



Modern Slavery Statement for FY 2023-2024



► Preface

Kinectrics Inc., is committed to conducting its worldwide operations legally, ethically, and always with integrity. Our Code of Business Conduct sets the standard for how we work together for, or on behalf of Kinectrics. It articulates Kinectrics' values and behaviours that define us as a company.

Kinectrics business practices and the integrity of our employees, products and services are not compromised by individual, customer, or other commercial pressures; Kinectrics is dedicated to conducting business in a lawful manner with the highest standards of business ethics. We require our suppliers to conduct business to the same high standards.

Kinectrics opposes all forms of slavery and human trafficking and is committed to ensuring modern slavery or trafficking does not exist in our business dealings.

Kinectrics is committed to operating with corporate social responsibility - ethics and integrity, diversity and inclusion, gender equality, Indigenous inclusion, and anti-bribery and anti-corruption, human rights, anti-modern slavery, and prevention of family violence. The health, safety and wellbeing of our people, our clients, and their families, is always a priority.

The following constitutes Kinectrics' modern slavery statement in accordance with Bill S-211 for the financial year ending March 31, 2024.

► 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 Kinectrics Inc. 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 fiscal year 2023/2024.

David Harris
President & CEO

Date: 2024.05.21

Signature: 

I have the authority to bind Kinectrics Inc.

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▶ 1.0 Who We Are

Kinectrics Inc., is a privately owned, for-profit business entity which contains a number of wholly owned subsidiaries.

All Kinectrics business is performed under the governance and direction of our Board of Directors. The Board delegates its authority via the Kinectrics Organizational Authorities Register and identifies the Chief Executive Officer as the central authority for day-to-day operations.

Reporting to the CEO is an executive leadership team who are collectively responsible for the strategic direction, growth, and operations of Kinectrics' businesses that aligns with our corporate values.

Under the supervision of the executive team, Kinectrics work is led by our Operations teams who are supported by our Central teams. The Central teams have responsibility for maintaining centralized requirements, supporting Operations in the execution of the work, and designing policies and procedures to protect the company's interests and enforce the company's values in matters including safety, procurement, legal and regulatory compliance and labour relations and recruitment and retention of an engaged, equitable and diverse workforce.

Our Central teams have authority over the activities of our Operations teams to ensure Kinectrics meets its obligations for compliance with regulations, codes, and standards.

Further, the Kinectrics Procurement team has the following structure:

- The Procurement team reports to the Senior Vice President of Business Improvements & Compliance.
- All Purchase Requests are centralized and are approved according to our Organizational Authority Register.
- All quality level goods and any other goods over a threshold are purchased via Purchase Order and maintained and tracked in our central financial system.
- Items are procured with stipulated quality requirements. Where required, Kinectrics visits and observes vendors.
- Kinectrics has a multi-tier supply chain.
- Kinectrics international locations do not deliver goods or materials directly to our Canadian clients.

▶ 2.0 What We Do

Kinectrics develops innovative solutions for the global electricity and medical industries, helping to empower a sustainable future. We have:

- 1300+ highly technical staff with vast knowledge of the electricity industry.
- 30+ unique laboratories and 400,000 square feet of operating facilities worldwide.
- 70+ life-cycle management services across multiple industries.
- 19 locations, across 7 countries, with the ability to support customers across the world.

We help keep the electric power industry running smoothly and to specification. This is accomplished through our independent laboratory and testing facilities, a diverse fleet of field inspection equipment, and an award-winning team of engineers and technical experts.

Based on our values, Kinectrics has built an unwavering and strong reputation for conducting business with integrity, earning the respect and trust of our clients, employees, and the communities in which we work. This includes committing

to the various communities we operate in by contributing through a variety of donations, sponsorships and industry memberships.

Most recently, this includes:

- Recognition in 2023, as a Local Leader by the United Way Greater Toronto where we have raised more than \$2M dollars over our history to help local communities with the fight against poverty.
- Partnering with the Yonge Street Mission (YSM) in Toronto, Ontario to generate more employment opportunities for the community through donations and our employees also volunteer their time to help prepare meals for those in need.
- Sizeable donations to help retrofit the Teeswater Medical Centre and to purchase specialized medical equipment for the Wingham Hospital in the Bruce Grey County.
- Donations for health-related causes such as the Bike for Brain Health helping to raise awareness and funds that support the fight against cancer.
- Active members of the Canadian Council for Aboriginal Business (CCAB) and actively participating and sponsoring events to support various indigenous communities across Ontario.
- Actively supporting local communities by sponsoring and participating in a variety of recreational sports teams such as Hockey, Soccer, Biking and Soccer across Ontario.

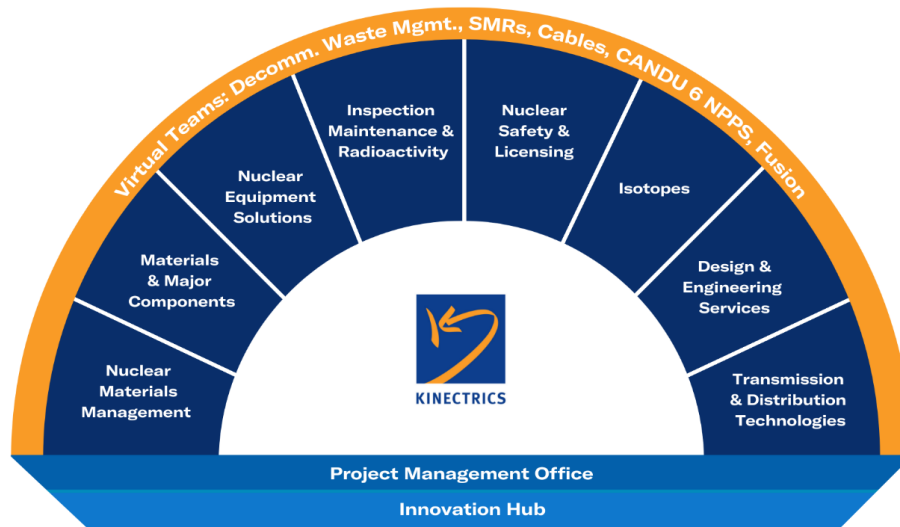
A summary of some of the different community and industry organizations we support are identified below:



Details, including our history, can be found under the 'About Us' section on our company website:
<https://www.kinectrics.com>

► 2.1 Services

Kinectrics' eight (8) Key Capabilities are supported by a Tier 1 Engineering Base and are supported and influenced by our Project Management Office and Innovation Hub.



1. **Nuclear Materials Management:** Unparalleled support to help clients procure, test and launder Personal Protective Equipment (PPE) products. This group also offers comprehensive radioactive materials management to ensure complete care and control of substances through their lifecycle.
2. **Materials & Major Components:** Life Cycle Management Services and methodologies for Nuclear Plant Components with world-renowned expertise and facilities.
3. **Nuclear Equipment Solutions:** Turnkey support for equipment needs from design to testing and supply.
4. **Inspection, Maintenance & Radioactivity:** Innovative tooling solutions and deployment expertise.
5. **Nuclear Safety & Licensing:** Providing the Nuclear Industry and Small Modular Reactor (SMR) vendors with a Centre of Excellence for Nuclear Safety Analysis & Licensing.
6. **Isotopes:** Creating a vertically integrated global medical isotope supply chain in Ontario.
7. **Design & Engineering Services:** Leading supplier of Nuclear Plant Engineering services covering all disciplines and providing solutions for the lowest cost of ownership globally.
8. **Transmission & Distribution Technologies:** Providing testing and asset management services that translate into reliable condition assessment and predictable life extension of assets.

► 3.0 Our Supply Chains

Kinectrics provides both professional services and products for our clients. Based on the nature and type of each, there is a low risk of human rights violations and modern slavery in our operations and supply chains.

With respect to Kinectrics' provision of professional services, our supply chain consists of using professional consultants

and contractors.

In terms of Kinectrics' products, our supply chain consists of the procurement of components or supplies to complete our technologies:

- **Health & Safety:** includes Arc Flash Analysis Software, Personal Protective Equipment (PPE), Synthetic Blood for PPE Testing
- **Nuclear Generation:** includes CANDU nuclear reactor inspection tools for feeder piping, fuel channels and steam generators.
- **Radioactive Waste Management:** specifically the SCEPTER™ Selective Carbon Extraction Process for removing Carbon-14 from ion exchange resins.
- **Transmission & Distribution:** includes Anagen™, a self-healing dielectric fluid that replaces cable insulation oils, and LineVue® Overhead Conductor Inspection Tools for electricity transmission and distribution lines.

Kinectrics has a strong counterfeit and fraudulent parts program for safety critical parts. Further, over 95% of the services and products procured by Kinectrics are from Canada and the United States.

▶ 4.0 How We Work to Ensure Our Supply Chains are Free of Forced Labour and Child Labour

With respect to Kinectrics' provision of professional services, workers are required to provide evidence of their specific job qualifications. All workers are required to read and adhere to our Code of Business conduct. Further, as they are under the direct supervision of Kinectrics line management, their conduct and behaviours are closely monitored.

With respect to Kinectrics' products, there is a low potential for modern slavery in our supply chain:

- We work primarily with Canadian and American companies and do not undertake work at high-risk for potential forced or child labour in foreign countries.
- We have applied additional diligence with national and international vendors by requesting they confirm our expectations.

▶ 4.1 Our Policies

The following Kinectrics governance prohibits child/forced labour/slavery:

- Kinectrics Integrated Management System Manual
- Kinectrics Code of Business Conduct
- Kinectrics Purchasing Policies & Best Practices

We have taken steps to include adherence to human rights principles in the above policies and procedures.

Our employees are expected to abide by our Code of Business Conduct, which ensures a culture that fosters transparency, and empowers our people to identify, and respond to ethics-related issues. Code of Business Conduct refresher training is to be done every three years unless there is an update to the Code, in which case the retraining is to be assigned at the time of the Code update.

Kinectrics has a Confidential, Anonymous Reporting for Employees (CARE) hotline available to report any matters of concern, including code of conduct/ethics violations.

Our suppliers, contractors, consultants, and business associates working under Kinectrics' direction are expected to have read, understand, and comply with our Code of Business Conduct. Our Code of Business Conduct applies to all persons working for us or on our behalf in any capacity, including employees at all levels, as well as seconded workers and contractors.

As part of our contracting processes, we expect our suppliers, in North America and globally (e.g., Europe, China, India, etc.) to hold their own suppliers to the same high standards. We have recently requested confirmation of our suppliers to report back on such conduct with respect to their supply chains and to date, have not received any indications of risks that could potentially involve child labor.

The prevention, detection, and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. Employees are required to avoid any activity that might lead to, or even suggest, a breach of this policy.

Employees are to notify, as applicable, Human Resources if they believe or suspect a conflict with this policy has occurred or may occur. Employees are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage.

Kinectrics is committed to supporting the protection of human rights throughout our operations. We will not knowingly do business with suppliers, clients, business partners, or others who do not adhere to our human rights principles.

▶ **4.2 Our Due Diligence Process**

Our standard contracts stipulate that suppliers comply with all applicable laws, rules and regulations including those related to human trafficking, worker welfare and modern slavery. We also require that suppliers certify compliance with our Supplier Code of Conduct, including its human rights provisions.

▶ **4.3 Employee Training on Forced Labour and Child Labour**

Corporate Code of Business Conduct training is part of Kinectrics' employee induction process. The content includes Kinectrics commitment to avoiding slavery and the requirement that we will not knowingly do business with suppliers, clients, business partners, or others who do not adhere to our human rights principles. Refresher training is to be completed every three years or less.

▶ **4.4 How We Monitor Ourselves & Our Suppliers**

Kinectrics currently reports on various environmental social and corporate governance items, but not child/forced labour. In 2023, Kinectrics solicited vendor information on forced labour. Kinectrics has informed its suppliers regarding their obligations as outlined in Bill S-211 and requested relevant information.

This effort is aimed to improving awareness and transparency across our Supply Chain. Supplied responses are collected to assess the risk of child labour in our supply chain. Kinectrics is actively collaborating with suppliers to monitor and address.

▶ **4.5 How We Are Aware of Risks of Forced Labour or Child Labour Use in Global Supply Chains**

Kinectrics is committed to ensuring that forced labour and child labour are not used in its supply chains. The majority (i.e., over 95%) of materials are sourced from Canadian or American suppliers who comply with local labour laws and regulations.

▶ **5.0 How We Have Addressed Reported Risks or Use of Forced Labour or Child Labour in our Supply Chains**

Kinectrics, to date, has not faced situations of forced labour or child labour and has therefore not had to remedy nor rectify such situations.