

MANITOBA HYDRO INTERNATIONAL LTD. REPORT ON SUPPLY CHAIN (YEAR ENDING MARCH 31, 2026)

This report describes actions that have been taken in support of federal legislation Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C 2023, c.9)

The completion and filing of this report is undertaken on a voluntary basis and without prejudice to the reporting entities' rights to ascertain or challenge the applicability of the referenced legislation to Manitoba Hydro International Ltd.

Contents

- Identification..... 1**
- Approval and Attestation 2**
- Steps taken to prevent and reduce risk 3**
- Requirement a) Structure, activities and supply chains..... 3**
 - Structure and Activities..... 3
 - Supply Chain..... 3
- Requirement b) Polices and due diligence processes 4**
 - Existing polices and processes 4
 - New Actions 4
- Requirement c) Forced labour and child labour risks 4**
- Requirement d) Remediation measures 5**
- Requirement e) Remediation of loss of income 5**
- Requirement f) Training..... 5**
- Requirement g) Assessing effectiveness 5**

Identification

Reporting entity:	Manitoba Hydro International Ltd. (MHI)
Financial reporting year:	April 1, 2025 - March 31, 2026 (2025/26)
Revised report:	No
Business number(s):	877434621
Joint report:	No
Reporting obligations other jurisdictions:	No
Categorization:	Entity
Sector/industry:	Software Sales and Consulting Services
Location:	Manitoba

Approval and Attestation

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 in particular section 11 thereof, I attest that I have reviewed the information contained in this report for Manitoba Hydro International Ltd. 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.

MANITOBA HYDRO INTERNATIONAL LTD.:



Authorized Signing Representative

Full name: Donald Bjornson

Title: General Counsel & Corporate Secretary

Date: May 29, 2026

Steps taken to prevent and reduce risk

Actions this year centered on:

- Completed elevating internal awareness of the Act with MHI's management
- completion and approval of MHI's Human Rights Policy
- formalizing responsibility for compliance with the Act and related internal process development within MHI's Legal, Risk & Compliance area.

Requirement a) Structure, activities and supply chains

Structure and Activities

Manitoba Hydro International Ltd. (MHI), a wholly-owned subsidiary of the Manitoba Hydro-Electric Board (Manitoba Hydro), was incorporated in September 1998 and commenced operations on April 1, 1999. On the basis that MHI has at least \$20 million in assets and has generated at least \$40 million in revenue in one of the last two fiscal years, and given the significant differences between their respective business focus, size, revenues and operations, MHI will report independently of Manitoba Hydro.

MHI currently has five business segments, International Utility Services, Power Systems Technology Centre, Transmission and Distribution Solutions, Telecom Services and Lab Engineering Products. International Utility Services provides professional consulting, training and electricity infrastructure management services primarily to developing markets. The Power Systems Technology Centre provides technology products, research and development and engineering services to the electrical power system industry. Transmission and Distribution Solutions provides engineering solutions and software development services to the energy sector. Telecom Services provides state of the art broadband telecommunication solutions for telecom carriers, internet service providers and large commercial customers. Lab Engineering Products primarily manufactures the dCLFL (Line Fault Locator) which has been successfully installed in a number of countries to monitor power lines.

MHI Employees: 88
MHI Assets: \$134.23million

Supply Chain

The majority of MHI's revenue is generated from software sales and professional consulting services. As a result, MHI does not have a large volume of purchases of tangible goods. Primarily, for the reporting period, these purchases consisted of project material and equipment, office equipment, promotional goods, and other items for use by MHI's head office. Given these MHI's procurement activities, MHI considers its footprint with respect to forced labour and child labour in its supply chain to be limited.

Purchase of Goods: \$3.6 million (87% domestic)
Total active vendors: 92 (85% domestic)

87% of MHI's annual purchases of tangible goods were from domestic vendors. MHI acknowledges that while the majority of purchases of these goods are from domestic suppliers, there is additional risk of

forced and child labour when these suppliers are distributors, importers or resellers and goods originate outside of Canada.

Requirement b) Polices and due diligence processes

Existing polices and processes

MHI's Code of Conduct, Respectful Workplace Policy and Integrity Program Policy set out the fundamental values and expectations of MHI with respect to ethical business conduct, standards of conduct regarding treatment of personnel in a respectful workplace and expectations and process for reporting of suspected wrongdoing in the operation of MHI's business. The Code and these policies highlight a number of guiding principles including respect for others, diversity and inclusion, harassment and discrimination-free workplace, safety, environmental stewardship, integrity and accountability, legal and regulatory compliance, as well as fairness in human resource management and procurement. MHI also complies with the Manitoba Employment Standards Code with respect to minimum requirements for wages, benefits, working hours and overtime for its personnel. In addition, MHI complies with all federal legislation, regulations and requirements to ensure all persons employed or contracted to MHI are legally entitled to work in Canada.

Forced labour and child labour in MHI's supply chain do not align with the principles and objectives and legislated requirements to which MHI is committed.

New Actions

In this reporting period MHI:

- completed elevating awareness of the Act with its management team
- commenced reviewing its risk management process and protocols to ensure that risks of forced labour and child labour could be identified, reviewed and eliminated or mitigated for MHI projects reviewed by MHI's Risk Management Committee
- finalized and approved its Human Rights Policy to ensure such policy adequately addresses the issues of forced labour and child labour in MHI's supply chain including processes for identifying, reviewing, reporting and addressing these issues.
- formalized responsibility for compliance with the Act and related internal process development within MHI's Legal, Risk & Compliance area.

Requirement c) Forced labour and child labour risks

At a high level, MHI is of the view that the risk of significant forced labour and child labour issues in MHI's supply chain is low based upon the type and low dollar value of procurements that MHI undertakes on an annual basis. MHI's business is primarily focused on the sale of an in-house developed and maintained software product as well as consulting services performed directly by MHI employees and independent contractors. Purchases from suppliers related to goods are of a very low dollar value and primarily from domestic suppliers. All manufacturing of MHI's dcLFL product occur on-site at MHI's offices in Winnipeg, Manitoba by MHI's own personnel and the percentage of costs and revenues related to this aspect of MHI's business operations is relatively low in comparison to MHI's overall costs and revenues.

Requirement d) Remediation measures

As no issues were identified with respect to forced labour or child labour in MHI's supply chain in this reporting period, no remediation efforts were taken.

Requirement e) Remediation of loss of income

As no issues were identified with respect to forced labour or child labour in MHI's supply chain in this reporting period, no remediation efforts with respect to loss of income were taken.

Requirement f) Training

MHI did not internally conduct nor receive training with respect to forced labour or child labour risks in supply chains nor with respect to the Act within the reporting period.

Requirement g) Assessing effectiveness

Developing an assessment mechanism was not part of this year's activities.