

SUSTAINABILITY REPORT 2020

Welcome to the Powertech Sustainability Report, which reviews our social, safety, environment, and quality performance in Fiscal 2020 year, which ended on March 31st, 2020. In addition to our regular metrics, the report also covers significant events for Powertech during the year.



Powertech
The Power of Trust. The Future of Energy.

MESSAGE FROM OUR HSEQ DIRECTOR

As we think about the financial year ended in March 2020, we cannot help but reflect on the unprecedented spread of COVID-19, which has impacted many people and businesses around the world. Powertech's operations, like so many others, was also impacted.

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 the essential electric power market, we want to make sure we do it both safely and responsibly for our staff and clients.

Prior to the pandemic, Fiscal 2020 was another record year for us, with noteworthy achievements around safety, corporate objectives, customer satisfaction and revenue growth. In Fiscal 2020, we made considerable progress, including:

- Over 1.3 million hours were recorded with no Lost Time Injuries (LTI). Keeping our staff safe eclipses all other achievements in Fiscal 2020.
- We achieved significant growth of 60% over the last five years while maintaining a disciplined approach on bottom-line performance and capital spending. Some 15% of our annual revenue now comes from recently launched services.

- Significant progress was made towards an ISO 45001 (Safety) accreditation. We successfully completed Stage 1 ISO 45001 and plan to proceed to Stage 2 and final accreditation in October 2020.
- With one year of having Health, Safety, Environment and Quality (HSEQ) under one Director, we made significant progress in closing some 1045 Health, Safety, Environment and Quality related action items (Non-conformances, Opportunities of Improvements, and Incidents), thereby ensuring that we remain in compliance with our external accreditations and internal policies and procedures.

While we have grown Powertech's business over the last five years, we also recognize that these tasks never end. We need to be relentless in raising our performance to meet the expectations of both our customers and our shareholder.

This is our fourth 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 more perfect and sustainable future.

Madhvi Ramnial
Director, HSEQ Accreditation and Compliance



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OUR APPROACH TO SUSTAINABILITY

Sustainability at Powertech means always striving to achieve the best laboratory practices and testing standards; providing cleaner energy solutions in a responsible manner which balances short- and long-term interests; and ensuring that we always integrate economic, safety, environmental and broader social and societal considerations into our decision-making and day-to-day actions.



Our approach to sustainability involves three main objectives:

1. Running a Safe, Efficient, Responsible and Profitable Business

This is foundation of our approach: We aim to provide our clients with high-quality services and products, while ensuring respect for people, their safety, and their environment. At the simplest level, that means doing no harm. Powertech applies ISO and other global standards to set a high bar for the safety of our operations, our environmental performance and how we engage with stakeholders. What is more, we work relentlessly to improve our performance.

2. Making a Positive Contribution to Society

We aspire to play a positive role in communities where we live and operate. We contribute to the development of local economies by creating jobs, boosting skills, and sourcing from local suppliers. We also celebrate giving back to the community through various initiatives and actions. These efforts include support of our local United Way, the SPCA, anti-bullying campaigns, and needy families at Christmas time.

3. Embedding Sustainability into Projects

Safety and the environment are vital considerations when we plan, design projects, and operate our facilities.

Prior to launching every major project and capital expenditure, we conduct impact assessments, and we explore the economic, social, environmental, and health benefits and risks. Effectively managing these factors, as well as political, commercial, and technical uncertainties, is considered core to the development of new services, and the delivery of existing work products.

Sustainability is achieved at Powertech through support and development of our staff—our most valuable resource—and how we manage our business responsibly in three key areas: safety, the environment, and quality and accreditation. The following sections describe our policies, accomplishments, and future plans in each of these areas.

OUR PEOPLE

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

In Fiscal 2020, Powertech's commitment to our workforce was challenged by the COVID pandemic and a global movement for racial justice. The company has responded to ensure the safety of our employees, promote inclusion and diversity, recognize the accomplishments of employees, and support shared social activities.

Employee Engagement

In Fiscal 2020, Powertech's employees continued to show strong engagement and positive views about Powertech in this year's Employee Engagement Survey. The staff's overall Engagement Index increased by 2 percentage points to 86%, and the percentage of Champions (those who support the company's path), increased by 6 percentage points to 76%. We are very encouraged that 95% of staff are willing to put in a great deal of effort to help the company succeed, and 88% are proud to tell others they work for Powertech.

Powertech has a young and vibrant workforce, who place a lot of emphasis on pay and benefits and career development. Hence, Powertech continually implements new strategies to support an environment for long-term retention of our staff. Given this feedback, development of every staff member has been a corporate objective for many years.

Inclusion and Diversity

We strive to make Powertech a great place to work for everyone. We're committed to building an inclusive culture where people's unique perspectives, experiences, backgrounds, cultures and attributes are valued, respected and leveraged so our employees can thrive and contribute to their fullest potential. To this end, we are working towards a business-led approach and setting up various teams to advance understanding and dialogue around Inclusion, Diversity and Standing Up Against Racism. This will be a theme for the Fiscal 2021 year for us.



"I think Powertech has done exceedingly well. In my opinion, there is hardly any company out there that can significantly exceed what Powertech has done. I am proud to be part of this great team."

"General stress is expected during this time, so I don't think it falls to Powertech to maximize employee happiness. If we continue getting the support and information from leadership, and there is empathy from leadership that the current working conditions aren't as conducive to high efficiency work, I'm fairly content with the current situation."

-Employee engagement verbatim, Fiscal 2020



Powertech Response to COVID-19 and Pulse Check Employee Survey

Powertech provides services to the essential electric power industry. Our operations require a broad range of work tasks. Thus some staff could easily work from home, while others needed to be present in laboratories. Once the decision was taken in March to reduce the number of staff on campus, we had around 60% of our staff working from home.

With the onset of the COVID-19 virus, Powertech's Leadership issued and implemented a COVID-19 Safety Plan. The plan defined the company's priorities, roles and responsibilities, and actions to facilitate an effective response to the virus and its impacts on company staff, customers and operations: a priority being the "provision of a safe workplace for our employees and to minimize the impact of the COVID-19 pandemic on our operations." The plan included policies on such issues as employee health testing, quarantine, work from home, office workplace protocols,

implementation of new laboratory work-space procedures, cleaning rules and guidelines, use of masks, communication, business continuity, visitors, meetings and business travel. In this regard, Powertech benefits from being associated with BC Hydro. We use the significant skills and experience within BC hydro and then customize and apply these to our working environment.

Following implementation of the Powertech COVID-19 Safety Plan, the Leadership team held feedback sessions related to the management of COVID to learn of concerns and solicit ideas. Subsequently, a Pulse Check Survey was rolled out to our staff to solidify what we heard. In all, 219 responses were received, with overwhelmingly positive results. We believe these results represented a leveraging of the engagement foundation that has been well established, as evidenced by our annual Employee Engagement Survey results. Of note, in the Pulse Check Survey, when asked about Powertech's response to COVID-19, 73% or more responded with "Strongly Agree or Agree" and less than 10% of people saying, "Disagree or Strongly Disagree."



Developing Our Staff and Leadership

Our ability to generate business depends directly on the experience and expertise of our workforce and their ability to execute and deliver services to our customers. It is, therefore, essential that we attract, develop, and retain our greatest asset – our employees.

We hire staff for a career and not just a job. To ensure staff development, we use a 70/20/10 development model (70% on-the-job development, 20% development by forming key relationships, and 10% development via training). Developing oneself while on-the-job or leveraging key relationships could mean working in other labs/areas/groups, getting/being a mentor, or raising one's hand to take on a new challenge or problem to solve within your current team. Development is a life-long journey completed by many small – determined – steps.

Expanding on this theme, as part of keeping our workforce engaged, we have created more opportunities for employees to rotate within or out of their technical sectors to expand their breadth of technical knowledge and experience. We actively encourage all staff to take on increasingly more

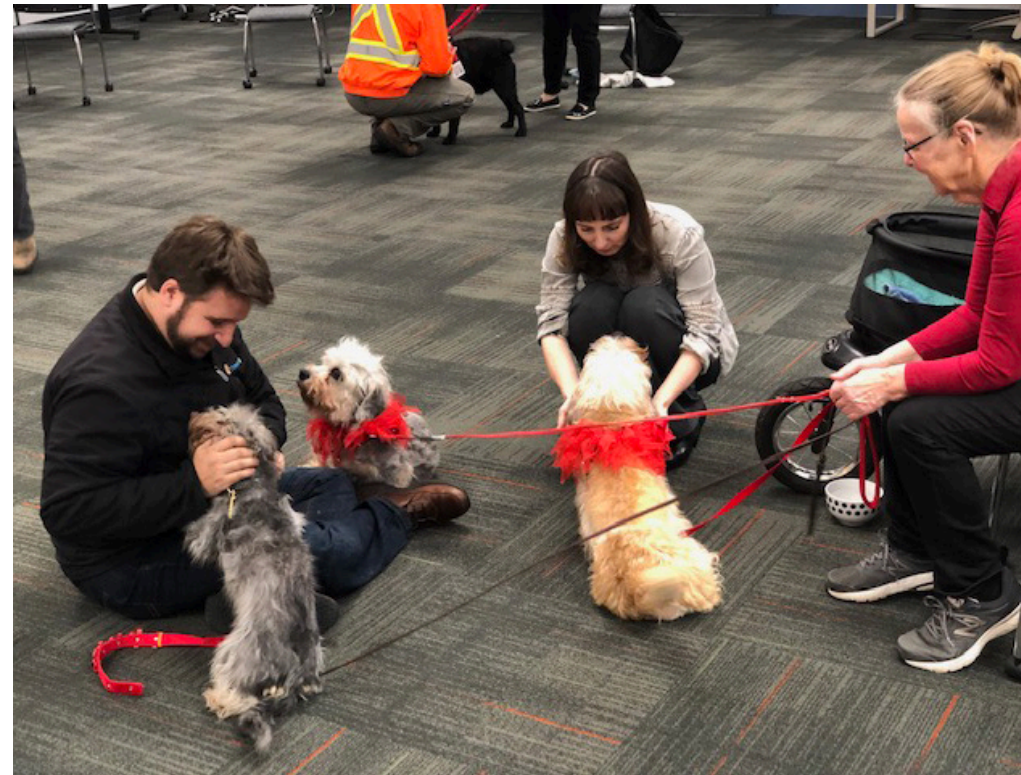
responsibility while ensuring that they know that the senior staff will be there to ensure they do not misstep. In parallel, we have an active program of new service development. This program drives growth within Powertech and ensures that we retain our technology leadership position. Staff may consider assignment to a new service development to advance their technical and leadership skills.

We are also taking the unique opportunity to develop our Leadership Team over the next two years. The plan is to establish a Managing Director role that will take on selected day-to-day operational responsibilities of the CEO. This role is available for every Leadership Team member who wants the opportunity to develop skills needed as a successor to the present CEO. These three-month rotation assignments started on January 1st, 2020. While the Leadership Team member fulfills the rotation, one of their Team Leads takes on their position, and one of the team members takes on the Team Leader role. This succession plan provides development opportunities to more than 20 employees, or close to 10% of Powertech staff, over two years and provides a low-risk, high-impact opportunity to ensure a depth of leadership skills at Powertech.

Quarterly and Annual Awards

Powertech has a simple yet highly effective peer-to-peer employee recognition program for staff to say thank-you in a very public way to their peers who have amplified our values and gone the extra mile. These awards are grounded in five areas related to Powertech core values and objectives including: staff simply going above and beyond their “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 and healthy working environment.

This year Powertech held its second annual awards, which were presented virtually due to COVID-19. We recognized exemplary employees and teams who went beyond expectations. The six award categories are: Customer Service Award (external), Customer Service Award (internal), Innovation Award (Business, Technical or Operational), Safety Excellence Award, Quality Award, and One Company Award (Individual Only). Nominations come from peers, and this year some one third of the staff were nominated either individually or as part of a team. The categories cover issues that Powertech must get right to be successful and are designed to ensure that every staff member – irrespective of their job grading or role – are covered by the award definitions. We make sure no staff member feels that their duties are not covered by the award definitions.



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 Activity 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 2020, more than 35 events were organized, with participation of more than 80% of Powertech staff attending at least one event.

Fiscal 2020 activities included the Powertech Summer Barbecue, Powertech sector lunches with food trucks, Kids' Christmas Party, go carting, rock climbing, ski trip, Bowen Island Hike, board game nights (on campus), book club, sign language, photography club (photos on the hallway), hockey tournament, Tough Mudder and Vancouver Sun Run, Escape Room, Halloween, and dog therapy sessions, where representatives from local non-profit Van EcoVillage visited us with dogs, and staff were able to interact with the dogs and owners.

Additionally, Powertech took part in many fundraising events this year: At Christmas, staff raised money and clothing and food donations for local families. Throughout the year, the Activity Committee participated in several fundraising efforts including the Food Bank (summer and winter), SPCA department challenge, United Way, United Way Tournament of Games, and United Way's Tech Grind, which pits Vancouver's top tech firms against one another in a race up Grouse Mountain.

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 in the summer. Pilates has started again with social distancing and Zoom sessions and yoga is expected to resume once the pandemic risk is reduced .

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 2020 activities included the following.

- **Commuter Challenge and Bike-to-Work Week.** Powertech annually participates in the Commuter Challenge, a nationwide program implemented to encourage sustainable commuting. Each year, the Green Team also registers and takes the lead in the Bike-to-Work event.
- **Powertech Garden.** Several garden boxes are on campus, where staff members can grow and harvest tomatoes, strawberries, blueberries, and herbs.
- **Tire Pressure Clinic.** The Green Team sponsors a clinic, where employees can have their automobile tire pressure checked and corrected. Low tire pressure can lead to inefficient fuel usage.
- **Ugly Sweater Contest.** The Green Team encouraged staff to wear an ugly Christmas sweater to the Christmas party to encourage people to "put a sweater on, turn down the heat!" to save energy during the winter months. Prizes included eco-friendly gifts, local coffee, and gift cards to local events such as the Vancouver Christmas Market and Science World.



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 to over one million hours without a Lost Time Injury. This progress is largely due to a more disciplined safety culture and the requirements of the Life Saving Rules.

We are now building our current approach to safety with a more consistent focus on the way that our people, attitude and approach to the job, equipment, and processes all intersect. We strive to constantly analyse the difference between how work is anticipated and its execution. There should be no surprised or unexpected events. 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.

Powertech has a well-established Joint Health and Safety Committee (JHSC), which is chaired by staff and has representatives from every technical team and corporate departments as well as members of the leadership team. This committee meets monthly. The team members complete monthly inspections of every lab and office area and report on findings. Further, this committee

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Victor Buwa & Irfan Manzoor
Occupational Safety & Health Specialists

reviews and has the final sign-off on Non-Conformance Records (NCRs) and reviews all investigations. The committee provides a formal update to the Powertech leadership every six months.

The leadership team meets annually to review the safety policy, data, statistics, and closure of the previous year’s safety objectives. It then approves the objectives for the upcoming year.

The following review of Powertech Safety describes our principles for managing safety, response to the COVID pandemic, an update on incidents and investigations, efforts to improve risk management and the status of the company’s safety accreditation.

Managing Safety

Keeping employees, visitors, and contractors safe is our top priority, and we expect everyone working for Powertech to intervene and stop work that may appear unsafe. While we have a younger, more inexperienced workforce, we remind each employee that they can call a stop without fear of ridicule or retribution. The courage to intervene will always be respected.

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 meet our safety standards and requirements, including complying with our nine Life Saving Rules as adopted from BC Hydro. These rules helped 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

Powertech launched upgraded safety programs in Fiscal 2020. The programs aim to formally integrate safety into how we do business: translating our safety policies and procedures into action. To facilitate this, Powertech is rejuvenating its promotion of safety culture. Underpinning this is the effort over the last two years to achieve ISO 45001 accreditation in late 2020.

In Fiscal 2020, one approach was the introduction of our Hazard Identification & Risk Assessment (HIRA) process and tailboards meetings. The meetings demonstrated to our staff the importance of these tools, as well as provided a collaborative forum for employees' involvement, communication and participation in job planning, hazards identification and controls. This approach 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 team members during walkthroughs on the shop floor is key to supporting employee adoption of this framework. These actions are an indication of our strategic shift to prioritizing proactive measures, while having robust mitigation practices in place. They also reinforce Powertech's efforts at taking safety beyond compliance and reflect our commitment to improve overall safety performance. The significant increase in self-reporting of incidents and the overwhelming 6000 training hours in Fiscal 2020 with 91% completion rate demonstrate a positive safety cultural change in our organization.

Preparing for Emergencies and Pandemic

We aim to always ensure that 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 at workplace.

The Pandemic (COVID-19) Safety Plan was triggered in accordance with the published expectations from WorkSafeBC and the BC 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 better understand the underlying causes, including the technical, behavioural and organizational reasons that led to the incident. We share learnings and take steps to mitigate future incidents. We use the findings to improve our approach going forward.

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 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 safety data that Powertech can use to track trends and common incidents.
- Helps prevent future injuries or deaths 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.

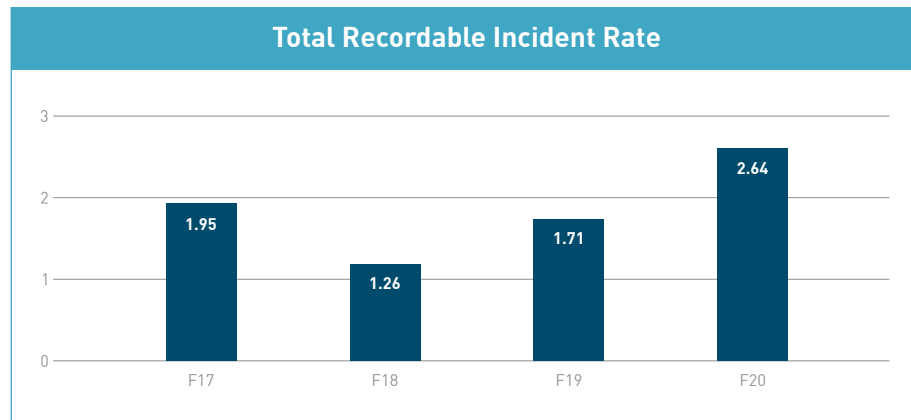
Incident Statistics

In comparison to Fiscal 2019, specifics around safety incident reporting for Fiscal 2020 include:

- 92 safety incident reports were recorded in Fiscal 2020.
- Total injuries count increased from 19 to 24.
- First aid cases increased from 16 to 19.
- Medical treatment cases rose from 1 to 4.
- Restricted work case registered was 2 in Fiscal 2019, and this reduced to 1 in Fiscal 2020.
- There was no Lost Time Injury in Fiscal 2020.

An increase in self-reporting of incidents from 58 to 75 was observed in Fiscal 2020. This total includes safety accidents, good catches and near misses. The increase in self-reporting supports the safety culture within Powertech where staff feel safe when raising concerns.

Powertech had an average of 224 employees over the fiscal year, which equates to about 31,500 man-hours per month. In Fiscal 2020, Powertech achieved one 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 slowed the upward trend of our TRIR to 2.64 in Fiscal 2020. There has been no Lost Time Injury in more than three years, and we have had no fatalities since we started operations.



Improving Risk Management

Starting in Fiscal 2019, Powertech developed a set of new safety controls. We launched the new services as a testbed in order to fine-tune the approach. Having confidence with the framework, in Fiscal 2020, Powertech completed a review of all hazards and associated safety controls. By the end of Fiscal 2020, all Powertech departments had completed a review of their activities and hazards in accordance with the established procedure. This review demanded a team effort within each laboratory, team, and sector along with members of the safety team.

Raising Safety Standards

During Fiscal 2020, Powertech worked 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.
- Worked on development of an integrated Non-Conformance Records (NCR) and incidents collection system.
- Conducted and completed 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.
- Introduced the Safe Work Observation (SWO) Program at Powertech, including working with a consultant to put together a training module for the extended leadership, and rolling out and implementing the SWO

program. The lessons learned and minor modification of this program are being reviewed in Fiscal 2021.

- Developed, rolled out and trained all staff on the Powertech Health and Safety Management System Manual.
- Developed new training as a response to specific safety incidents, 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 make sure contractors to Powertech understand our safety requirements. Together, we build a common understanding, thereby ensuring that both the contractors and Powertech staff and facilities are safe. A revised Contractor Safety program was developed and launched in Fiscal 2020. This updated program now includes a Contractor Safety Evaluation Process.

Safety Accreditation

Fiscal 2020 ended with Powertech making considerable progress on readiness for the ISO 45001 accreditation audit. The first external audit (Stage 1 remote audit for Powertech documentation) was conducted on May 20 and 21, 2020. No issues of concern were noted, and only three opportunities of improvement were suggested in the audit final report. Powertech is scheduled for an ISO 45001:2018 Stage 2 (formal accreditation) audit 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

Powertech understands the importance of incorporating sustainability principles backed up by a robust environmental management system. Powertech’s sustainability and environmental standard brings these complementary requirements together in a way that challenges the organization to evaluate our environmental aspects and impacts. Included in our approach is a growing focus on both our supply chain partners and the processes we follow when disposing of materials and chemicals. This life-cycle approach is in accordance with the ISO14001:2018 standard.

Our environmental responsibility is accomplished by providing comprehensive environmental awareness training to all employees to help prevent environmental impacts from our activities and 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.

We have also implemented planning processes and risk prevention and mitigation principles to ensure identification of potential environmental impacts before, during and following our operations.

Our ISO 14001 certification ensures all our activities and records undergo third-party scrutiny. We aim to make a positive contribution to local environments where we operate and continually work to improve our performance.

“Environmental responsibility is a group effort and is engrained throughout Powertech. This responsibility starts with our employees, all of whom show meaningful engagement and are empowered to give feedback and participate in ensuring our environmental impacts are eliminated or mitigated.”



Mark Condon
Environmental Technical Specialist

The following summary of Powertech Environmental Management reviews our regulatory compliance; environment performance in spills, PCBs, waste, stormwater, and wastewater; resource management in energy and water use; and life cycle environmental impacts.

Regulatory Compliance

Powertech strives to follow evolving best environmental management practices that meet or exceed local, provincial, and federal requirements. We continue to look for ways to raise our performance. Regulatory compliance is further ensured for all teams through frequent, self-imposed environmental compliance audits by our internal team complemented by a voluntary annual audit by an external consultant. The annual ISO14001 audits provide that final overview of our performance and practices. At all stages, we welcome the identification of areas of improvement by both internal and external auditors and our staff.

Environmental Managers Association of British Columbia (EMA of BC)

Powertech is a continuing member of the EMA of BC. This membership helps us to collaborate with environmental professionals across a range of industrial, commercial, and institutional sectors in British Columbia. We share knowledge and experiences of best environmental management practices and ensure Powertech effectively anticipates and responds to emerging environmental regulation.

Environmental Performance Management

This section covers a selection of metrics tracked within Powertech. These metrics have been evaluated and selected as they reflect the direct impact of Powertech's operations on people and the environment. If we get the actions covered by the metrics right, we will have reduced our potential impacts on the environment.

In Fiscal 2020, we used these metrics to establish our dashboard and objectives. Our performance in Fiscal 2020 will be used to define the objectives for Fiscal 2021.

We constantly seek out ways to improve. With this in mind, we review these metrics on a regular basis (mostly monthly) to ensure we record, analyse and interpret our progress and performance.

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 firstly reduced and then managed with the focus on risk prevention and mitigation.

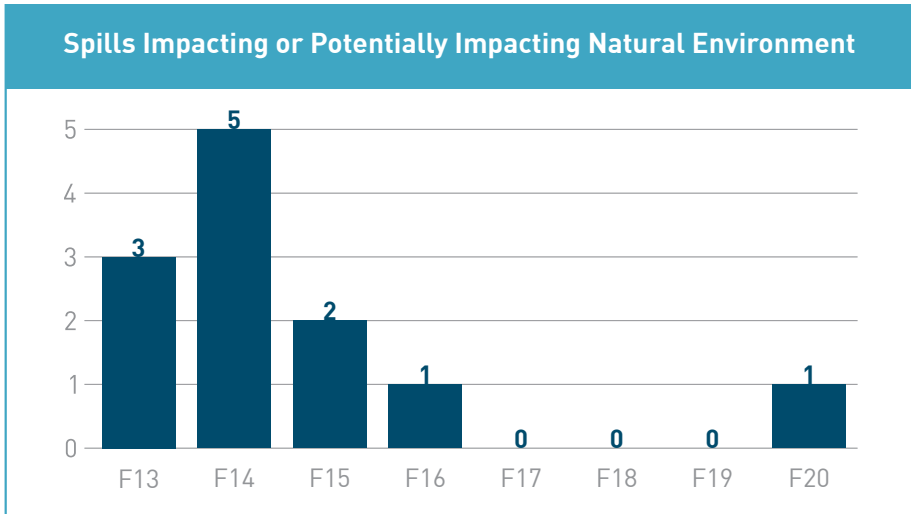
The primary measures by which our spill risk is prevented and/or mitigated are through:

- 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 techniques of spill prevention and response for all staff working in high spill-risk areas.
- Placement of spill kits in high spill-risk zones.
- A 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 the last year, two releases of insulating (mineral) oil occurred from insulating (mineral) oil from two large transformers. These spills could have caused damage to the surface water drainage stream. However, the system of secondary containment, catchment basins, holding tanks, oil/

water separators and shutoff valves connecting the transformers, put in place around six years ago, proved to be successful in containing the spills. While this incident required a significant localized cleanup effort, no spilled oil landed on the open ground or made its way off-site. The cause of these spills has been investigated, and the necessary lessons have been learned to prevent any future re-occurrence. Both spills involved human errors.

This graph of annual numbers of spills of environmentally hazardous liquid material impacting the environment shows that our strategy is broadly performing as designed. In F20, there was a <0.5L spill of oil to an area of soil within the campus. This initiated an immediate and successful remediation effort. Regarding spill prevention, the focus is on continually maintaining and improving practices, while remaining ready to respond to a spill emergency.



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 now. This equipment is safely decommissioned, transported, and disposed in a responsible manner. We had expected to be able to declare the campus PCB free in Fiscal 2020. The remaining items are capacitors. However, because of operational demands on equipment, this deadline has been pushed out a year. Nevertheless, we remain within reach to be able to achieve the overall objective.

Powertech conducts cutting-edge research in PCB decontamination technologies. These technologies minimize spill risk and waste generation by *in-situ* removing PCB from oil, as opposed to requiring a full removal and replacement of oil. These methods have benefited Powertech and many utilities across North America.

Waste Management

It is important to us that we know where our waste ends up. For this reason, we conduct a Safety, Environment and Quality review of suppliers of waste services. The vetting adds an extra requirement to our selection process and ensures that our waste is recycled or disposed of responsibly.

Hazardous Waste Management

Our dominant hazardous waste source is waste oils from equipment maintenance, testing services, oil-filled equipment and waste various waste chemicals generated by our chemistry labs. 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 wastes are mainly from our testing operations, lunchrooms, and offices. To ensure effective recycling, awareness training for all employees was conducted on how to segregate waste. Receptacles for each stream are provided in our lunchrooms, 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 2019, we achieved a significant improvement in our stormwater quality, with infractions detected by our in-house sampling program down 83%. This progress was the result of increased investment in cleaning of the catch basins. 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 inadvertent potential discharge of chemicals. For this reason, our starting position is that no chemicals are permitted to go into our sinks. Further, in case of an accidental release, all sinks in high-risk labs working with chemicals discharge into our chemical lift station, which is essentially a holding tank under our control that 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 visual monthly 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).



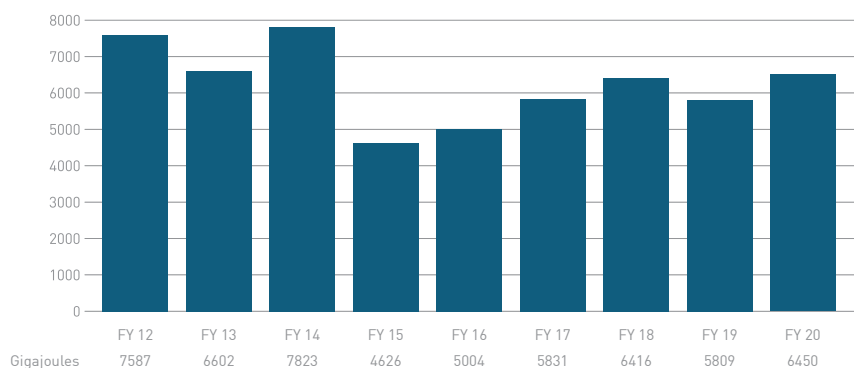
Resources

Energy Efficiency

Below are the key highlights in energy efficiency at Powertech Labs over the last few years:

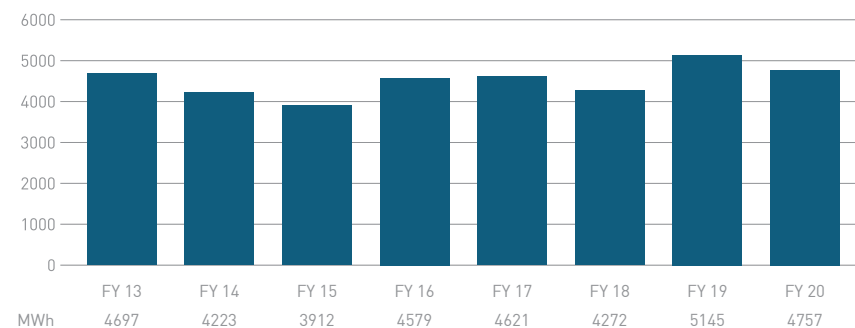
- In Fiscal 2019, the main building's HVAC system was re-balanced. This has optimized building temperature distribution and reduced the stress on both heating (natural gas system) and cooling systems (electric system).
- Our main-building heating system uses a combination of re-circulated air and fresh air to maintain a stable environment. When the pandemic was declared, we changed this approach and switched over to no re-circulation. This change resulted in an increase in natural gas usage to maintain the environment inside the main building. Likewise, during summer, the objective of using only fresh air and the need to chill interior spaces will increase our electricity usage. The sole objective of minimizing virus transmission was considered more important than minimizing electricity or gas usage. The full impact of this change in strategy will be observed in Fiscal 2021.

Powertech Total Annual Natural Gas Consumption



- Powertech's rate of natural gas use has remained consistent over the last three years while our operations have grown. Powertech uses natural gas and electricity to heat the main building and selected remote buildings.
- Powertech's electricity use decreased slightly in Fiscal 2020 even in the face of an increase in business. Although Powertech has doubled its workforce and associated testing since 2012, the fact that usage has remained constant demonstrates our commitment to being efficient in how we use electricity.

Powertech Total Annual Electricity Consumption



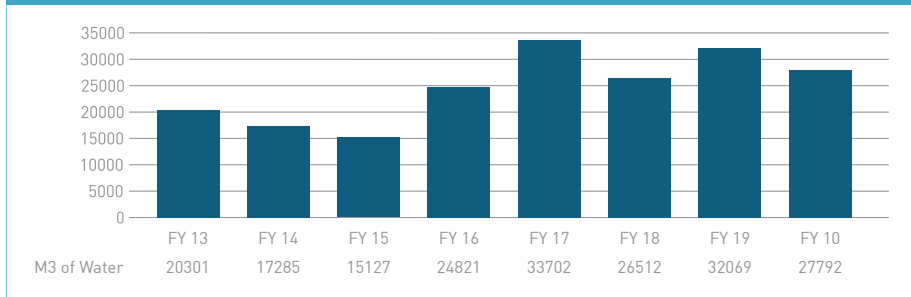
Powertech encourages its employees to use electric vehicles (EVs) by providing 11 EV charging stations (2 DC Fast Chargers and 9 Level II chargers) on campus for their use. For now, the use is free of charge to our employees and to the public. Staff who own EVs use the Level II chargers on a "rotational" charging schedule throughout the working day, leaving the fast chargers for public use. Powertech estimates that, together, in just over two years, these chargers have displaced more than 22,000 L of fuel, keeping 55 tons of CO₂eq GHGs out of the atmosphere. Further, Powertech generates hydrogen fuel on campus (for fueling vehicles and for laboratory use). We anticipate the use of the Hydrogen Fueling station will increase as BC embarks on getting more hydrogen fuel cell electric vehicles.

Water Use and Conservation

Powertech's doubling in size since 2012 has resulted in an increase in water consumption. In addition, several open-loop water-cooled systems (i.e., water is not recycled or reused) are or were in operation. One of these systems was upgraded after Fiscal 2017. This upgrade accounted for most of the reduction in water consumption from Fiscal 2017 to Fiscal 2018.

A second open-loop system was replaced in the Mechanical Lab in early Fiscal 2020. This new system accounts for the decreased use last year. A third open loop system has been evaluated for replacement, but the cost-benefit is just not right for the changeover at this point in time as the underlying technical test standard that drives this open-loop system is under review and may change, thereby negating the need for change.

Powertech Total Annual Water Consumption



Life-Cycle Environmental Impacts

We recognize that we have a responsibility to not only identify and mitigate the environmental impacts directly associated with our activities, but also to identify and mitigate our life-cycle environmental impacts.

The life-cycle environmental impacts of all projects, services, and capital expenditures are considered during the planning phase, and mitigation measures are implemented. Some of the means through which we have reduced our life-cycle environmental impacts are:

- Preferentially working with, firstly, local and, secondarily, regional suppliers to minimize the environmental impact associated with delivery of goods and services.
- Understanding where our raw materials are sourced and making informed purchasing decisions.
- Working only with suppliers and contractors who have sound environmental records and a track record of environmental stewardship.
- Wherever possible, designing laboratories and products in such a way that they can be dismantled or broken apart and recycled at their end-of-life and recycled.
- Knowing where and how our waste is disposed of, and ensuring it is being disposed of appropriately under BC Hazardous Waste Regulations.

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

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

Powertech is accredited according to international standards for quality management, environmental management and competence of testing laboratories.

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 to those we serve.

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.

Our stated long-term objectives are three-fold: First, we will add ISO 45001 (safety) to our accreditation program. Second, we will continue to expand our laboratory ISO 17025 accreditation, giving customers greater confidence in our testing ability and results. Third, we will merge our three ISO accreditations into one “integrated management system” that will bring quality, health and safety, and sustainability closer together. We expect to meet all objectives in two to three years.

The following overview of Powertech Quality and Accreditation covers process improvement projects in Fiscal 2020, ISO 17025 standards, and other notable programs.



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Ian Chang
Quality Manager

Process Improvement Projects

Over the past year, Powertech completed several process improvements and initiatives maintaining the focus on continuous improvement, ensuring the effectiveness of our internal processes and practices, and sustaining our client base.

Process improvement projects included:

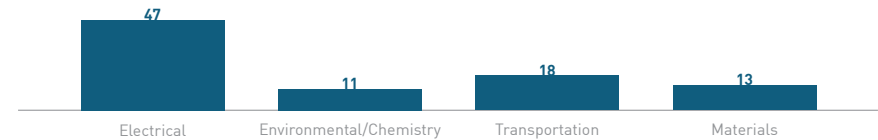
- Improvement of purchasing processes, such as supplier selection, evaluation and management procedure (health & safety, environmental & sustainability, quality) policies and practices. This project focused on reducing the risk associated with procurement, increasing overall value to Powertech and developing a closer, more long-term relationship with our suppliers.
- Document controlled document filing structure and processes.
- On-boarding / Off-boarding process for staff.

ISO 17025 Standards

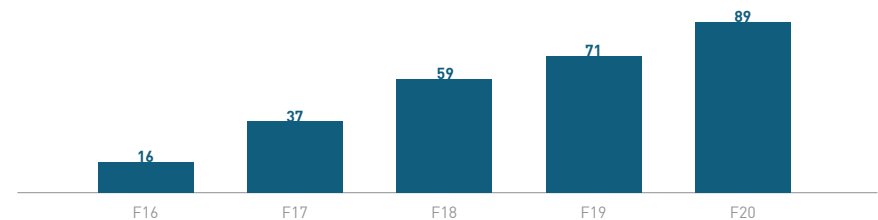
In Fiscal 2020, Corporate set the objective of adding at least eight test methods/standards to our ISO/IEC 17025 accreditation.

Achieving these standards accreditations helps to ensure our customers, employees, and the public that Powertech is committed to 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 9001:2015 Quality management systems - Requirements, since 1997.



Quality Management System Registration

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

Other Notable Programs

EGBC OQM Certification



Engineers and Geoscientists British Columbia Organizational Quality Management (OQM) Program. This program aims to improve the quality management of professional engineering and geosciences practices and ensures all applicable professional practice guidelines are followed.

UL TPTDP

An active participant in Underwriters Laboratories (UL) Third Party Test Data Program (TPTDP). This participation allows Powertech to perform testing for UL without UL staff having to witness. Our accreditation in this program complements our ISO/IEC17025 accreditation with the SCC.

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:

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