enova Power recognizes that forced labour and child labour is a real yet hidden issue. Enova Power will not tolerate either forms of slavery in its business or supply chain.

Approval and Attestation

This report has been approved by the Board of Directors of Enova Energy Corporation

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed and approved the information contained


in this report for the entity 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 Enova Energy Corporation.

Full Name Rosa Lupo

Title Chair, Enova Energy Corporation

Date May 17 2024

Signature 

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Full Name Steve McCartney

Title Chair, Enova Power Corp.

Date May 17, 2024

Signature 