Fighting Against Forced Labour and Child Labour in Supply Chains Act

2025 REPORT

1.0

Introduction

This Report is made jointly by EPCOR Utilities Inc. ("EUI") and certain of its affiliates[1] (collectively, "EPCOR", "we", "our" or "us") for the financial year ending December 31, 2025 and sets out the steps EPCOR has taken to prevent and reduce the risk that forced labour or child labour is used by EPCOR's Canadian operations or in the production of goods imported into Canada by EPCOR.

This Report constitutes the third report prepared by EPCOR pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chain Act ("the Act") and, for clarity, only applies to EPCOR's Canadian operations.

[1] EPCOR Utilities Inc. (Corporate Services), EPCOR Utilities Holdings Inc., EPCOR Distribution & Transmission Inc., EPCOR Energy Alberta GP Inc., EPCOR Energy Alberta Limited Partnership, EPCOR Commercial Services Inc., 1772387 Alberta Limited Partnership, 1772387 Alberta Ltd., EPCOR Holdings East Inc., EPCOR Collingwood Distribution Corp., EPCOR Collingwood Services Corp., EPCOR Electricity Distribution Ontario Inc., EPCOR Technologies Inc. and EPCOR Water Services Inc.

2.0

EPCOR's Structure, Activities & Supply Chain

2.1 Structure

EPCOR consists of corporations created under the Business Corporations Act (Alberta) with the corporate head office in Edmonton, Alberta. EUI was established by Edmonton City Council in 1996 under City Bylaw 11071 and the common shares of EUI are owned by The City of Edmonton (the City). EPCOR's business is the provision of utility and related services.

EPCOR's organizational structure consists of an independent Board of Directors and Executive Leadership Team, providing oversight and management of EPCOR and its operations.

The Board and Executive Leadership structures are as follows:

BOARD OF DIRECTORS

Janice Rennie, *Chair*

Richard Cruickshank, *Vice Chair*

Leontine van Leeuwen-Atkins, *Director*

Mary (Margaret) Bateman, *Director*

Vito Culmone, *Director*

Valerie Berger, *Director*

David Hay, *Director*

Brent Hesje, *Director*

Alan Krause, *Director*

David Stanton, *Director*

Nizar Jaffer Somji, *Director*

Dr. Verna Yiu, *Director*

EXECUTIVE LEADERSHIP TEAM

John Elford, *President & CEO*

Tony Scozzafava, *Senior Vice President & Chief Financial Officer*

Shawn Bradford, *Senior Vice President, Regulated U.S. Water*

Kirstine Hull, *Senior Vice President, Electricity Services*

Jennifer Addison, *Senior Vice President, Sustainability, General Counsel & Corporate Secretary*

Ian MacNeill, *Senior Vice President, Corporate Services*

Joe Gysel, *Senior Vice President, North Amercial Commercial Services*

Frank Mannarino, *Senior Vice President, EPCOR Water Services*

2.2 Activities

EPCOR, through its subsidiaries, operates through the following business units:

WATER SERVICES

Water Services is primarily involved in the treatment, transmission, distribution and sale of water, the collection and conveyance of sanitary and stormwater, and the treatment of wastewater within Edmonton and other communities surrounding Edmonton. This business also includes the provision of design, build, finance, operating and maintenance services for municipal and industrial customers in Western Canada.

DISTRIBUTION & TRANSMISSION

Distribution and Transmission is involved in the transmission and distribution of electricity within Edmonton. This business owns and operates high voltage substations, transmission lines and cables that are primarily situated within and around Edmonton and form part of the Alberta Interconnected Electric System power grid. It also owns and operates aerial and underground distribution lines and related facilities for the distribution of power to end users, and provides its distribution infrastructure and service to electricity retailers who, in turn, provide electricity to end use customers.

ENERGY SERVICES

Energy Services is primarily involved in the provision of the Rate of Last Resort (formerly the Regulated Rate Option) electricity service and default supply electricity services to customers in Alberta. Energy Services also provides competitive electricity and natural gas products under the Encor brand.

NORTH AMERICAN COMMERCIAL SERVICES

North American Commercial Services includes business development activities related to the provision of design, build, finance, operating and maintenance services for municipal and industrial water, wastewater, electricity and natural gas customers in North America, outside of Edmonton. This business also includes electricity distribution in Canada and natural gas distribution and transmission businesses in Canada and the U.S.

U.S. REGULATED WATER

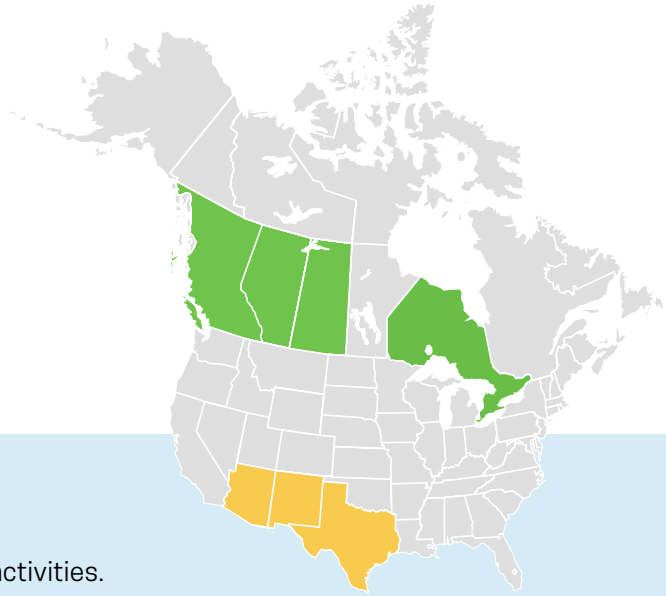
U.S. Regulated Water is primarily involved in the treatment, transmission, distribution and sale of water, the collection and treatment of wastewater, and construction of related facilities in Arizona and New Mexico. This business operates in sixteen water utility districts and three wastewater utility districts consisting of developer-built communities and commercial-built businesses within several municipalities in these states.

CORPORATE SERVICES

Corporate Services provides certain centralized support services to EPCOR's businesses, including governance, risk management, finance, treasury, internal audit, information services, supply chain management, human resources, learning and development, communications and public engagement, legal, and health, safety and environment.

EMPLOYEES

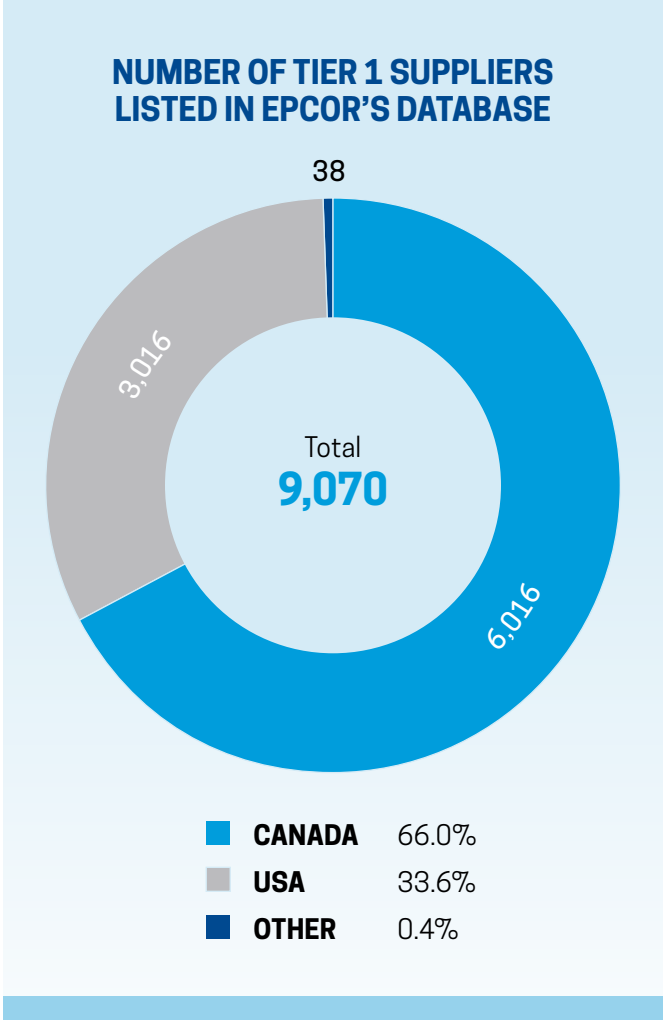
As at December 31, 2025, EPCOR Utilities Inc. had a total of **3,701** full-time, part-time, temporary and casual employees. Of those, **3,209** are within EPCOR's Canadian and North American Commercial Services operations, and **492** within EPCOR's U.S. Regulated Water operations.



LOCATIONS

The following map shows the primary locations of EPCOR's activities.

EPCOR does not own or operate any goods production, manufacturing, growing, extracting, processing, sale or distribution facilities. However, it does import goods from other countries. The graph below shows the locations of all of EPCOR's Tier 1 suppliers (i.e., the direct supplier of the final product). The vast majority (99.6%) of EPCOR's Tier 1 suppliers are located in Canada and the United States.



2.3 Supply Chains

EPCOR purchases a variety of goods and services to support its operations. Its supply chains cross many industries and sectors, with several having complex multi-tiered and global downstream supply chains.

In 2025, EPCOR's Canadian-based operations issued purchase orders totaling $623 million CAD with 1,354 active Tier 1 suppliers. EPCOR's supply chain consists of the following major spend categories:

1. Construction contractors and trades
2. Engineering and architectural services
3. Major equipment including power transformers, switching cubicles, water treatment plant and water distribution equipment
4. Utility infrastructure products (cable, wire, utility poles, water/sewer pipe, etc.)
5. Water treatment chemicals
6. Maintenance, repair, and operations products including electrical hardware, water system parts and materials, tools, consumables, furniture, office equipment and supplies, etc.
7. Personal protective equipment and apparel
8. Fleet vehicles and fleet maintenance parts and services
9. Information technology hardware, software and related services
10. Professional services including management consultants and contractors and legal, regulatory and tax services

> 99.6% of EPCOR's Tier 1 suppliers are located in Canada and the United States.

3.0

Summary of the parts of EPCOR's business that carry a risk of forced labour or child labour, and steps EPCOR has taken during the previous financial year to assess and manage the risk

EPCOR completed the following steps in 2025:

Step 1: Maintained governance to address risks of forced labour and child labour

EPCOR maintained its modern slavery Review Committee (MSRC). This committee included members of EPCOR's Supply Chain and Legal teams, for the purpose of preventing and reducing the risk of forced labour and child labour being used within its business and supply chains. In 2025, the MSRC oversaw the development of this report, the steps taken in 2025 to assess and manage modern slavery risks, and the development of EPCOR's 2026 modern slavery action plan.

Step 2: Assessed the risk

EPCOR completed an internal assessment to determine the risks of forced labour and child labour within its goods supply chains. At a high level, this included four steps related to evaluating purchases to identify high-risk goods (i.e. those at a higher risk of being produced using forced labour or child labour):

1. Created a list of its Tier 1 suppliers and their locations. This list contained 9,070 Tier 1 suppliers.
2. Cross referenced the list of Tier 1 suppliers against the U.S. Department of Labor 2025 list of goods at risk for forced and child labour, and Walk Free's Global Slavery Index list to identify Tier 1 suppliers that were located in countries where there is a high risk of forced labour and child labour. EPCOR identified two Tier 1 suppliers located in high-risk countries.
3. Identified the goods that were purchased from suppliers located in high-risk countries.
4. Assessed whether or not the goods identified in Step 3 were high-risk, based on information included on the 2025 U.S. Department of Labor list of Goods Produced by Child Labor or Forced Labor and Walk Free's Global Slavery Index.

Based on the above, EPCOR did not identify any high-risk goods. If EPCOR identified, or became aware of the use of forced labour or child labour in its goods supply chains, it would respond as outlined in section 5.0 below.

With respect to its supply chains and businesses, EPCOR must comply with all Canadian labour laws. As a result, EPCOR assesses the risk of forced labour and child labour in EPCOR's services supply chains and businesses as low.

Step 3: Assessed current policies and due diligence processes

In 2025, the MSRC also assessed EPCOR's forced labour and child labour policies, as well as its due diligence processes, to ensure they effectively mitigate the risks of modern slavery within EPCOR's supply chains. The MSRC concluded that EPCOR's policies and due diligence processes are appropriate. The MSRC will continue to monitor these risks annually, taking into account changes to purchasing requirements, supply chains, and Public Safety Canada guidance related to Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act).

4.0

EPCOR's policies and due diligence processes in relation to forced labour and child labour

EPCOR is committed to responsible business conduct and has implemented a number of due diligence processes and policies to support economic, social and environmental sustainability. For more information, please see EPCOR's Sustainability reporting, available on epcor.com.

EPCOR's policies and due diligence related to forced labour and child labour are discussed below.

COLLECTIVE AGREEMENTS

EPCOR's non-management employees are, with limited exceptions, covered by collective agreements that provide for labour and bargaining rights and protections. This helps ensure that EPCOR's unionized workforce is free of forced labour and child labour.

The following labour unions are present at EPCOR:

- Civic Services Union Local 52
- Canadian Union of Public Employees Local 30 & 7667
- International Brotherhood of Electrical Workers Local 1007
- Power Workers' Union Local 1000

LEGAL STANDARD FORM CONTRACTS & CONTRACT REVIEW PROCEDURE

With limited exceptions, EPCOR uses standard form contracts to ensure that EPCOR contracts mitigate risks and bind suppliers to applicable legislative or regulatory requirements, and EPCOR policies.

These contracts contain express provisions dealing with compliance with policies and the law, including those related to forced labour and child labour. The following is an excerpt from EPCOR's standard form contract conditions:

> *The Contractor undertakes to the Owner that in connection with its performance hereunder it (1) does not currently, will not, and will ensure that its Contractor Personnel do not, and (2) will use best efforts to cause any other person for whose acts it may be vicariously liable, and any other person that provides services for or on behalf of it (in each case while acting in such capacity) not to:*
>
> > *employ or use any form of forced, bonded or compulsory labour, or other forms of slavery or human trafficking and will in addition take commercially reasonable steps to ensure that there is no form of modern slavery employed or used within its business or in its supply chain;*

ETHICS POLICY

EPCOR's Ethics Policy applies to all employees, officers and directors. This policy describes ethical responsibilities internally to each other, and externally to EPCOR customers and suppliers; and requires that employees, officers and directors conduct themselves with integrity, honesty, respect and in compliance with the law.

EPCOR has an Ethics Officer as well as an Ethics Committee, which oversees EPCOR's ethics program. The Ethics Committee is comprised of:

- EPCOR's President and CEO (Chair), the Senior Vice President of Corporate Services (Vice-Chair), the Senior Vice President, Sustainability, General Counsel and Corporate Secretary, and the Senior Vice President and Chief Financial Officer; and
- Appropriate representatives from the affected business units, as determined by the Ethics Committee.

COMPLY WITH APPLICABLE LAWS AND TRADE AGREEMENTS

EPCOR complies with all applicable Canadian laws and, where required, also complies with the Canada-European Union Comprehensive Economic and Trade Agreement and the Agreement on Trade Continuity between Canada and the United Kingdom of Great Britain and Northern Ireland and therefore must be committed to "the elimination of all forms of forced or compulsory labour" and the "effective abolition of child labour" (Article 23.3).

SUPPLIER CODE OF CONDUCT

EPCOR's supplier code of conduct applies to all EPCOR suppliers and includes explicit restrictions on the use of forced labour and child labour within supplier supply chains. This code of conduct is publicly available on EPCOR's external website.

Ongoing Plans

In 2026, the following actions are planned to help strengthen EPCOR's due diligence processes related to mitigating risks associated with forced labour and child labour:

- Provide refresher training for Procurement teams on EPCOR processes and procurement responsibilities related to modern slavery.
- Conduct annual supplier risk assessment based on US Department of Labor and Walk Free lists of countries/ products at high risk for modern slavery.
- Peer benchmarking to ensure EPCOR continues to align with industry best practices.

> EPCOR is committed to responsible business conduct and has implemented a number of due diligence processes and policies to support economic, social and environmental sustainability.

5.0

Any measures taken to remediate any forced labour or child labour

In 2025, EPCOR did not identify any cases, or suspected cases, of forced labour or child labour. As such, EPCOR did not undertake any remediation measures in its business or supply chains.

If EPCOR does identify a suspected case of forced labour or child labour used in its businesses or supply chain, it will follow the steps outlined in Walk Free's *modern slavery Reponses and Remedy Framework* which may include:

1. Investigate and Verify
2. Remediate Harm to Workers
3. Mitigate and Prevent Future Harms
4. Escalation, if Required
5. Incident Reporting and Tracking
6. Review

6.0

Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

As EPCOR did not identify any cases, or suspected cases, of forced labour or child labour in 2025, EPCOR did not take actions to remediate any loss of income to vulnerable families that would have resulted from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

7.0

Training provided to employees on forced labour and child labour

In early 2025, EPCOR communicated the following information to all EPCOR Canada management employees to raise awareness and prompt a call to action to review EPCOR's annual Modern Slavery Report and EPCOR's Supplier Code of Conduct. The intent was to ensure managers understand the due diligence processes and mitigations in place to address the risks of forced labour and child labour within EPCOR's supply chains:

- What modern slavery is and why it matters
- An overview of the Act
- Key highlights from EPCOR's latest Fighting Against Forced Labour and Child Labour in Supply Chains Act report.
- A link to the RightsDD modern slavery training video

In 2025, EPCOR also delivered refresher training to all Procurement staff to reinforce EPCOR's due diligence processes, including contract terms, the Supplier Code of Conduct, and EPCOR's modern slavery screening procedure, which outlines the steps required to screen suppliers within EPCOR Canada's sourcing processes.

8.0

How EPCOR assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

As discussed in section 3.0 above, EPCOR perceives that the risk of forced labour and child labour in its supply chains and businesses is low and that its current processes are appropriate to address these risks.

Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, Janice Rennie, in the capacity of Board Chair, attest that I have reviewed the information contained in the report on behalf of the governing body of the entities listed herein.

Based on my knowledge, and having exercised reasonable diligence, I 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 year listed within this report.

May 1, 2026

Janice Rennie
Board Chair

I have the authority to bind EPCOR Utilities Inc. and the subsidiaries listed herein.

EPCOR