

**BHE CANADA HOLDINGS CORPORATION**  
**FORCED/CHILD LABOUR ANNUAL REPORT**

**For the Year Ended December 31, 2023**

**May 24, 2024**

## TABLE OF CONTENTS

GLOSSARY.....	3
FORWARD-LOOKING STATEMENTS .....	4
SCOPE.....	4
COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN .....	4
Company Structure .....	4
Formation of BHE Canada .....	4
Ownership.....	5
Company Workforce .....	6
Supply Chain.....	6
FORCED/CHILD LABOUR DUE DILIGENCE PROCESSES & POLICIES.....	6
General.....	6
Employee Policy .....	7
Contractual Obligations .....	7
Problem Area Identification and Avoidance .....	8
Supplier Due Diligence .....	9
Supplier Checks .....	<b>Error! Bookmark not defined.</b>
FORCED/CHILD LABOUR RISK ASSESSMENT & MANAGEMENT .....	9
FORCED/CHILD LABOUR REMEDIATION.....	9
REMEDICATION OF LOSS OF INCOME .....	10
FORCED/CHILD LABOUR EMPLOYEE TRAINING .....	10
ANNUAL ASSESSMENT OF EFFECTIVENESS .....	10
ATTESTATION .....	10

## GLOSSARY

Except as otherwise defined herein, the following terms and abbreviations used in this Report have the following meaning:

**“Act”** means the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada);

**“BHE CANADA HOLDINGS CORPORATION”** (BHE Canada) for the purpose of this report includes the following operating entities<sup>1</sup>:

- BHE Canada L.P.
- MATL Canada L.P.
- BHE Canada Limited
- BHE Canada Rattlesnake L.P.
- AlbertaEx L.P.
- NEPH Consolidated

**“Child Labour”** means labour or services provided or offered to be provided by persons under the age of 18 years and that (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada; (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them; (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or (d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999;

**“Forced Labour”** means labour or service provided or offered to be provided by a person under circumstances that (a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or (b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930;

**“Forced/Child Labour”** means, collectively, Child Labour and Forced Labour as defined above;

**“Procurement Agreements”** means the agreement templates generally used by BHE Canada and its subsidiaries for the purchase of goods, materials, equipment, or services that are utilized in BHE Canada’s operations;

**“Purchase Order”** means the purchase order template generally used by BHE Canada and its subsidiaries for the purchase of goods, materials, equipment, or services that are utilized in BHE Canada’s operations;

**“Report”** means this Forced/Child Labour Annual Report prepared in accordance with the Act dated May 24, 2024, for Fiscal Year 2023;

**“Subcontractor”** means any company, entity, organization or person having an agreement with a Supplier or any other Subcontractor to perform a portion of a Supplier’s obligations under a Procurement Agreement or Purchase Order;

---

<sup>1</sup> This report does not describe or include the activities of BHE AltaLink, Ltd. (“AltaLink”), which is also a subsidiary of BHE Canada. AltaLink has filed a separate Forced/Child Labor Report for 2023.

**“Supplier”** means any company, entity, organization or person that has contracted to provide goods, materials, equipment, or services to BHE Canada and its subsidiaries pursuant to a Procurement Agreement or Purchase Order;

**“Supply Chain”** means the network of all Suppliers and Subcontractors involved in the provision of goods, materials, equipment, or services to BHE Canada and its subsidiaries and includes a negligible number of entities that have contracted with BHE Canada for the provision of goods, materials, equipment or services other than through a Procurement Agreement or Purchase Order; and

**“Fiscal Year 2023”** means the period starting January 1, 2023 and ending December 31, 2023.

## **FORWARD-LOOKING STATEMENTS**

This Report may reference events or steps to be taken after the date of this Report. Where this Report contains such forward-looking statements, these statements are not statements of fact and there can be no certainty with respect to the actual outcome in relation to the matters to which the statements relate. Forward-looking statements involve unknown risks, uncertainties, assumptions and other factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

## **SCOPE**

This Report sets out the policies and procedures utilized by BHE Canada in Fiscal Year 2023 to prevent and reduce the risk of Forced/Child Labour being utilized in its Supply Chain. This Report covers the operations of BHE Canada and its subsidiaries noted within the glossary above.

## **COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN**

### **Company Structure**

#### ***Formation of BHE Canada Holdings Corporation***

BHE Canada was established in 2015 after Berkshire Hathaway Energy Company made its entry into the Canadian market with the purchase of AltaLink, Alberta’s largest independent transmission provider. BHE Canada is poised for growth in building a greener, more sustainable energy future for all Canadians. BHE Canada is focused on business opportunities within all aspects of the energy infrastructure market across Canada, including electricity transmission and distribution, and natural gas infrastructure. With a particular focus on renewable energy, BHE Canada will invest in power generation sources including wind, solar and natural gas.

Subsidiary companies of BHE Canada<sup>2</sup> covered by this report include:

- Rattlesnake Ridge - The Rattlesnake Ridge Wind Farm is a 130-megawatt wind farm located in southeast Alberta. BHE Canada has signed power purchase agreements with Canadian corporate partners for the energy and environmental attribute output from the project. The project is fully commissioned and supplying energy to Alberta’s grid as of June 2022.

---

<sup>2</sup> AltaLink, also a subsidiary of BHE Canada, has filed a separate Forced/Child Labor Report for 2023.

- MATL - The Montana Alberta Tie Line (MATL) is a 230 kilovolt (kV) transmission line connecting the Montana electrical grid at Great Falls, Montana and the Alberta electrical grid at Lethbridge, Alberta. The line is 345 kilometres long and has a capacity of 300 MW with the potential to further increase the available capacity. Since going into service in 2013, MATL has played an essential role in improving reliability of service for both the Alberta and Montana electric grids. BHE Canada owns the Canadian portion of the line and manages the facility's day-to-day operation, while BHE U.S. Transmission owns the portion of the line in the United States.
- NEPH Consolidated – is a 20 MW natural gas fired, reciprocating engine driven generating facility northwest of Medicine Hat in southern Alberta. The facility went into commercial operation in December 2016.
- AlbertaEx - is a cross-border power marketing company currently in development with a mandate to enhance the value of BHE Canada's non-regulated generation assets. The company was incorporated in 2022 with partial operations expected by January 2025. Full commercial operations begin in May 2026, at which point AlbertaEx will own firm capacity trading rights on affiliate-owned MATL, and Power Purchase Agreements (PPAs) for 399 MW of wind capacity located in Montana.

### ***Ownership***

The sole owner of BHE Canada is BHE Canada, LLC, which is in turn solely owned by Berkshire Hathaway Energy Company. Berkshire Hathaway Energy Company is headquartered in Des Moines, Iowa, U.S.A, and owns a highly diversified portfolio of primarily regulated businesses that generate, transmit, store, distribute and supply energy and serve customers across geographically diverse service territories in the Western and Midwestern United States, in Great Britain and in Canada.

## Company Workforce

As of the end of 2023 BHE Canada subsidiaries covered by this report employed 26 fulltime and 3 part-time workers (its “Core Employee Base”). The totality of the Core Employee Base are Canadian resident individuals and subject to employment checks, including eligibility to work in Canada, prior to hiring.

## Supply Chain

The Supply chain of BHE Canada includes a variety of goods, materials, equipment, and services used in the operation of BHE Canada’s various operating entities. Goods and materials include a wide range of categories including, but not limited to: transformers, protection and control equipment, communication equipment, computing devices, wire and cable, wood poles, steel towers, and fixtures, insulating and grounding materials, lubricating oils and other accessories and hardware. Equipment includes, but is not limited to, production vehicles and specialized electrical equipment, and services include a wide range of categories, including but not limited to: construction, engineering, consulting, IT managed services, specialized studies and assessments and other services.

Throughout Fiscal Year 2023, BHE Canada’s Supply Chain was made up of 150 Suppliers<sup>3</sup> from two different countries and was comprised of an aggregate spend of C\$20,072,700.82. Supply Chain spend (for Fiscal Year 2023) broken down by location of Supplier and percentage of aggregate Supply Chain spend is as follows:

Location of Supplier by Country <sup>4</sup>	Spend <sup>5</sup> (C\$ in millions)	Percentage of Aggregate Spend
Canada	\$17,496,026.52	87%
United States	\$2,576,674.30	13%

## FORCED/CHILD LABOUR DUE DILIGENCE PROCESSES & POLICIES

### General

For Fiscal Year 2023, BHE Canada and its subsidiaries noted within the glossary above employed a four-fold approach to prevent and reduce the risk of Forced/Child Labour being used in its Supply Chain. Specifically, BHE Canada utilized a combination of employee policy, contractual obligations, problem area identification and avoidance, and supplier checks, all as more particularly described below. A Supplier due diligence questionnaire will be deployed by BHE Canada as a further diligence measure in 2024.

---

<sup>3</sup> As used in this paragraph, Supplier includes a negligible number of entities that have contracted with BHE Canada for the provision of goods, materials, equipment or services other than through a Procurement Agreement or Purchase Order.

<sup>4</sup> Determined by billing address provided by Supplier and Supplier due diligence processes employed by BHE Canada prior to execution of a Procurement Agreement or Purchase Order with such Supplier.

<sup>5</sup> Amounts noted are based on supplier invoices submitted during 2023.

## ***Employee Policy***

As part of Berkshire Hathaway Energy Company, BHE Canada and all its subsidiaries have adopted the Berkshire Hathaway Energy Company Core Principles. These Principles define the values and vision of the company and act as a framework by which all Berkshire Hathaway Energy Company subsidiaries hold themselves accountable. The core principle of "Regulatory Integrity" underpins Berkshire Hathaway Energy Company's – and by extension BHE Canada's – commitment to comply with all laws wherever it does business and the expectation that all employees manage their activities consistent with all laws, rules, regulations, and corporate policies.

In furtherance of its commitment to respect and to comply with all laws, rules, regulations and corporate policies, BHE Canada and its subsidiaries have adopted a Code of Ethics and Business Conduct ("Code"). The Code represents who BHE Canada is and how BHE Canada acts as a company. It contains a set of guidelines designed to ensure ethical and responsible conduct by BHE Canada and its subsidiaries' directors, officers, and employees. Additionally, BHE Canada's Code contains a section which obligates BHE Canada's business partners to act in a manner consistent with our Code and adopt and implement practices that, among other things, comply with all applicable laws and regulations and respect the human rights of their employees. The Code also reserves the right for BHE Canada to audit its business partners to ensure they are complying with the provisions of BHE Canada's Code. BHE Canada specifically obligates its Suppliers to comply with its Code through its procurement contracting processes. See "Contractual Obligations" below. BHE Canada employees receive mandatory training and testing on the parameters of the Code on an annual basis, and breaches of the Code are, in addition to sanctions imposed by law, sanctionable by steps up to and including termination, or in the case of a director, removal from BHE Canada's board.

BHE Canada also maintains a Prohibited Business Practices Policy ("PBPP") which identifies specific anti-corruption and trade laws and regulations and the standards that must be followed to ensure compliance with those laws and regulations. BHE Canada's PBPP requires compliance with all Canadian and US laws regarding Forced/Child Labour. Like the Code, BHE Canada's PBPP applies to BHE Canada and its subsidiaries' directors, officers and employees, and is applicable to all BHE Canada Suppliers by virtue of BHE Canada's procurement contracting processes. See "Contractual Obligations" below. As with the Code, all BHE Canada employees receive mandatory training and testing on the parameters of the PBPP on an annual basis, and breaches of the PBPP are subject to appropriate disciplinary action.

Finally, BHE Canada maintains a Whistleblower Policy and an associated NAVEX Global reporting hotline and web portal which together provide an avenue through which BHE Canada and its subsidiaries' employees can safely and anonymously report violations of BHE Canada policies and incidents of malpractice or impropriety.

## ***Contractual Obligations***

In line with BHE Canada's commitment to ethical labour practices, as set out above, BHE Canada holds its Suppliers accountable to maintain the same standards. BHE Canada and its subsidiaries accomplish this by including clauses in each of our Procurement Agreements that:

- require Suppliers to comply with all applicable laws and regulations, including those related to forced labour and child labour;

- prohibit Suppliers and their Subcontractors from the using, or participating in the exploitation, of workers, forced, trafficked or involuntary labour, and prohibits Suppliers and their Subcontractors from employing any person under the minimum legal age for employment as prescribed by the relevant local authority;
- require Suppliers to comply with BHE Canada’s Code of Ethics and Business Conduct and its Prohibited Business Practices Policy, along with the ability to audit a Supplier’s compliance with such policies;
- require Suppliers, when entering into an agreement with any Subcontractor, to require such Subcontractor to comply with and be subject to all relevant terms and conditions of the Procurement Agreements;
- require Suppliers to take reasonable efforts to prohibit (i) importing and then selling to BHE Canada, and/or (ii) using in its supply-chain, goods that are mined, manufactured or produced, wholly or in part by forced labour and/or child labour;
- require Suppliers to be familiar with the list of goods and their source countries, posted by the U.S. Department of Labor’s Bureau of International Labor Affairs, listing the goods believed to be produced by child labor or forced labor, as such terms are defined in the Procurement Agreements; and

In each of our Purchase Orders, that:

- require Suppliers to comply with all laws and standards, including those governing health and safety, wages, hours, employment of minors, desegregation and employment discrimination, and privacy;
- require Suppliers to comply with all applicable BHE Canada policies, including BHE Canada’s Code of Ethics and Business Conduct and its Prohibited Business Practices Policy;
- require Suppliers, when entering into an agreement with any Subcontractor, to require such Subcontractor to comply with and be subject to all relevant terms and conditions of the Purchase Order; and
- require Suppliers to take reasonable efforts to prohibit (i) importing and then selling to BHE Canada, and/or (ii) using in its supply-chain, goods that are mined, manufactured or produced, wholly or in part by forced labour, irrespective of their country of origin.

***Problem Area Identification and Avoidance***

BHE Canada actively avoids certain geographical areas and goods produced in those areas that have a higher risk of association with Forced/Child Labour. Two of these areas are China and specifically the more localized area of China known as Xinjiang. BHE Canada uses efforts to limit its procurement of goods from China (evaluating and prioritizing all alternative avenues of supply prior to utilizing Chinese suppliers) and does not directly procure goods from Xinjiang.



## ***Supplier Due Diligence***

In 2024, BHE Canada will employ a due diligence questionnaire when evaluating suppliers in China or Suppliers who have manufacturing capabilities in China. This questionnaire seeks to understand and document Suppliers' awareness, policies and due diligence processes in relation to Forced/Child Labour within their own supply chain.

### **FORCED/CHILD LABOUR RISK ASSESSMENT & MANAGEMENT**

BHE Canada's Forced/Child Labour risk assessment and management efforts are concentrated on its Supply Chain. BHE Canada considers the risk of Forced/Child Labour in its core employee base to be extremely low given Canada's ranking as a low modern slavery risk country (Global Slavery Index 2023) and the fact that all of BHE Canada's employees are protected under various employee policies, human rights and labour legislation.

With respect to the identification of the parts of BHE Canada's Supply Chain that carry an increased risk of Forced/Child Labour, BHE Canada's assessment includes consideration of the following:

- High risk countries of operation – Countries or regions reported to have a high prevalence of Forced/Child Labour and poor labour rights protections.
- High risk categories or sectors – The procurement of products or services having been reported as involving labour exploitation.
- Resources used in goods – Components used in goods which have been reported to involve a high risk of labour exploitation.
- Type of workforce/employment arrangements – The prevalence of unskilled, temporary or seasonal labour and deceptive recruitment practices which target vulnerable and marginalized individuals and groups.

Subject to completion of any assessment, BHE Canada's procurement group will recommend any required changes to BHE Canada's then current processes and procedures being utilized to prevent and reduce the risk of Forced/Child Labour in BHE Canada's Supply Chain.

### **FORCED/CHILD LABOUR REMEDIATION**

As of the date of this Report, BHE Canada is unaware of the use of any Forced/Child labour within its Supply Chain. As a result, for Fiscal Year 2023, BHE Canada took no efforts to remediate any Forced/Child labour. Should BHE Canada become aware of the use of any Forced/Child Labour within its Supply Chain in the future, it intends to assess the situation and options respecting remediation at that time.

## REMEDIATION OF LOSS OF INCOME

As of the date of this Report BHE Canada is unaware of the use of any Forced/Child Labour within its Supply Chain. As a result, for Fiscal Year 2023, BHE Canada took no efforts to remediate the loss of income to any families impacted by the use of Forced/Child Labour. Should BHE Canada become aware of the use of any Forced/Child Labour within its Supply Chain in the future, it intends to assess the situation and options respecting remediation at that time.

## FORCED/CHILD LABOUR EMPLOYEE TRAINING

For Fiscal Year 2023, BHE Canada did not provide specific topic training to its employee base on any Forced/Child Labour laws or issues. As noted above BHE Canada did provide training to its employees based on: 1) BHE Canada's Code of Ethics and Business Conduct; and 2) BHE Canada's Prohibited Business Practice Policy. See "Forced/Child Labour Due Diligence Policies & Processes" above.

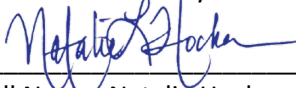
## ANNUAL ASSESSMENT OF EFFECTIVENESS

Going forward, BHE Canada will be conducting an annual assessment of the effectiveness ("Annual Assessment of Effectiveness") of the processes and procedures utilized in the previous fiscal year to prevent and reduce the risk of Forced/Child Labour being utilized in BHE Canada's Supply Chain. Upon completion of each Annual Assessment of Effectiveness, BHE Canada will consider the results and recommendations as set out therein and make such changes and amendments to its current policies and procedures regarding Forced/Child Labour as it deems prudent.

### 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 the Report. 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 Fiscal Year 2023.

I have the authority to bind BHE Canada Holdings Corporation



Full Name: Natalie Hocken

Title: Director, BHE Canada Holdings Corporation

Date: May 21, 2024