



Burlington **enterprises**  
corporation



Burlington **hydro**  
inc.

## **Report on Bill S-211**

***An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff***

(the “**Act**”)

Joint Report of:

**Burlington Enterprises Corporation**

**&**

**Burlington Hydro Inc.**

Submitted: May 31, 2024

Reporting Period: January 1 – December 31, 2023

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## Organizational Overview (Structure, Activities & Supply Chain)

### *Structure*

Pursuant to the *Electricity Act, 1998*, municipal councils were empowered to enact by-laws transferring employees, assets, liabilities, rights and obligations of a commission through which the municipal corporation generated, transmitted, distributed or retailed electricity to a corporation incorporated pursuant to section 142 of the *Electricity Act, 1998* (a “local distribution company” or “LDC”).

Following the above legislative changes, Burlington Hydro Inc. (“**BHI**”) was incorporated under the *Business Corporations Act (Ontario)* on December 1, 1999, and became wholly owned by the City of Burlington. On January 1, 2020, the City of Burlington transferred its interest in BHI to a holding corporation named Burlington Hydro Electric Inc. (which has since amended its name to Burlington Enterprises Corporation, and hereinafter referred to as “**BEC**”).

### *Activities*

BHI (being an LDC), thereafter, assumed responsibility for the distribution of electricity in the City of Burlington. More particularly, BHI participates in the bulk electricity system in Ontario, which is broken into three main segments:

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

In the case of BHI, it operates only in the distribution segment and is responsible for distributing electricity from transmission lines to homes and businesses in the City of Burlington. It installs, maintains and operates the infrastructure (e.g. poles, wires, transformers) required to provide safe, reliable and efficient electricity services to its customers.

With a total licensed service area of approximately 188 square kilometres, BHI serves a customer base of approximately 68,500 customers (consisting of Residential, General Service, Street Light and Unmetered Scattered Load Customers/Connections).

With its head office is located at 1340 Brant Street, Burlington, Ontario, it employs approximately 100 people. Most of this workforce is engaged directly via employment contracts or via a collective bargaining agreement, and a small proportion (~3%) is engaged via temporary staffing agencies.

BEC’s purpose was and remains to act as a holding body corporate of BHI (together, with its non-regulated affiliate, which is not an “entity” for the purposes of the Act). BEC is wholly owned by the City of Burlington and remains the registered owner of all of the issued and outstanding shares of BHI.

## Supply Chain

BHI's supply chain includes suppliers of goods and services that contribute to the installation, maintenance and operation of the infrastructure required to provide safe, reliable and efficient electricity services to its customers. It includes direct and indirect suppliers and service providers, based in Canada and outside of Canada.

BHI purchased approximately \$11M in equipment and materials in 2023, of which approximately 90% was supplied from within Canada. BHI is still working with its suppliers to categorize the remaining 10%, but believes this remaining amount was supplied from the United States and Europe. For greater certainty, BHI is not an importer of record in relation to any acquired goods that are manufactured outside of Canada.

## Duty to Report

BHI satisfies the definition of "entity" in Section 2 of the Act on the basis that it is a corporation:

1. having a place of business in Canada, doing business in Canada or having assets in Canada; and
2. for at least one of its two most recent financial years, as shown on its consolidated financial statements, has at least \$20,000,000 in assets and \$40,000,000 in revenue.

As an entity, BHI's duty to report arises as a result of Section 9(a) (noting BHI is not an importer of record for any goods produced outside of Canada for the purposes of Section 9(b)), but only to the extent that an LDC distributing electricity would be considered to be "distributing goods" for the purposes of the Act. It is unclear whether this is the legislative intent, but in the absence of clarification, BHI is erring on the side of caution and provisionally submitting this report, in hopes that further clarification will be provided with respect to its obligation to do so.

With respect to BEC, it is unclear whether it would qualify as an entity for the purposes of the Act, as a holding body corporate is not an operating entity carrying on an active business. Moreover, it does not directly hold assets (other than shares in its subsidiaries), nor does it directly generate revenue. To the extent the Act considers a holding body corporate such as BEC to be an "entity" in accordance with Section 2, then its duty to report arises pursuant to Section 9(c) on the basis that it controls an entity engaged in an activity described in subsection 9(a). As the legislative intent is unclear, in the absence of clarification to the contrary, BEC is erring on the side of caution and provisionally submitting this report, in hopes that further clarification will be provided with respect to its obligation to do so.

Based on the foregoing, BEC and BHI (collectively referred to hereinafter as the "**Reporting Entities**") hereby submit this joint report pursuant to Section 11(2)(b) of the Act, although any references to business activities, operations, policies, supply chains, training, etc. relate to BHI directly.

## Policies and Due Diligence Processes

### Internal

The Reporting Entities are committed to conducting all aspects of their business in an ethical, honest, and professional manner that promotes trust, respect and confidence among its employees, its customers, other corporate entities, and the public at large. As an entity providing an essential service to the community, the Reporting Entities' success is dependent upon the public's trust and confidence in the companies and their employees.

The Reporting Entities' commitment to integrity begins with compliance with all applicable municipal, provincial and federal laws and regulations. All employees acting on behalf of the Reporting Entities are expected to comply with this commitment and all related corporate policies, including:

#### ***Laws and Regulations***

- Employment Standards Act 2000;
- Accessibility for Ontarians with Disability Act (AODA);
- 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).

#### ***Internal Codes & Policies***

- Code of Conduct & Conflict of Interest Policy;
- Respect in the Workplace Policy;
- Preventing Workplace Harassment Policy;
- Health & Safety Policy;
- Diversity & Inclusivity Policy;
- Preventing Workplace Violence Policy;
- Relationships in the Workplace Policy;
- Disconnect from Work Policy;
- Accessibility (AODA) Policies.

Furthermore, the Reporting Entities adhere to the following practices which are included in their policies and hiring procedures:

- All open job opportunities are posted on a variety of website job boards, and on BHI'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; (within/adhering to employment contracts or Collective Agreements)
- Barring exceptional circumstances, and subject to the Employment Standards Act, 2000, an employee cannot be required to work on a public or paid holiday; (within/adhering to employment contracts or Collective Agreements)
- Employees are entitled to rearrange their work duties without loss of pay in order to observe the religious holiday(s) of their faith (with management approval); and

- Employees are offered: sick leave, bereavement leave, pregnancy leave, parental leave, family medical leave (the Reporting Entities comply with provincially legislated leaves and provides over and above terms and conditions outlined in the ESA).

The Reporting Entities have approximately 57% of employees represented by The International Brotherhood of Electrical Workers (“IBEW”), providing the prompt and equitable resolution of employment related complaints, grievances and disputes, promoting co-operation and understanding between the Reporting Entities 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.

Employment contracts and workplace policies are regularly reviewed to ensure compliance with applicable workplace laws and regulations.

### **External**

The Reporting Entities strive to only work with reputable suppliers and manufacturers that align with its key principles, behaviours, and core values.

Working to maintain an open and competitive purchasing environment, the Reporting Entities have a Purchasing Policy with a view to only engaging with reputable and reliable suppliers. This policy ensures that employees in the purchasing department are conducting procurement in accordance with industry standards, laws and regulations.

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

The Reporting Entities have commenced the process of assessing whether the use of forced labour or child labour is present in any and all components of its activities and supply chain. To date, the Reporting Entities have not identified the use of any forced labour or child labour in its activities or supply chains, nor do they have knowledge of any facts or circumstances that would reasonably suggest the likelihood of any such use within its activities and supply chain.

### **Internal**

The Reporting Entities strive to ensure there is no forced labour or child labour within its internal workforce through strict adherence to laws, and the policies and procedures in place for all employees. The Reporting Entities’ internal workforce works and resides in Ontario, Canada. The Reporting Entities embed responsible business conduct into their policies and management systems.

### **External**

Over 90% of the Reporting Entities’ goods and services was supplied from within Canada. The Reporting Entities are still working with suppliers to categorize the remaining 10%, but believe this remaining amount is supplied from the United States and Europe. To the Reporting Entities’ knowledge, its direct and indirect service providers are located within Canada. It considers the risk of the use of forced labour or child labour in its supply chains and activities to be low. Over 90% of its goods are sourced from reputable companies within Canada, with any remaining goods sourced from reputable suppliers in reputable foreign jurisdictions.

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## Remediation Measures

To date, the Reporting Entities have not identified any forced labour or child labour in its activities or supply chains, and as such it has not been necessary to undertake any remediation measures.

## Remediation of Loss of Income

To date, the Reporting Entities have not identified any forced labour or child labour in its activities or supply chains, and as such it has not been necessary to undertake any remediation for loss of income of vulnerable persons.

## Training

The Reporting Entities provide mandatory training on the internal codes and policies described above under the heading *Policies and Due Diligence Processes*. Training is mandatory for all employee groups. The training varies in length and has mostly been developed internally, with most training including an assessment component.

## Assessing Effectiveness

As the Reporting Entities have not identified any forced labour or child labour in their activities or supply chains, nor do they have knowledge of any facts or circumstances that would reasonably suggest the reasonable likelihood of same, the Reporting Entities do not currently have any express policies or procedures in place to specifically assess effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

**[attestation follows]**

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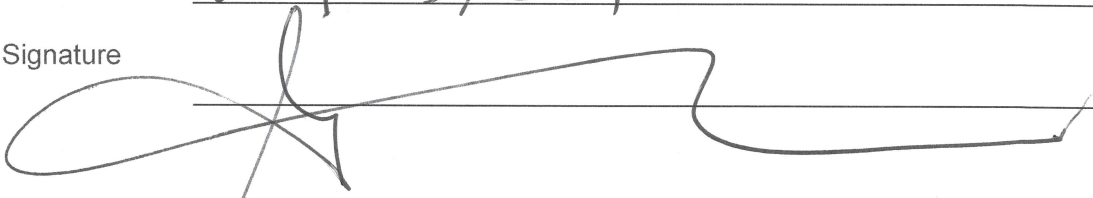
**Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, the undersigned attest to having reviewed the information contained in the report for the Reporting Entities. Based on their knowledge, and having exercised reasonable diligence, the undersigned 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 period listed above.

Full Name GERRY SMALLEGANCOE

Title PRESIDENT + CEO

Date MAY 23, 2024

Signature 

Full Name SUSAN KILBURN

Title BOARD CHAIR

Date MAY 23 2024

Signature 

We have the authority to bind Burlington Enterprises Corporation