

SUSTAINABILITY REPORT 2021

Welcome to the Powertech Sustainability Report, which reviews our social, safety, environment, and quality performance in Fiscal 2021 year, which ended on March 31st, 2021. In addition to our regular metrics, the report also covers significant events for Powertech during the year.



MESSAGE FROM OUR HSEQ DIRECTOR

This is our fifth sustainability report: it focuses on the key sustainability challenges and opportunities and the many ways in which we are responding. British Columbia has a proud and storied history of environmental stewardship. Being a resident company in BC, we hope to bring our staff, customers, suppliers, and many other stakeholders with us on this never-ending journey to a better and more sustainable future.

Powertech continues to raise our performance in order to meet both our clients' and our shareholders' expectations. To this end, Fiscal 2021 was a year of revival and renewal. We relied on the strengths of our workforce in dealing with a major equipment failure and a cyber event, resulting in significant upgrades to our equipment and our infrastructure.

The financial year which ended in March 2021 was a year of great challenges but also some great successes in both business recovery and control of the spread of COVID-19 within Powertech. Powertech, like so many people and businesses, was impacted by the spread of COVID-19. We had to react quickly to implement health and safety measures to keep both employees and visitors safe. But we also had to respond quickly to the needs of our clients in the power, energy, automotive, and other industries essential to society's well-being especially under these already difficult circumstances.

At Powertech, we are doing everything we possibly can to both help and navigate through these uncharted times. Our primary focus is directed at protecting our staff, customers, and contractors. At the same time, we are working to ensure our processes evolve as we learn more and adopt best practices from others. Because we serve essential industry markets, we want to make sure we do it both safely and responsibly for our staff and clients.

Fiscal 2021 was notable for achievements around safety, corporate objectives, customer satisfaction and adaptability to the challenges brought by the pandemic, but also for unusual major events, which impacted our business. In Fiscal 2021, we made considerable progress, including:

- Over 1.6 million hours were recorded with no Lost Time Injuries (LTI). Keeping our staff safe eclipses all other achievements in Fiscal 2021.
- In addition to our normal emergency response preparedness to deal with spills, leaks, and fires, in Fiscal 2021 we responded to the pandemic by creating and implementing the COVID-19 safety plan, which enabled us to have zero cases of COVID-19 transmission in the workplace. We achieved this result by limiting occupancy levels and offering a work-from-home option for about 50% of our staff, physical distancing, masks, and cleaning protocols, etc.

- A significant achievement to be noted is our ISO 45001 (Safety) accreditation. We successfully completed the final accreditation in October 2020.
- We are also proud of what has been made possible by the Hazard Identification & Risk Assessment (HIRA) process and an improved tailboard process. Together, these actions provide powerful tools for job planning, hazard identification, and controls that are critical to maintaining the highest level of safety in everything we do. Our staff have become comfortable with self-reporting of near misses and incidents, which ultimately leads to better lessons learned and an overall improvement in safety.



Great Challenges Create Opportunities

The challenges in Fiscal 2021 presented us with opportunities to do things we haven't done before—for example, one of the biggest equipment repair projects in Powertech's recent history. The project tested our ability not only to respond but rebound when faced with uncertainty.

In October 2020, the High-Power Lab short-circuit transformer experienced an internal fault, which required a quick response by our technical, safety, and environmental teams to determine the cause and ensure the fault did not have an adverse impact on the safety of our employees and neighbors or on the environment. The business impact of the transformer failure was minimized by selecting a repair option that allowed the transformer to remain on campus while undergoing the repairs. The transformer was successfully repaired by a transformer OEM, and with the help of Powertech's subject-matter experts, was returned to service in September 2021.

Mazana Armstrong
Acting Director, HSEQ Accreditation and Compliance



TABLE OF CONTENTS

04 Our Values Drive Our Approach to Sustainability

05 Our People

Employee Engagement and Departmental Check-ins

06 Inclusion and Diversity

07 Team Development: Career Progression Program and Mentorship

08 Quarterly and Annual Awards

Health and Wellness Support

09 Activity Committee and Green Team

10 Responsible Business

Safety

Our Approach

Managing Safety

Incidents and Investigations

Improving Risk Management

Safety Accreditation

14 Environment

Our Approach

Environment Performance Management

Resource Use

18 Quality and Accreditation

Our Approach

ISO 17025 Standards

Other Notable Programs



OUR VALUES DRIVE OUR APPROACH TO SUSTAINABILITY

Powertech recently updated our company values to better reflect who we are and the market we serve. These values are at the core of all we do and drive our approach to business and sustainability.

The values are defined in five areas:

Safety

Safety tops everything. Powertech applies ISO 45001 and other global standards to set a high bar for the safety of our operations. We do our work safely or we don't do it at all, as described in the Safety section of this report.

Excellence

In all our services, we strive for excellence, act with integrity, and have the highest standards for quality. This commitment to quality spurs our dedication to sustainability. We are always improving our services and looking for areas of improvement. This goal is exemplified by our continually improving environmental performance, as described in the Environment section.

Our Customers

Our customers fuel this company, and we constantly work with them to earn and retain their trust and loyalty. We expect our customers to hold us accountable to our commitments, and we act transparently so customers may confidently participate with us to achieve their objectives. We deliver highest-value services and products to customers through our

accreditation to ISO 9001 for quality management systems and to ISO 17025 for competence of testing laboratories, as described in the section on Quality and Accreditation.

Challenges

We ready ourselves for the hardest challenges—through obtaining accreditations, investing in our labs, and hiring great people and making them better. To meet the challenges of a changing business and sustain our position as an industry leader, we continuously innovate in all our fields. Every year we add to our ISO 17025 list of accredited standards we test to, with the goal to eventually be accredited to a full list of standards that are within our lab's capabilities, and which bring value to our clients and expand our business offerings, as described in the section on Quality and Accreditation.

Diverse Teams

Powertech has a long tradition of building diverse workforce teams. This diversity sustains the breadth of our outlook, capabilities, and experience. We are strongest when we work together and capitalize on our varied attitudes—together we are more than the sum of our parts, as described in the section "Our People".

The following sections describe our policies, accomplishments, and future plans.



OUR PEOPLE

At the core of Powertech's sustainability are our staff. Powertech has long sought to attract and hire top technical talent, provide challenging, rich opportunities for work requiring skills and talent, support career development, and offer a welcoming and lively social environment.

In Fiscal 2021, Powertech's commitment to our workforce continued to be a challenged by the COVID pandemic, additional pressure to sustain remote working options, and the global movement for racial/social justice. The



company has responded to ensure the safety of our employees, provide departmental check-ins to gauge the morale of our staff, promote inclusion and diversity, recognize the accomplishments of employees, and support shared social activities.

Employee Engagement and Departmental Check-ins

This extraordinary year required us to be in tune with our employees to better understand how our company culture and work environment were being impacted. We achieved this insight through our Pulse Survey and subsequent departmental check-ins. Based on the inputs from these initiatives, we implemented a range of improvements that will carry well into the future — an example being a well-accepted approach to working-from-home.

In June 2021, the CEO and Managing Director held our third departmental check-in sessions to gauge morale and obtain feedback on the following questions:

- were there any concerns about the British Columbia re-opening plan?
- how should Powertech be responding?
- what practices should Powertech keep going forward?
- was there feedback on our level of communication? and
- were there any general concerns?

The resulting feedback was as follows. The pandemic was being professionally managed by Powertech. The company should continue with measures in place to avoid reverting. The check-in sessions also indicated that work-from-home options were possible and effective and provide the following benefits:

- Meet Expectation of Future Workplaces
- Healthier Work-Life Balance
- Reduced Carbon Emissions
- Retention Benefit

Powertech leadership heard the feedback and are working towards a mixed arrangement, which will satisfy staff who need to be on campus and be connected and those who can work from home.



Inclusion and Diversity

Beyond the pandemic, Powertech felt it was important that we took a stand on the topic of inclusion and diversity and showed our commitment by creating ten Inclusion & Diversity (I&D) working groups. By doing so, we demonstrated our commitment to having a candid dialogue on issues affecting our society. With close to 60% of staff identifying as visible minorities and over 25% of staff being females, we are hearing first-hand what actions are necessary for our staff to feel included. To facilitate this topic, we have had guest speakers share their approach with our I&D teams/management.

A theme that is arising out of the various working groups is a need for a formal mentoring program at Powertech. In Fiscal 2022, we intend to run three pilot groups prior to rolling out the program on a larger scale. The pilot groups identified will be: Team Leads, Engineers-in-Training (EITs), and the Women's TECH/STEM Collective.

The main driver for creating the Inclusion & Diversity workgroups at Powertech is to make everyone feel welcome, comfortable, and included. When people feel comfortable, they share more and are more engaged.

This is where the magic happens, and where organizations grow and are transformed. As our value statement reads: We are strongest when we work together and capitalize on our varied attributes.

As part of our recruitment measures, we strive to encourage and search for applicants with a wide array of backgrounds and experience.

Diversity brings so much value to organizations. For Powertech, specifically, we can leverage our wide international base to cultivate clients. Having staff from diverse parts of the world allows us to navigate those culturally rich relationships. This is just one example of many that amplifies the part of our values statement: "Together we are more than the sum of our parts."

Powertech is committed to creating a comfortable work-environment where everyone can share their diverse perspectives in a welcoming environment. To reinforce this, Powertech's President and CEO Ray Lings has the saying: "We don't want any corners in Powertech, we want to bring people into the center of the room."



Team Development: Career Progression Program and Mentorship

On the topic of career progression and employee retention, we established Technologist Career Path Guidelines, which outline specific training, rotations, and practical experience requirements to meet each milestone towards career advancement.

For our Management & Professional Engineers, we are endeavoring to create a distinction between Project Engineers and Test Engineers to attract experts in the engineering field. We also want to explore the ability to work remotely as an attraction feature for those not wanting to move to the lower mainland due to the cost of living.

We updated our HR intranet site. Among the changes are an employee tool kit and a revamp of the HR page to include user-friendly links and detailed information on HR services/recruitment.

In Fiscal 2021, we were tasked with exploring alternatives to our “Hire Desk” applicant tracking system. We were able to establish a solution, which is to post our external postings on SAP. By doing this, our external applicants see the postings on the BC Hydro site, and this has increased our attraction efforts. Our current Opportunities website page has also been refreshed to reflect our move to SAP for external postings.

We also created training modules focusing on People Leadership to enhance the Employee Experience. These efforts include ongoing coaching for both employees and managers.

Quarterly and Annual Awards

Powertech has an employee recognition program to acknowledge the good work that employees do. These awards include quarterly and annual awards, made through peer-to-peer nominations, to recognize contributions in five areas related to Powertech core values and objectives. During the quarterly awards process, staff are nominated and awarded in the following categories: going above and beyond their regular day-job, cross-sector and cross-team collaboration, exceptional customer service, innovative solutions or approaches to solve complex problems, and taking initiative to ensure a safe working environment.

This year, for the annual awards, two additional categories were added to the existing five categories from last year. Annual award categories included:

- Rising Star (New Category)
- Change Management Leadership (New Category)
- Outstanding Customer Service: External Focus
- Outstanding Customer Service: Internal Focus
- Safety, Quality, and Sustainability
- Innovation and New Services
- One Company Award

Similar to last year, this year Powertech's annual awards were presented virtually due to Covid-19. The award committee put extra effort and used creativity to provide a fun and unique presentation to recognize the top three nominees and the winners for each category. Each category was presented by that category's Evaluation Committee Lead, and the Leads played various instruments to announce the winners.



Health and Wellness Support

Our employees are critical to our company's ultimate success and future. We realize that keeping our employees engaged, productive, and committed to reaching shared goals and objectives means understanding that they are more than just employees. In addition to traditional insurance benefits, we invite employees and their families to participate in their own health management, through programs such as health assessments, wellness challenges, and events through our staff-managed Activity Committee.

Health Promotion services include health screening clinics, consultations, and education resources and workshops to help employees achieve their health goals. BC Hydro's Employee and Family Assistance Program offers counselling, family support, financial support, legal support, naturopathic services, nutrition services, and trauma services.



Activity Committee and Green Team

The Powertech volunteer Activities Committee organizes, promotes, and encourages team building, as well as company spirit across all departments through shared activities. Each month, the Committee schedules one to three special events, in addition to ongoing activities throughout the year. In Fiscal 2021, only three events were organized due to the pandemic, with participation of more than 80% of Powertech staff attending at least one event.

Fiscal 2021 activities included Boot Camp and a new event called “More Formal Dress Day,” where employees get the chance to dress up in their best formal wear. The photography club was also active again and selected a new round of employee photos to display in the hallway.

Additionally, Powertech took part in many fundraising events this year. At Christmas, staff raised money and clothing and food donations for local families, and supported local women’s shelter in Surrey. Throughout the year, the Activities Committee participated in several fundraising efforts, including the Food Bank (summer and winter), SPCA department challenge, United Way, and United Way Tournament of Games.

During COVID restrictions, we have tried to maintain as many activities as safely possible. Toastmasters, which has more than 50 members, is held online every week at lunch via “Zoom”. Training Bootcamp was moved to online classes for the first three months of Fiscal 2021 and held three times a week, with the class now moved outside on the Powertech sport field for the summer.

The Powertech Green Team is a volunteer, project-based group that helps integrate environmental thinking across all business departments and engages employees to solve specific sustainability-related issues. Fiscal 2021 activities included the following:

- **Go-By-Bike-Week and Bike-to-Work Week.** Powertech annually participates in Bike-to-Work-Week, a nation-wide program held every spring and fall to encourage sustainable commuting by bike. This year the spring event was renamed Go-By-Bike-Week due to the fact that many people were working from home.
- **Powertech Garden.** Several garden boxes are on campus, where staff members can grow and harvest tomatoes, strawberries, blueberries, and herbs.

RESPONSIBLE BUSINESS

Responsibly operating our business to meet sustainability goals requires a commitment to safety, the environment, and quality and accreditation.

Safety

Our safety policy states that:

“Powertech Labs will conduct its operations in a responsible manner that eliminates or minimizes risks and hazards that impact the health and safety of employees, contractors, customers, and the public.”

Powertech is committed to meeting or exceeding the applicable federal, provincial, municipal, and BC Hydro requirements. We will work to continually improve our Health and Safety Management System to enhance our safety performance. At the core of our safety approach is the involvement, empowerment, and accountability of each employee to ensure a safe and healthy work environment for themselves, their colleagues, and their customers. All staff are responsible for their own and their team’s safety. No job is so important or service so urgent that we cannot take the time to perform our work safely.”

Our Approach

In the last few years, Powertech has made progress in improving the safety of our operations, which has resulted in around 1.6 million man-hours without Lost Time Injury. This progress is largely due to a stronger safety culture and the requirements of the Life Saving Rules.



ISO 45001
Occupational
Health and
Safety
SAI GLOBAL

We are now building our current approach to safety with a more consistent focus on the way people, culture, equipment, work systems, and processes all interact. We aim to understand better the gap between how we anticipate work will be safely carried out and what happens. We continue to work to prevent incidents through maintaining safety barriers and training but acknowledge that people can make mistakes and processes can fail. We will also focus more on how people can “fail safely” and on our response in the moment to avoid the risk of a serious injury.

Managing Safety

Keeping employees, visitors, and contractors safe is our top priority, and

“In the last few years, Powertech has made progress in improving the safety of our operations, which has resulted in around 1.6 million man-hours without Lost Time Injury. This progress is largely due to a stronger safety culture and the requirements of the Life Saving Rules.”



Victor Buwa & Irfan Manzoor
Occupational Safety & Health Specialists

we expect everyone working for Powertech to intervene and stop work that appears unsafe.

We investigate incidents and aim to learn from them, sharing findings to improve safety performance. Our expectation is that all Powertech employees, visitors, and contractors will meet our safety standards and requirements, including complying with our nine Life Saving Rules. These rules help us make significant progress in preventing serious incidents, including potential fatalities. Powertech believes in the hierarchy of controls and considers elimination and substitution as the top options for any hazardous situation to keep its employees, contractors, and assets safe.

Taking Safety beyond Compliance

Driven by a desire for constant improvement, Powertech launched updated safety programs in Fiscal 2021. The new programs aim to formally integrate safety into how we do business: translating our safety policies and procedures into action. To facilitate this, Powertech seeks a company-wide promotion of safety culture.

In Fiscal 2021, one approach was the continuation of our Hazard Identification & Risk Assessment (HIRA) process and tailboards meetings. These meetings demonstrated that they are powerful tools that provide a collaborative medium for employees` involvement, communication, and participation in job planning, hazards identification, and controls. This participation created a sense of belonging and individual ownership and responsibility in the implementation of the safety management system.

Consequently, all levels of employees, including contractors, have shown that they understand their responsibility to stop unsafe work and their right to refuse it.

The visibility of management during Safe Work Observation (SWO) and of safety teams during walkthroughs on the shop floor is key to supporting employee adoption of our framework. These actions are an indication of our strategic shift to prioritizing proactive measures, while having robust mitigation practices in place. They also substantiate Powertech's efforts at taking safety beyond compliance and reflect our commitment to improve overall safety performance.

Furthermore, the significant increase in self-reporting of incidents and the more than 5000 training hours in Fiscal 2021 with a 91% completion rate demonstrate an improving and positive safety cultural change in our organization.

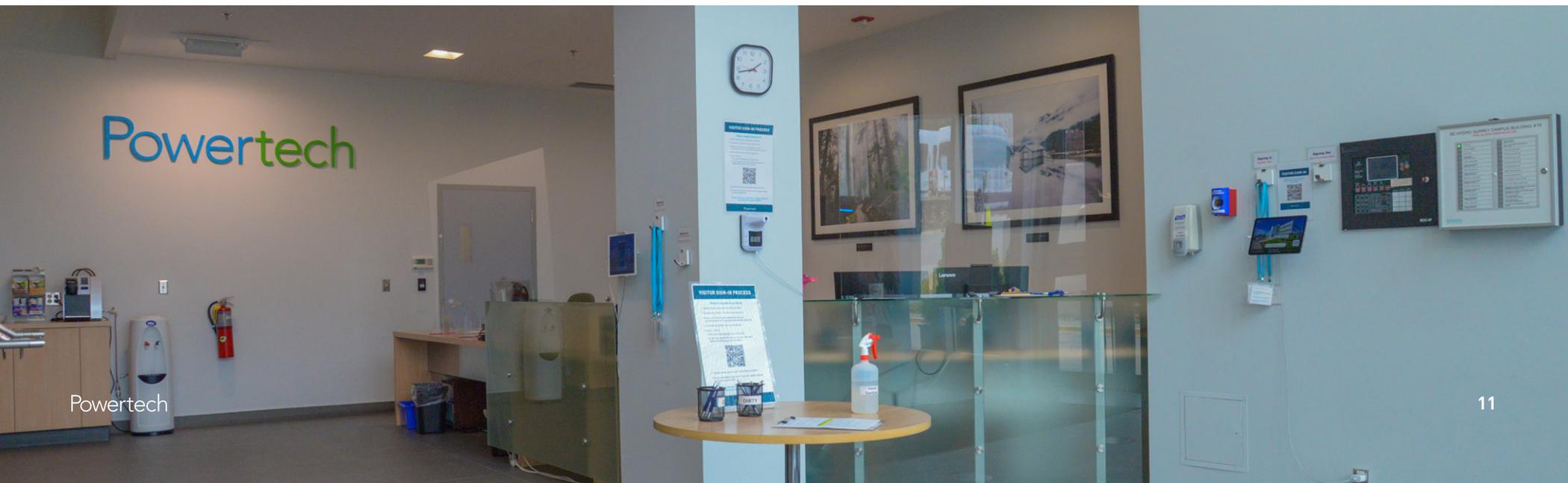
Additionally, our employees' integrity and teamwork within the prevailing positive safety culture confirm that safety is core to all our operations including at field locations. The guiding principle is either we do our work safely and in an environmentally responsible manner or we don't do it at all. No work is so urgent that we cannot take the time to do it safely and in an environmentally responsible manner.

Preparing for Emergencies and Pandemic

We seek to ensure we have the necessary resources to deal with spills, leaks, fires, and other emergencies. Emergency response drills are conducted regularly at Powertech to keep employees' knowledge up-to-date on responding to fires, earthquakes, environmental spills, and injuries in the workplace.

The Pandemic (COVID-19) Safety Plan was triggered in accordance with the expectations from WorkSafeBC and the Provincial Government. The plan included:

- Awareness bulletins
- Cleaning and disinfection protocols
- COVID-19 step-by-step guide and checklist
- COVID-19 scenario matrix
- Revised tailboarding protocol
- Social distance infographics
- Work from home safety and security guidance
- Safety for work in proximity
- Revised first aid procedures
- Business travel guidelines and response plan
- Regulatory site visit and inspection
- Guidelines for visitors



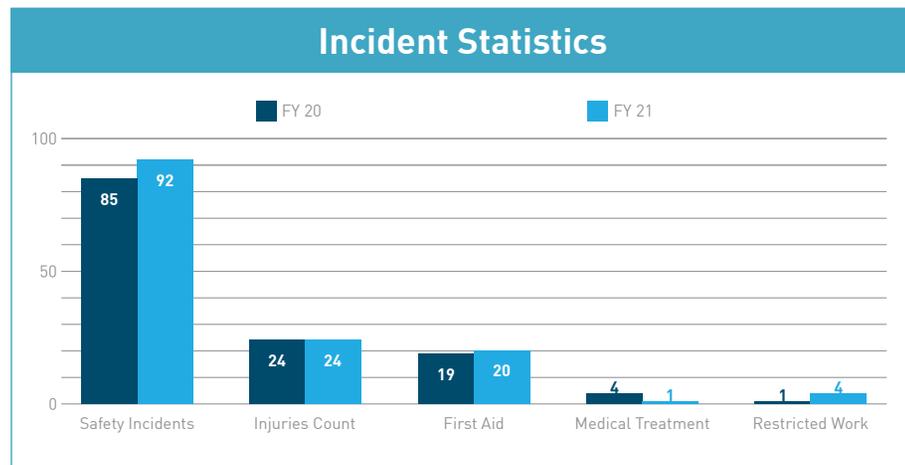
Incidents and Investigations

Powertech requires incidents to be investigated to understand underlying causes, including the technical, behavioral, and organizational reasons. We share learnings and take steps to mitigate future incidents. We aim to use findings to improve our standard ways of working in similar activities.

We are also exploring ways to use data analytics to improve decision-making and deliver more targeted learning to employees in frontline operations.

Powertech uses an online Quick Base incident reporting system to bring incidents to the attention of the responsible manager and senior management with the objective of ensuring that the health and safety of employees and customers are addressed. Doing so provides three major benefits:

- Helps capture real safety data that Powertech can use to track trends and common incidents.
- Helps prevent future injuries from occurring through root cause analysis and corrective actions.
- Promotes a culture of safety in the workplace, which in turn aims to reduce hazardous conditions quickly.



Incident Statistics

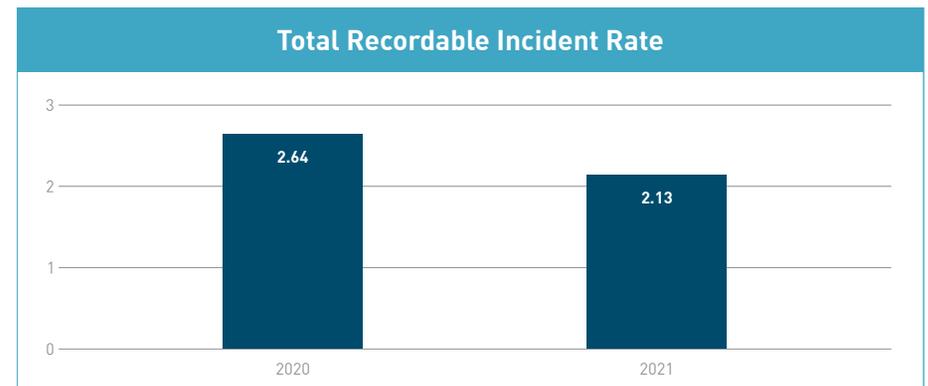
In comparison to Fiscal 2020, specifics around safety incident reporting for Fiscal 2021 include:

- 92 safety incident reports were recorded, including 23 good catches.
- Total injuries count remains unchanged at 24.

- First aid cases increased from 19 to 20.
- Medical treatment cases decreased from 4 to 1.
- Restricted work case registered was 1 in Fiscal 2020 and increased to 4 in Fiscal 2021.
- No Lost-Time Injury occurred in Fiscal 2021.

A significant increase in self-reporting was noted in Fiscal 2021. The 92 total safety incidents include safety accidents, good catches, and near misses. The increase in self-reporting supports the safety culture within Powertech where staff feel safe to raise concerns.

Powertech had an average of 228 employees over the fiscal year, which equates to about 31,200 man-hours per month. In Fiscal 2021, Powertech surpassed 1.5 million hours without Lost Time Injury. This is a significant achievement and reflects our considerable efforts in tailboards, safe work observations, and hands-on and on-line training—all critical to ensuring our working environment is safe. The last incident of a Lost Time Injury was recorded in Fiscal 2017, where one serious injury resulted in a loss of 19 man-days.



TRIR

The Total Recordable Incident Rate (TRIR) is a measure of occupational safety and health, which is useful for comparing working conditions in workplaces and industries. It is calculated by combining the actual number of safety incidents and total work hours of all employees with a standard employee group (100 employees working 40 hours a week for 50 weeks a year).

The continual improvement in a positive safety culture among Powertech employees has placed the TRIR in a downward trend to 2.64 in Fiscal 2020 and to 2.13 in Fiscal 2021. No Lost Time Injury has occurred in more than four years, and we have had no fatalities since we started operations.



Improving Risk Management

Powertech completed a review of all hazards and associated controls during Fiscal 2020. The effort was initiated in Fiscal 2019 by developing a risk assessment procedure and rolling it out to new services. However, by the end of Fiscal 2020, all Powertech departments had completed a review of their activities and hazards in accordance with the established procedure, which required involvement by employees, team leads, and the safety team. This effort continued in F21 with a focus on Hazard Identification & Risk Assessment (HIRA) process and tailboards meetings.

Raising Safety Standards

In Fiscal 2021, Powertech continued to work on many new programs to enhance workplace safety standards, including:

- Enhanced focus on closure of Safety Incident Reports and action items from various safety audits.
- Initiated work on development of an integrated Non-Conformance Records (NCR) and incidents collection system.
- Conducted safety and environmental checks on all new services, and updated and fully implemented Capital Expenditure (CAPEX).

- Revised health and safety priorities to address the onset of the COVID pandemic to ensure the safety of the Powertech environment.
- Developed, rolled out, and trained all staff on Powertech Safety Management System Manual.
- Developed new training as a response to a specific safety incident, e.g., vehicle back-up training.
- Initiated a silica exposure control plan for work in the Generation Civil Services using an external consultant.

Working with Contractors

We work with contractors to ensure they understand our safety requirements. Together, we build skills and expertise to improve safety performance. The Contractor Safety program, developed in Fiscal 2020, included establishing a Contractor Safety Evaluation Process, which continued to be successfully applied in Fiscal 2021.

Safety Accreditation

Despite a global pandemic, Powertech achieved the ISO 45001 accreditation during Fiscal year 2021. The first external audit (Stage 1 remote audit for Powertech documentation) was conducted during May 2020. The onsite stage 2 audit was completed in October 2020.

Environment

Our Environmental Policy states that:

“We will demonstrate respect for the environment by managing our operations in a manner that continuously minimizes pollution, waste and consumption of resources across the life cycle of materials, products, and services. Powertech is committed to meeting or exceeding its compliance obligations. We will work to continually improve our environmental management system to enhance our environmental performance. We will conduct business with full transparency by sharing our environmental plans and performance with all interested parties. This policy is not a substitute for sound judgment. All staff are responsible for implementing this policy as it pertains to their roles and encouraged to constructively challenge actions that may have adverse impacts on the environment.”

Our Approach

Operating with economic, environmental, and social sustainability is a must.

Powertech places great importance on principles of environmental sustainability, which we outline in our Environmental Policy. We implement these principles through the framework of our environmental management system (EMS), which we are proud to say is certified to ISO 14001:2015. Our EMS ensures that we recognize and eliminate or mitigate all our environmental impacts.

When considering our environmental impacts, we include our supply chain partners, especially those who collect and dispose of our wastes. We ensure we work with suppliers who have a good environmental record. It is necessary to act as a leader in this regard, and we know that the increasing focus on life cycle environmental impacts among business organizations across all industries is good for everyone.



SAI GLOBAL

ISO 14001

Environmental

We provide comprehensive environmental awareness training to all employees to give them the knowledge they need to prevent environmental impacts from their activities. We also conduct a comprehensive review of all projects, services, and capital expenditures through the lenses of safety and environmental risk assessment to ensure potential impacts are accounted for and controlled in the planning phase.

“Powertech places great importance on principles of environmental sustainability, which we outline in our Environmental Policy. We implement these principles through the framework of our environmental management system (EMS), which we are proud to say is certified to ISO 14001:2015. Our EMS ensures that we recognize and eliminate or mitigate all our environmental impacts.”



Mark Condon & Ameeta Parmar
Environmental Technical Specialist

Powertech strives to follow evolving best environmental management practices that meet or exceed local, provincial, and federal compliance requirements. We continue to look for ways to raise our performance. Regulatory compliance is further ensured for all teams through our internal audit program, supplemented by regular audits by an external compliance consultant. The annual ISO 14001 audits provide the final third-party overview of our performance and practices.

Environmental Managers Association of British Columbia (EMA of BC)

Powertech is a continuing member of the EMA of BC. We collaborate with environmental professionals from a range of industries in BC, sharing knowledge and experiences of best environmental management practices.



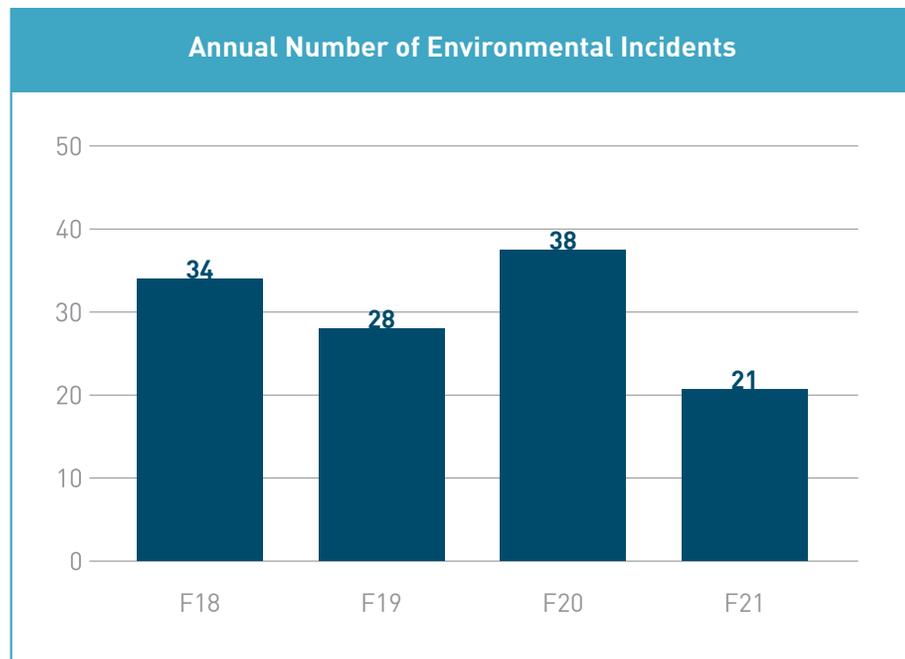
Environmental Performance Management

This section covers a selection of metrics tracked within Powertech. These metrics are included because they reflect the direct impact of Powertech's operations on people and the environment.

These metrics also inform our annual environmental objectives. Our performance in Fiscal 2021 will be used to define the objectives for Fiscal 2022.

We constantly seek ways to improve. With this in mind, we review these metrics monthly to ensure we record, analyze, and interpret our progress and performance.

We had significantly fewer environmental incidents in Fiscal 2021 compared to Fiscal 2020. This reduction can be attributed to improved processes and practices as well less activity due to pandemic-related slowdowns.



Spill Management

We recognize that our most immediate and significant environmental risk is a potential spill of environmentally hazardous material or chemical. To this end, Powertech invests significant resources to ensure the risk of spills to the environment is, first, reduced and then managed through risk prevention and mitigation. We strive to continually maintain and improve practices, while remaining ready to respond to a spill emergency.

Our spill risk is prevented and/or mitigated through the following measures:

- Safe storage and secondary containment of all environmentally hazardous substances including equipment containing these substances.
- Monthly walkthroughs of all relevant work areas. Findings are acted upon through our Joint Health and Safety Committee.
- Site-wide ISO 14001:2015 internal environmental audits.
- Training in Best Management Practices of spill prevention and response for all staff working in high spill-risk areas.
- Placement of spill kits in high spill-risk zones.
- Third-party emergency response contract as a back-up with a spillage cleanup contractor.
- Root cause analysis and corrective/preventive action implementation and verification for all environmental incidents including minor spills.

In 2021, our large testing transformers experienced spills of oil. However, no oil escaped Powertech's underground oil spill retention system, which consists of a series of above- and below-ground containments, shut-off valves, and an oil-water separator. One transformer is being rebuilt and Powertech is also taking steps to purchase a spare transformer. These steps will ease the burden on the transformers and extend their life.

Poly-chlorinated Biphenyl (PCB) Management

To reduce our risk to the environment, we have been steadily removing PCB-containing equipment from our site for several years. This equipment is safely decommissioned, transported, and disposed of in a responsible manner.

Powertech conducts cutting-edge research in PCB decontamination technologies. These technologies minimize spill risk and waste generation by *in-situ* removal of PCB from oil, as opposed to requiring a full removal and replacement of oil. These methods have reduced the environmental risk associated with PCB decontamination at Powertech, our parent company BC Hydro, and many other utilities across North America.

Waste Management

It is important to us that we know where our waste ends up and that it is recovered or disposed of in a responsible and legally compliant manner. We evaluate suppliers and award business to those who demonstrate commitment to environmental sustainability. Our testing operations are designed to optimize use of materials and generate as little waste as possible.

Waste Oil and Hazardous Waste Management

Used oil is our primary waste stream. We ensure that our waste oil is recycled and re-used where possible. All hazardous wastes are recycled or disposed of as per the BC Hazardous Waste Regulation. Our supplier review process and insistence on responsible recycling/disposal processes help minimize our environmental footprint.

Non-hazardous Waste Management (Recycling)

Our sources of non-hazardous solid waste are mainly packaging of received test samples and purchases as well as office and kitchen waste. To ensure effective recycling, awareness training for all employees was conducted on how to segregate waste. Receptacles and signage are provided, and all plastic waste is recycled within Vancouver into equal or lower-grade packaging.

Stormwater Management

The Powertech campus has an extensive system of catch basins, interceptors, and oil/water separators, designed to prevent contamination of stormwater discharges to a nearby natural creek. Sampling and analysis of water in catch basins, separators, and the site's outflow are carried out quarterly to ensure compliance. Analysis results are measured against the BC Regulation 63/88: Hazardous Waste Regulations, Schedule 1.2 (Standard for Discharges to the Environment or to Storm Sewers).

In Fiscal 2021, we continued our improvement in our stormwater quality performance. Five infractions were detected by our in-house sampling program. These detections were consistent with the record low level set in 2019, down 88% compared to 2018. Going forward, the improved quality of the water being discharged is being maintained by use of a new, much more effective sweeper attachment for the site's new skid steer—a relatively small investment for a big environmental impact.

Wastewater Management

Procedures are in place to ensure that we know exactly what is being discharged into the municipal wastewater system. Our most significant

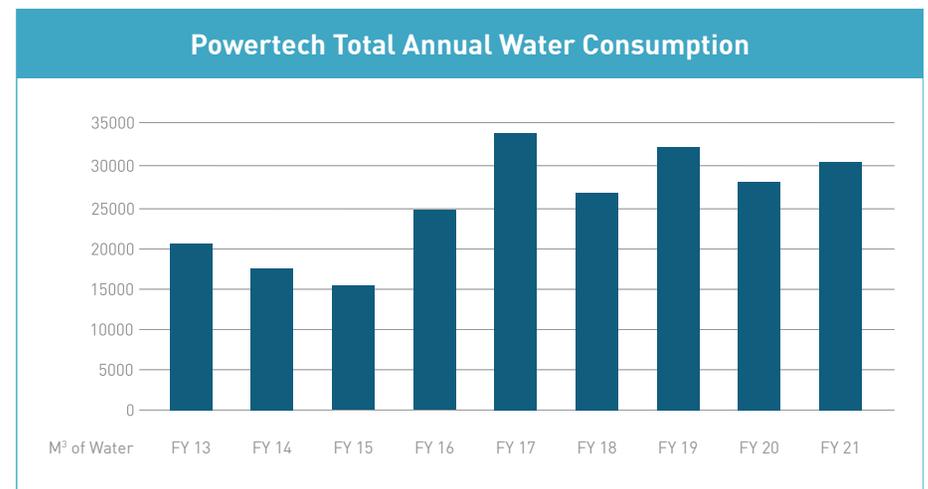
concern is the potential for inadvertent discharge of chemicals. For this reason, our starting position is that no chemicals are permitted to go into sinks. Further, in case of an accidental release, all sinks in our labs discharge into an underground tank called a chemical lift station which sits between our labs and the municipal systems. As a result, chemicals are trapped and assessed within the campus before being discharged to the municipal system. The added advantage of the station is that, in the case of a spill, it also allows isolation of the wastewater. The chemical lift station is maintained by monthly visual inspections and quarterly sampling and analysis to ensure compliance with the Hazardous Waste Regulations, Schedule 1.2 (Standard for Discharges Directed to Municipal or Industrial Effluent Treatment Works).

Resource Use

Water Use and Conservation

Powertech's doubling in size since 2012 has resulted in increased water consumption. In addition, several open-loop water-cooled systems (i.e., water is not recycled or reused) were in operation. One of these systems was upgraded after Fiscal 2017.

Water use increased in Fiscal 2021 due primarily to testing that required high volumes of water. In Fiscal 2022, we plan to upgrade this test equipment to improve water conservation.





Energy Efficiency

Our main building's heating, ventilation and air conditioning (HVAC) system usually uses a combination of re-circulated air and fresh air to maintain a comfortable working environment. When the pandemic was declared in early 2020, to minimize risk to our employees, we changed this approach and switched over to no re-circulation – i.e., 100% fresh air. This change resulted in an increase in natural gas usage during colder months and an increase in electricity use in warmer months.

In Fiscal 2022, the plan is to replace our main building's gas boiler with a more efficient boiler. This replacement will significantly reduce our greenhouse gas emissions.

We measure our vehicle fuel consumption. Unfortunately, Fiscal 2021 was our highest year on record for vehicle fuel consumption. This increase was due to a one-person-per-car rule for work-related trips due to the pandemic.

We produce compressed hydrogen on site for our testing operations using electrolysis. This is an electricity-intensive process. The low greenhouse gas equivalence associated with electricity production in British Columbia

gives us peace-of-mind that we are not causing significant greenhouse gas emissions to produce this low-carbon fuel. We replaced our electrolyzer in early 2021. Our previous unit was an alkaline electrolyzer, requiring several hundred liters of potassium hydroxide (KOH). Storage of this volume of KOH carried health and safety as well as environmental risk. Our new electrolyzer uses polymer electrolyte membrane (PEM) electrolysis, which does not require KOH or any other hazardous material and is significantly safer for our employees and the environment. With our new electrolyzer, we feel well-positioned to support BC as the hydrogen-fueled vehicle sector develops.

Powertech encourages its employees to use electric vehicles (EVs) by providing 11 EV charging stations (2 DC Fast Chargers and 9 Level II Chargers) on campus for their use. For now, the use is free of charge to our employees. Staff who own EVs use the Chargers on a "rotational" charging schedule throughout the working day. For calendar year 2020, Powertech estimates that these chargers displaced almost 7,000 L of fuel, keeping 16.5 tons of CO₂e GHGs out of the atmosphere.

Quality and Accreditation

Our Quality Policy is *“to continually improve all products and services to satisfy customer needs and to do so efficiently while meeting or exceeding the requirements of good laboratory practice, sound engineering principles, applicable standards, statutes and regulations.”*

As employees, we are collectively responsible for implementing our policies and procedures while maintaining impartiality, confidentiality and proficiency in delivering our products and services.”

Our Approach

Quality management underpins our ability to maintain our business financially, socially, and environmentally, and provides a consistent framework towards a sustainable path. We maintain competitive advantage in the market by expansion of new services, year over year, often in accordance with nationally recognized standards under our ISO quality registration/accreditation.

When submitting work to Powertech, our customers’ trust is founded on our commitment to the highest standards for quality.

Powertech is accredited according to ISO standards for quality management systems (ISO 9001), environmental management systems (ISO 14001), and competence of testing laboratories (ISO/IEC 17025).

In Fiscal 2021, Powertech achieved the following certifications/accreditations:

- Addition of ISO 45001:2018 Occupational Health and Safety management systems certification
- Recertification to ISO 9001:2015 and ISO 14001:2015 standards
- Reaccreditation to ISO/IEC 17025:2017 standard within the Laboratory Accreditation Program of the Standards Council of Canada (SCC)

The foundation of our success is delivering quality-focused services and products that exceed our customers’ expectations. Considering stakeholder feedback and listening to the voice of customers through the CSAT customer satisfaction survey ensure we constantly improve business practices for those we serve.

Overall customer satisfaction score for calendar year 2020, the latest year available, remained high at 8.6, a drop of 0.1 from the previous year. The average score of the ten satisfaction-based questions is also at 8.6, a drop of 0.4 from the previous year.

“Quality management underpins our ability to maintain our business financially, socially, and environmentally, and provides a consistent framework towards a sustainable path. We maintain competitive advantage in the market by expansion of new services, year over year, often in accordance with nationally recognized standards under our ISO quality registration/accreditation.”



Ian Chang
Quality Manager

We continue to bring quality, health and safety, and sustainability closer together by working towards an integrated management system through the following measures. Internal and external audits are being conducted. Our corporate tracking tools are being used for managing incidents. Nonconformities are being brought into conformance, and continual improvements are being made.

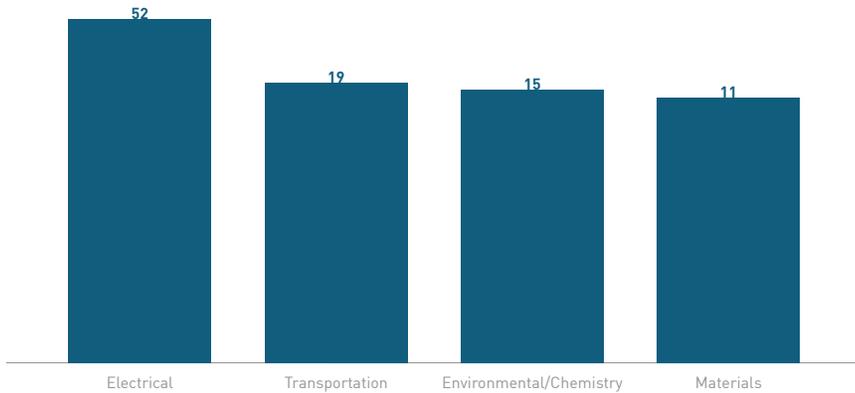
Cybersecurity has been identified as an enterprise risk, and Powertech has taken steps to address potential threats such as malware and ransomware. Mandatory cybersecurity awareness training was provided to all staff. To further enhance protection of systems and information, Powertech has initiated the development of a formal information security management system with the end-goal of a third-party ISO 27001 certification.

ISO 17025 Standards

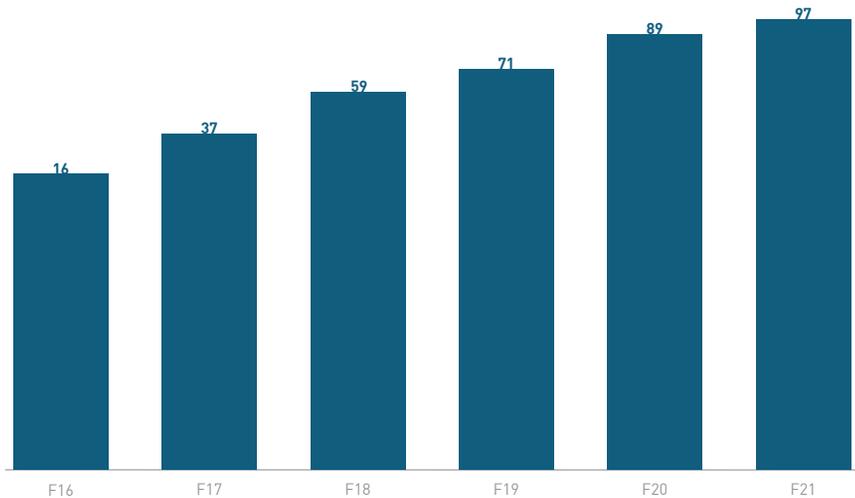
In Fiscal 2021, Corporate set the objective of adding at least six test methods/standards to our ISO/IEC 17025 accreditation.

Achieving these standards accreditations helps to ensure our customers, employees, and the public that Powertech is committed to sustainability and is striving to meet the highest levels of compliance and ethical practices in all areas. We believe (and this is borne out by the annual customer satisfaction survey) that this approach gives our customers confidence that our results are sound and can be trusted.

Powertech ISO/IEC 17025 Test Methods by Industry



Total ISO/IEC 17025 Accredited Test Methods



ISO/IEC 17025: 2017 Accreditation

ISO/IEC 17025:2017 General requirements for the competency of testing and calibration laboratories, since 2005.

Management System Registration



Quality Management System Registration

SAI GLOBAL
ISO 9001
Quality

ISO 9001:2015 Quality management systems - Requirements, since 1997.



ISO 14001: 2015 Environmental management systems

SAI GLOBAL
ISO 14001
Environmental



ISO 45001: 2018 Occupational Health and Safety management systems

SAI GLOBAL
ISO 45001
OHS

Other Notable Programs

UL TPTDP

Powertech is an active participant in UL's Third Party Test Data Program (TPTDP), which provides a means for UL to accept externally generated test data from Powertech without UL staff having to witness.

Powertech

Powertech Labs is committed to demonstrating respect for the environment and to continually improving the company's environmental performance. We will uphold our responsibility to conduct business with full transparency, and commit to meet or exceed compliance obligations.

For more information, contact:

Mažana Armstrong 604.598.5140

Acting Director, HSEQ Accreditation and Compliance
Health, Safety, Environment, and Quality (HSEQ)

mazana.armstrong@powertechlabs.com or info@powertechlabs.com