



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

### **Structure, Activities and Supply Chains**

#### **a) Structure**

##### Legal & Corporate Structure & Employees

Thunder Bay Hydro Corporation ("Controlling Entity") is a wholly owned subsidiary of the City of Thunder Bay. Controlling Entity was incorporated on October 26, 2000, under the Business Corporations Act (Ontario). Controlling Entity does not employ any individuals.

Synergy North Corporation ("Entity") is majority owned by Controlling Entity. Entity was incorporated on January 1, 2019, under the Business Corporation Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada.

Entity employs 119 people. Most of this workforce is engaged directly via employment contracts (35) or via a Collective Bargaining agreement (84). Entity's employment contracts and workplace policies are regularly reviewed to ensure compliance with workplace laws.

##### Control of Other Organizations

Controlling Entity also owns 100% of two other corporations, neither of which meet the qualifications of a reporting entity under the act

Thunder Bay Hydro Utility Services Inc: Operates three different business lines

- 1) Back office support for smaller utilities in the district In Northwestern Ontario
- 2) Wholesale meter support and sales in Northwestern Ontario
- 3) Locate services in Thunder Bay and Northwestern Ontario

Thunder Bay Hydro Renewable Power Generation Incorporated: Owns and operates a methane gas generation plant located on the City of Thunder Bay landfill. The facility has approval to run at 3,200 kW.

#### **b) Activities**

Controlling Entity is a holding company and does not participate in any commercial activities

Entity's mandate is to provide safe, reliable, efficient / cost effective delivery of electricity to the residents and businesses in Entity's service territory, the citizens of the City of Thunder Bay, Fort William First Nation and the City of Kenora under a license issued by the Ontario Energy Board ("OEB"). Entity is regulated by the OEB and adjustments to the Entity's electricity distribution rates require OEB approval.

#### **c) Supply Chains**

On a yearly basis roughly 95% of the goods and services used by the Controlling Entity are supplied through an affiliated relationship agreement by the Entity. The 5% of goods and supplies are typically individual consulting agreements with Canadian entities.

Entity is involved in the distribution of electricity in the service territories of the City of Thunder Bay, Fort William First Nation and the City of Kenora.

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

- 1) Generation: the production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind, etc. facilities;
- 2) Transmission: the bulk movement of the electricity from the generating site along high-voltage power lines over long distances; and
- 3) Distribution: carrying the electricity from the transmission system to individual consumers.

Another important participant in the bulk electricity system, is the Independent Electricity Operator ("IESO"), which operates and monitors the province wide electricity grid is operated and monitored, directing the flow of electricity, balancing the hundreds of supply resources with demand.

As a distributor, Entity'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, Entity 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 gained) to the corresponding entities via the IESO.

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As confirmed by Public Safety Canada on December 5, 2024, real property, electricity, software service, and insurance plans are excluded from the definition of a good, therefore Bill S-211 compliance obligations would not apply to Controlling Entity or its subsidiaries. Effectively, the 2024 revenue earned from the Entity's system and delivery of electricity is approximately 24.5% of Total Revenues, or \$37.7 million CAD of \$154 million CAD.

As the owner, constructor, and maintainer of the distribution system within its territory, the Entity's Total Assets are based on the infrastructure assets which have an operating life of between 30 and 50 years. In 2024, this totaled \$186M CAD. The capital expenditures in 2024, which more closely reflect the purchase of new assets, totalled CAD \$17.5M, or 9% of Total Assets.

Despite the exclusion of electricity from the definition of a good, Entity has chosen to meet the filing requirements of Bill S-211.

## **Policies and Due Diligence Processes**

### **a) Internal**

Both Entity and Controlling Entity are committed to being a workplace that is trusted by employees, customers, and shareholders. Both Entity and Controlling Entity encourage employee actions that align with Entity and Controlling Entity's purpose, and to be a long-term community partner. Entity and Controlling Entity maintain a respectful workplace free of discrimination, sexual harassment, and 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.

Entity complies with all applicable provincial and federal laws and regulations as a minimum standard. All employees acting on behalf of Entity are expected to comply with this commitment and all related corporate policies, including:

#### 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; and
- Occupational Health and Safety Act as amended, R.S.O. 1990 ("OHSA).
- Workplace Safety & Insurance Act (1997)
- Accessibility for Ontarians with Disabilities Act (AODA) (2005)

#### Internal Codes & Policies

- Code of Conduct;
- Respect in the Workplace Policy, which is located within the company's Harassment Discrimination & Violence Prevention Procedure;
- Health & Safety Policy;
- Diversity, Equity, and Inclusion Policy, referring to the Ontario Human Rights Code, and
- Harassment & Discrimination Procedure including steps for reporting and incident investigation;
- Violence Prevention Procedure;
- Accessibility (AODA) Policies.

#### Hiring Practices & Policies

Within the various policies and hiring procedures, Entity adheres to the following extracted items:

- All open job opportunities are posted on a variety of website job boards including within diverse communities, and on Entity's website, inviting candidates to apply;
- Complying with provincial regulations, no one under the age of 16 will be employed, and students must be enrolled full time in a community college or university program;
- In no case shall an employee be required to work more than 60 hours in any one week;
- Barring exceptional circumstances, and subject to the Employment Standards Act, 2000, an employee cannot be required to work on a public or paid holiday;
- Employees are entitled to rearrange their work duties without loss of pay in order to observe the religious holiday(s) of their faith; and
- Employees are offered paid sick leave, paid bereavement leave, pregnancy leave, parental leave, and family medical leave.

Entity has 70.5% of its employees represented by the International Brotherhood of Electrical Workers or the Power Workers' Union, providing the prompt and equitable resolution of employment related complaints, grievances and disputes, promoting co-operation and understanding between the Entity and members of the bargaining unit, and recognizing the mutual value of joint discussions and negotiations in matters pertaining to the improvement of working conditions, scale of wages, employee benefits and other employment-related matters.



#### **b) External**

Both Entity and Controlling Entity strive to only work with suppliers and manufacturers that align with Entity and Controlling Entity's key principles, behaviours, and core values. The current supplier contract includes provisions requiring suppliers to comply with applicable Canadian laws. Additionally, in 2024, requirements that all suppliers and contractors follow the provisions of Bill S-211 are built into our standard terms and conditions.

Working to maintain an open and competitive purchasing environment, Entity 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.

### **Risk of Forced Labour and Child Labour, Mitigation of the Risk**

#### **a) Internal**

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

#### **b) External**

Controlling Entity only purchases office equipment or hires professional consultants.

Entity 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 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) electricity is a necessary service that every resident, business – commercial and industrial customer connected to the electricity system relies on; 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 materials and equipment used in the Entity'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 and materials requires high quality and precision, which is achieved with a manufacturing sector that has high skill, training, and labour rates. As such, the electricity sector is not prone to forced labour or child labour.

Bill S-211 seeks to help eradicate child and forced labour contributions to the Canadian economy, particularly in the areas as identified by the report *Ending child labour, forced labour and human trafficking in global supply chains*: International Labour Organization, Organisation for Economic Co-operation and Development, International Organization for Migration and United Nations Children's Fund, 2019. The report specifically identifies Africa, Asia, Latin America and the Caribbean as areas of concern.

A review of the equipment used by Entity in the electricity distribution system notes that, based on the 2024 spend, 100% is supplied from Canada or the United States of America.

## **Assessment of its Effectiveness, Steps to Prevent and Reduce Risks of Forced Labour and Child Labour**

Entity has witnessed no evidence of forced labour or child labour in its supply chains. Through Entity's trade associations Entity completed a high level, initial review of some of Entity's first tier suppliers and some second tier manufactures, finding that some of the second tier manufacturers 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 purchased by Entity to be used in the distribution system, the risk of forced labour and child labour being present in Entity's first and second tiers of the supply chain is relatively low.

However, Entity is committed to working collaboratively with the suppliers that Entity is in business with, along with industry stakeholders to understand where risks are, and where Entity needs to make changes. Entity and Controlling Entity are committed to improving Entity and Controlling Entity's practices to combat forced labour and child labour. Entity and Controlling Entity recognise that forced labour and child labour is a real yet hidden issue. Entity and Controlling Entity will not tolerate either forms of slavery in our business or supply chain as clearly evident by our revised standard terms and conditions

**Attestation of The Controlling Entity**

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 Controlling Entity 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.

**For the Controlling Entity**

Full Name Gary Armstrong  
Title Board Chair  
Date April 29, 2025  
Signature Gary Armstrong

"I have the authority to bind 'Name of Entity.'"

### Attestation of The Entity

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 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.

### For the Entity

Full Name

Gary Armstrong

Title

Board Chair

Date

April 29, 2025

Signature

Gary Armstrong

"I have the authority to bind 'Name of Entity.'"