

Manitoba Hydro Report on Supply Chain

(year ending March 31, 2024)



This report describes actions that have been taken in support of federal legislation Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C 2023, c.9)

The completion and filing of this report is undertaken on a voluntary basis and without prejudice to the reporting entities' rights to ascertain or challenge the applicability of the referenced legislation to Manitoba Hydro and/or its subsidiaries.

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Identification

Reporting entity:

The Manitoba Hydro-Electric Board (Manitoba Hydro)

Financial reporting year:

April 1, 2023 - March 31, 2024 (2023/24)

Revised report:

NO

Business number(s):

122063779

Joint report:

YES

Reporting obligations other jurisdictions:

YES

Categorization:

Entity

Sector/industry:

Utility

Location:

Manitoba



Approval and Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9) (the “Act”), and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the 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.

Full name:

Donald Lorne Bjornson

Title:

General Counsel and Corporate Secretary

Date:

May 21, 2024

I have the authority to bind Manitoba Hydro and the listed subsidiaries



Steps taken to prevent and reduce risk

Actions this year centered on elevating internal awareness, consideration of internal mechanisms and identification of the departments that will be part of developing an organizational plan.

Requirement a) Structure, activities and supply chains

Structure and Activities

Manitoba Hydro is a provincial Crown corporation and one of the largest integrated electricity and natural gas distribution utilities in Canada. We are a leader in providing renewable energy and clean-burning natural gas. We also trade electricity within four wholesale markets in the Midwestern United States and Canada; our exports are approximately \$1.1 Billion.

On the basis that the following Manitoba Hydro subsidiaries have at least \$20 million in assets and have generated at least \$40 million in revenue in one of the last two fiscal years, Manitoba Hydro is filing this report on behalf of itself and its subsidiaries Centra Gas Manitoba Inc. (Centra Gas), the Keeyask Hydropower Limited Partnership (KHLP), Manitoba Hydro Utility Services Ltd. (MHUS), Minell Pipelines Ltd. (Minell Pipelines), and the Wuskwatim Power Limited Partnership (WPLP).

Manitoba Hydro International (MHI) will report independently of Manitoba Hydro.

Manitoba Hydro Employees: **5,143**

Manitoba Hydro Assets: **\$31.41 Billion**

NOTE

Data pertaining to employee numbers, assets, income, and other corporate highlights are based on the 2022-23 annual report. Annual reports are available at: <https://www.hydro.mb.ca/corporate/publications/>



Supply Chain

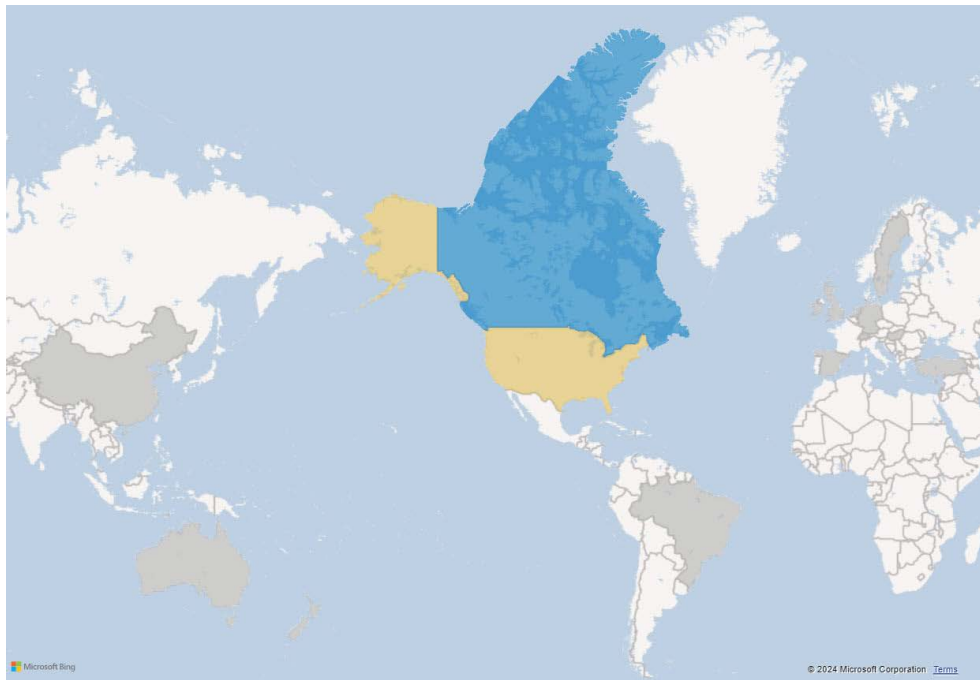
Purchases: **\$1.7 Billion (77% domestic)**

Total active vendors: **2,807 (90% domestic)**

77% of Manitoba Hydro's annual purchases were from domestic vendors, with a significant portion of the annual spend focused on construction and infrastructure. Manitoba Hydro acknowledges that while the majority of our purchases are domestic (Tier I suppliers) there is additional risk of forced and child labour when the Tier I suppliers are distributors, importers or resellers and goods originate outside of Canada. Additionally, Manitoba Hydro is aware of the risk of forced labour domestically within construction related services.

Country	Spend	Country	# Suppliers
Canada	\$1,342,205,422	Canada	2311
USA	\$376,820,021	USA	240
Turkey	\$967,221	Great Britain	5
Switzerland	\$318,768	China	4
Sweden	\$296,541	Germany	4
Brazil	\$239,817	Sweden	4
Netherlands	\$190,946	Brazil	2
Great Britain	\$176,265	Ireland	2
Germany	\$80,410	Netherlands	2
China	\$70,968	Spain	2
Ireland	\$53,483	Switzerland	2
New Zealand	\$29,625	Australia	1
Spain	\$19,954	Hungary	1
Australia	\$17,263	New Zealand	1
Hungary	\$14,768	Turkey	1

Amount Spent by Country



Legend

- \$1.3B per country
- \$376 M per country
- <\$1M per country

Requirement b) Policies and due diligence processes

Existing policies and processes

Manitoba Hydro's **Code of Conduct** sets out the fundamental values and expectations of our organization with respect to ethical business conduct. The Code highlights a number of guiding principles including respect for others, diversity and inclusion, harassment-free workplace, safety, environmental stewardship, integrity and accountability, legal and regulatory compliance, fairness in human resource management and procurement. The guiding principles identified in our code of conduct are relevant to issues of forced labour and child labour. Manitoba Hydro's Code of Conduct is available here: <https://www.hydro.mb.ca/docs/corporate/code-of-conduct.pdf>

Safety is a priority to Manitoba Hydro. Policies and procedures strive to make the workplace safe for everyone. Manitoba Hydro has established a Fatigue Management Protocol and policy references that this protocol may be included as contractor requirement. There is an internal guide for Managing Contractor Safety and accompanying 2-hour eLearning course. Manitoba Hydro requires contractors working in Manitoba to be registered and carry insurance through the Worker's Compensation Board as a due diligence measure.

The Vendor Performance Management policy and the Vendor Bid Disqualification and Debarment Policy provide an existing process to address and correct any form of supplier deficiency.

Manitoba Hydro's **Environment, Social, and Governance (ESG) Report** reiterates our commitment to lawful, responsible, and ethical conduct. Forced labour and child labour do not align with the principles and objectives to which Manitoba Hydro is committed. The annual **Environment, Social, and Governance (ESG) Report** is available here: <https://www.hydro.mb.ca/corporate/publications/>

New Actions

In this reporting period:

- a review was undertaken of our standard contract language to assess supplier obligations.
- initial research commenced on developing a supplier code of conduct.

Requirement c) Forced labour and child labour risks

Risk analysis research was at the developmental stage. Domestic construction and related services are at risk for forced labour. The potential for forced labour and child labour exists through Tier II suppliers.

Requirement d) Remediation measures

As no issues were identified in this reporting period, no remediation efforts were taken. As noted in the response to Requirement a), Manitoba Hydro has an existing Vendor Performance Management policy in place, with concrete process steps designed to address and correct issues.

Requirement e) Remediation of loss of income

As no issues were identified in this reporting period, no remediation efforts were taken.

Requirement f) Training

Initial training of key supply chain personnel, regarding forced labour and child labour, occurred during this reporting period. Training was delivered by external sources through in-person and online participation sessions.

Requirement g) Assessing effectiveness

Developing an assessment mechanism was not part of this year's activities.

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