

2023

Fighting against forced labour and child labour report ✓

This Fighting against forced labour and child labour report (the "Report") addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the "Act") which came into force on January 1, 2024.

This Report is the first of its kind made by Hydro Ottawa Holding Inc. for itself and on behalf of two of its wholly-owned subsidiaries, Hydro Ottawa Limited and Energy Ottawa Inc. (collectively, "Hydro Ottawa" "we", "us" or "our"). A French version of this Report may be requested by emailing info@hydroottawaholding.com.

Identifying information

Reporting entity's legal name: Hydro Ottawa Holding Inc.	Hydro Ottawa Holding Inc. is hereby submitting a joint report on behalf of itself and two of its wholly-owned subsidiaries which are considered entities with reporting obligations under the Act:	Reporting obligations in other jurisdictions: N/A
Financial reporting year: January 1, 2023 – December 31, 2023		Sector/industry: Utilities; Electricity Generation
Revised report: N/A		
Business number: 894110816	Hydro Ottawa Limited Business number: 863391363	Asset locations: Ontario and Quebec, Canada; New York, United States
Identification of a joint report: Yes	Energy Ottawa Inc. (operating under the brand Portage Power) Business number: 863389961	

Entity categorization under the act

	Hydro Ottawa Holding Inc. (Consolidated)	Hydro Ottawa Limited	Energy Ottawa Inc. (Consolidated)
Has a place of business in Canada	✓	✓	✓
Does business in Canada	✓	✓	✓
Has assets in Canada	✓	✓	✓
Has at least \$20 million in assets for at least one of its two most recent financial years	✓	✓	✓
Has generated at least \$40 million in revenue for at least one of its two most recent financial years	✓	✓	✓
Employs an average of at least 250 employees for at least one of its two most recent financial years	✓	✓	

Structure, activities and supply chain

Corporate structure

Hydro Ottawa Holding Inc. is 100 per cent owned by the City of Ottawa. It is a private company, incorporated on October 3, 2000 under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16 (the “OBCA”) pursuant to Section 142 of the *Electricity Act*, 1998, S.O. 1998, c. 15, Sched. A. It is overseen by an independent Board of Directors consisting of the President and Chief Executive Officer and 12 members appointed by City Council. Its core businesses are electricity distribution, renewable energy generation, energy and utility services, and telecommunications services.

Hydro Ottawa Limited and Energy Ottawa Inc., also incorporated on October 3, 2000 under the OBCA, are each, in turn, wholly-owned by Hydro Ottawa Holding Inc.

Hydro Ottawa Limited and its approximately 530 employees operate the regulated electricity local distribution company (“LDC”) in the City of Ottawa and the Village of Casselman. As the third largest municipally-owned electrical utility in Ontario, Hydro Ottawa Limited maintains one of the safest, most reliable, and cost-effective electricity distribution systems in the province, serving approximately 364,000 residential and commercial customers across 1,116 square kilometres.

Hydro Ottawa Limited has a separate Board of Directors to oversee its operations. The powers and functions of Hydro Ottawa Limited’s Board are set out in a Shareholder Declaration issued by Hydro Ottawa Holding Inc.

Energy Ottawa Inc. and its 35 employees operate under the brand Portage Power. It is the largest Ontario-based, municipally-owned producer of green power, owning and operating six run-of-the-river hydroelectric generation plants at Chaudière Falls near Ottawa’s core, along with the historic Ottawa River Ring Dam, and 12 other run-of-the-river facilities in Ontario and New York. It also holds interests in two landfill gas-to-energy joint ventures that produce clean, renewable energy from landfill gas at the Trail Road and Laflèche landfill sites in Ottawa and in Moose Creek, Ontario and has 16 solar installations across the City of Ottawa. In total, Portage Power has 131 megawatts of installed green generation capacity – enough to power 110,000 homes.

Business activities

Within the broader electricity sector, different entities are responsible for generating electricity, transmitting it, and delivering it to customers’ homes and businesses, as well as for directing grid and market operations, and overseeing and regulating the system as a whole. These entities are different in the two markets where Hydro Ottawa operates – Ontario and New York.

Generation

Electricity is created at generating stations – nuclear, hydroelectric, gas, wind, biofuel, and solar – as well as at small-scale and primarily renewable distributed energy installations at or near end-use locations. Facilities such as nuclear and large hydroelectric stations operate continuously, while wind and solar operate intermittently. Others such

as natural gas stations can start up or slow down as required to follow demand fluctuations. Hydro Ottawa, through its subsidiary, Portage Power, has a fleet of hydroelectric, landfill gas-to-energy, and solar generating stations, and is the largest Ontario-based municipally-owned producer of green power.

Transmission

Electricity is transmitted from generating stations to large industrial customers and LDCs through a high-voltage network of transformer stations, transmission towers and wires. In Ontario, the transmission network is primarily operated by Hydro One. In New York State, the transmission system is operated by a number of private and public entities such as National Grid and the New York Power Authority, which are collectively referred to as the New York Transmission Owners.

Distribution

After transmission, electricity in Ontario is distributed at lower voltages to homes, businesses, hospitals, schools, factories, and farms by LDCs such as Hydro Ottawa Limited. LDCs deal directly with electricity customers, maintain their communities' local electricity grids, and assist customers with electricity conservation. LDCs are the primary billing and collecting agents for all electricity sector charges. In addition, LDCs in Ontario are required to enable the connection of generators to their distribution systems pursuant to specific regulatory criteria.

Assets

Hydro Ottawa's gross asset base is \$2.8 billion, as a result of significant ongoing investments in distribution and generation infrastructure and technology systems.

Electricity distribution assets

- For more than 100 years, Hydro Ottawa and its predecessor companies have delivered a

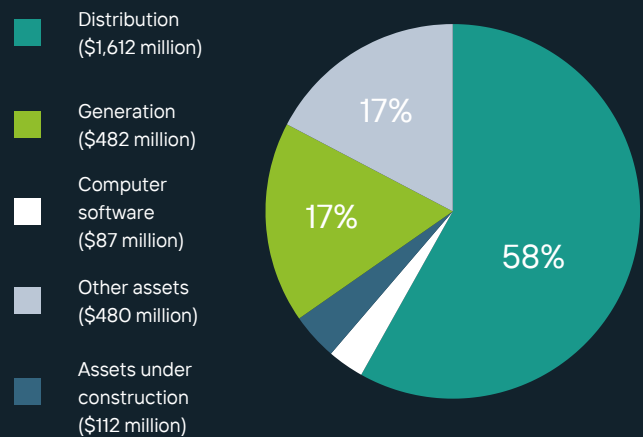
reliable supply of electricity to homes and businesses.

- Service Area – 1,116 square kilometres
- Circuitry – 6,268 kilometres
- Substations – 92
- Transformers – 38,946
- Poles – 49,027

Renewable generation assets

- Largest Ontario-based municipally-owned producer of green power with 131 megawatts of installed generation capacity, enough to power 110,000 homes.
 - Run-of-the-River Hydroelectric Generating Stations – 18
 - Landfill Gas-to-Energy Plants – 2
 - Solar Installations – 16 [includes 2 behind-the-meter installations]

Gross tangible and intangible assets



For other information (including financial results), please refer to the Hydro Ottawa Holding Inc. Annual Report at hydroottawaholding.com/news.

Supply chain

Hydro Ottawa conducts the majority of its business activities in Canada, where there is a low risk of forced and child labour being used. While our contractual terms require compliance with all applicable laws and regulations, we recognize that forced and child labour risks could exist in subsequent tiers of our supply chain, particularly in the sourcing of raw materials and components. We maintain high standards for ethical business conduct and are committed to working with our vendors to address these potential risks. We also use ISN World in our supplier vetting process to confirm that suppliers adhere to our safety, compliance, and ethical performance requirements. These measures reinforce our transparency expectations and support our commitment to preventing forced and child labour throughout our supply chain.

Hydro Ottawa's supply chain encompasses a wide range of products and services. We procure utility infrastructure goods such as poles, pole line hardware, transformers, wires, cables, and renewable generation products like generators and turbines. Additionally, we source information technology ("IT") hardware, fleet assets and everyday consumables. These goods are purchased from a diverse network of suppliers in Canada, the United States and Europe, representing approximately 20 per cent of our annual spend. On the service side, we primarily contract for construction and maintenance, asset inspection, vegetation management, facilities services, as well as IT and professional services. These services account for roughly 80 per cent of our annual expenditures.

Policies and due diligence processes in relation to forced labour and child labour

Hydro Ottawa has a number of policies with elements that contribute towards responsible procurement and safe workplaces. These include:

Guiding principles, organizational values and commitments to our stakeholders

Our guiding principles

Hydro Ottawa is committed to creating long-term value in a manner that will withstand the test of public scrutiny and inspire confidence and trust. We are guided not only by legal obligations, but

also by best governance and business practices, and standards established by independent agencies. These expectations provide the foundation for our commitment to all of our stakeholders.

Our organizational values

At Hydro Ottawa we are committed to an organizational environment that fosters and demonstrates ethical business conduct at all levels and reflects our shared values of teamwork, integrity, excellence, and service.

Our commitments to our stakeholders

Employees

The quality of our workforce is our strength and we strive to hire and retain the best-qualified people and maximize their opportunities for success. We are committed to maintaining a safe, secure, and healthy work environment enriched by diversity and characterized by open communication, trust, and fair treatment.

Customers

We are honest and fair in our relationships with our customers, and provide reliable, responsive, and innovative products and services in compliance with legislated rights and standards for access, safety, health, and environmental protection.

Suppliers and contractors

We are honest and fair in our relationships with our suppliers and contractors and purchase equipment, supplies, and services on the basis of merit, with a preference for local procurement. We pay suppliers and contractors in accordance with agreed terms, encourage them to adopt responsible business practices, and require them to adhere to our health, safety, and environment standards when working for Hydro Ottawa.

Community and the environment

We are committed to being a responsible corporate citizen and will contribute to making the communities in which we operate better places to live and do business. We are sensitive to the

community's needs, and dedicated to protecting and preserving the environment where we operate.

Shareholder and other suppliers of finance

We are financially accountable to our shareholder and to the institutions that underwrite our operations, and communicate to them all matters material to our organization. We protect our shareholder's investment and manage risks effectively. We communicate to our shareholder all matters that are material to an understanding of our corporate governance.

Procurement policy

Hydro Ottawa is guided by a comprehensive Procurement Policy designed to ensure responsible and ethical practices throughout our sourcing activities. This policy outlines principles of fairness, openness, transparency, and accountability in all competitive procurement processes. Key objectives include, among others, ensuring (i) compliance with applicable laws and regulations; (ii) the procurement of goods and services from reputable and ethical vendors; and (iii) all applicable vendors undergo a risk assessment prior to contracting with them.

Code of business conduct

Our Code of Business Conduct (the "Code") applies to all of our employees, members of the Boards of Directors and, to the extent feasible, our external business partners (i.e., agents, representatives, consultants, contractors, vendors and suppliers). The Code sets specific ethical direction and expectations. It also speaks to our organizational values which include integrity in fulfilling our commitments with honesty and fairness and adhering to the highest ethical standards no matter the circumstance. It is about taking responsibility for our actions and being transparent about our business practices.

Compliance with applicable laws

Moreover, we comply with all applicable employment- and workplace-related provincial and federal laws and regulations including but not limited to:

Employment Standards Act, 2000, S.O. 2000, c. 41
Labour Relations Act, 1995, S.O. 1995, c. 1, Sched. A
Personal Information Protection and Electronic Documents Act (S.C. 2000, c. 5)
Ontario Human Rights Code, R.S.O. 1990, c. H.19
Occupational Health and Safety Act, R.S.O. 1990, c. O.1

Our employment contracts and workplace policies are regularly reviewed to ensure compliance with applicable laws.

Contractor discipline program

Hydro Ottawa maintains a robust contractor discipline program (the "Contractor Discipline

Program") to address instances of non-compliance with the Code, contractual obligations and applicable laws. Contractors found in violation thereof are subject to disciplinary measures which may include warnings, restrictions from future work eligibility and/or contract termination. The Contractor Discipline Program is regularly reviewed and updated to align with evolving best practices and our unwavering dedication to ethical and responsible sourcing.

Go forward plans

Hydro Ottawa is committed to mitigating the risks of forced and child labour in our business activities and supply chain. Going forward, we plan to undertake a preliminary assessment of risk areas for forced labour and child labour in our business activities and supply chains, implement a Supplier Code of Conduct, add more robust anti-forced labour and child labour clauses in our procurement contracts and institute employee awareness training.

Risk areas for forced labour and child labour in business activities and supply chain

Although no sector or industry involving the production or importation of goods is assumed to be entirely free of forced labour and child labour risks, the utilities and renewable energy generation sectors in Canada are generally perceived to possess a minimal risk in this regard. According to

the Global Slavery Index Report for 2023 (the "Index"), Canada imports \$20 billion USD of at-risk products annually. Of the \$20 billion USD, the top five sectors are electronics, garments, gold, textiles and sugar-cane.¹

¹ Walk Free. The Global Slavery Index 2023. Minderoo Foundation, 2023.
<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

The Index further reports that compared to its 24 neighbouring countries, Canada has the lowest vulnerability to modern slavery, estimated at 1.8 per 1,000 people. The utilities and renewable energy generation industries in Canada are characterized by stringent regulations and robust enforcement mechanisms. The capital-intensive nature of the work, highly specialized infrastructure and equipment, and inherent intricacy of these sectors require a high level of expertise, thereby necessitating a technically skilled workforce which greatly diminishes the likelihood of forced labour and child labour.

In 2023, we did not undertake an assessment of risk areas for forced labour and child labour in our business activities and supply chains. We note, however, that with the exception of a small number of low dollar value transactions, our goods were purchased from suppliers considered to be the importer for the purposes of the *Customs Act* (R.S.C., 1985, c. 1 (2nd Supp.)).

Steps taken to prevent and reduce risk

Notwithstanding the Policies and Due Diligence Processes presented in Section 3, we did not take definitive steps in 2023 to prevent and reduce the

risk that forced labour or child labour was used at any step of our production of goods in Canada or elsewhere, or of goods imported into Canada by us.

Steps taken to assess and manage identified risk

We have not assessed whether our activities and supply chains carry a risk of forced labour or child labour being used in 2023.

Measures taken to remediate forced labour or child labour

We have not assessed whether our activities and supply chains carry a risk of forced labour or child labour being used in 2023. Accordingly, the subject of remediation is not applicable.

If we were to identify an instance of modern slavery

within a specific supplier's operations or supply chain, we would endeavour to work with that supplier to address or remediate the issues and risks identified in our assessment in accordance with the contractual rights afforded to us in any corresponding supply agreement.

Measures taken to remediate loss of income resulting from efforts to eliminate forced labour or child labour in business activities and supply chain

We have not taken steps in 2023 to identify forced labour or child labour risks in our supply chain and,

therefore, we have not judged that vulnerable families have experienced loss of income as a result.

Employee training

Our directors, members of management and employees in key financial positions must annually attest to and acknowledge acceptance of the provisions of the Code. This attestation is in addition to the requirement that every employee receive training on the Code upon their onboarding with the company. The requirement to establish, maintain and monitor compliance with the Code is ingrained

in the Hydro Ottawa Holding Inc. Governance and Management Resources Committee Charter.

Although we did not deliver employee training specifically dedicated to education and awareness regarding forced labour and child labour in our business activities in 2023, we intend to do so going forward.

Assessment of effectiveness

As noted above, in 2023, we had not yet undertaken the exercise of identifying the risks of forced and child labour in our business activities and supply chain. We have therefore not yet established key indicators of progress against a plan to mitigate these risks.

Hydro Ottawa's intentions are to (i) undertake a preliminary assessment of risk areas for forced labour and child labour in our business activities and

supply chains; (ii) develop and implement a Supplier Code of Conduct; (iii) add more robust anti-forced labour and child labour clauses in our procurement contracts; and (iv) develop and implement employee training and awareness materials regarding forced and child labour.

We will report on our progress against these objectives in our 2024 report.

Approval and attestation - Hydro Ottawa Holding Inc. and Energy Ottawa Inc.

This Report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by Hydro Ottawa Holding Inc.'s Board of Directors on April 23, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.hydroottawaholding.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 Hydro Ottawa Holding Inc. and Energy Ottawa Inc. 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.



Per: _____
Name: Bryce Conrad
Title: President and Chief Executive Officer
Date: April 23, 2024
*I have the authority to bind Hydro Ottawa Holding Inc.
and Energy Ottawa Inc.*

Approval and attestation - Hydro Ottawa Limited

This Report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by Hydro Ottawa Limited's Board of Directors on April 23, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.hydroottawaholding.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 Hydro Ottawa Limited. 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.



Per: _____
Name: Bryce Conrad
Title: President and Chief Executive Officer
Date: April 23, 2024
I have the authority to bind Hydro Ottawa Limited.