Electrical Safety Authority

ANNUAL REPORT

Empowering Safety and Supporting Ontario's Growth

2025/2026

CONTENTS

Indigenous Communities

ESA is striving to build better and broader relationships with Indigenous peoples, organizations and nations that will help empower communities with knowledge to reduce electrical harms. Through ESA's Truth and Reconciliation Action Plan, ESA will help meet the intent of the Truth and Reconciliation Commission recommendations.

VISION

An Ontario where people can live, work and play safe from electrical harm, now and into the future.

MISSION

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.

MANDATE

To promote and undertake activities which enhance public electrical safety, including training, inspection, authorization, investigation, registration, enforcement, audit and other regulatory and non-regulatory public electric safety quality assurance services.
– *ESA Objects of Corporation, 1999*

PURPOSE

ESA anticipates, understands and mitigates electrical-related harms to improve safety for the well-being of Ontarians.

VALUES

SAFETY: We put safety at the core of all that we do.

PEOPLE FOCUSED: We put ourselves in others' shoes, understanding the needs of our staff, our stakeholders and the people we serve.

ACCOUNTABLE: We commit to our goals, to each other and deliver results that matter.

INCLUSIVE: We encourage and value differences, recognizing that diverse perspectives strengthen our work.

COURAGE AND INTEGRITY: We engage in honest conversations in the best interest of our safety purpose, treating our staff, regulated communities, stakeholders and partners with respect.

ADAPTIVE: We continuously assess our environment and evolve to meet emerging challenges.

ESA'S STRATEGIC PILLARS
2025-2030

To enable a safe, electrified Ontario through expertise, regulatory oversight and collaboration.

Safety • Accountable • People Focused • Inclusive • Courage and Integrity • Adaptive

BY THE NUMBERS
APRIL 1, 2025 – MARCH 31, 2026

COMMUNITY AND ENGAGEMENT

$50,000
in donations in support of the Sunnybrook Ross Tilley Burn Centre

527,707
Inbound calls to the Customer Service Centre

2,195,705
Pageviews for ESAsafe.com

Followers on Social Media

5,547	15,168	1,333	33K	178	1,757
X	Facebook	Instagram	LinkedIn	Pinterest	YouTube

19,723
Newsletter Subscribers
PLUGGED IN

People Reached on Social Media

115,258	176,848	35,808
X	Facebook	Instagram

Video Views

4,069,705
YouTube

142
Annual Meeting attendees (in person / via Zoom)

465
Attendees at Annual Licence Holder Meeting

74,391
Visits to Contractor Locator Tool on ESAsafe.com

180,831
Pageviews for Contractor Locator Tool on ESAsafe.com

INSPECTIONS

687,414
Customer Interactions at the Customer Service Centre

448,941
Wiring Notifications Created

631,567
Wiring Requests for Inspections Received

41%
of Wiring Notifications Received Online

4,906
Continuous Safety Services Contracts

32,185
Continuous Safety Services Sites

33,813
Remote Inspections

BY THE NUMBERS

APRIL 1, 2025 – MARCH 31, 2026

LICENSING

New Electrical Contractor Licences

712

New Master Electrician Licences

847

Licence Renewals

25,416

1,184 Individuals Who Wrote ME Exam

66% ME Exam Pass Rate

Compliance Records Created (Licence Holders)

481

Licences Suspended

103 Compliance

682 Administrative

Licences Revoked

72

Licensing Complaints Received (Licensees and Unlicensed Contractors)

1,550

Notices of Violations Issued to Unlicensed Contractors

462

Licensing Investigations Conducted

76

Notices of Non-Compliance Issued to Licence Holders

51

ENFORCEMENT

Prosecution

2 Matters Commenced

48 Charges Laid

29 Convictions

$158,000 Total Value of Fines Imposed

Administrative Penalties

51 Matters with a Total of 110 Penalties

$363,502 Total Value of the Penalties Issued

MESSAGE FROM THE CHAIR

It is a privilege to serve as Board Chair for ESA during this pivotal period of transformation for our organization and the province.

As Ontario's energy landscape evolves, our focus remains steadfast: providing the strong governance and strategic oversight needed to protect public safety while enabling progress.

This Annual Report reflects the achievements of Fiscal Year 2026 and marks the successful first year of our five-year Strategic Plan, *Empowering Safety, Energizing Tomorrow*.

Over the past year, we have remained focused on ensuring ESA is well positioned to support Ontario's evolving energy landscape. Through disciplined execution of our strategic priorities and strong organizational alignment, we have continued to strengthen the foundation that supports a safer Ontario where people can live, work and play safe from electrical harm.

The Government of Ontario has set a clear course toward economic prosperity and global competitiveness. With the passage of Bill 40 (*Protect Ontario by Securing Affordable Energy for Generations Act, 2025*), economic growth is now a formal objective for energy agencies.

The ESA is fully aligned with this mandate. We believe that public confidence is the bedrock of a growing economy. To ensure safety is embedded in the foundation of our evolving energy system, the ESA is an active participant in conversations that are shaping its future:

- **System Planning:** We actively participate in the Independent Electricity System Operator's (IESO) Strategic Advisory Committee to advocate for safety in up-front planning.
- **Industry Partnership**: We collaborate with generators, transmitters, distributors and contractors to ensure our regulatory framework is proportionate, risk-based and supportive of development.

Delivering on the full promise of our Strategic Plan requires sustained focus and a highly skilled, engaged workforce. The Board remains dedicated to ensuring the ESA operates with the highest standards of integrity, accountability and transparency.

On behalf of the Board, I extend my sincere thanks to Josie Erzetic, President and CEO, for her leadership and ongoing commitment to ESA's mission.

I also extend my gratitude to Minister Stephen Crawford and the team at the Ministry of Public and Business Service Delivery and Procurement for their continued collaboration and support.

Thank you to my fellow Board members for their thoughtful guidance and governance throughout the year.

Most importantly, I want to recognize ESA's leadership team and employees. Their professionalism, expertise and dedication are the driving force behind the achievements highlighted in this report.

Together, these efforts help ensure ESA remains a trusted and effective steward of electrical safety in Ontario.

Sincerely,

Arjan Arenja
Chair

MESSAGE FROM THE CEO

The 2026 Annual Report provides an opportunity to reflect on the accomplishments of the past fiscal year and marks the successful completion of the first year of our five-year strategic plan, *Empowering Safety, Energizing Tomorrow*. This foundational year set the direction for a strategy designed to strengthen Ontario's electrical safety framework while positioning ESA to support a rapidly changing, increasingly electrified future.

As electrification accelerates across our homes, workplaces and transportation systems, the Electrical Safety Authority's role has never been more critical. As Ontario grows and evolves, we are working to ensure that safety remains the foundation on which progress is built.

In June 2025, the Government of Ontario released ***Energy for Generations***, a comprehensive Integrated Energy Plan that charts a 25-year roadmap for powering the province's economic future. It brings together generation from nuclear, hydroelectric, wind, solar, natural gas, hydrogen, energy storage and emerging technologies into one long-term framework. At its core is a defining reality: Ontario's electricity demand is projected to grow by 65 per cent by 2050.

Put simply, this is an unprecedented shift. It will affect how communities are built, how businesses operate and how Ontarians live and work. The drivers of this growth include housing, the rapid electrification of transportation, the expansion of data centres fuelled by artificial intelligence and cloud computing and the growing electrification of industry and heating.

The government's plan envisions significant investment in generation, transmission and distribution infrastructure and will be one of the most transformative infrastructure undertakings in Ontario's history. ESA will be at the centre of this transition — as an enabler not a barrier — because safety is key to ensuring public confidence in the system.

Public awareness remains one of our most powerful tools for preventing harm. Over the past year, we used data-driven insights to better reach those most at risk. Our Powerline Safety initiatives and Hire a Licensed Electrical Contractor (LEC) campaigns achieved record engagement, particularly among younger and harder-to-reach audiences. We also strengthened our collaboration with Amazon to remove non-compliant electrical products from online marketplaces, reflecting a proactive approach to stopping hazards before they reach Ontarians' homes.

Fostering compliance requires both education and accountability. Through training, guidance and compliance oversight for LECs, we continue to help industry understand and meet its responsibilities under the Ontario Electrical Safety Code. At the same time, our field teams carry out real-time, on-site interventions that reinforce safe practices and help protect workers across the province. Where education alone is not enough, we take decisive enforcement action to address repeat offenders and those operating outside the rules. In FY26, ESA took targeted action against the underground economy, including through court proceedings where necessary.

Continue reading on the next page

MESSAGE FROM THE CEO

Safety is never achieved alone. This year, we worked closely with utilities and industry leaders to support storm response, grid modernization and workforce readiness. These partnerships are essential to building a safer energy future.

We are also evolving how we deliver our services. The launch of a **new self-serve licensing platform** and continued enhancements to our remote inspection app, **ESA ON Mobile**, have made it easier and faster for customers to interact with ESA. Together with ongoing investments in digital systems and data-driven tools, these improvements are helping us deliver more responsive, efficient and modern regulatory services.

One milestone worth recognizing is that Ontario recorded zero electrical fatalities in FY2026. While that is an achievement, no one in this sector takes an outcome like that for granted. Electrical injuries continue to occur every year, some with life-altering consequences, reminding us there is always more work to do. It reinforces the importance of shared responsibility and the collective commitment to building a strong culture of electrical safety across Ontario.

As we continue to evolve externally, we have also been intentional about strengthening the organization from within. Through our Culture Roadmap, we've embedded our Cultural Attributes into how we lead, hire and make decisions across ESA. They are helping us build an organization that is better equipped to navigate change, foster innovation and deliver on our strategic plan — because how we achieve success matters just as much as what we achieve.

None of this would be possible without the dedication and expertise of ESA's employees. I am incredibly proud of how our teams continue to rise to complex challenges while remaining steadfast in their commitment to safety. In the year ahead, I look forward to working with our Board of Directors, staff, safety partners and regulated communities to meet the challenges before us and continue building a safer Ontario.

Josie Erzetic
President and CEO

INCREASE ELECTRICAL SAFETY AWARENESS GOAL

STRATEGIC GOAL

Further reducing electrical-related harm through education and awareness.

TARGET

Increase ESA Safety Influence by 2% annually — driving safety awareness and increasing awareness about ESA's role as a safety regulator.

Baseline percentage of "ESA unaided awareness" question is 14%.

FY2026 RESULTS

- ESA Safety Influence reached 21% by the end of FY26
- ESA Safety Influence exceeded its annual target by 5%

Breaking Through with Ontario's Trades

ESA's Powerline Safety Campaign reached the workers most at risk of powerline contact — and delivered measurable improvements in awareness and safety attitudes.

THE IMPACT

4 MILLION

Ontario men aged 18-39 reached — a key high-risk group for powerline contact.

3.8 MILLION

Workers in construction and related trades reached.

+8 PERCENTAGE POINTS

Increase in awareness that the safe distance from overhead powerlines is **3 metres.**

56% vs 39%

Workers exposed to the campaign were significantly more concerned about electrical safety on the job.

30% RECOGNITION

Trades workers who can identify ESA as responsible for electrical safety in Ontario — the **highest level since tracking began in 2016.**

> "Reaching high-risk workers requires meeting them where they are and delivering safety messages in ways that capture attention and stick."
>
> ***Karen Ras**, Vice President, Communications, Strategy & Innovation*

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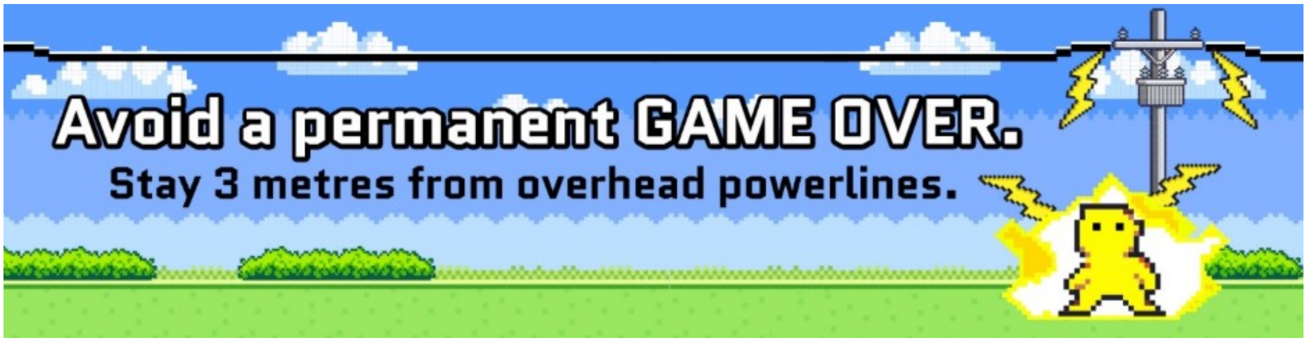


HOW WE DID IT

ESA designed the campaign specifically for **men aged 18-39,** a group that accounts for nearly 60% of all powerline contacts in the province.

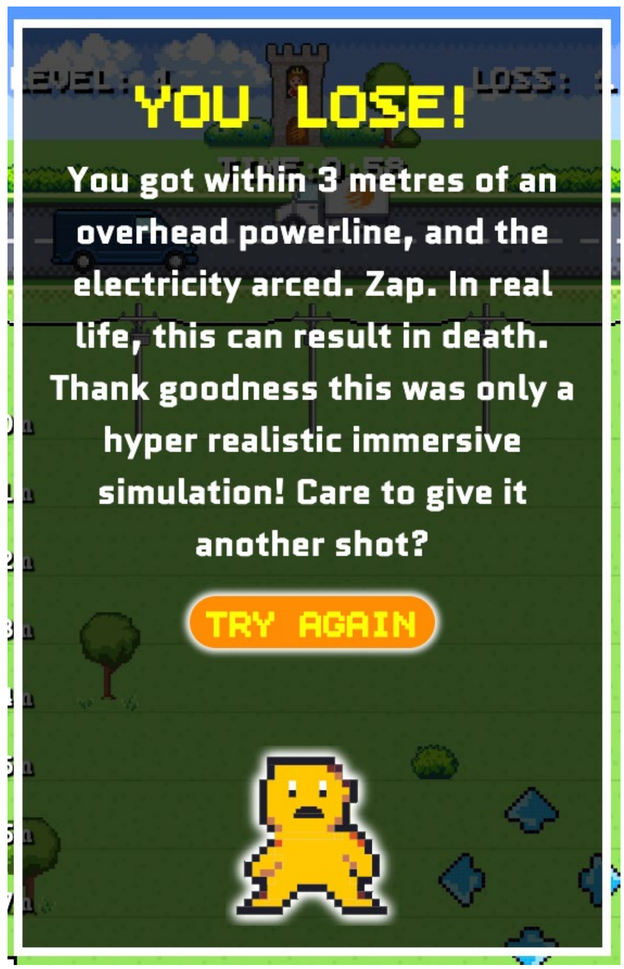
Audience insights showed **82% of men aged 18-34 identify as gamers**, leading to a creative approach that delivered safety messaging in an unexpected format.

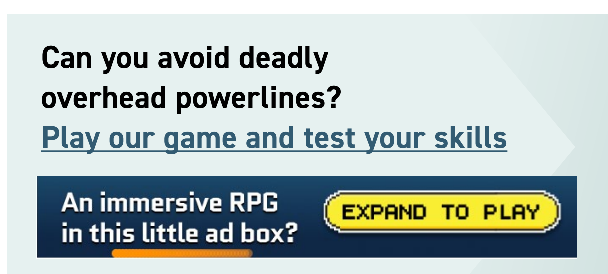
ESA launched a retro-style online video game that reinforced a simple safety message:

Avoid a permanent game over. Stay three metres away from overhead powerlines.

Want to learn more about the campaign?
Visit ESAsafe.com/GameOver.

Stay 3 metres away from overhead powerlines to avoid a real GAME OVER.





Record Results for ESA's Hire an LEC Campaign

ESA's Hire an LEC campaign delivered its strongest results to date in 2025, helping more Ontarians understand the importance of hiring Licensed Electrical Contractors (LECs) and filing electrical permits.

These gains matter. Unlicensed electrical work remains a key driver of Ontario's underground economy, putting homeowners at risk and creating an uneven playing field for legitimate businesses.

STRONGER ELECTRICAL SAFETY AWARENESS

62%

Homeowners who saw the campaign understood that **only an LEC can legally perform electrical work in Ontario.**

(Compared with 34% among homeowners who did not see the campaign).

23%

Ontario homeowners can now correctly identify **ESA as responsible for electrical safety — the highest level recorded in the past decade.**

+15 Percentage Points

Increase in people who can **name ESA without prompting** as the organization responsible for electrical safety.

ONTARIANS TAKING ACTION

+50,000

Visits to ESA's Find an LEC tool, where homeowners can verify licensed electrical contractors before hiring them.

1 in 3

Saw ESA's **Hire an LEC** campaign in 2025.

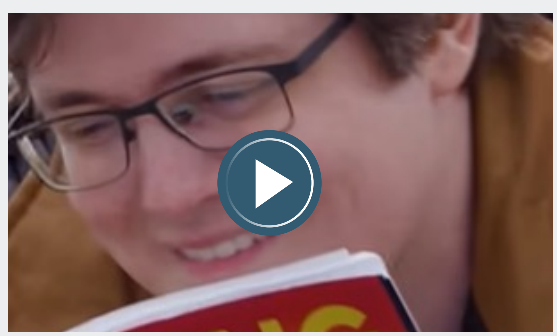
79.4 Million

Times ESA's electrical safety messages were delivered through TV, digital media and social platforms.

Campaign Spotlight

Creative that Cut Through the Noise

To break through in a crowded media environment, ESA delivered unmissable content. The campaign featured professional improv actors posing as unlicensed electricians in humorous, theatre style skits. **In real life, unlicensed electricians won't be this obvious.**



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PARTNERSHIPS THAT EXTEND SAFETY MESSAGING

ESA expanded partnerships that bring electrical safety information directly to homeowners during key decision moments.

Through collaboration with **real estate associations** across Ontario, electrical safety messaging reached **tens of thousands of real estate professionals**, helping inform homebuyers and sellers.

ESA also partnered with **Home Hardware** locations across Ontario to place electrical safety reminders directly in stores where homeowners purchase renovation materials.

To learn more about the campaign, visit:
ESAsafe.com/HireLicensed

Award-Winning Safety Awareness

ESA uses data, insights and unconventional creative to reach Ontarians with messages that matter.

19 **CAMPAIGN AWARDS (AND COUNTING!)**
10 IN 2025 ALONE!

WATCH THE STORY BEHIND THE WORK

Ensuring Safer Choices for Ontarians in Online Retail

ESA advanced its work to strengthen the safety of electrical products sold through online marketplaces this year, reflecting our commitment to protecting Ontarians as purchasing trends continue to shift toward digital platforms. A central focus was the evolution of ESA's collaboration with Amazon, which now integrates both compliance enforcement and consumer education to reduce the presence of unapproved electrical products.

In 2025, Amazon removed thousands of noncompliant electrical product listings from its stores identified by ESA and Amazon's own monitoring systems. Those products ranged from EV chargers and energy storage systems to USB chargers and ozone generators. Amazon also acted on virtually all listings flagged by ESA. These results highlight the growing impact of this collaboration, helping ensure that only properly certified products reach consumers.

Expanding on this collaboration, ESA brought its Holiday Safety campaign directly into the online shopping experience. The campaign encourages shoppers to look for a Canadian certification mark when buying electrical products and to decorate safely by avoiding overloaded circuits, damaged cords and unsafe outdoor installations.

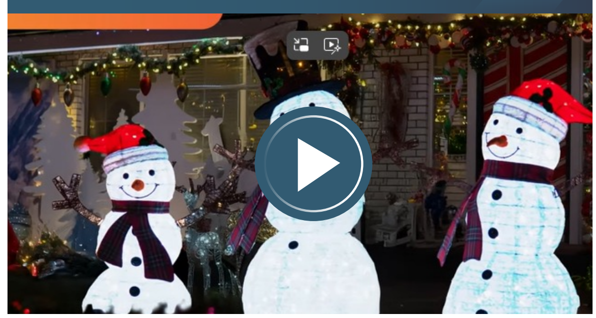
An [Electrical Safety tile was also added to Amazon.ca] that connects shoppers to ESA guidance on approved certification marks, while post-purchase safety emails reinforce key messages as products arrive in homes.

ESA continued strengthening oversight across other platforms as well, helping prevent similar unapproved products from appearing for Ontario consumers.

Together, these efforts underscore ESA's leadership in ensuring that online retail environments keep pace with Ontario's safety requirements.

Sample holiday ad that appeared on Amazon Music

Listen to Our Holiday Jingle: Safety All the Way



Sample Boxing Week ad on Amazon.ca

Stakeholder Feedback and Public Accountability

ESA's 2025 Multi-Stakeholder Accountability Survey reflects strong, steady confidence in our role as Ontario's electrical safety regulator. More than **1,500 stakeholders** participated, including homeowners, Licensed Electrical Contractors (LECs), Master Electricians (MEs), Local Distribution Companies (LDCs) and safety partners.

Key results include:

- **1,500+ respondents** across public, industry and safety sectors
- **Accountability Index Score: 8.3 / 10**, unchanged from prior waves and consistent since 2015
- **Improved perceptions** among licensed communities, particularly in fairness, ethics, trust and service quality
- **Strong confidence** linked to ESA's public safety mandate and inspector professionalism

Despite a year of significant electrification, industry and regulatory change, results point to stability and incremental improvement — especially among licensed stakeholders. Fewer negative impressions and stronger sentiment signal that ESA's modernization and service improvement efforts are resonating.

The full results from the 2025 Multi-Stakeholder Accountability Survey are accessible on ESA's website.

The next multi-stakeholder survey is scheduled for the fall of 2027.

Accountability Index Score by Stakeholders | Tracking

FOSTER COMPLIANCE GOAL

STRATEGIC GOAL

Creating a regulatory environment that fosters compliance through an escalating series of actions from education through to Administrative Penalty Orders and fines.

TARGET

Increase reporting of infractions — of individuals working illegally, without a licence or without a permit — increasing by 2% from a baseline of 5,730.

FY2026 RESULTS

- ESA initiated 7,290 investigations in FY2026
- ESA exceeded its annual target by 24.7%

Turning Enforcement into Safer Outcomes Across Ontario

Administrative Penalty Orders continue to target underground economy activity, with reinvestment supporting an inaugural permit awareness campaign.

Administrative Penalty Orders (APOs) are an important part of ESA's compliance approach, helping address unsafe and unlicensed electrical work across Ontario. APOs are financial penalties that can be issued to address non-compliance with licensing and electrical safety requirements under Ontario Regulation 12/23. Each APO can carry a financial penalty of up to $10,000.

In the past fiscal year, ESA issued **110 APOs**, helping drive compliance and sending a clear message that unlicensed and non-compliant electrical work will not be tolerated.

The majority of penalties issued were tied to **working without a licence, failing to file required notifications and breaching an ESA order** — all indicators of underground economy activities that bypass regulatory requirements and increase safety risk for Ontarians.

APO activity continues to be concentrated in the **most densely populated areas of Ontario**, including Etobicoke, Brampton, North York, Port Perry, Ottawa and Windsor. In those cities, there are higher volumes of construction and renovation activity that present greater potential for non-compliance. By focusing efforts where risk is highest, ESA is helping protect homeowners and support a level playing field for Licensed Electrical Contractors (LECs).

110
APOs issued

$363,502
total APO dollar value

Primary focus: underground economy activity

- APOs carry financial penalties of up to $10,000 and may also have reputational consequences for individuals and businesses
- APOs help reduce the competitive advantage of unlicensed work and support a level playing field for LECs
- APOs encourage compliance with Ontario's licensing and electrical safety requirements
- In some cases, enforcement action prompts individuals who were operating without a licence to pursue licensing and come into compliance

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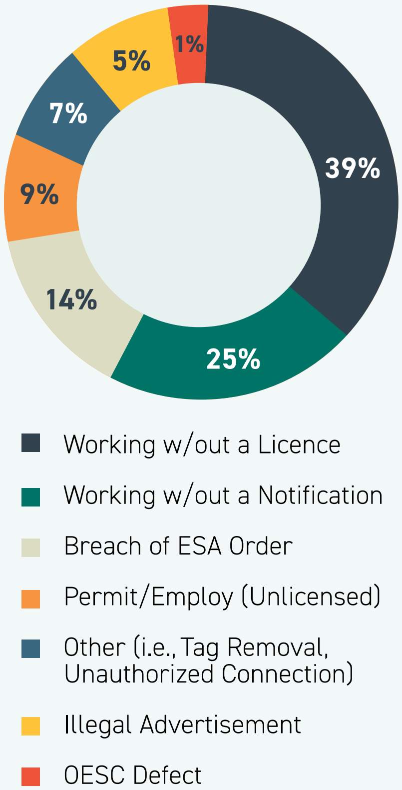
Administrative Penalties by Violation Type: FY2026



REINVESTING IN AWARENESS TO PREVENT UNSAFE WORK

Funds collected through the APO program go directly toward funding electrical safety initiatives for the public, consumer awareness and educational programs. In doing so, APOs extend the impact of enforcement beyond inspections and into prevention.

In the past fiscal year, ESA launched its first campaign supported through APO reinvestment: **Permit Pete**.

Focused on the importance of filing permits for electrical work, the fully digital campaign used simple, accessible messaging to help homeowners understand what's required and why it matters.

CAMPAIGN RESULTS INCLUDED:

1.4 million
Ontarians reached

1.8 million
video views

4,800+
visits to the campaign landing page (ESAsafe.com/Permits)

600+
social engagements

The campaign was targeted to areas with higher rates of non-compliance, helping ensure the message reached those most at risk.

By pairing targeted enforcement with reinvestment in public awareness, APOs are helping drive safer choices, support compliant businesses and strengthen electrical safety across Ontario.

For Pete's Sake, Watch Our Campaign Video

Triple Offender Sentenced to Jail for Illegal Electrical Work

ESA takes action against a repeat offender with a history of unsafe, unlicensed electrical work

Julian Solarte-Arango, operating as **Mr. Fix Enterprise**, was sentenced to **15 days in jail** after receiving his **third conviction under Ontario's *Electricity Act*** for performing electrical work without a licence.

Despite convictions in **2019 and 2022**, Solarte-Arango continued to advertise and perform electrical work across multiple Ontario communities, including Niagara Falls and Thorold, posing as a licensed contractor.

ESA investigations found unsafe installations at residential and commercial properties, including incorrectly wired switches and improperly installed lighting and smoke alarms. In one case, he falsely claimed to be a property manager to obtain a Notification of Work for a restaurant installation.

In **May 2025**, the court sentenced Solarte-Arango to **15 days in jail for each of four offences**, with sentences running concurrently.

KEY OFFENCES

- **Operating an electrical contracting business without a licence (two counts)**
- **Advertising electrical services without a licence**
- **Falsely presenting an ESA-issued document as genuine**

PROTECTING ONTARIANS FROM UNSAFE ELECTRICAL WORK

ESA prioritizes education and prevention — but when individuals repeatedly ignore the law, enforcement escalates to protect the public and the integrity of the industry.

Proactive Engagements Driving Safer Electrical Practices

ESA took part in a total of **1,790 safety events** last year, each representing a moment where inspectors influenced electrical safety beyond wiring inspections. These safety events include proactive, face-to-face opportunities, such as **safety talks, contractor meetings, shop visits** and **public outreach**. They also include targeted **interventions** that occur when inspectors encounter a potential risk in the field. Safety events allow inspectors to apply their technical expertise in real time to take action such as clarifying requirements, addressing common hazards and reinforcing safe work practices.

ESA tracks each interaction to gain valuable insight into emerging safety issues across the province while helping contractors, workers and the public reduce electrical risk.

SAFETY EVENTS BY SUBJECT IN FY26:

22 Aging Infrastructure

226 Powerline Safety

852 Electrical Worker Safety

192 Unapproved or Misused Electrical Product

170 Improper Home Usage of Electrical Products

328 Other Types of Safety Events

ESA's Targeted Safety Blitzes Uncover Unlicensed Electrical Work Across Ontario

The underground economy, as it relates to construction and renovations, is an ongoing problem that can put public safety at risk. ESA uses insights from data to take a methodical and strategic approach to verify compliance and safety of electrical work performed in the commercial and residential renovation sectors.

In 2025, ESA intensified data-driven safety blitzes targeting underground economy activity and unpermitted electrical work. The results highlight how focused inspections and education are helping reduce risk and improve compliance — including electrical safety and consumer protection outcomes — across Ontario.

BUILDING PERMIT REVIEW: MARKHAM

A review of building permits in Markham identified **94 sites** with potential unpermitted electrical installations.

- Inspectors confirmed **unlicensed work at 22 locations**
- Following ESA visits, **18 sites obtained a permit**
- Targeted follow-up helped bring locations back into compliance, **reducing potential electrical hazards**

REAL ESTATE LISTING BLITZ

Two targeted blitzes of real estate listings uncovered **230 homes** where electrical work may have been completed without permits. ESA focused on listings that mentioned electrical components often improperly installed by unlicensed contractors and cross-referenced them with ESA permit data.

After homeowners were educated on proper requirements, **more than 87% secured a permit**. This proactive approach helped us ensure renovations met Ontario's safety standards before new occupants moved in.

EV CHARGER INSTALLATION BLITZ

ESA conducted a focused blitz in neighbourhoods showing high levels of charger-installation activity. The team looked at Ministry of Transportation EV registration data and compared it against notifications issued for EV charger installations.

512
Notifications for Working Without a Permit were created.

This initiative focused on emerging risks tied to rapid electrification and home charging installations.

DATA-DRIVEN OVERSIGHT IN ACTION

Combined with monitoring of renovations and EV activity across other municipalities, **ESA's efforts produced 836 notifications in total**. Actions are also underway to follow-up on non-compliances uncovered as a result of these initiatives.

These targeted safety blitzes demonstrate how **data-informed strategies and on-the-ground inspections** help protect Ontarians from electrical hazards.

ENHANCE COLLABORATION GOAL

STRATEGIC GOAL

Enhance collaboration by focusing on the strength of our partnerships across Ontario's electrical, safety, education/college and labour sectors.

TARGET

Embark on exploratory meetings and discussion with safety and industry partners to develop potential partnerships to enhance and leverage safety education and awareness.

FY2026 RESULTS

- Entered into a formal agreement with Skilled Trades Ontario
- Expanded electrical safety training opportunities for apprentices and workers in high-risk trades

ESA Empowering Electrification Across Ontario

Ontario's transition to a cleaner, electrified future is accelerating and ESA is ensuring it happens safely. As new technologies and infrastructure expand across the province, ESA provides the safety oversight, expertise and collaboration needed to keep this growth reliable and resilient.

This year, ESA supported major projects that reflect Ontario's evolving energy landscape, including battery storage, steel manufacturing and mining.

At the **North Glengarry Battery Energy Storage System** (BESS), inspectors guided one of the province's first large-scale BESS installations, helping ensure the **16.3-MW facility** meets rigorous safety requirements as it prepares to support regional grid demand.

The North Glengarry Battery Energy Storage System

Continue reading on the next page

In **Sault Ste. Marie**, ESA's work on **Algoma Steel's Electric Arc Furnace** transformation helped navigate novel equipment and systems not directly referenced in the Electrical Safety Code. The roughly $1 billion project cut Algoma's carbon footprint by 70% — the equivalent of removing 900,000 cars from the road.

ESA inspectors stand in front of water-cooled aluminum conductors that power the furnaces

And at **Agnico Eagle's Detour Lake Gold Mine, ESA's Mining Services Group** provide ongoing reviews, inspections and technical guidance as the site adds a new underground operation designed to boost production while maintaining safe and reliable electrical systems.

ESA Becomes Patron Member of the League of Champions

ESA joined other patrons at the LOC Annual General Meeting in wearing the LOC jersey that marks our commitment to work safely every day

ESA was pleased to become a Patron member of the League of Champions (LOC) in 2025. The coalition of construction industry leaders is committed to eliminating serious injuries and fatalities through collaboration and shared safety knowledge. Our involvement is a commitment to improving worksite safety through shared data, lessons and real experience.

Detour Lake gold mine is the largest gold producing mine in Canada

When Storms Hit, Collaboration Powered Ontario's Recovery

Severe weather continues to test Ontario's electricity system, demanding fast, coordinated action. The spring 2025 ice and wind storms caused significant damage across the province, leaving more than one million customers without power and triggering a multi-week restoration effort. ESA mobilized quickly, working with local utilities and Licensed Electrical Contractors.

More than 2,200 hours were dedicated to storm response. The Customer Service Centre extended its hours to manage a surge in permit requests, offering timely support to Ontarians in difficult circumstances. More than 50 inspectors expedited site visits to ensure repairs were completed safely.

In total, ESA completed:

2,965 inspected notifications

1,355 site visits

2,915 connection authorizations

ESA also partnered with utilities to reinforce critical safety information, including how to stay safe around downed powerlines. These efforts underscore the importance of strong coordination and continued investment in emergency readiness. ESA and utility partners continue to look for opportunities to enhance collaboration for future events.

Following the ice storms, hazards like downed primary lines and damaged transformers needed to be addressed quickly

A fallen tree damaged a transformer and strained powerlines on a residential utility pole, creating a dangerous situation

Strengthening Labour Mobility Within a Trusted Regulatory Framework

When Ontario introduced new labour mobility legislation, ESA moved with purpose to update Ontario's electrical licensing framework. The result is an advancement in labour mobility while maintaining strong public safety and consumer protection standards.

Between July 1, 2025, and January 1, 2026, ESA implemented changes required under Bill 2, the ***Protect Ontario Through Free Trade within Canada Act, 2025*** and the ***Ontario Labour Mobility Act, 2009***. The legislation introduced **"As-of-Right" labour mobility provisions** for certain occupational licences where equivalency has been demonstrated. **Ontario's ME licence falls within this scope.**

While ESA has long maintained a pathway for qualified MEs from other provinces to obtain Ontario licensure, these legislative changes enabled a more streamlined, responsive approach, improving service delivery timelines while preserving Ontario-specific requirements.

ESTABLISHING REGULATORY ALIGNMENT

To assess equivalency and prepare for efficient implementation, ESA created a **cross-functional harmonization working group** and consulted with **regulatory authorities and sector partners across Canada.**

Through this collaborative work, ESA confirmed that **Alberta** and **British Columbia** maintain licensing requirements that align with Ontario's ME framework, enabling eligible licence holders from those jurisdictions to access an enhanced Ontario ME licensing pathway.

WHAT CHANGED

Building on existing labour mobility processes, ESA introduced a **Provisional Master Electrician (ME) licensing pathway** that allows eligible out-of-province licence holders to begin working in Ontario while completing provincial licensing requirements.

Under the new provisional pathway, applicants can:

- **Begin working as a ME in Ontario within 10 business days** of submitting a complete application
- Hold a **one-time, six-month provisional ME licence**
- Transition to full licensure by **passing ESA's Ontario-specific ME exam**

This evolution supports labour mobility by improving access to skilled professionals without compromising regulatory oversight or safety expectations.

SUPPORTING OUT-OF-PROVINCE APPLICANTS

To make the process clear and accessible, ESA created a dedicated online information hub outlining eligibility requirements, application steps and regulatory expectations. The page serves as a single source of information for MEs considering work in Ontario and is updated as guidance evolves.

> **"Labour mobility helps ensure skilled workers can go where they're needed most. Our role as a regulator is to make that possible while maintaining Ontario's strong electrical safety framework. By confirming regulatory alignment and creating a clear pathway for applicants, ESA was able to respond quickly and responsibly to these changes."**
>
> ***Emily Larose**, Vice President, Regulatory & General Counsel*

Working Towards a Safe, Efficient, Electrified Ontario

Ontario's energy system is undergoing rapid electrification as a result of factors including population growth, new housing, AI data centres, electric vehicles and distributed energy resources (DERs). ESA is working closely with utilities and energy system partners to ensure this transition happens safely and efficiently.

ESA plays a key role alongside local distribution companies, recognizing that many new technologies are developed and deployed by industry first.

Through forums such as the IESO's Strategic Advisory Committee and the ESA's Utility Advisory Council, we work with other regulators and industry partners to integrate safety into Ontario's energy strategy early and consistently.

These collaborations lead to practical outcomes. ESA and utilities co-develop guidance and technical protocols for DER interconnections, third-party attachments and excavation near underground infrastructure. Updates to the Ontario Electrical Safety Code in 2025 enabled high-voltage metering on the supply side and formally recognize Energy Management Systems, helping customers add new electrical loads without costly upgrades.

Through collaboration, early engagement and shared problem-solving, ESA is helping prepare Ontario's grid for a safer, more electrified future.

Empowering Apprentices with Targeted Electrical Safety Training

ESA has advanced its commitment to protecting Ontario workers by forging a new partnership that strengthens electrical safety training across the province. **ESA signed an agreement with Skilled Trades Ontario (STO) in early 2026 to deliver a series of integrated training and awareness programs aimed at reducing electrical injuries among apprentices and workers in trades that have higher electrical risk.**

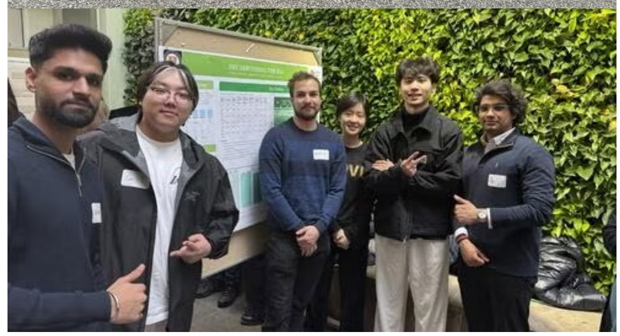
Through the STO partnership — supported by Workplace Safety and Insurance Board (WSIB) funding — ESA will offer customized online electrical safety courses for apprentices, develop a targeted, research-informed communications and awareness campaign and deliver annual virtual training for up to 20 high-risk workplaces identified through WSIB data. Each program is tailored to real-world hazards and emerging incident trends, ensuring workers receive practical, timely and trade-specific guidance.

Together, these initiatives strengthen immediate safety awareness while laying the groundwork for long-term reductions in electrical injuries and fatalities.

ESA Partners with Students to Advance a Lower-Emissions Fleet

University of Waterloo capstone project delivers practical insights to help decarbonize ESA's provincial fleet.

ESA partnered with University of Waterloo students through the Faculty of Environment's capstone program to help tackle emissions from a fleet that travels **8-9 million kilometres annually across Ontario**. The project examined how ESA could reduce emissions while meeting diverse operational needs, from urban inspections to remote job sites.



EARLY PROGRESS FOLLOWING THE COLLABORATION:

31 vehicles
transitioned to hybrid, plug-in hybrid or electric models

~100 vehicles
shifted to more fuel-efficient mid-sized trucks

New emissions tracking system
established to guide future reductions

> "We operate across a vast geography, and what we need from a vehicle in downtown Toronto can be very different from what's required at a remote or industrial site. This partnership helped us identify practical opportunities to reduce emissions while continuing to deliver on operational needs across Ontario."
>
> ***Eric Kingston**, Vice President, Operations*

Advancing Grid Safety Through Collaboration with the University of Toronto

ESA partnered with the University of Toronto's Grid Modernization Centre in 2025 to advance research-driven electrical safety. Through advanced simulations on grounding, currents and system behaviour, the collaboration will inform evidence-based guidance. It also strengthens ESA's ability to address emerging demands like EVs and data centres while ensuring safety keeps pace with innovation.

ESA Advances Indigenous Workforce Development Through New ISEAD Partnership

In 2025, the ESA strengthened its commitment to equity, accessibility and reconciliation by **co-developing a Licensing & Training Grant Program in partnership with Indigenous Skills, Employment, Apprenticeship, and Development (ISEAD)**. Built through collaboration and shared purpose, the program reflects a long-term investment in Indigenous leadership, entrepreneurship and safety excellence within Ontario's electrical industry.

The program is designed to support Indigenous journeyperson electricians pursuing a Master Electrician (ME) licence and, for those seeking to launch and grow their own businesses, an Electrical Contractor (EC) licence. By reducing financial barriers and providing structured guidance navigating the ESA licensing pathway, the program empowers Indigenous electricians to advance into leadership roles that strengthen economic and community development.

PROGRAM HIGHLIGHTS INCLUDE:

Five grants

supporting five Indigenous journeyperson electricians across Ontario

Personalized guidance

and mentorship throughout the licensing journey

Funding

directed at reducing cost barriers at critical licensing milestones

WHAT THE GRANT INCLUDES

Each grant is designed to support participants holistically, from preparation through licensure, by covering essential training, exam and licensing costs, including:

- **Personalized guidance, mentorship and support navigating the pathway to ESA licensure**
- **Online ESA Training Solutions Pre-Master Electrician Course, including course materials**
- **ME Exam fee**
- **First-year ME licence fee**
- **First-year EC licence fee (optional, for those interested in starting a business)**

While the program framework was developed in 2025, grant funding will be administered in FY2027, with the program launching on June 1, 2026.

The partnership with ISEAD represents more than a funding initiative; it is a shared commitment to building pathways that recognize Indigenous talent, promote Indigenous-led expertise and create lasting impact within the skilled trades and toward reconciliation. Together, ESA and ISEAD are helping cultivate the next generation of Indigenous electrical leaders who will drive safety, innovation and prosperity across Ontario.

To learn more about the ESA-ISEAD Licensing & Training Grant visit: ESAsafe.com/LicensingGrant.

Indigenous
Skills
Employment
Apprenticeship and
Development

STRATEGIC GOAL

Grow and enhance the quality and efficiency of our services while ensuring long-term financial sustainability.

TARGET

Overall Customer Satisfaction with ESA — meet or exceed 8/10 target.

Digitize two processes or services that support efficiency and/or customer interactions.

Successfully complete the migration of the Licensing line of business to the new system that integrates with other parts of the business.

Complete design for transitioning technical services and operational legacy platforms.

Using the Cybersecurity BitSight measurement criteria, meet or exceed a rating of 740, surpassing the public sector industry average of 710.

Meet the annual budgeted operating target.

Keep the Lost Time Injury Frequency Rate within a range of 3.0-4.0.

FY2026 RESULTS

- Achieved an average Customer Satisfaction score of 8 out of 10
- Digitized four processes and completed two additional digital implementations, exceeding target
- Successfully migrated the Licensing line of business to a new system on time and on budget
- Completed the design for transitioning technical services and operational legacy platforms. Delivery of design, however, is pushed to FY27.
- Achieved a BitSight cybersecurity score of 780, exceeding the target of 740
- Exceeded the annual budgeted operating target
- Achieved a Lost Time Injury Frequency Rate of 1.66 for FY26, exceeding the set benchmark and well below the target range of 3.0-4.0.

ESA Launches Online Self-Serve Licensing Platform

In October 2025, ESA launched a new online self-serve licensing platform for Ontario's Licensed Electrical Contractors (LECs) and Master Electricians (MEs), and individuals applying to the ME Exam.

The platform replaces paper-based licensing and exam submissions with a single digital environment where licence holders can apply for licences, renew existing licences, submit ME exam applications and manage licensing information online.

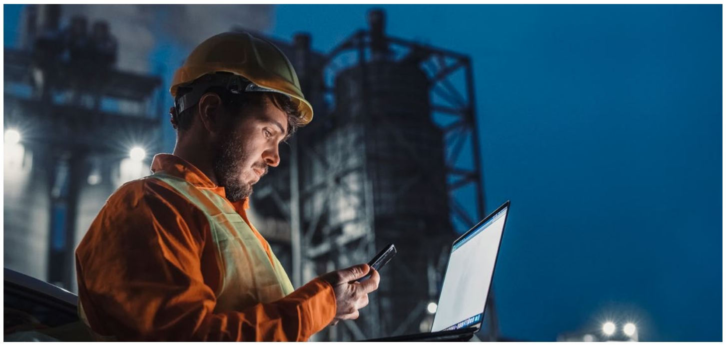
ESA oversees more than **10,000 LECs and 17,000 MEs** across the province. At that scale, a modern digital licensing platform is essential to delivering high value regulatory services with the least possible administrative burden. By streamlining routine processes and improving visibility across licensing activity, the platform supports efficient administration, stronger compliance and enforcement and more effective oversight, advancing ESA's mandate to protect electrical safety and consumers across Ontario.

BUILT IN COLLABORATION WITH THE SECTOR

The platform was developed through extensive engagement across the electrical sector, including:

- **Insights from ESA employees, including inspectors and frontline staff**
- **Feedback from LECs and MEs**
- **Guidance from ESA's Board and Advisory Councils**
- **Collaboration with industry partners**

These insights helped shape a system designed around the real-world needs of the people who use it every day.



Continue reading on the next page

KEY PLATFORM FEATURES

Licence applications and renewals
Apply for new licences and complete annual renewals online

Account management
Update contact information and manage licensing records in one place

Master Electrician Exam applications
Submit ME Exam applications and apply for licensure through a single platform, reducing duplication and simplifying the path to ME licensure

Secure digital payments
Pay licensing fees online and access digital receipts

Integrated oversight tools
Improved visibility into licensing activity and compliance

"The Licensing Platform represents an important step in ESA's evolution as a modern regulator. We're listening, adapting and making it easier for licence holders to focus on what matters most: doing safe, quality electrical work. Built through strong collaboration and thoughtful design, it lays the groundwork for ongoing enhancements that will make working with ESA even clearer and more efficient over time."

***Sarah Kempel**, Director, Licensing*

EARLY RESULTS

October 2025 - March 2026

- 2 in 3 licence holders already engaged with the platform
- 12,193 licence renewals processed digitally
- 725 new licence applications submitted
- 775 ME Exam applications processed
- 31% increase in use of the complaints tool year-over-year

RESOURCES TO SUPPORT THE TRANSITION

ESA launched a dedicated **Licensing Platform Resource Hub** to support licence holders as they transitioned to the new system.

Resources include:

- Step-by-step video tutorials
- FAQs
- Platform guidance and updates
- A centralized landing page for licensing information

Learn more: ESAsafe.com/LicensingPlatform

Modernizing Connection Authorizations

ESA introduced an email-based process for submitting connection authorizations to utilities this year.

The process is designed to reduce delays, minimize errors and ease the burden on inspectors and is especially valuable during major storms and emergencies, when reconnections are critical.

The initiative followed concerns with the former phone-in process that resulted in unnecessary delays. Email offered a clear solution: a documented, reliable record that utilities could easily track and reference.

To address the problem, ESA developed a standardized email procedure for disconnects/holds, holds, storm events and emergencies. The format includes consistent subject lines and messaging to help utilities quickly route incoming requests.

Following a successful pilot in 2025, the process expanded provincewide. Early results show the benefit of a reliable authorization communication, a reduced risk of unauthorized connections and a more effective process overall.

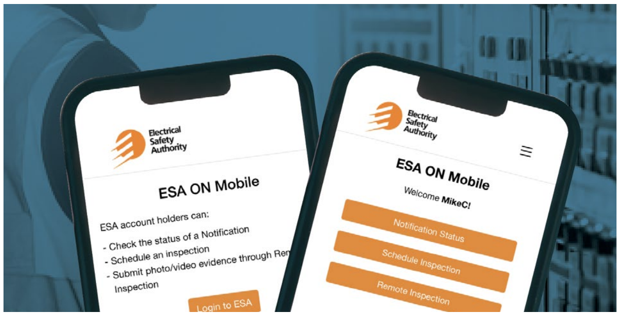
ESA ON Mobile Adoption Accelerates

ESA's ON Mobile app has become an essential tool for contractors who are using it to work faster, document more accurately and manage their notifications with greater ease. The growing usage numbers in 2025 tell a clear story of momentum for ESA's digital tools.

KEY YEAR-OVER-YEAR RESULTS

- Mobile app scheduling: **7,222 → 13,461 (+86%)**
- Check status activity: **35,820 → 58,486 (+63%)**
- Evidence submissions: **16,453 → 28,515 (+73%)**
- Notifications tied to evidence: **3,065 → 4,963 (+62%)**

Part of this growth comes from enhancements like the upload from device feature, which allows users to submit photos and videos directly from their device's media library. With every improvement, ESA is making processes more efficient, more accessible and better aligned with the way contractors work today.



eSAFE Wins CIO Award for Excellence in Technology Innovation

eSAFE was recognized as a CIO Awards Canada 2025 winner by International Data Corporation (IDC) for its Technology Platform Modernization Project. The award recognized eSAFE's successful transition from multiple legacy systems to a new cloud-based platform that streamlined workflows for inspectors and customer service representatives; it also enhanced the customer experience through intuitive self-service tools and secure online payments.

A member of the ESA team accepting a CIO Award which celebrate Canadian organizations that use technology in innovative ways to drive meaningful business outcomes

Integrated Technology Driving Better Service Experiences

ESA's Customer Service Centre (CSC) reached a major milestone this year with the launch of a **new omnichannel software platform**, marking an important step in modernizing customer support. The initiative began in early 2025, when the CSC and ESA's IT Team partnered to assess service needs and envision a more streamlined, future-ready system.

The new platform replaces seven different applications previously used across the CSC, bringing everything together under one unified system. By consolidating these tools, the platform supports reliable, more consistent service and gives staff a more intuitive and adaptable environment in which to work. This improvement strengthens ESA's ability to deliver timely, accurate assistance to customers, LECs and other stakeholders.

> **"ESA's decision to implement a future-ready omnichannel platform demonstrates our commitment to excellence in service delivery, while enhancing both employee and customer experiences."**
>
> ***Stephanie Dunn,*** *General Manager, Customer Service Centre*

Project Timelines

January 2025
Project Start

June 2025
Vendor Selected

September 2025
Implementation

January 2026
Launch

EHRC Leader of the Year

ESA President and CEO Josie Erzetic was named the **2025 Leader of the Year by Electricity Human Resources Canada (EHRC)** — recognizing her leadership in modernizing ESA, strengthening organizational culture and positioning the organization to support a safe and evolving energy system.

The honour reflects the work of the **entire ESA team**, whose commitment to innovation, collaboration and safety continues to drive the organization forward.

Josie Erzetic with Michelle Branigan, CEO at EHRC. EHRC's Awards of Excellence Evaluation Panel praised Josie as a "clear visionary"

Guiding New Talent Toward Careers in the Electrical Sector

ESA's continued partnership with **IBEW's Pathways Program** is helping open doors for the next generation of electrical workers across the GTA. Offered by **IBEW Local 353**, which represents roughly **14,000 electrical workers in Central Ontario**, the Pathways Program provides hands-on training and career exploration opportunities for women, Indigenous participants and others facing barriers to sustainable employment.

Through engaging classroom sessions, ESA inspectors bring practical insight and real-world experience directly to learners. Their storytelling, honesty and technical knowledge offer a clear picture of what it takes to build a rewarding career in the electrical trades, particularly within a field that has long been male dominated.

This growing collaboration underscores ESA's commitment to supporting the development of a skilled, representative workforce that's prepared to meet the rapid growth and transformation underway in Ontario's electricity sector.

Participants of IBEW's Pathways Program during a training session in Toronto

Launching ESA's Culture Energizer Team

This past year, ESA introduced the **Culture Energizer Team**, bringing together employees from across the organization to champion the cultural attributes that guide how we work.

Culture Energizers help co-create how ESA's values are reflected in our everyday actions and behaviours. The team focuses on:

Spotlighting culture in action
Sharing real examples of ESA's cultural attributes in everyday work.

Embedding our values
Integrating ESA's attributes — safety, accountability, inclusivity, courage, integrity, adaptability and a people-focused mindset — into programs and processes.

Strengthening collaboration
Encouraging connections and knowledge-sharing across teams and regions.

Championing a positive workplace culture
Helping create an environment where employees feel empowered to contribute and succeed.

A Proactive Approach to Employee Safety

In 2025, ESA launched a **new three-year Health & Safety Strategic Plan** to strengthen how we protect and support our employees across the organization.

The plan takes a proactive approach to workplace safety, focusing on leadership, accountability, targeted risk prevention and continuous improvement of safety procedures.

KEY PRIORITIES INCLUDE:

People Leader Skills Enhancement and Accountability

Equipping our leaders with the tools and knowledge they need to champion safe practices.

Targeted Risk Mitigation Programs

Reducing common workplace risks such as slips, trips, falls, fleet incidents and ergonomic injuries.

Comprehensive Procedure Review and Enhancement

Ensuring safety policies and processes remain current, effective and aligned with evolving workplace standards.

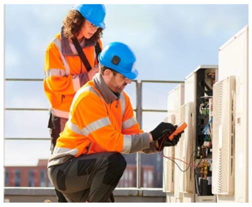
The strategy also introduces new performance indicators — including tracking near-miss reporting and lost-time injury rates — helping ESA identify potential risks early and strengthen a culture where safety is everyone's responsibility.

Strengthening Skills Through an Updated Pre-Masters Program

ESA's Training Solutions Pre-Masters Course continues to be one of its most popular training offerings, supporting experienced electricians as they prepare for the Master Electrician (ME) Exam and take the next step in their careers. In FY26, the five-day, 40-hour course underwent a major update to align with the latest Ontario Electrical Safety Code and other regulatory changes.

The revamped program combines technical and non-technical content more intentionally, helping learners manage cognitive load while building confidence across topics ranging from electrical safety regulations to business administration. New scenarios, exercises and knowledge checks create a more interactive experience, while added exam taking strategies and a practice test strengthen readiness for the exam.

To meet the diverse needs of today's learners, ESA offers the course both in person and online through a flexible self-paced platform — now its bestselling training format. The result is a modern learning experience that supports Ontario's electrical community in preparing for the ME Exam and the responsibilities that come with the ME licence.



FY26 PERFORMANCE

15 in-person courses delivered

310 total learners (in-person + online)

Since Program Launch (April 2005 – March 2025)

1,320 total courses delivered

12,309 learners supported

Training is a non-regulatory service offered by the Electrical Safety Authority (ESA). Electrical safety and technical courses may be offered by other providers. View more information about ESA's non-regulatory activities here.

PERFORMANCE STANDARDS AND MEASURES

Scorecard for FY2026

Category	Performance Measure	Target	Result for FY2025
Combined rate of electrical fatalities and critical injuries	Improve electrical safety by reducing the combined rate of critical injuries and electrical fatalities.	Renewed goal for a 5% decrease in the combined rate of electrical fatalities and critical injuries (based on the 5-year rolling average) by 2030.	**A 2.6% reduction was achieved in the combined rate of electrical fatalities and critical injuries, decreasing from 70.6 to 68.8 per million population between 2023 and 2024.** *Note: Results reflect the most recent data available. Due to third-party reporting timelines, 2025 data will be reported in FY2027.*
Compliance	Assess the effectiveness of the risk-based inspections model by targeting the percentage of high- and medium-risk notifications inspected/visited.	85% of high-risk notifications inspected/visited 50% of medium-risk notifications inspected/visited.	**91.32% of High-Risk notifications were inspected/visited.** **58.58% of Medium-Risk notifications were inspected/visited.**
Organizational Excellence	Improve organizational excellence and cost effectiveness.	Increase ESA's operational efficiencies by measuring a 3% improvement over 5 years (or a 0.6% improvement per year).	**ESA achieved a 1% improvement in Organizational Excellence, surpassing the annual target of 0.6%.**
Multi-Stakeholder Accountability Survey	ESA measures accountability bi-annually by asking six identified stakeholder groups questions about their experience with ESA.	Improve accountability by maintaining a stakeholder accountability score of 8.2 out of 10.	**ESA's Accountability Index score for the 2025 Multi-Stakeholder Survey was 8.3 out of 10.**
Wiring Customer Satisfaction Survey	ESA measures customer feedback on a monthly basis related to their experience around notifications taken out by LECs and homeowners.	Improve customer satisfaction by maintaining a customer satisfaction rate of 8.0 out of 10.	**ESA's Wiring Customer Satisfaction rating was 8.0 out of 10.**

Continue reading on the next page

Scorecard for FY2026

Category	Performance Measure	Target	Result for FY2025
Cybersecurity	ESA surpasses the public sector industry average using Cybersecurity BitSight measurement criteria.	ESA meets or exceeds a rating of 740, surpassing the public sector industry average of 720.	**ESA's Cybersecurity Bitsight rating was 780.**
Lost Time Injury Frequency Rate	ESA tracks the total number of injuries that resulted in an employee missing work due to an injury.	Keep the Lost Time Injury Frequency Rate (LTIFR) within a range of 3.0-4.0.	**The LTIFR was 1.65.**

ORGANIZATIONAL STRUCTURE

Officers as of March 31, 2026

JOSIE ERZETIC, BJ (HONS), LL.B, ICD.D

President and CEO, Electrical Safety Authority; Director, Nuclear Waste Management Organization

Previously: Director, Plug'n Drive Canada, Chief Regulatory Officer and General Counsel, ESA; Vice President, Corporate Business Development, Ontario Power Generation; Director, Wasaga Resource Services Inc.; Director, Nanticoke Solar; Director, Peter Sutherland, Sr. Generating Station

EMILY LAROSE, BA (H), JD

VP, Regulatory & General Counsel, Electrical Safety Authority; Member, Research Ethics Board, Hospital for Sick Children

Previously: Partner, Cassels Brock LLP; Board Member, Parkdale Project Read

MARY MEFFE, CPA, CA, AND C.DIR

Chief Financial Officer, Electrical Safety Authority; Director and Chair of the Audit and Finance Committee, Ontario Arts Council

Previously: VP, Corporate Services and Chief Financial Officer, Municipal Property Assessment Corporation; Chief Financial and Administrative Officer, Ontario College of Trades; Chief Financial Officer, Planet Energy; Chief Financial Officer, Just Energy Group

DAVID RINALDO, BASc (MECH. ENG.), LL.B.

Corporate Secretary and Assistant General Counsel, Electrical Safety Authority

Previously: Director, Legal Services, Hatch Ltd.; In-house Counsel, Corporate Commercial Large Projects Group, Ontario Power Generation Inc.; Associate, McMillan LLP

Executive Management Team

- Josie Erzetic
  President and Chief Executive Officer
- Kalyan Chakravarthy (KC)
  VP, eSAFE and Chief Information Officer
- Eric Kingston
  VP, Operations
- Emily Larose
  VP, Regulatory & General Counsel
- Mary Meffe
  Chief Financial Officer
- Tanya Mushynski
  VP, People & Culture
- Karen Ras
  VP, Communications, Strategy and Innovation

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

PRESIDENT & CEO

VICE PRESIDENT, OPERATIONS

- Customer Experience
  - Customer Service Centre
  - Business Development & Wiring
- Regional General Managers
- Business Development CSS & Training

CHIEF FINANCIAL OFFICER

- Finance, Appeals & Accounts Receivable
- Internal Audit & Enterprise Risk
- Financial Services, Payroll & Accounts Payable
- Strategic Initiatives & Special Projects
- Procurement
- Facilities

VICE PRESIDENT, REGULATORY & GENERAL COUNSEL

- Legal and Policy
- Corporate Secretariat
- Licensing
- Technical Advisory & Plan Review
- Engineer & Utility Regulations
- Product Safety
- Data Science & Public Safety

VICE PRESIDENT, PEOPLE & CULTURE

- Total Rewards
- Labour Relations
- Talent Management

VICE PRESIDENT, ESAFE & CHIEF INFORMATON OFFICER

- Information Technology
- eSAFE

VICE PRESIDENT, COMMUNICATIONS, STRATEGY & INNOVATION

- Communications
- Government & Stakeholder Relations

Board Governance

AUDIT & INVESTMENT COMMITTEE

The Audit & Investment Committee supports oversight responsibilities regarding audit, finance, investment, information technology and financial risk management. The Committee manages on behalf of ESA the relationship with external auditors and also reviews discussion and analysis of ESA's annual corporate and pension audited financial statements. This Committee also oversees ESA's internal financial structure, reporting and financial risk management systems. The Committee is responsible for oversight of assets, establishing and overseeing a prudent investment management approach, review of investment policies, Pension Plan liabilities and ensures compliance with the *Pension Benefits Act and the Income Tax Act*.

Chair: Ysni Semsedini (from Aug 2023)

Members: Arjan Arenja (May 2019), Frank D'Andrea (Sept 2022), Audrey Kroon Lowther (Dec 2023), Feaz Rahim (Jan 2026), Vivi White (Sept 2022) and Christopher Fluit (until Oct 2025)

REGULATORY, GOVERNANCE AND PEOPLE & CULTURE COMMITTEE

The Regulatory, Governance and People & Culture Committee provides oversight responsibilities and risk management regarding human resources, corporate governance, external relations, stakeholder relationships management, public safety and regulatory obligations. The Committee also oversees human resources strategy on behalf of ESA, and the Members review succession planning (corporate and Board), performance assessment, compensation philosophy & structure and pension strategy.

The Committee is also responsible for monitoring and making recommendations regarding corporate governance, board practices, succession planning and board evaluations. The Committee ensures that ESA is effectively meeting regulatory obligations, responsibilities and its public safety mandate. Its role is to ensure the adequacy and effectiveness of systems implemented to ensure compliance with established corporate governance, human resources legislation, administration of designated legislation and associated regulations, harm reduction objectives and monitoring development and use of policies, procedures and guidance documents.

Chair: Mary Anne Aldred (Aug 2024)

Members: Arjan Arenja (April 2019), Cara Clairman (Sept 2024), Christopher Fluit (Oct 2025), Carla Nell (Oct 2025), Jeanette Southwood (Jan 2024), Jeff Scott (until Jul 2025) and Dale MacDonald (until Sept 2025)

Meetings

April 1, 2025 to March 31, 2026

Audit and Investment Committee	5 Meetings
Regulatory, Governance and People & Culture Committee	4 Meetings
Board Meetings	4 Meetings

Board Members as of March 31, 2026

Twelve members make up the ESA Board of Directors, based on a set of established qualifications. Board members reflect the public; electricity distributors; electrical contractors; and engineering, manufacturing and other industries. Board members may serve up to three consecutive terms.

ARJAN ARENJA, P.ENG., MBA, ICD.D

Year 2 of Term 3

Chair, Electrical Safety Authority; President, Spectrum Business Development Inc.; Board Member, Engineers Canada; Member, Canadian Engineering Accreditation Board; Board Member, InnPower Corporation

Previously: Sr. Manager, Bruce Power; Sr. Manager, Royal Group Technologies Inc.; Manager, Trow Consulting Engineers; Director and Chair, Governance and Nomination Committee, Professional Engineers Ontario; Board Member, Palette Skills; Director and Co-Chair, Board of Telecare Direct

MARY ANNE ALDRED

Year 3 of Term 1

Strategic Advisor, Norton Rose Fulbright Canada LLP

Previously: Chief Operating Officer and General Counsel, Ontario Energy Board; Assistant General Counsel and Regulatory Affairs Advisor, Hydro One

CARA CLAIRMAN, ICD, LLB

Year 2 of Term 1

President and CEO, Plug'n Drive Canada

Previously: Vice President, Sustainable Development and Interim General Counsel, Ontario Power Generation

FRANK D'ANDREA, CPA, CA, AOP

Year 1 of Term 2

Co-Founder and CFO, Erra Solutions

Previously: Vice President and Executive Lead, Enterprise Strategy and Energy Transition, Hydro One; Member, Ontario Energy Association Regulatory Committee; Member, Ontario Energy Board's Energy Change Committee; Member, Energy Storage Canada's Grid Modernization Working Group; Member, C.D. Howe Institute's Energy Policy Council; Board Member, Plug'n Drive Canada; Member, Canadian Electricity Association's National Emerging Issues Committee; Member, Electricity Distributors Association's Regulatory Council and Electrification Council; Board Member, the Centre for Outsourcing Research and Education

CHRISTOPHER FLUIT

Year 2 of Term 1

Senior Vice President and General Manager, Eaton Canada; Board Member, Electro Federation of Canada

Previously: Vice President of Engineering Services, Eaton Canada; Vice President of Sales, Eaton Canada; Campaign Cabinet Member for United Way Hamilton and Halton

RICHARD JACKSON

Year 1 of Term 1

President and CEO, Cormorant Utilities; Co-Founder and Director, Luce Initiative; Private Equity, Electrical Industry Advisor - Various Firms

Previously: President & CEO, Spark Power; Director, Merit OpenShop Contractors Association; CEO, North America, Winoa Group; VP & General Manager, Shanahan's Limited Partnership

AUDREY KROON LOWTHER

Year 3 of Term 1

Chief Executive Sales Officer, BCES Global; Director, Ottawa Electrical Contractors Association; IAPA (Incident Accident Prevention Association) Certified

Previously: Owner and Vice President, KROON Electric Corp., RW Electric and La corporation d'électricité KROON inc.; Member, Ottawa Construction Safety Group Committee

CARLA Y. NELL

Year 1 of Term 1

Executive Vice-President, Corporate Relations, Engagement and Strategy, Independent Electricity System Operator (IESO); Member, Electricity Canada's Indigenous Relations Committee; Member, Canadian Chamber of Commerce's Energy Security Council; Member, CD Howe Institute's Energy Policy Council

Previously: President and CEO, Burlington Chamber of Commerce; Vice President, Municipal and Stakeholder Relations, Municipal Property Assessment Corporation

FEAZ RAHIM, CPA, CA, CFA

Year 1 of Term 1

Chief Financial Officer, Black & McDonald; Board Treasurer, CanEducate for Life

Previously: CFO, McCarthy Tetrault LLP; VP Finance, Capital Projects Group, Barrick Gold Corporation; Chair, Finance Committee, Casey House Hospital

YSNI SEMSEDINI, P.ENG, MBA, ICD.D

Year 1 of Term 3

CEO, London Hydro Inc.; RFA Chair, Ontario One Call; Director, Saturn Power

Previously: CEO, NT Power; CEO, Festival Hydro Inc.; President and CEO, Rhyzome Networks

JEANETTE M. SOUTHWOOD, FCAE, FEC, LL.D. (HONORIS CAUSA), P.ENG.

Year 3 of Term 1

Executive Vice President, Corporate Affairs & Strategic Partnerships, Engineers Canada; Board Member, TD Insurance Advisory Board on Climate Change; Board of Advisors, Department of Chemical Engineering & Applied Chemistry, University of Toronto; National Representative for Canada, Women in Engineering Committee, World Federation of Engineering Organizations (WFEO)

Previously: Global Sustainable Cities Leader; Canadian Urban Development & Infrastructure Sector Leader; Principal, Golder Associates (now WSP); Official Canadian Delegation, United Nations Commission on the Status of Women 2023

VIVI WHITE, BA (HONS)

Year 1 of Term 2

Chief Executive Officer, Street Graffiti Solutions

Previously: Regional Vice President, Royal Bank of Canada; Chair of the Board of Directors, Mississauga Board of Trade; Public Member, College of Nurses

MANAGING COMPLIANCE AND ENFORCEMENT

Product Safety, O. Reg. 438/07

The goal of Product Safety, O. Reg. 438/07 is to provide protection to the public from unsafe electrical products and equipment sold and used in Ontario. ESA provides oversight of this regulation, which establishes approval requirements for all electrical equipment and products, including consumer electrical products, advertised, displayed, used, sold or offered for sale in Ontario.

ESA is also accountable for safety oversight of commercial and industrial electrical products. ESA continues to support the national product safety system by investigating incidents in Ontario related to electrical products and through ongoing engagement with national committees such as the Canadian Advisory Council for Electrical Safety (CACES). ESA also publicizes electrical product safety notices, including recalls and flash notices.

ONTARIO ELECTRICAL SAFETY CODE	2025/2026	2024/2025
Total product safety incident reports received by ESA	665	553
Reports deemed high risk	1	2
Reports deemed medium risk	576	442
Reports deemed low risk	57	69
Non-related reports	31	40
Safety alerts issued	25	2
Investigations conducted	3	5
Recalled products notifications	5	1
Charges laid	1	0
Convictions	0	0
Appeals	0	0

Electrical Distribution Safety Regulation, O. Reg. 22/04

Electrical Distribution Safety Regulation, O. Reg. 22/04, requires objective-based electrical safety requirements for the design, construction and maintenance of electrical distribution systems owned by licensed distributors. The Regulation requires the approval of equipment, plans, specifications and inspection of construction before systems are put into service. It is intended to provide Local Distribution Companies (LDCs) with several options to obtain these approvals.

ESA conducts audits to ensure compliance to safety standards. In addition, ESA undertakes due diligence inspections to confirm compliance with the Regulation.

- 100% LDCs compliant with O. Reg 22/04
- 0% LDCs provided with areas to address to achieve compliance with O. Reg 22/04

ELECTRICAL DISTRIBUTION SAFETY REGULATION	2025/2026	2024/2025
Electrical distribution-related safety incidents reported	479	626
Electrical distribution-related fatalities	0	4
Due diligence inspections	330	353
Public safety concerns received	221	231

FINANCIAL SUMMARY

Introduction

ESA is a not-for-profit corporation established as an administrative authority of the Ontario Government. It executes compliance, operational, enforcement, research, education and training programs year-round. To fulfill its ongoing mandate, ESA balances near-term operational needs with long-term financial sustainability.

Revenue Structure

ESA receives no government funding; revenues stem from diversified sources:

- **Fees:** Permits for electrical work, licences for Licensed Electrical Contractors (LECs) and Master Electricians (MEs), and Local Distribution Company (LDC) safety oversight fees. ESA also earns from programs including electrical plan reviews and Continuous Safety Services (CSS) contracts. In addition, ESA is permitted to offer non-regulatory services within the conditions of its Administrative Agreement requiring reporting of non-regulatory revenues and expenses separately.

Expenditure Structure

- **People-Related Costs:** The majority of ESA's expenses consisting of salaries, wages, benefits and pensions — defined mostly by collective agreements with its two labour unions — supporting inspectors, technical advisors, call centre representatives and corporate services functions.
- **Non-Labour Expenses:** Major costs include IT operations, travel and fleet management, safety awareness programs, legal expenses and government oversight fees.

Financial Management & Strategic Transformation

ESA manages annual performance and seeks to achieve a break-even bottom line while maintaining reserves to ensure that it maintains adequate capital and financial liquid assets in the event of unforeseen adverse financial events or fund-specific initiatives, approved by the Board of Directors.

To improve operational effectiveness and simplify compliance, ESA has begun implementing a new Enterprise Resource Planning (ERP) platform. This transformative initiative includes a comprehensive roadmap and design phase to ensure the solution aligns with organizational needs and future growth. The new ERP will provide a single source of timely, reliable data, enabling faster and more informed decision-making. It will also streamline core business processes, reduce manual effort, improve efficiency and eliminate redundancies across the organization.

FINANCIAL SUMMARY

REVENUE BY SOURCE* (IN THOUSANDS OF DOLLARS)	FY2026	FY2025
Regulated services	$ 117,749	$ 113,105
Non-regulated services	25,305	23,240
Sub-total	143,054	136,345
Investments and other	11,819	13,237
TOTAL REVENUE	**$ 154,873**	**$ 149,582**

FULLY ALLOCATED EXPENSES* (IN THOUSANDS OF DOLLARS)	FY2026	FY2025
Regulated services	$ 130,700	$ 125,443
Non-regulated services	23,664	22,439
Sub-total	154,364	147,882
Investments and other	2,233	610
TOTAL EXPENSES	**$ 156,597**	**$ 148,492**

REVENUE BY LINE OF BUSINESS* (IN THOUSANDS OF DOLLARS)	FY2026	FY2025
Wiring	$ 80,037	$ 78,230
CSS Program	28,925	27,936
eSAFE	18,739	17,192
Utility Regulation	3,230	3,145
Contractor Licensing	6,413	5,739
Plan Reviews	2,949	2,355
Other Revenues	3,300	2,255
TOTAL OPERATING REVENUE	**$ 143,593**	**$ 136,851**

** Any differences due to rounding; prior year classifications (if any) restated for consistency*

FY2026 Performance

The year (April 1, 2025 to March 31, 2026) reflected a 5% year-over-year operating revenue growth, driven primarily by increases in commercial wiring activity, the CSS Program, and Training Revenue, along with solid growth in Electrical Safety Authority Field Evaluation (eSAFE). Wiring growth was led by commercial notifications, reflecting increasing activity due to electrification investments. The non-regulated, eSAFE revenues grew by 9% year-over-year.

Operating expenses grew 5% year-over-year. ESA made targeted investments throughout the year to strengthen organizational capabilities, advance strategic priorities and support long-term sector growth. These investments included key transformation initiatives and enhancements to organizational capacity aimed at improving operational effectiveness and service delivery. Corporate investments and other income contributed $11.8 million to financial results. ESA concluded the year with a net deficit of $1.7 million.

Balance Sheet highlights include:

- Continued strong investment position of $128M, including $23M repositioned to short-term investments to support upcoming ERP spending.
- Deferred pension asset increased $13M year-over-year primarily due to strong returns, partially offset by a $10M valuation allowance.
- OPEB obligations remain consistent year-over-year at $105M.

Pension

ESA's registered pension plan is a defined benefit plan. As part of its financial management and risk oversight framework, ESA regularly monitors the plan's funded status and investment performance. The Audit and Investment Committee reviews these matters regularly, providing oversight to support the long-term sustainability of the plan and ESA's ability to meet its pension obligations to members.

Compensation for Executive and Senior Management

ESA recognizes that its ability to deliver on its mandate is dependent on the skills, experience and commitment of its employees. Compensation is structured to attract and retain qualified talent while reinforcing accountability for results. Performance-based components are linked to clearly established short- and long-term organizational objectives, helping to align employee contributions with ESA's strategic priorities. ESA's approach to management compensation is based on the following principles:

1. Ensuring efficient use of resources and delivery of public value;
2. Supporting ESA's values and culture;
3. Pay-at-risk linking compensation to individual and corporate delivery on publicly stated corporate targets and goals over set periods of time;
4. Alignment with sound risk management; and
5. The Board of Directors undertaking regular reviews of compensation governance through the Regulatory, Governance, People and Culture Committee.

With the support of an independent compensation consultant, ESA assesses its compensation programs against a comparator group of organizations of similar scope, size and complexity. This benchmarking helps ensure compensation is competitive, supports the attraction and retention of talent and reflects ESA's governance and compensation objectives.

Total management compensation in FY26 was $8.2 million, compared to $7.5 million in FY25. The increase was driven by the addition of management resources, annual merit increases and at-risk compensation payments tied to the achievement of organizational and individual performance objectives.

Independent Auditor's Report

To the Directors of Electrical Safety Authority

Opinion

We have audited the financial statements of Electrical Safety Authority (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants,
Licensed Public Accountants

Oakville, Canada

June 4, 2026

Statement of Financial Position

March 31, 2026 with comparative information for 2025
(in thousands of dollars)

ASSETS	2026	2025
Current assets:		
Cash and cash equivalents	$ 4,341	$ 754
Accounts receivable	14,312	14,459
Short term investments (note 3)	23,051	–
Other assets	2,400	2,347
	44,104	17,560
Investments (note 3 and 7)	105,278	127,070
Property, plant and equipment (note 4)	8,724	10,888
Intangible assets (note 5)	8,047	6,720
Deferred pension asset (note 6)	58,062	54,505
Other non-current assets	54	55
	$ 224,269	**$ 216,798**

LIABILITIES AND NET ASSETS	2026	2025
Current liabilities:		
Accounts payable and accrued liabilities (note 13)	$ 24,855	$ 21,474
Deferred revenue	27,243	26,969
	52,098	48,443
Other post-employment benefits obligation (note 6)	104,746	104,456
	156,844	152,899
Net assets:		
Invested in capital assets and intangible assets	16,771	17,608
Unrestricted	50,654	46,291
Total net assets	67,425	63,899
Contingencies (note 10)		
Commitments (note 11)		
	$ 224,269	**$ 216,798**

See accompanying notes to financial statements.

On behalf of the Board: Direct

Arjan Arenja
Director

Ysni Semsedini
Director

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025
(in thousands of dollars)

	2026	2025
Revenues (note 8)	$ 143,593	$ 136,851
Expenses:		
Salaries and benefits	119,477	111,812
General and administrative	33,675	33,007
Amortization	2,870	3,298
	156,022	148,117
Deficiency of revenues over expenses before the undernoted	(12,429)	(11,266)
Change in fair value of investments	(2,535)	(1,262)
Other investment income	13,240	13,618
Net investment income (note 7)	10,705	12,356
(Deficiency) excess of revenue over expenses for the year	**$ (1,724)**	**$ 1,090**

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025
(in thousands of dollars)

	INVESTED IN CAPITAL ASSETS AND INTANGIBLE ASSETS	UNRESTRICTED	TOTAL 2026	TOTAL 2025
Net assets, beginning of year	$ 17,608	$ 46,291	$ 63,899	$ 47,186
(Deficiency) excess of revenues over expenses	–	(1,724)	(1,724)	1,090
Net change in capital assets	(837)	837	–	–
Re-measurements due to pension benefit and other post-employment benefits actuarial losses and plan amendments	–	5,250	5,250	15,623
Net assets, end of year	**$ 16,771**	**$ 50,654**	**$ 67,425**	**$ 63,899**

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025
(in thousands of dollars)

	2026	2025
CASH PROVIDED BY (USED IN):		
Operation activities:		
(Deficiency) excess of revenues over expenses	$ (1,724)	$ 1,090
Items not involving cash:		
Amortization	2,870	3,298
Change in other non-current assets	–	4
Other post-employment benefits obligation expense	8,516	7,831
Pension benefit plan expense	6,621	7,186
Change in fair value of investments	2,535	1,262
	18,818	20,671
Net change in non-cash working capital balances related to operations (note 9)	3,749	902
Other post-employment benefits obligation contributions	(2,885)	(2,890)
Pension benefit plan contributions	(10,268)	(9,720)
	(9,404)	(11,708)
Investing activities:		
Net purchase of investments	(3,794)	(6,436)
Purchase of property, plant and equipment and intangible assets	(2,033)	(5,621)
	(5,827)	(12,057)
Net increase (decrease) in cash and cash equivalents	3,587	(3,094)
Cash and cash equivalents, beginning of year	754	3,848
Cash and cash equivalents, end of year	$ 4,341	$ 754

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

1 Basis of presentation:

Electrical Safety Authority (the "Company") is a corporation without share capital incorporated under the Corporations Act (Ontario) and operates as an Administrative Authority under an Administrative Agreement with the Ministry of Public and Business Service Delivery. The Company is not taxable under Section 149 of the Income Tax Act (Canada).

2 Summary of significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook.

(a) Cash and cash equivalents:

Cash and cash equivalents include cash and short-term deposits with original term to maturities of 90 days or less.

(b) Investments and investment income:

Publicly traded securities are valued based on the latest bid prices. Short-term securities are valued based on cost plus accrued income, which approximates fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment income consists of interest and dividends and are recognized when earned or declared.

(c) Property, plant and equipment:

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is calculated on the straight-line basis in amounts sufficient to amortize the cost of the assets over their useful lives as follows:

Asset	Years
Buildings	25
Building improvements	5 to 10
Electronic equipment	3
Telephone and projection system equipment	5
Office furniture and equipment	10
Inspection equipment	10
Leasehold improvements	over term of lease

Capital work in process is not amortized until the project is complete and in service.

(d) Intangible assets:

Internally generated intangible assets in the development phase are recognized as an asset provided they meet the capitalization criteria, which include the Company's ability to demonstrate: technical feasibility of completing the intangible asset so that it will be available for use; the Company's intention to complete the asset for use; the Company's ability to use the asset; the adequacy of the Company's resources to complete the development; The Company's ability to measure reliably the expenditures during the development and the Company's ability to demonstrate that the asset will generate future economic benefits. During the year, the Company revised the estimated useful life of computer software and licenses from 5 years to 10 years. This change has been accounted for prospectively. The assets are amortized on a straight-line basis over their useful lives of 10 years unless the life is determined to be indefinite. Research activities are expensed as incurred.

Asset	Years
Computer software and licenses	10

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

(e) Asset retirement obligations:

On an annual basis, the Company reviews its assets and lease commitments to determine if there are any asset retirement costs to accrue. Management has determined that no such accruals are required.

(f) Impairment of long-lived assets:

An impairment charge is recognized for long-lived assets, including intangible assets with definite lives, when an event or change in circumstances causes the assets' carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the estimated fair value of the assets and its carrying value.

(g) Employee future benefits:

The costs of pensions and other post-employment and post-retirement benefits earned by employees are determined based on an actuarial valuation prepared for funding purposes in accordance with pension legislation and regulations.

The costs of termination benefits and compensated absences are recognized when the event that obligates the Company occurs; costs include projected future compensation payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

The Company accrues its obligations under pension and other post-employment benefits ("OPEB") plans and the related costs, net of plan assets.

(h) Revenue recognition:

Revenue recognition is based on the attributes of the service line. Revenue is recognized monthly on a pro-rata basis for long-term contracts, which generally span 12 months. Short-term contract revenue is recognized when the initial inspection service is completed. Licensing and registration fees are recognized evenly over the period covered by the fee. Revenue billed but not earned is carried forward as deferred revenue.

(i) Financial instruments:

Financial instruments are financial assets or liabilities of the Company which, in general, provide the Company the right to receive cash or another financial asset from another party or require the Company to pay another party cash or other financial assets.

The fair value of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these financial instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and significant matters of judgment. Changes in assumptions could significantly affect the estimates.

Cash and cash equivalents are measured at fair value at the year end date, accounts receivable and accounts payable and accrued liabilities are recorded at amortized cost.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

(j) Internally restricted reserves:

The Company maintains internally restricted reserves established by the Board of Directors to support future strategic initiatives and to provide financial flexibility in response to unforeseen adverse events. These reserves are intended to strengthen the Organization's long-term financial sustainability and resilience.

Amounts designated as reserves do not represent externally restricted funds and may be reallocated at the discretion of the Board. The level and use of reserves are reviewed periodically as part of the Organization's financial planning and risk management processes. Investment income generated from reserve assets is retained and used to support the Organization's ongoing operations, strategic priorities, and future financial obligations.

(k) Measurement uncertainty:

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the assets and obligations related to employee future benefits. Actual results may vary from the current estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the periods in which they become known in accordance with the accounting standards.

Notes to Financial Statements

Year ended March 31, 2026

(in thousands of dollars)

3 Investments:

Investments consist of the following:

		2026		2025
Short-term investments:				
Canadian Fixed Income Short Term Investments	$	20,736	$	–
Global Fixed Income Short Term Investments		2,315		–
		23,051		–
Long-term investments:				
Canadian Fixed Income Investments		30,628		48,901
Global Fixed Income Investments		10,451		13,292
Canadian Equities		5,223		11,422
Global Equities		48,676		44,461
Canadian Real Estate		5,563		5,519
Global Real Estate		4,737		3,475
		105,278		127,070
Total investments	**$**	**128,329**	**$**	**127,070**

The Company's investments are internally restricted by the Board of Directors to fund future expenditures, Board approved strategic and one-time initiatives. The short-term investments are internal restrictions and do not constitute externally imposed restrictions (note 7). The long-term bonds have a weighted average term to maturity of 103 months, a weighted average interest rate of 4.3% and a weighted average yield to maturity of 4.7%. The short-term bonds have a weighted average term to maturity of 45 months, a weighted average interest rate of 3.8% and a weighted average yield to maturity of 3.8%.

4 Property, plant and equipment:

		COST		ACCUMULATED DEPRECIATION		2026 NET BOOK VALUE		2025 NET BOOK VALUE
Land	$	2,314	$	–	$	2,314	$	2,314
Buildings		8,341		5,967		2,374		2,708
Building improvements		3,340		1,751		1,589		1,709
Electronic equipment		10,523		9,120		1,403		1,925
Telephone and projection system equipment		2,836		2,770		66		83
Office furniture and equipment		2,954		2,454		500		592
Inspection equipment		19		19		–		–
Leasehold improvements		1,819		1,793		26		–
Capital work in process		452		–		452		1,557
	$	**32,598**	**$**	**23,874**	**$**	**8,724**	**$**	**10,888**

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

5 Intangible assets:

	COST	ACCUMULATED DEPRECIATION	2026 NET BOOK VALUE	2025 NET BOOK VALUE
Computer software and licenses	$ 36,614	$ 28,567	$ 8,047	$ 6,720

6 Employee future benefit plans:

The Company's employee benefit plans include defined benefit plans that provide pension and OPEB such as medical, dental and life insurance benefits to most of its employees. The registered pension plan, contributions to which are governed by the Pension Benefits Act of Ontario, is a contributory defined benefit plan covering all regular employees of the Company. Defined benefit plan assets, obligations and related expenses are impacted by factors including interest rates, adjustments arising from plan amendments and changes in assumptions.

The accrued benefit obligations for the pension plan and supplemental employee retirement plan are measured as at March 31, 2026 based on projections from the January 1, 2025 actuarial funding report.

The obligations for OPEB and long-term disability are measured as at March 31, 2026 based on projections from data as at January 1, 2025 and March 31, 2026 respectively. The fair value of assets for all plans is determined using the March 31, 2026 asset values.

The actuarial present value of the accrued pension benefits for funding purposes is estimated as at March 31, 2026 based on a projection of the actuarial valuation prepared as of January 1, 2025. The effective date of the next required actuarial valuation report for funding purposes for the pension plans is January 1, 2028.

Information about the Company's defined pension benefit plans and OPEB plans for the year ended March 31, 2026 is as follows:

	2026 PENSION BENEFIT PLANS	2026 OPEB PLANS	2025 PENSION BENEFIT PLANS	2025 OPEB PLANS
Accrued benefit obligation, end of year	$ (508,157)	$ (103,833)	$ (481,682)	$ (103,784)
Fair value of plan assets, end of year	575,909	–	536,187	–
Funded status, plan surplus (deficit)	67,752	(103,833)	54,505	(103,784)
Less: Valuation allowance	(9,690)	–	–	–
Add: Workplace Safety Insurance Board of Ontario liability and other benefit liabilities	–	(913)	–	(672)
Total employee future benefit asset (obligation)	**$ 58,062**	**$ (104,746)**	**$ 54,505**	**$ (104,456)**

The amount of $58,062 (2025 - $54,505) reported on the statement of financial position as a deferred pension asset represents the excess of the plan assets over the actuarially determined present value of accrued pension benefits and consists of a balance of $66,997 (2025 - $63,371) in the pension plan, and a liability of $8,935 (2025 - $8,866) in the Supplementary Retirement Plan.

The plan's surplus exceeds the expected future benefits and accordingly a valuation allowance was recorded for the excess amount.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

6 Employee future benefit plans (continued):

The breakdown of the total benefit cost is as follows:

	2026 PENSION BENEFIT PLANS	2026 OPEB PLANS	2025 PENSION BENEFIT PLANS	2025 OPEB PLANS
Employer current service cost	$ (10,172)	$ (3,451)	$ (9,683)	$ (3,058)
Finance income (cost)	3,551	(5,065)	2,497	(4,773)
Total defined benefit cost	**$ (6,621)**	**$ (8,516)**	**$ (7,186)**	**$ (7,831)**

The significant actuarial assumptions adopted in measuring the Company's accrued pension benefits and OPEB obligations for the year ended March 31, 2026 are as follows:

	Pension benefit plans		OPEB plans	
	2026	2025	2026	2025
Discount rate	6.30%	6.30%	5.30%	4.80%
Rate of compensation increase (before merit)	2.80%	3.45%	2.80%	3.45%
Increase in Consumer Price Index	1.80%	3.00%	– %	– %

The significant actuarial assumptions adopted in measuring the Company's expenses for pension benefits and OPEB obligations for the year ended March 31, 2026 are as follows:

	Pension benefit plans		OPEB plans	
	2026	2025	2026	2025
Discount rate	6.30%	6.30%	5.30%	4.80%
Rate of compensation increase (before merit)	2.80%	3.45%	2.80%	3.45%
Increase in Consumer Price Index	1.80%	3.00%	– %	– %
Expected long-term rate of return on plan assets	6.30%	6.30%	– %	– %

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

6 Employee future benefit plans (continued):

The Company's rate of growth for health care costs in 2026 is estimated as follows:

- Drugs –7.00% per year in 2025 and 2026 grading down to 3.80% per year in 2041
- Other medical costs – 5.68% in 2025 grading down to 3.80% per year in 2041
- Dental – 3.80% per year

The pension plan assets consist of a diversified mix of public equities, corporate and government debt securities, and alternative investments, including private equity. Investment management services are provided through an outsourced chief investment officer model. Pension plan assets are valued using current market values.

The pension plan assets are invested as follows:

	2026
Cash	1%
Canadian fixed income investments and income oriented	37%
Canadian equities	9%
Global equities	35%
Alternative investments	18%
	100%

	2025
Cash	1%
Canadian fixed income investments and income oriented	39%
Canadian equities	7%
Global equities	35%
Alternative investments	18%
	100%

Other information about the Company's defined benefit pension plan is as follows:

	2026	2025
Employer's contributions	$ 9,975	$ 9,435
Employees' contributions	7,569	7,268
Net transfers	1,391	756
Benefits paid	19,908	19,173
Re-measurement gains / losses due to pension benefit actuarial gains and plan amendments	(8,734)	3,757

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

6 Employee future benefit plans (continued):

Provision for Adverse Deviations (PfAD) - effective for funding valuations filed in or after 2018, the Ontario Pension Benefits Act and Regulation 909 thereunder require a Provision for Adverse Deviations (PfAD) be applied to pension obligations. The Accounting Standards Board have indicated they expect plan sponsors to apply that PfAD to accounting obligations for all post retirement programs sponsored by entities that have elected to use the pension funding valuation for accounting purposes, with a pension plan registered in Ontario, starting at December 31, 2018.

The reconciliation of the Defined Benefit Obligation as at March 31, 2026 is presented below:

RECONCILIATION OF THE DEFINED BENEFIT OBLIGATION (DBO)	PENSION	OPEB
Defined benefit obligations - opening	$ 481,682	$ 103,784
Employer current service cost	10,173	3,451
Employee contributions	7,569	–
Transfers in	1,391	–
Benefits paid	(20,202)	(3,126)
Administrative expenses	(1,236)	–
Interest on defined benefit obligation	30,061	5,065
Past service cost	–	776
Actuarial (gains)/losses	(1,281)	(6,117)
Defined benefit obligations – closing	**$ 508,157**	**$ 103,833**

7 Internally restricted long-term investments:

Long-term investments are internally restricted to support future strategic initiatives and to provide a financial reserve to mitigate the impact of unforeseen adverse events, including future OPEB obligations. Investment income earned on these long-term investments contributes to the Organization's overall financial sustainability.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

8 Revenue:

Major categories of revenue recognized during the year are as follows:

		2026		2025
Wiring	$	80,038	$	78,230
Continuous safety services		29,081		27,936
Ancillary services		34,474		30,685
	$	**143,593**	**$**	**136,851**

9 Statement of cash flows:

The net change to non-cash working capital balances related to operations consists of the following:

		2026		2025
Accounts receivable	$	147	$	(764)
Other assets		(53)		133
Accounts payable and accrued liabilities		3,381		778
Deferred revenue		274		755
	$	**3,749**	**$**	**902**

10 Contingencies:

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against the Company, the outcome of which is indeterminable at this time. Management believes that adequate provisions have been recorded in the accounts where required and that there are no excess determinable liabilities that have not been recorded at March 31, 2026.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such claims would not have a material adverse effect on the financial position of the Company. Should any uninsured losses occur, they would be charged to operations in the year the amounts become determinable.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

11 Commitments:

(a) The Company is committed to premises and equipment leases with terms expiring at various dates during the next five years and thereafter. Future minimum annual payments under non-cancellable operating leases are as follows:

2027	$	3,518
2028		3,422
2029		3,417
2030		3,368
2031		3,308
Thereafter		3,247
	$	**20,280**

(b) As at March 31, 2026, a letter of credit in the amount of $920 has been issued to the Workplace Safety Insurance Board of Ontario to guarantee funding of future liabilities.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

12 Financial risks and concentration of credit risk:

The Company is exposed to a variety of financial risks including market risk, liquidity risks and credit risk. The Company's overall financial risk management program seeks to minimize potential adverse effect on The Company's financial performance arising from the unpredictability of financial markets. The Company is exposed to interest rate risk with regards to its short and long-term investments, which are regularly monitored.

(a) Credit risk and customer concentration:

Credit risk arises from cash and cash equivalents held with financial institutions, and credit exposures to customers on outstanding accounts receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Cash is held at a major financial institution that has a high credit rating assigned to it by international credit-rating agencies minimizing any potential exposure to credit risk. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Management also monitors payment performance and the utilization of credit limits of customers.

Concentration of credit risk arises when a group of customers has similar characteristics, such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. Management has assessed the risk of concentration of credit risk and has concluded that this is not a significant risk based on the make up of the accounts receivable balance. The allowance for doubtful accounts is $1,852 at March 31, 2026 (2025 - $2,123). The Company has policies in place to ensure that sales are made to customers with an appropriate credit history.

(b) Liquidity risk:

Liquidity risk results from the Company's potential inability to meet its obligations associated with the financial liabilities as they become due. The Company monitors its operations and cash flows to ensure that current and future obligations will be met. The Company has access to a $5,000 credit facility which is undrawn at March 31, 2026 and believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

(c) Market risk:

The Company is exposed to certain market risks as a result of global economic conditions with the imposition of U.S. tariffs and reciprocal Canadian tariffs. These conditions are dynamic and the ultimate magnitude of the impact on the economies to which The Company operates in and the financial effect on The Company are not known at this time. These conditions may lead to adverse changes in cash flows and/or working capital levels which may also have a direct or indirect impact on the operating results and financial position of the Company in the future.

The Company has determined that they are not significantly exposed to the impact of these conditions based on their supply chain requirements and revenues being concentrated within Ontario, Canada.

Notes to Financial Statements

Year ended March 31, 2026
(in thousands of dollars)

13 Government remittances outstanding:

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when amounts become due. In respect of government remittances $1,872 (2025 - $1,990) is included within accounts payable and accrued liabilities.

14 Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

ADVISORY COUNCILS

ESA regularly consults with our stakeholders and safety partners to gain their insights and advice to support us anticipating and understanding electrical-related harm. Their input enriches our plans as we work together to reduce serious and fatal injuries, damage and loss. One of the ways that the ESA engages our broader sector is through our five stakeholder Advisory Councils (ACs).

Through collaboration, our councils help us deliver a safer Ontario. Members of the ACs include Local Distribution Companies, Licensed Electrical Contractors, engineers, manufacturers, members of the public and voices from across the safety ecosystem.

The councils help advise ESA management on our regulatory responsibilities and assist in advancing our safety goals and objectives. Occasionally, ESA addresses specific projects or issues through ad-hoc committees or working groups.

Ensuring transparency is one of ESA's priorities in building and maintaining public trust and accountability. As part of this commitment, AC terms of reference, meeting minutes and information on council membership are available to the public at: **ESAsafe.com/stakeholder-advisory-councils/**.

CONTRACTOR ADVISORY COUNCIL

Ryan Delisle
Brendon Fenton
Joe Kurpe
Rick Leduc
Doug McGinley
Colin Mercier
Chris Ruber (Chair)
Deva Sarathchandran
Mathiew Scratch (Vice Chair)
Scott Yemen

CONSUMER ADVISORY COUNCIL

Sunaina Menezes (Chair)
Karim Nazarali (Vice-Chair)
James Boritz
Sue Forcier
Salim Al Khodari
Kelly McMath
Jennifer Reynolds

ELECTRICAL CONTRACTOR REGISTRATION AGENCY ADVISORY COUNCIL

James Boritz
Kelly Casey
Vince De Gasperis
Steve Del Guidice
Leo Grellette
Larry Shaver (Chair)
Cathy Taylor
Steve Green
Nick Mammoliti

ONTARIO PROVINCIAL CODE COMMITTEE

Mel Fruitman
Andrew Pottier
Peter Olders
Mark McEwen
Dave Sinclair
Adam Zubczyk
Chris Magnusson
Vladimir Gagachev
Rick Leduc
Rob Smith
Phil Lasek
Martin Lem
Desmond Lau
Sam Rawson
Eerik Randsalu
Diana Madill
Nansy Hanna (Chair)
George Chelvanayagam
Rudra Mukherji
Barbara Fan

UTILITY ADVISORY COUNCIL

Ajay Garg
Dave Burn
Arthur Berdichevsky
Bryon Hartung
Edward Donkersteeg
Eric Andres
Joseph Chiuco
Ken Gallen
Muayad Tarabain
Patrick Fee
Rohit Nehru
Salim Al Khodari
Scott Glazer
Shevan Mustafa
Sushma Narisetty (Chair)
Zhi Lin
Peter Petriw

CORPORATE POLICIES

ESA continually reviews and renews its internal corporate policies to comply with all legislative requirements. Some policies are publicly available.

Accessibility

ESA is committed to meeting the accessibility needs of people with disabilities and complying with the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) and its Regulation.

As part of ESA's commitment to AODA, ESA has developed a Multi-Year Accessibility Plan which outlines our strategy to prevent and remove barriers and meet AODA requirements. We also established various policies and processes to assist persons with disabilities, including the Integrated Accessibility Standards Policy.

In the past fiscal year, the following accessibility service requests and/or actions were implemented:

- One (1) request for accommodation was made in relation to job postings at ESA.
- Nineteen (19) accommodation requests (this includes time and reader accommodations) were granted in conjunction with the Master Electrician examination.

In accordance with AODA requirements, ESA updates its Multi-Year Accessibility Plan at least every five years. Our current Multi-Year Accessibility plan was last updated in December 2022.

Appeals

ESA is committed to providing individuals and organizations with the opportunity to request a review of an ESA order, a hearing of a licensing Notice of Proposal or an appeal before the Review Panel of an Administrative Penalty or decision of the Director of Reviews and Appeals.

ESA has established a fair and transparent reviews and appeals process to facilitate the right to request a review or an appeal. The reviews and appeals process, which can be reviewed at **ESAsafe.com/Appeals**, has specific Rules of Procedure that define the process steps for those seeking to request a Director's Review, Director's Hearing or a Review Panel Hearing.

In 2025-26, ESA received 11 Requests for Director's Review to dispute Orders associated with the Ontario Electrical Safety Code (Regulation 164/99), compared to 12 the previous year. ESA received 8 Requests for Director's Hearing to dispute Notices of Proposal associated with Contractor Licensing (Regulation 570/05), compared to 21 in the previous year. ESA did not receive any requests for Director's Review associated with Product Safety (Regulation 438/07) or Electrical Distribution Safety (Regulation 22/04).

ESA received 2 Notices of Appeal before the Review Panel to dispute a Director's decision, compared to zero in the previous year. ESA received 13 Notice of Appeals before the Review Panel to dispute an APO, compared to 15 in the previous year.

Code of Conduct

ESA's Code of Conduct provides a framework within which all day-to-day activity takes place, in alignment with ESA's mandate and values. The Code of Conduct also provides ESA's Board of Directors and stakeholders with a concrete statement of standards of conduct against which ESA actions can be measured. ESA's Code of Conduct can be found at: **ESAsafe.com/esa-employee-policies-and-procedures**.

Complaints

ESA responds to complaints received from customers, stakeholders and the public. Complaints are viewed as valuable opportunities to strengthen customer relationships. ESA provides information and encourages two-way communication at all levels to ensure it is continually improving service quality. Where possible, complaints are dealt with at the source. If a complainant is not satisfied at the initial stage, their complaint can be formalized and processed through two additional stages of resolution, ultimately resulting in a review and final response from the Chief Ethics Officer. Information on ESA's Complaints Policy can be found at **ESAsafe.com/complaints**. In 2025-26, ESA received 43 complaints and resolved all 43 pursuant to the Complaints Policy. ESA works to respond to all complaints in a timely, consistent and direct way.

Enterprise Risk Management (ERM)

ESA has a comprehensive ERM program to identify, assess, monitor and mitigate enterprise-wide risks which could impact the achievement of the organization's objectives.

ESA's ERM processes are structured on best practice frameworks, including the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000. Our risk appetite has been defined to align with our strategic plan with a focus on the ability to be a modern regulator, while keeping safety our top priority.

ERM assessments are completed quarterly, and the results are presented to the Board and its Committees. The responsibility to oversee the design and implementation of the ERM program has been delegated to the Audit & Investment Committee.

Risks that exceed ESA's established risk appetite are escalated to ensure additional monitoring controls and risk mitigation measures are implemented. During the financial year, all of ESA's enterprise-wide risks were within tolerance, after mitigation.

Management implements cost-effective controls and mitigation activities to manage all risks, as a result of which ESA's key objectives and goals were not adversely impacted. Continuous improvement mechanisms have been built into the ERM framework.

French Language Service

ESA responds to requests for French services as they arise throughout the year. In 2025-26, ESA's Customer Service Centre received 2,061 calls in French, compared to 2,139 the previous year.

Non-Regulatory Business

Per Schedule "I" of ESA's Administrative Agreement with the Ministry of Public and Business Service Delivery and Procurement, ESA may engage in non-regulatory business ventures. Non-regulatory business falls outside ESA's regulatory oversight role, but within ESA's mandate of electrical safety. ESA will only engage in non-regulatory business ventures that promote and enhance electrical safety and are consistent with the Objects in its Letters Patent, unless prior approval by government has been obtained in accordance with the Administrative Agreement. The Administrative Agreement (Schedule "I") defines specific requirements and non-regulatory policy principles, such as commitment to core responsibilities and regulatory integrity, fair business practice, fair competition and financial independence. The Non-Regulatory Business Policy (Schedule "I") and additional information regarding ESA's non-regulatory business activities can be found at: **ESAsafe.com/non-regulatory-business.**

Privacy

ESA is committed to maintaining the accuracy, security and privacy of personal information in accordance with the terms of its Access and Privacy Code. The Access and Privacy Code was reviewed and updated in 2022 as part of the Administrative Agreement with the Government of Ontario and applicable privacy laws. In 2024, ESA reviewed and updated its Customer Privacy Policy, which outlines how ESA collects personal information to support the delivery of services, understand individual needs, manage corporate operations, develop and enhance services and meet legal and regulatory requirements. Due to the importance of information exchange in maintaining public electrical safety, ESA discloses and disseminates records in accordance with the request for information process set out in its Access and Privacy Code.

The Access and Privacy Code provides a right of access to records in ESA's custody and control, subject to specific identified exemptions. In 2025-26, ESA received 4,128 Requests for Information and conducted 2,286 Record Searches. The Access and Privacy Code, along with the updated Customer Privacy Policy, can be found at: **ESAsafe.com.** Both are overseen by ESA's Chief Privacy Officer.

Procurement

ESA follows a Procurement Policy to ensure receipt of the best value for the goods and services required for its operations and that these goods and services are purchased through open, fair, transparent, accessible, clear and consistent procurement practices. This Policy and its associated policies and procedures are mandatory and apply in their entirety to all ESA employees and anyone with the authority to act on behalf of ESA. It is important that ESA employees involved in procurement activities act with integrity and professionalism in accordance with the requirements set out in ESA's Code of Conduct. Where conflicts of interest, both real and perceived, exist during the procurement process and the ensuing contract, ESA employees are to refer to the Procurement Policy and associated procedures, the business expense procedures, the Code of Conduct and other related policies for guidance. All ESA employees involved in a procurement evaluation are required to safeguard confidential information, and be aware of, and abide by, any restrictions related to confidential information shared through this process. The Procurement Policy, which is updated periodically, ensures ESA is guided by leading practices and the spirit of the most up-to-date Ontario Public Service Procurement Directive, issued by the Management Board of Cabinet. The Procurement Policy can be found on **ESAsafe.com**.

Whistleblower

ESA considers the standards prescribed in the Code of Conduct to be paramount to the integrity and credibility of the organization and its staff. The Whistleblower Policy establishes a comprehensive framework for the making and handling of internal reports of a whistle-blowing nature. Under the Whistleblower Policy, ESA employees, officers and Board members are responsible for reporting acts or omissions that are (or are suspected to be) illegal, unethical or contrary to ESA policies, including the Code of Conduct. Individuals reporting concerns in good faith will not suffer retaliation or reprisal. Any external reports of this nature about ESA continue to be handled pursuant to the Complaints Policy. The Chief Ethics Officer is responsible for ensuring that whistleblower reports are appropriately handled and investigated, as necessary, in accordance with the procedures and that the Audit & Investment Committee is provided with quarterly updates.

Workplace Harassment, Discrimination and Violence

The Harassment, Discrimination and Violence in the Workplace Policy is a key part of ESA's program to prevent and address inappropriate and unacceptable conduct in the workplace. The Harassment, Discrimination and Violence in the Workplace Policy, and related procedures, provide for:

- Zero tolerance of harassment, discrimination and violence in the workplace;
- Multiple avenues for the reporting of harassment, discrimination and violence;
- Mandatory investigation of all such reports;
- Organization-wide training; and
- Regular review to ensure compliance with legislation and objectives.

CONTACT US

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Electrical Safety Authority