



REPORT REGARDING FORCED LABOUR AND CHILD LABOUR 2025/26

May 31, 2026

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Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the *Act*) came into force on January 1, 2024. The stated purpose of the *Act* is to implement Canada's international commitment to combat forced labour and child labour by imposing reporting obligations on

- government institutions producing, purchasing or distributing goods in Canada or elsewhere
- entities producing goods in Canada or elsewhere or importing goods produced outside Canada

New Brunswick Power Holding Corporation (NB Power Holding Corporation) is wholly owned by the province of New Brunswick, as represented by the Minister of Energy. NB Power Holding Corporation's current function is limited to maintaining ownership of New Brunswick Power Corporation.

New Brunswick Power Corporation is a wholly-owned subsidiary of New Brunswick Power Holding Corporation and the primary operating entity of the NB Power Holding Corporation. New Brunswick Energy Marketing Corporation, a wholly-owned subsidiary of New Brunswick Power Corporation, is an energy trading company whose mandate is to import and export energy (including electricity and natural gas) to and from New Brunswick.

Each of the companies is a Crown corporation of the province of New Brunswick, established or continued by virtue of the *Electricity Act*, S.N.B. 2013, c. 7.

New Brunswick Power Holding Corporation and its subsidiaries meet the reporting requirement as entities under the *Act*.

This is a joint report for New Brunswick Power Holding Corporation and its subsidiaries (collectively NB Power, we, our or us) that sets out the steps NB Power has taken in the fiscal year ending March 31, 2026 to prevent and reduce the risk that forced labour or child labour are used by NB Power's operations or in the production of goods imported into Canada by NB Power.

At the time of preparing this report, audited financial statements had not yet been prepared and approved for fiscal year 2025/26. As such, financial and statistical information is presented to reflect fiscal year 2024/25.

In accordance with the *Act*, this report is available to the public through the NB Power website at www.nbpower.com.

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Preventing and Reducing Risks of Forced or Child Labour

The safety and well-being of our employees and contractors is NB Power's top priority. NB Power complies with all laws, rules and regulations applicable to employment standards and conditions in New Brunswick and Canada. All of our employees are treated with respect and dignity and we work in partnership with the International Brotherhood of Electrical Workers Local 37 on important issues that affect our workforce, which is over 95 per cent unionized.

NB Power has not, does not, and will not ever use or condone the use of forced labour or child labour in our business or any business we deal with.

NB Power has embraced the opportunity to further enhance and entrench these values in our supply chain by meeting and, in some cases, exceeding the requirements set out in the *Act*. Working closely with peer utilities, industry groups and legal counsel to understand the requirements, we created a cross-functional team of senior staff to conduct a gap analysis on current policies and procedures and put in place an action plan to implement the necessary changes to ensure compliance with the *Act*.

We also modified solicitation templates for procurement, as well as NB Power's standard supplier contract language, to make our suppliers aware of and hold them accountable for forced labour and child labour expectations. NB Power now includes these expectations and requirements as a bulletin in our procurement solicitations and has incorporated the requirements into our public procurement standard terms and conditions.

To better understand our supply chain, NB Power conducted an internal risk review of potential risk areas in relation to forced labour and child labour practices. To assist with this risk review, and to allow us to monitor our supply chain going forward, we have procured a third-party risk assessment tool that incorporates a continually updated database and ongoing monitoring of our suppliers' risk levels.

To ensure NB Power's employees understand the risks relating to forced labour and child labour, and the requirements under the *Act*, we developed a training module and delivered it to key personnel across NB Power. The training has raised awareness with senior management as well as staff conducting procurement activities directly and others who deal with contracts that may be at higher risk of forced labour or child labour. The training includes a discussion of forced labour and child labour within Canada and abroad, as well as an overview of the *Act*, NB Power's revised contract terms and NB Power's use of the third-party risk monitoring tool.

Our Structure and Activities

New Brunswick Power Holding Corporation (NB Power Holding Corporation) is a Crown corporation wholly owned by the province of New Brunswick. NB Power Holding Corporation's current function is limited to maintaining ownership of New Brunswick Power Corporation. The NB Power Holding Corporation has no direct employees and is not actively engaged in business activities.

New Brunswick Power Corporation (NB Power Corporation) is a wholly-owned subsidiary of NB Power Holding Corporation and the primary operating entity of the NB Power Holding Corporation. It is a vertically integrated full-service electric utility and is the primary utility responsible for the generation, transmission and distribution of electricity in New Brunswick. With a staff of over 3,000 employees, NB Power Corporation is the largest utility in Atlantic Canada and operates one of North America's most diverse generation and interconnected transmission systems. NB Power Corporation has a wide customer base, serving approximately 440,000 direct and indirect residential, commercial, wholesale and large and small industrial customers. Its fiscal year 2024/25 revenue was approximately \$2.6 billion.¹

New Brunswick Energy Marketing Corporation (NB Energy Marketing Corporation), a wholly-owned subsidiary of New Brunswick Power Corporation, is an energy trading company whose mandate is to import and export energy (including electricity and natural gas) to and from New Brunswick. Utilizing its highly skilled workforce, NB Energy Marketing Corporation purchases and sells a wide range of retail and wholesale energy products and services, including

- standard firm electricity products
- qualifying renewable electricity credits
- green energy and capacity products
- asset management, scheduling services and energy management services
- optimization of Day Ahead and Real Time transactions
- standard offer service

NB Energy Marketing Corporation's fiscal year 2024/25 revenue was \$644 million¹, which is included in the revenue of NB Power Corporation.

NB Power Supply Chain

NB Power purchases the goods and services required for its operations from more than 3,200 vendors with locations in 16 countries, with a large majority of these vendors located in Canada and the United States. NB Power's supply chain procures a range of utility-specific goods and services required for the generation, transmission and distribution of electricity, as well as general goods and services required of a large corporate entity. Supplies range from transformer, conductor and turbine parts to janitorial services, office supplies and computer software. In fiscal year 2024/25, NB Power spent approximately \$2.3 billion on supplies across all companies.

¹ NB Power's fiscal year end is March 31. At the time of preparing this report, audited financial statements had not yet been prepared and approved for fiscal year 2024/25.

The bulk of NB Power's procurement is related to purchasing fuels for its generating stations and electrical energy for resale to its customers. Fuel supplies consist of coal, heavy fuel oil, natural gas, diesel/no. 2 fuel oil and uranium-based fuel. NB Power procures much of its fuel through direct purchase arrangements with producers around the world. In fiscal year 2024/25, NB Power spent approximately \$515 million on fuel procurements and approximately \$1 billion on electricity purchases to serve our customers.

Most of NB Power's non-fuel supplies are sourced from vendors within Canada. The highest value non-fuel procurement categories are typically goods and services related to

- the operation of transmission, distribution and generation assets
- corporate services such as consulting, IT services and professional services
- goods and services relating to construction and maintenance activities

Our Policies and Due Diligence

Our Code of Ethics and our Public Interest Disclosure (Whistleblower Protection) policy ensure NB Power maintains a position of public trust. They set the expectation that employees conduct themselves with honesty and integrity throughout the course of performing their duties and provide employees the protection to make disclosures in good faith. As part of the performance management process, employees review the Code of Ethics annually, which also references the Public Interest Disclosure (Whistleblower) Policy.

NB Power has incorporated expectations and requirements of our suppliers into the terms and conditions for bid solicitation and into our procurement contract templates. We have also incorporated staff training and the implementation of a third-party risk monitoring tool to ensure our due diligence.

Going forward, NB Power will conduct, at minimum, an annual refresh of suppliers from at-risk sectors through our third-party risk assessment tool to gauge potential risk. Through our assessment tool, we will monitor suppliers and identify noteworthy activity or issues relating to forced labour or child labour to determine appropriate mitigating actions, which may include termination of suppliers that do not meet our requirements in respect of forced labour and child labour.

Risks of Forced Labour and Child Labour in Our Operations and Supply Chains

NB Power initially conducted a supply chain review and continually monitors our supply chain based on industry sector, information our suppliers publish online with respect to their codes of sustainable practices, and supplier locations. We have included in our third-party risk assessment tool the product and commodity types that may come from suppliers that have facilities in the developing world or use raw material inputs that carry a higher risk of forced labour and child labour.

During the 2025/26 reporting year, we identified two high-risk suppliers based on product type and geographic location. In both cases, we took positive actions to confirm compliance with our contractual terms and conditions relating to forced labour and child labour by requiring attestations from the suppliers, reviewing the suppliers' sustainability and ethical practices policies and seeking third party references in support of the suppliers before making an informed decision to proceed with our procurement from these suppliers.

Our Remediation Measures

Forced Labour and Child Labour

Although NB Power has not identified any instances of forced labour or child labour in our supply chains to date, we have implemented terms and conditions in our standard supplier contracts that place obligations on our suppliers to identify and report to NB Power if they become aware of any incidents or elevated risk of forced labour or child labour in their operations or supply chains. NB Power will address any reported incidents in a manner deemed appropriate in the circumstances.

Loss of Income

NB Power has not been made aware of any loss of income to vulnerable families resulting from measures we have taken to eliminate the use of forced labour or child labour in our activities and supply chains. NB Power will address any reported incidents in a manner deemed appropriate in the circumstances.

Training

To ensure NB Power's employees understand the risks relating to forced labour and child labour, and the requirements under the *Act*, we have developed and delivered a training module to key personnel across NB Power. The training provides

- a discussion of forced labour and child labour within Canada and abroad
- an overview of the *Act*
- NB Power's revised contract terms
- NB Power's use of the third-party risk monitoring tool

The training is now mandatory for and has been provided to staff conducting procurement activities directly and to others who deal with contracts that may be at higher risk of forced labour or child labour. Other selected work groups have also received the training, including NB Power's corporate legal team and executive management team. Below is an overview of the training session agenda, which will be refreshed annually

- Overview: Forced labour, child labour and modern slavery
- About Bill S-211 and future Bills
- NB Power response to Bill S-211 and the *Act*
- Vendors/Suppliers
- Terms & Conditions Updates
- Third-Party Risk Assessments

Assessing the Effectiveness of our Actions

NB Power will continue to comply with all laws, rules, and regulations applicable to employment standards and conditions in New Brunswick and Canada. With respect to NB Power's supply chain, with the aid of our third-party risk assessment tool and other market and vendor surveillance, NB Power's procurement staff will regularly scan for forced labour or child labour risks and violations within our supply chains. The effectiveness of the actions NB Power is taking to ensure that forced labour and child labour are not being used in our supply chains will thus be monitored and assessed.

NB Power's internal audit group conducted an audit of supply chain activities in early 2025 to assess actions taken to comply with the *Act* and to ensure NB Power's supply chains continue to meet our standards. Going forward, we will conduct a formal audit every two years as well as a less formal annual assessment.

Approval and Attestation

Pursuant to subparagraph (4)(b)(ii) of the *Act*, this report has been approved by the Board of Directors of New Brunswick Power Holding Corporation on behalf of itself and its subsidiaries New Brunswick Power Corporation and New Brunswick Energy Marketing Corporation. In accordance with the requirements of the *Act*, and in particular section 11 thereof, the undersigned attests that they have reviewed the information contained in the report for the entities listed herein. Based on the knowledge of the undersigned, and having exercised reasonable diligence, the undersigned attests that the information in the report is true, accurate, and complete in all material respects for the purposes of the *Act*, for the 2025/26 reporting year.

NEW BRUNSWICK POWER HOLDING CORPORATION



Andrew MacGillivray
Chair of the Board

May 21, 2026

Date

I have the authority to bind New Brunswick Power Holding Corporation.

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This report is also available in French and on our website at www.nbpower.com.

Ce rapport est également publié en français et sur notre site Web www.energienb.com