

Fighting Against Forced Labour & Child Labour in Supply Chains Act

Fiscal 2026 Report

Powerex Corp. | May 2026

Contents

About this report	1
About Powerex	1
Supply Chains	
Risk Assessment	1–2

About this report

This report (“**Report**”) has been prepared by Powerex Corp. (“**Powerex**”) in respect of its financial year commencing April 1, 2025 through to March 31, 2026 (“**Fiscal 2026**”) and 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 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 goods in Fiscal 2026 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. 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 procured goods primarily included office equipment, office supplies and software services that are incidental to its day-to-day business operations and sourced from entities located in Canada or the United States.¹

We consider the risk of forced or child labour in our direct supply chain to be very low because the vast majority of our procured goods are highly technical in nature and are produced or provided in countries with strong legal and regulatory protections that decrease the risk of forced or child labour.

¹ Public Safety Canada has issued guidance on their website that real property, electricity, software services, insurance plans, and ‘very minor dealings’, are specifically excluded from the definition of ‘goods’ for the purposes of the Act. The guidance provides that ‘very minor dealings’ may be interpreted in accordance with generally accepted principles of *de minimis* and evaluated within the context of an entity’s overall operations, and that an entity’s procuring activities that are incidental, low-volume or not central to its core business may qualify as very minor dealings.

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 as applicable: (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](#) policy 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 activities.

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 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 26, 2026

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.