



SAFELY

POWERING

TOMORROW



Electrical  
Safety  
Authority

Annual Report 2023/24

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## Indigenous Reconciliation

ESA serves the whole Province of Ontario and acknowledges that its operations occur on traditional Indigenous territories throughout Ontario. We recognize that Indigenous peoples have inhabited and cared for this land for thousands of years, and we commit to taking steps to listen and to learn, to better understand our role as neighbours and partners, today and into the future as we embark on our Truth and Reconciliation Action Plan.

## Vision

An Ontario where people can live, work, and play safe from electrical harm.

## Mission

To improve electrical safety for the well-being of the people of Ontario.

## 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

## Values



### SAFETY

We can and will make Ontario a safer place for all citizens.



### ACCOUNTABILITY

We hold ourselves to the highest standards of responsibility and ethical behaviour.



### LEADERSHIP

We will always strive to do better, challenge assumptions, and welcome new ideas.



### COLLABORATION

We work best when we work together.



### INTEGRITY AND TRUST

We will take the high road.

# By the NUMBERS

## COMMUNITY AND ENGAGEMENT

**\$50,000**

in donations in support of the  
Sunnybrook Ross Tilley Burn Centre

**932,208**

Inbound calls to the  
Customer Service Centre



**2,352,044**

Pageviews for **esasafer.com**



**5,325**

X  
followers

**14,964**

Facebook  
followers



**80+**

Annual Meeting  
attendees (in-person  
+ via Zoom)



**576**

attendees at  
Annual Licence  
Holder Meeting

## INSPECTIONS

**717,223**

Customer Interactions in  
the Customer Service Centre



**445,614**

Wiring Notifications  
created



**700,460**

Wiring Requests for  
Inspection received



of wiring notifications  
were received online



**31,111**

CSS locations



**418,337**

site visits



**28,127**

Remote Inspections

# By the NUMBERS

## LICENSING



New Electrical Contractor licences:

**757**



New Master Electrician licences:

**875**

Licence renewals:

**24,243**



Individuals who wrote ME Exam:

**1,330**



ME Exam pass rate:

**74.4%**



Discipline notifications handled:

**921**



Licences suspended:

**1,167** (180 compliance, 987 administrative)



Licences revoked:

**94** compliance



Complaints handled:

**2,215**



Notice of Violations issued:

**635**



Licensing investigations conducted:

**124**

## COMPLIANCE

Licensing enforcement:

**18** prosecution matters were launched, with **219** charges laid, and **62** convictions so far.



Administrative Penalties:

The ESA issued a total of **34** administrative penalties, with a collective issued value of **\$116,000**.

# Message from the Chair

**It has been my pleasure to serve as the Board Chair for the Electrical Safety Authority as we successfully complete another year enhancing, promoting and regulating electrical safety throughout Ontario.**

As we reflect on the completion of the fourth year of our five-year strategy, "Powering Tomorrow," I am pleased to report that we have achieved the milestones outlined in our Fiscal Year 2023 Business Plan.

ESA has been addressing administrative burden reduction for Ontario Licenced Electrical Contracting businesses while focusing on our digital strategy, enhanced customer service, and organizational excellence. These efforts, coupled with a renewed emphasis on collaboration with external safety partners and development of our internal culture, reinforces our commitment to fostering a robust safety culture both internally and externally.

I must also acknowledge and thank our CEO, Josie Erzetic, and the Executive Management Team for their outstanding leadership. Their efforts, alongside the remarkable dedication of all ESA employees, have been instrumental in realizing our strategic objectives. It is a privilege to collaborate with such a committed team whose varied perspectives and expertise contribute significantly to our vision of ensuring electrical safety for all Ontarians.

I am particularly enthusiastic about CEO Josie Erzetic's leadership ensuring that our organization is aligned to adapt to the evolving landscape of electrification in the Province, while prioritizing consumer safety and protection. The need to adapt and support the electrification transformation we are seeing in this Province has never been more urgent, and we remain dedicated to this cause.

I would also like to thank all of the Directors on the ESA Board. Their thoughtful guidance is welcomed by me, as Chair, as well as by our Executive Team.

While we eagerly anticipate the future, we remain mindful of the Auditor General's report from 2021, which prompted adjustments to certain aspects of our operations. I am pleased to report that ESA has completed almost 90% of the Auditor General's recommendations, with significant progress underway in the remaining areas. We continue to collaborate closely with our Ministry to address any outstanding concerns. We deeply value our relationship with the Ministry of Public and Business Service Delivery and Procurement and look forward to future collaborations with the Ministry.

As the first Licenced Electrical Contractor to serve in the Chair role, it has been an honour to help facilitate the ESA develop enabling strategies to become a leading safety regulator in a manner that is transparent, efficient and embraces good governance.

In closing, I want to extend my deepest appreciation to ESA's stakeholders, safety partners, and customers for their collaboration, support, and dedication to electrical safety and consumer protection. Together, we will continue to make strides toward a safer Ontario.



**Christopher Hopper,**  
Board Chair



# Message from the CEO

**As we reflect on the accomplishments and milestones of the past fiscal year, they are a clear reminder that our mission, to keep Ontarians safe from electrical harm, is just as relevant today as it was when ESA was created 25 years ago. Our commitment to electrical safety drives every action and decision we make.**

I want to express my heartfelt gratitude to each member of the ESA team, whose dedication and hard work have helped us fulfill our critical mandate. In addition, I would like to extend my sincere appreciation to the ESA Board of Directors and the Ministry of Public and Business Service Delivery and Procurement for their invaluable leadership and guidance. Our ongoing collaborations with the Ministry and other Delegated Administrative Authorities exemplify our commitment to continual improvement, modernization, and enhanced consumer protection.

Safety has always been the foundation of our activities. With better quality data and increased data analytics capabilities, ESA has increased our efforts to target areas of greatest risk and harm. The 22nd edition of the Ontario Electrical Safety Report, a unique publication globally, provided invaluable insights that informed our initiatives, such as our powerline safety campaigns, including for the school bus industry, and our targeted educational efforts for young electrical workers, who are at greater risk of injury. The OESR is an important resource utilized by other safety organizations and in FY24 ESA created an interactive report that can be more easily understood by the public.

Operational excellence remains a priority and we continue to leverage data and technology to enhance our efficiency and effectiveness. The launch of the ESA ON Mobile app and the continued enhancements of risk-based oversight tools are testaments to our commitment to innovation and our responsiveness to stakeholder needs.

Financial stability is crucial for our continued operations, and despite challenges such as inflationary pressures and increased operational costs, we continue to invest in digital strategies, hiring new staff to support our programs whilst maintaining a good service standard for Ontarians, and making operational enhancements.

Compliance, public accountability, and fostering a diverse and inclusive culture are cornerstones of our organization. Through initiatives like the Administrative Penalty Orders and the development of competency profiles for Master Electricians, we are modernizing our regulatory frameworks and professional standards while maintaining transparency and accountability to the public.

As we navigate the evolving landscape of the electricity sector and energy transition, including things like the shift to electric vehicles, energy storage systems and more distributed energy sources, our commitment to electrical safety has never been more relevant.

As ESA embarks on developing its next strategic plan, we will continue to focus on being the leading voice in electrical safety and consumer protection in Ontario.



**Josie Erzetic,**  
President and CEO



# Further reducing electrical-related harm



## STRATEGIC GOALS

To improve the state of electrical safety in Ontario by further reducing the combined rate of electrical fatalities and critical injuries over five years.



## TARGET:

Pursue a 10% reduction in the combined rate of electrical fatalities and critical injuries (based on a five-year rolling average).



## 2023/24 RESULTS

Continued effort on this aggressive yearly target to build a culture of safety in Ontario has led to an in-year decrease of 1% in the combined rate of electrical fatalities and critical injuries. ESA is committed to continuing the multi-faceted efforts to reduce injuries and fatalities.



## Harm Life Cycle initiatives and outcomes

The Harm Life Cycle (HLC) is a process to monitor, identify, and evaluate electrical harms relevant to ESA. This model was introduced in ESA's five-year strategic plan to manage and reduce harm.

The HLC committee was established in 2020. It is a cross-functional team with representation across the organization. Members meet regularly to provide updates on various safety programs and initiatives. As part of this discussion, members also bring potential and emerging harms to the committee's attention. They review sector-level surveillance established by ESA's data and other external data sources.

Through the HLC, harms are tracked and assessed. In FY2024 several near-miss incidents were reported to the ESA regarding first responders and powerline contact. The HLC committee reviewed this harm and distributed a survey to evaluate the knowledge of police, fire, and paramedics of powerline safety. ESA strengthened relationships and networks to promote powerline awareness and education. Targeted safety materials were then created for first responders and made available, free of charge, so they could have the essential information on what to do when encountering downed powerlines.

Including the example above, the HLC committee reviewed over 10 potential and emerging harms and made recommendations for action. These actions can include sharing or transferring the issue to another organization (safety partner) that may have greater influence and authority over the issue. The HLC committee may also recommend pausing or stopping mitigating activities when a harm is appropriately addressed, mitigation is being managed by a third party, or a program no longer serves its purpose.

In FY2024, established harms—such as powerline safety among workers—continued to be monitored through internal and external data sources. Sector-specific surveys provide insight into the awareness and knowledge of these issues. The Ontario Electrical Safety Report outlines many of the trends for the risk factors and outcomes of electrical harms.

Electrical harms and their associated programs or activities "are grouped into the following areas:



Workplace safety/  
occupational safety



Home and  
recreational safety/  
non-occupational safety



Distribution Systems



Product safety



Aging infrastructure



## ESA tackles underground economy with revamped compliance campaign

Unlicensed electrical work remains a concern across the province. ESA developed a new campaign approach to wake homeowners up to the potential risks and consequences of the underground economy.

ESA leaned into a key insight: most Ontarians presume electricians are licensed and don't ask for qualifications when hiring them. The campaign capitalized on this by creating humorous ads based on the following idea: unlicensed electricians can hide behind everything that makes an electrician look like an electrician: the tools, the uniform, the truck. But what if they could not? What if unlicensed electricians had company names that revealed the truth about how you should think about them (e.g., Second-Rate Electrical, Let's Wing It, Almost Capable, etc.)?

To ensure this approach efficiently reached the at-risk homeowner audience, ESA studied how homeowners go about hiring electricians and mapped findings against notification infraction data, renovation, population, and growth rates, all the way down to postal code-level accuracy. The result was a highly targeted and effective messaging distribution plan.

The campaign was brought to life through creative content across digital, social, search, traditional, and out-of-home advertising, as well as earned media channels. All tactics led back to ESA's dedicated campaign landing page, [HireLicensed.ca](https://www.hirelicensed.ca). The site educated homeowners on the benefits of hiring Licensed Electrical Contractors (LECs), red flags that might signal an unlicensed contractor, and a useful search tool to help find or verify LECs in their area. The page also included a video message from celebrity contractor and TV host, Mike Holmes, who spoke about the underground economy and the risks of working with unlicensed electricians.

The campaign strategy and approach led to a nearly two times impact on awareness. Those exposed to the campaign were nearly twice as likely to be familiar with LEC regulations, with 60% correctly identifying that only an LEC can be hired to do electrical work (vs. 35% among those not exposed to the campaign).



The campaign also drove a **41% increase** in year-over-year usage of ESA's 'Find an LEC' search tool (with half of the traffic originating from high-priority geographic areas), and more than 100,000 visits to the campaign page.

Between May and December 2023, **familiarity with electrical permits increased by five percentage points** from 46% to 51%.



The program delivered significant campaign messaging reach, with **more than one out of every five adult Ontarians** recalling seeing ESA ads.

The **program delivered 116M paid media impressions and 1.6M earned media impressions** in outlets such as the CBC.





# Creating a regulatory environment that enables electrical safety



## STRATEGIC GOAL

To efficiently achieve the mandate of helping Ontarians to remain free from electrical harms by being able to operate with organizational agility in our approach to managing harms.



## TARGET

Undertake an analysis of the state of compliance in the renovation sector; understand the challenge, set a long-term goal, and execute targeted strategies.



## 2023/24 RESULTS

Using a data-driven approach, ESA achieved this target by increasing the number of leads for working without a license / notification, including a focus on renovations and electric vehicle charger installations. Leveraging the new framework for Administrative Penalty Orders, the ESA issued 34 orders to address compliance matters. Relating to the Risk-Based Oversight model, ESA completed inspections on 58% of notifications created, including 80% of notifications deemed as high-risk, and 54% of notifications deemed as medium risk.

## ME Competency Profile Resource Library

The [ME Competency Profile](#), introduced in February 2023, is a comprehensive framework encompassing 65 competencies across nine domains. These competencies describe the knowledge, skills, and judgement required to carry the Master Electrician (ME) licence safely and ethically.

ESA's unwavering commitment to regulatory compliance and electrical safety inspired the creation of the [ME Competency Profile Resource Library](#). Launched in March 2024, it offers a range of voluntary, value-add resources to help MEs enhance proficiency across the nine domains:

<b>1</b> Health and Safety	<b>2</b> Ontario Electrical Safety Code	<b>3</b> Legal
<b>4</b> Financial	<b>5</b> Management and Administration	<b>6</b> Technical Knowledge and Skills
<b>7</b> Advocacy	<b>8</b> Professionalism and Ethics	<b>9</b> Continuing Education

The library's resources are fully online and intended for on-demand access, supporting MEs in their day-to-day duties, responsibilities, and ongoing development amid demanding schedules. MEs can explore a wide range of resources, from webpages to courses to podcasts, designed to cater to various learning preferences.

The goal is to make compliance for LECs and MEs more efficient and less burdensome. By providing accessible tools and knowledge, we facilitate adherence to the highest standards of consumer protection and customer service, further contributing to enhanced electrical safety in Ontario.

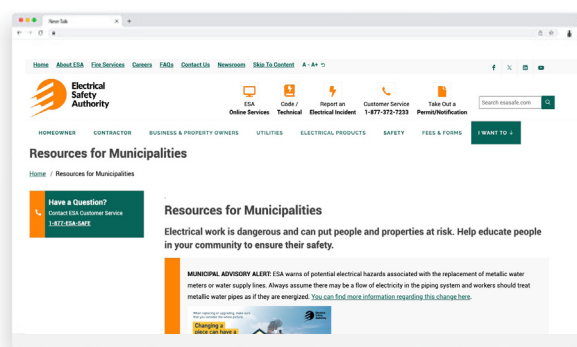
## Partnering with municipalities on data-driven compliance solutions

In 2020, the Auditor General of Ontario report recommended that ESA and the Government of Ontario work with municipalities to determine whether ESA inspections could be incorporated into the building permit assessment process. The goal: reducing illegal electrical installations.

ESA undertook extensive consultation with municipalities, ultimately resulting in the pursuit of a data-based solution. Over the past year, ESA has partnered with select municipalities to pilot a digital solution, with building permit data being sent to ESA on a regular basis. ESA's Data Analytics team has developed a database to facilitate the cross-referencing of large volumes of municipal building permit data with ESA notifications, which in turn is used to strategically support compliance efforts.

Additionally, ESA launched a dedicated webpage, developed in consultation with municipalities, where they can request copies of a digital stamp (for inclusion on materials such as construction plans) and an educational flyer. Both materials highlight the need to file a notification (permit) with ESA and the importance of hiring an LEC to conduct electrical work.

For more information, visit our [Municipal Resources](#) webpage.



## Administrative Penalty Orders

On April 1st, 2023, ESA was given the regulatory authority to issue Administrative Penalties. Since being granted this authority, ESA has used Administrative Penalties to address illegal work and unsafe electrical installations across the province.

Administrative Penalties are issued in instances of non-compliance with the Electricity Act, its Regulations, or the Ontario Electrical Safety Code.



Over the past year, ESA has primarily issued penalties against persons operating in the underground economy. Many of these penalties have been issued for contraventions relating to advertising electrical contracting services without a licence, conducting electrical work without a licence, and failing to correct hazardous electrical installations.

Since April 2023, ESA has issued 34 Administrative Penalties across 24 cases of non-compliance, resulting in \$116,000 in penalties. Per the Administrative Penalties Regulation 12/23, ESA will use any monies collected through this program to fund electrical safety, consumer awareness, and other such educational programs.

For more information on ESA's Administrative Penalty program, visit our [Administrative Penalty FAQ](#). More information is also available on our [Administrative Penalties and Convictions](#) webpage relating to the cases where ESA has issued a penalty and the [Review Panel Decisions](#) webpage for information relating to the appeals of penalties.

## Operating with excellence to maximize safety of Ontarians



### STRATEGIC GOAL:

To provide Ontarians with an effective electrical safety system.



### TARGET:

A 10 per cent increase in the Corporate Excellence Index over the five-year strategic plan.



### 2023/24 RESULTS

ESA achieved an incremental 1% increase in the Corporate Excellence Index over the previous year, in spite of lower-than-expected growth, and increases from labour and fleet costs. A continued and enhanced focus on ESA's mobile app and online services puts us on track to meet this five-year goal. This past year ESA saw nearly 38% of all notifications created online and we expect this to continue

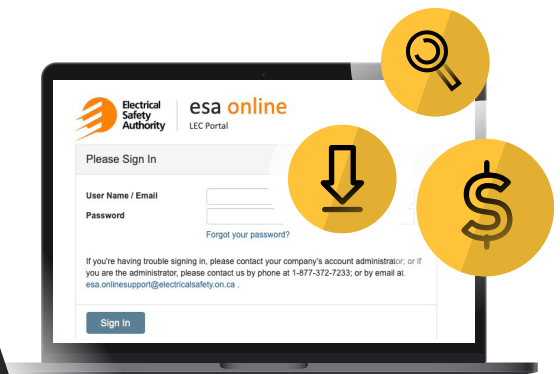
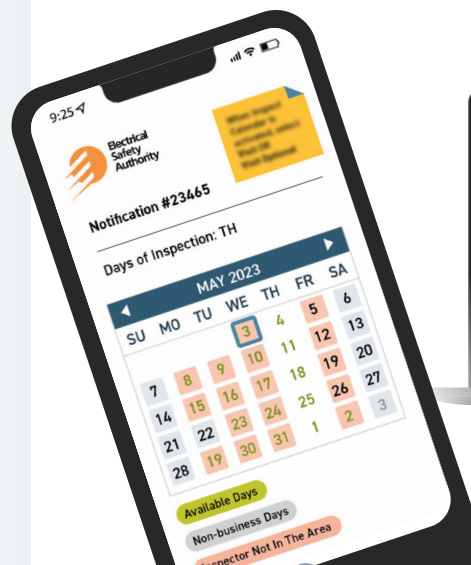
### The ESA ON Mobile app continues to evolve

In March 2023, ESA launched its new ESA ON Mobile app. The first phase of the app launch was made available to a select group of electricians, allowing them to upload photos and short videos of the electrical work they were performing at various stages of their job sites. Since its launch, over 6,300 LECs have been invited to join the app and ESA has conducted over 28,000 remote inspections. Feedback from LECs has been supportive of the app and ESA has worked with the contractor community to develop guidelines, troubleshoot issues, and ensure users understand the type of digital evidence that is required for submissions.

The ESA ON Mobile app has been expanded to include additional functionalities, allowing users to view the status of their notifications as well as schedule their own inspections. Users can now see detailed information about their notifications including a full description of the electrical work associated with the notification, the Local Distribution or Supply Authority name and phone number, and the ESA Inspector's name and phone number.

By centralizing and streamlining the submission process, registered users can schedule wiring notifications for inspection, check the status of notifications, and capture and submit photo/video evidence and related details to ESA to demonstrate the full scope of an electrical installation, all in one place.

The ESA ON Mobile app is available for free download in the Google and Apple App stores. Users need to be signed up for the ESA Online LEC Portal, and use the same credentials to log into the App.



## Being a publicly accountable regulator



### STRATEGIC GOAL

To be a publicly accountable regulator that provides Ontarians with a valuable electrical safety system.



### TARGET

Over the next five years, maintain or improve the stakeholder accountability index score of 8.2 as measured through ESA's multi-stakeholder survey.



### 2023/24 RESULTS

ESA achieved a score of 8.4 out of 10 on our most recent stakeholder satisfaction survey. ESA also continues to measure customer satisfaction on a monthly basis and has achieved an annual average satisfaction score of 8.5 out of 10.

### 2023 multi-stakeholder survey

Since 2015, ESA has worked with Innovative Research Group (IRG) to design and execute a multi-stakeholder survey. The 2023 survey measured accountability across six identified stakeholder groups:

- |   |                                |
|---|--------------------------------|
| 1 Licensed Electrical Contractors/<br>Master Electricians | 4 LDC executives               |
| 2 Homeowners  | 5 Safety industry stakeholders |
| 3 Local Distribution Companies (LDC) managers             | 6 Product safety stakeholders  |

These stakeholders were asked questions about their experience with ESA, including their perceptions regarding access to ESA, its practices, and the outcome of their interactions.

More than 80% of stakeholders have a favourable impression of ESA, across all stakeholder segments. Respondents provided ESA very high scores for performance in key accountability measures: ethics/trust, expertise, service, and the value of oversight. The share of licensed electricians and industry stakeholders who feel that the sector has the right number of safety regulations continues to grow since the last multi-stakeholder survey from 2021.

# 8.4/10

Satisfaction with  
**ESA AS A WHOLE**

The overall mean accountability score/index averaged across all stakeholder groups and dimensions was 8.4 out of 10 – in line with 2021 results, but an overall increase since the survey began in 2015. This score reflects steady progress and ongoing engagement with our stakeholder and customer base.

The full results from the 2023 multi-stakeholder survey can be accessed [here](#).

The next multi-stakeholder survey is scheduled for the fall of 2025.

### Truth and Reconciliation Action Plan

Being a publicly accountable regulator means being accountable and responsive to all Ontarians. As part of this commitment, ESA strives to meet the spirit of the calls to action laid out in the Truth and Reconciliation Commission's 2015 report. In particular, ESA focuses its efforts on Recommendation #92, which emphasizes the adoption of "the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous Peoples and their lands and resources."



In 2023, ESA embarked on the development of a Truth and Reconciliation Action Plan, with a vision to build a culture of electrical safety within Indigenous communities through collaborative partnerships. The goals of the Action Plan include:

- ✓ **Fostering relationships** with Indigenous communities to understand their electrical safety needs;
- ✓ **Establishing partnerships** to collaborate on electrical safety initiatives; and,
- ✓ **Empowering Indigenous community members** to be advocates in promoting electrical safety.

To support this work, ESA created an internal working group, with the goal of building awareness and cultural sensitivity through internal engagement across the organization.

ESA has continued to work with Indigenous partners and collaborate within the industry to reach communities across the province.

# Organizational Structure

## Officers as of March 31, 2024

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

President and CEO, Electrical Safety Authority,  
Director Plug'n Drive

**Previously:** 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

### SANDRA MONTAGUE, B.A., CPA, CGA, C.DIR.

Chief Financial Officer, Electrical Safety Authority

**Previously:** Chief Financial and Administration Officer, Resource Productivity and Recovery Authority. Chief Transformation Officer & Chief Financial & Administration Officer, Alzheimer Society of Ontario. Financial Controller/ Director of Finance, Kinetic Concepts, Inc. (KCI Medical Canada, Inc.)

### DAVID RINALDO, BA SC. (MECH. ENG.), LLB

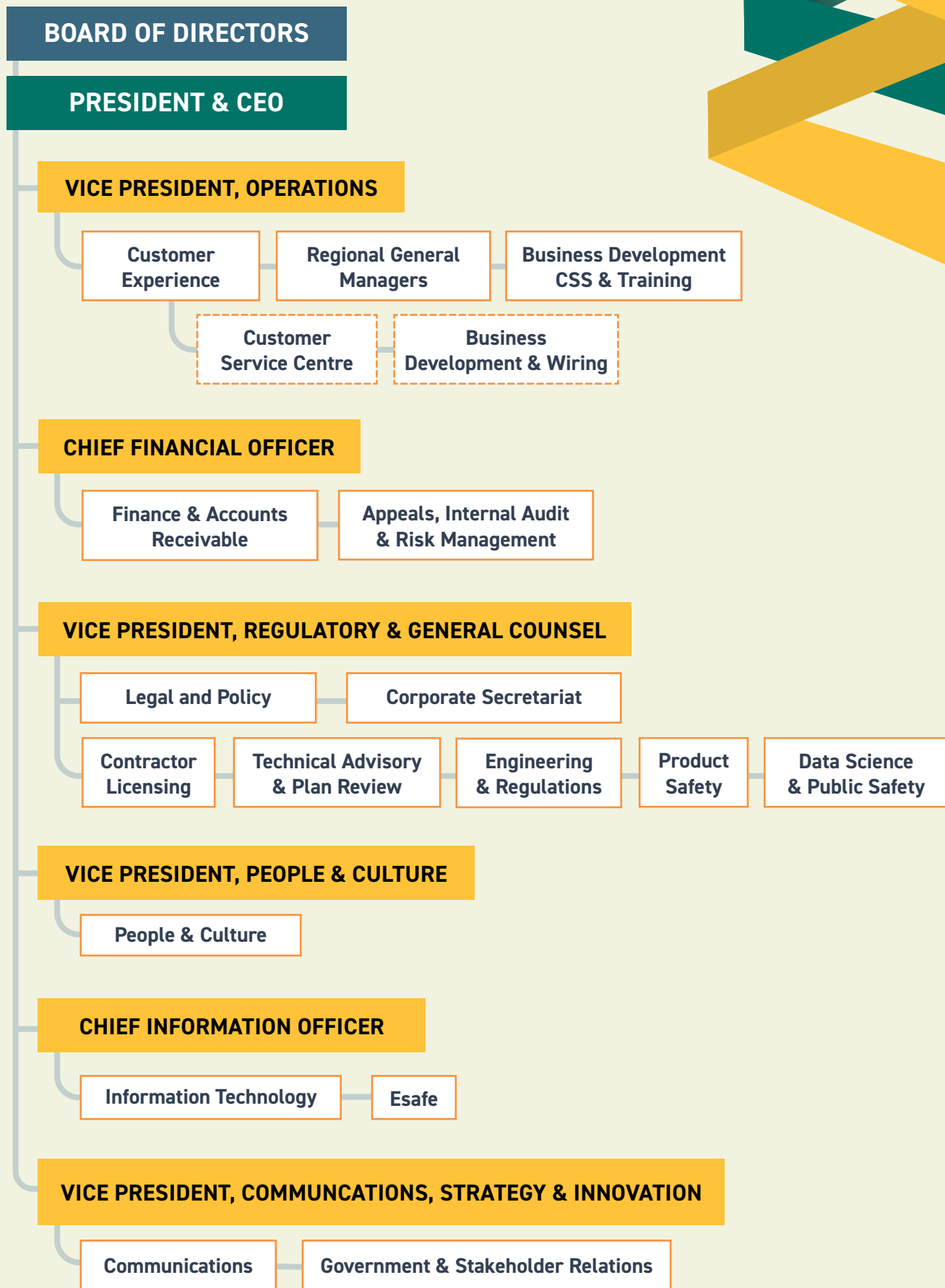
Corporate Secretary and Assistant General Counsel, Electrical Safety Authority

**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),  
Chief Information Officer
- Eric Kingston VP, Operations
- Emily Larose VP, Regulatory & General Counsel
- Sandra Montague, Chief Financial Officer
- Tanya Mushynski VP, People & Culture
- Karen Ras, VP,  
Communications, Strategy, and Innovation





## Board Governance

### AUDIT & INVESTMENT COMMITTEE

The Audit and 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 and cyber security. 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:** A. Arenja (from Aug 2023) C. Hopper (to Aug 2023)

**Members:** C. Hopper (from Aug 2023); D. Péloquin; Y. Semsedini; V. White ; F. D'Andrea ; I. Butany; A. Kroon-Lowther (from Sept 2023); A. Bergeron (to Dec. 2023)

### PEOPLE, CULTURE & GOVERNANCE COMMITTEE

People, Culture and Governance Committee provides oversight responsibilities and risk management regarding human resources, compensation, pension strategy and corporate governance.

This committee oversees the human resources strategy on behalf of ESA, and Members review succession planning (corporate and Board), performance assessment, development requirements and compensation philosophy and structure. The committee also is responsible for monitoring and making recommendations regarding corporate governance, board practices, succession planning and board evaluations. Its role is to ensure the adequacy and effectiveness of systems implemented to ensure compliance with established corporate governance, and human resources legislation, policies, and procedures.

**Chair:** Y. Semsedini (from Aug 2023); A. Arenja (to Aug 2023);

**Members:** C. Hopper (from Aug 2023); A. Arenja (from Aug 2023); D. MacDonald; I. Butany; R. Barnet (from March 2023); M. Aldred (from July 2023); J. Southwood (from Dec 2023); G. Oosterhof (to Sept 2023); A. Malo (to June 2023); A. Bergeron (to Aug 2023)

### REGULATORY AFFAIRS COMMITTEE

The Regulatory Affairs Committee supports oversight responsibilities and risk management regarding all four of ESA's regulations including a particular focus on public safety and external relations.

The committee ensures ESA is effectively meeting its regulatory obligations, responsibilities, and public safety mandate. This includes ensuring alignment with ESA's administration of designated legislation and associated regulations, harm reduction objectives, monitoring development and use of policies, procedures, and guidance documents, external relations, and stakeholder relationship management.

**Chair:** V. White (from Aug 2023); A. Malo (to June 2023)

**Members:** D. Péloquin; D. MacDonald; C. Hopper; F. D'Andrea ; R. Barnet; M. Aldred (from July 2023); A. Kroon-Lowther (from Sept 2023); J. Southwood (from Dec 2023); G. Oosterhof (to Sept 2023); A. Bergeron (to Dec 2023).

## Meetings

### April 2023 to March 2024

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

## Board Members as of March 31, 2024

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.

### CHRISTOPHER HOPPER, BA, MBA

*Year 3 of Term 3*

President and CEO, Complete Electrical Services Inc. and KLQ Mechanical Ltd.; Chair, Post 21 Foundation

**Previously:** President and CEO, Northern Home Services Ltd.; Governor, CI Investments Inc., Director, VentureLink Fund; Vice Chair, Holland Bloorview Kids Rehabilitation Hospital Foundation; Trustee Holland Bloorview Kids Rehabilitation Hospital

### MARY ANNE ALDRED

*Year 1 of Term 1*

Strategic Advisor, Norton Rose Fulbright Canada LLP

**Previously:** Chief Operating Officer and General Counsel; Ontario Energy Board; Counsel, Hydro One

### ARJAN ARENJA, P.ENG., MBA

*Year 3 of Term 2*

President, Spectrum Business Development Inc.; Director, Engineers Canada (EC), Chair of CEO Search Committee; Chair of HR Committee; Director, Palette Skills, member of Audit and Finance Committee

**Previously:** Senior Manager, Bruce Power; Sr. Manager, Royal Group Technologies Inc.; Manager, Trow Consulting Engineers (in 2011 renamed to EXP); Councillor, Professional Engineers Ontario (PEO); Chair of PEO's Governance and Nomination Committee

### RHONDA BARNET, B.SC., C.DIR.

*Year 3 of Term 1*

CEO Palette Skills, Director NGen Canada

**Previously:** President, AVIT Manufacturing; Chair/Director of Canadian Manufacturers & Exporters, Director Industry Strategy Council (Government of Canada), Founder CME Women in Manufacturing; Executive Chair AVIT Manufacturing; Chair Advanced Manufacturing Economic Strategy Table (Government of Canada).

### INDRANI BUTANY, BSC, MBA, ICD.D

*Year 2 of Term 1*

President and CEO Elexicon Energy Inc., Chair Electricity Distributors Association, Board Member, Electricity Canada; Board Member, Ontario Energy Association and Chair; Dean's Advisory Council Member, DeGroote School of Business at McMaster University

**Previously:** : Vice President, Regulatory Affairs and Privacy Officer, Alectra Inc., Vice President Regulatory Affairs and Privacy Officer, Horizon Utilities Corporation; Board Member, Hamilton Health Sciences; and Vice President, Board of Directors, Mainstage Theatre Company

### FRANK D'ANDREA, CPA, CA, AOP

*Year 2 of Term 1*

Vice-President and Executive Lead, Enterprise Strategy and Energy Transition, Hydro One; Member, Electricity Distributors Association (EDA) Electrification Council; Member, Ontario Energy Association (OEA) Regulatory Committee; Member, Ontario Energy Board (OEB); Member, Energy [X] Change Committee.

**Previously:** Director, Centre for Outsourcing Research and Education (CORE) Board of Directors; Member, Electricity Canada's National Emerging Issues Committee; Member, Electricity Distributors Association (EDA) Regulatory Council.

## AUDREY KROON-LOWTHER

*Year 1 of Term 1*

Owner, KROON Electric Corp., RW Electric and La corporation d' électricité KROON inc.; Director Electrical Contractors Association – Ottawa; IAPA (Incident Accident Prevention Association) Certified.

**Previously:** Member of the Ottawa Construction Safety Group Committee

## DALE MACDONALD, RSE, ME, LEC

*Year 2 of Term 3*

General Manager of Honey Electric Limited; Board member, Ontario Electrical League (former chair); former member of the College of Trades Construction and Maintenance electricians advisory committee; member of the advisory committee for St. Clair College Electrical Techniques program; member and personal advisory group participant of the Family Business Xchange; past president of the Kent Chapter of OEL.

## DANIEL PÉLOQUIN, B. ENG.

*Year 3 of Term 3*

CEO, Daniel Péloquin Consultant; Director, Vizimax.

**Previously:** President, Schneider Electric Canada; CEO, Global Coil Business Segment, Trench Canada / Siemens; Director, ElectroFederation Canada (EFC); Director, Spark Power.

## YSNI SEMSEDINI, P. ENG., MBA

*Year 2 of Term 2*

President & CEO, NT Power ; Director, Ontario One Call; Director, The MEARIE Group; Director, Electricity Distributors Association

**Previously:** CEO Festival Hydro Inc, President & CEO, Rhizome Networks

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

*Year 1 of Term 1*

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, and Principal, Golder Associates (now WSP); Official Canadian Delegation, United Nations Commission on the Status of Women 2023

## VIVI WHITE, HONS. BA

*Year 2 of Term 1*

Regional Vice President, RBC; York University, Markham Campus External Advisory Committee

**Previously:** Chair Mississauga Board of Trade; Director College of Nurses of Ontario; Executive Co-Chair Employee Giving Campaign, RBC; Brampton Outstanding Business Achievement Awards

# 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 in 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	2023/2024	2022/2023
Total product safety incident reports received by ESA	584	492
Reports deemed high risk	3	2
Reports deemed medium risk	527	320
Reports deemed low risk	35	151
Non-Related Reports	19	14
Safety alerts issued	1	5
Investigations conducted	4	3
Recalled products notifications	0	2
Charges laid	0	0
Convictions	0	11
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

2023/2024

2022/2023

Electrical distribution-related safety incidents reported

313

341

Electrical distribution-related fatalities

2

2

Due diligence inspections

303

326

Public safety concerns received

270

193



# Financial Summary

## Introduction

ESA is a not-for-profit corporation established as an administrative authority of the Government of Ontario. ESA executes a variety of compliance, operational, enforcement, research, education, training, and other programs throughout the year. At the same time,

ESA must ensure its long-term sustainability so it can continue to meet its mandate in years to come. This balancing of near-term and long-term needs is reflected in the approach to financial management.

ESA's revenues come from a variety of sources including fees assigned to regulatory processes such as permits for doing electrical work, licences for Licensed Electrical Contractor's (LECs) and Master Electrician (MEs), and safety oversight fees charged to Local Distribution Companies (LDCs). There is also revenue from programs including electrical plan review and Continuous Safety Services (CSS) contracts.

ESA is also permitted to operate non-regulatory services but only within the conditions of its Administrative Agreement with government and consistent with the objects of the corporation. There are limitations in the agreement as to how ESA can pursue non-regulatory activities and it must report non-regulatory revenues and expenses separately.

ESA receives no revenue from government.

ESA expenses are primarily people-related costs – salaries, wages, benefits, and pensions. The company employs inspectors, technical advisors, call centre representatives, along with finance, information technology, communications, human resource, administrative and other staff. The majority of ESA's salary and wage expenses are defined by collective agreements within the two labour unions.

ESA's major non-labour expenses include travel and fleet management costs, IT operations, safety awareness programs, legal expenses, and oversight fees paid to government, among others.

In managing its annual financial performance ESA seeks to achieve a break-even bottom line. ESA has established a target restricted reserve to ensure that it maintains adequate capital and financial liquid assets in the event of unforeseen adverse financial events, or to fund specific strategic initiatives as recommended by ESA management.

## FY2024 Performance

### Performance

The year (April 1, 2023 to March 31, 2024) reflected a 2.7 per cent year over year revenue growth, driven primarily by modest increases in wiring activity and significant growth in Electrical Safety Authority Field Evaluation (eSafe). Wiring growth was led by commercial/industrial notifications, reflecting increasing activity due to electrification investments. Although residential notification growth lagged, as the high interest rate environment hampered activity, fee increases countered this decline leading to mild growth. The non-regulated, eSAFE revenues grew by 19% year over year, due to strength in the hazardous locations certification line coupled with strength in the manufacturing sector. Operational expenses increased year over year at a higher rate than operating revenue, attributed to labour expenses from collectively bargained wage increases, temporary labour and increased pension/benefit costs. Additional contributors to higher expenses include public education efforts, software costs supporting the digital strategy and travel expenses. Corporate investment assets grew above expectations, benefiting from declining inflation which positively affected the asset markets.

For the year, the organization posted an operating deficit of \$9.4 million compared to an operating deficit of \$5.5 million the prior year, and a bottom line surplus of \$1.0 million after the contribution of investment income of \$10.4 million.

ESA experienced an increase in its net asset position by \$48.2 million to \$47.2 million as of March 31, 2024 primarily as a result of a positive pension re-measurement totaling \$47.2 million due to pension and OPEB.

### Revenues

Total operating revenues were \$126.9 million, an increase of 2.7 per cent from the prior year. This included: residential wiring revenue of \$48.6 million, an increase of 1.2 per cent; industrial/commercial/institutional wiring revenue of \$25.6 million up by 2.9 per cent; and CSS revenue of \$25.9 million, a decrease of 0.3 per cent.

Non-regulatory revenue was \$19.9 million, an increase of 15 per cent from the prior year. These services include field evaluation services, training programs, and safety oversight services provided to sectors not covered under provincial regulation such as airports, First Nations reserves and the mining sector.

### Expenses

Operational expenses were \$136.3 million including amortization, an increase of 5.6 per cent from the prior year.

Total labour-related costs – salaries, wages and benefits, pension and OPEB – were \$104.6 million or 76.7 per cent of total expenses, an increase of 4.6 per cent over the prior year. Included in this total is the OPEB interest expense for the year of \$4.5 million.

ESA worked to restrain increases in its other expense categories which include: purchased services of \$8.2 million; inspection travel and related costs of \$8.6 million; office administration of \$1.1 million; facilities costs of \$1.2 million; computer support of \$3.9 million; other costs of \$6.0 million, which includes the Ministry of Public and Business Service Delivery and Procurement oversight fee of \$685,000.

Capital spending was \$3.1 million and primarily focused on IT infrastructure and ESA's efforts to continue the execution of its planned digital strategy.

## Pension

ESA's registered pension plan is a defined benefit plan. As part of its financial framework for sustainability, ESA seeks to improve the funded status of the pension. Due to the excess of the plan assets over the actuarially determined present value of accrued pension benefits, the pension liability has now become a pension asset on a going concern basis as of March 31, 2024 of \$40.9 million. (see [page 34](#)).

With the aid of an independent compensation consultant, ESA benchmarks its compensation levels against a comparator group for public and private sector organizations of similar scope, size and complexity.

In FY24, the total is \$6.6M for 31 employees. Previous year, \$6.3M for 30 employees.

## Compensation for Executive and Senior Management

As an organization entrusted with enhancing public electrical safety, ESA requires people with significant experience and expertise in areas including safety strategy, electrical systems and engineering, among others. An appropriate compensation package is required to attract and retain this talent. At the same time, in order to ensure delivery of goals and objectives, compensation needs to be tied to defined short- and long-term deliverables.

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 People, Culture and Governance Committee.

# Financial Summary

## REVENUE BY SOURCE\*

(IN THOUSANDS OF DOLLARS)

	FY2024	FY2023
<b>Regulated services</b>	\$ 105,598	\$ 104,489
<b>Non-regulated services</b>	20,843	18,668
<b>Sub-total</b>	126,441	123,157
<b>Investments and other</b>	11,301	1,739
<b>TOTAL REVENUE</b>	<b>\$ 137,742</b>	<b>\$ 124,896</b>

## FULLY ALLOCATED EXPENSES\*

(IN THOUSANDS OF DOLLARS)

	FY2024	FY2023
<b>Regulated services</b>	\$ 114,769	\$ 110,338
<b>Non-regulated services</b>	19,865	17,243
<b>Sub-total</b>	134,634	127,581
<b>Investments and other</b>	2,149	1,678
<b>TOTAL EXPENSES</b>	<b>\$ 136,783</b>	<b>\$ 129,259</b>

## REVENUES BY LINE OF BUSINESS\*

(IN THOUSANDS OF DOLLARS)

	FY2024	FY2023
<b>Wiring – Residential</b>	\$ 48,554	\$ 47,992
<b>Wiring – Industrial/Commercial/Institutional</b>	25,622	24,895
<b>Continuous Safety Services (CSS)</b>	25,922	25,991
<b>Field Evaluation</b>	14,611	12,271
<b>Utility Regulation</b>	3,043	2,942
<b>Contractor Licensing</b>	5,293	5,189
<b>Plan Approvals</b>	1,814	1,847
<b>Other revenues**</b>	2,066	2,482
<b>TOTAL REVENUE BEFORE INVESTMENT INCOME</b>	<b>\$ 126,925</b>	<b>\$ 123,609</b>

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

\*\* Includes revenue from training services, Ontario Electrical Safety Code book sales, and real estate rental income

## 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, 2024
- 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, 2024, 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.



Chartered Professional Accountants,  
Licensed Public Accountants

Hamilton, Canada

June 5, 2024



## Statement of Financial Position

March 31, 2024 with comparative information for 2023  
(in thousands of dollars)

### ASSETS

	2024	2023
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,848	\$ 4,688
Accounts receivable	13,695	12,986
Other assets	2,480	2,058
	20,023	19,732
Investments (note 3 and 7)	121,896	116,603
Property, plant and equipment (note 2 and 4)	8,846	8,923
Intangible assets (note 5)	6,439	5,862
Deferred pension asset (note 6)	33,026	–
Other non-current assets	59	59
	<b>\$ 190,289</b>	<b>\$ 151,179</b>

### LIABILITIES AND NET ASSETS

	2024	2023
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities (note 13)	\$ 20,696	\$ 19,984
Deferred revenue	26,214	25,469
	46,910	45,453
Employee future benefit obligation (note 6)	96,193	89,251
Pension liability	–	17,460
	143,103	152,164
<b>Net assets:</b>		
Invested in capital assets and intangible assets	15,285	14,785
Unrestricted	31,901	(15,770)
Total net assets (note 14)	47,186	(985)
Contingencies and commitments (notes 10 and 11)		
	<b>\$ 190,289</b>	<b>\$ 151,179</b>

See accompanying notes to financial statements.

On behalf of the Board:



**Arjan Arenja**  
Director



**Christopher Hopper**  
Director

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023  
(in thousands of dollars)

	2024	2023
<b>Revenues (note 8)</b>	\$ 126,925	\$ 123,609
<b>Expenses:</b>		
Salaries and benefits	100,090	95,902
OPEB – interest expense (note 6)	4,520	4,087
Operating	29,093	26,909
Amortization	2,617	2,234
	136,320	129,132
<b>Excess (deficiency) of revenues over expenses before the undernoted</b>	(9,395)	(5,523)
Change in fair value of investments	5,969	(5,255)
Other investment income	4,385	6,415
Investment income (loss) (note 7)	10,354	1,160
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 959</b>	<b>\$ (4,363)</b>

See accompanying notes to financial statements.

## Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023  
(in thousands of dollars)

REVENUE	INVESTED IN CAPITAL ASSETS AND INTANGIBLE ASSETS	UNRESTRICTED	TOTAL 2024 (NOTE 14)	TOTAL 2023 (NOTE 14)
Net assets, beginning of year	\$ 14,785	\$ (15,770)	\$ (985)	\$ 55,106
Excess (deficiency) of revenues over expenses	–	959	959	(4,363)
Net change in capital assets	500	(500)	–	–
Re-measurements due to pension benefit and OPEB actuarial losses and plan amendments	–	47,212	47,212	(51,728)
<b>Net assets, end of year</b>	<b>\$ 15,285</b>	<b>\$ 31,901</b>	<b>\$ 47,186</b>	<b>\$ (985)</b>

See accompanying notes to financial statements.

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023  
(in thousands of dollars)

	2024	2023
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operation activities:</b>		
Excess (deficiency) of revenues over expenses	\$ 959	\$ (4,363)
Items not involving cash:		
Amortization	2,617	2,234
Change in other non-current assets	–	1
OPEB obligation expense	7,381	7,789
Pension benefit plan expense	8,279	8,840
Change in fair value of investments	(5,969)	5,255
	13,267	19,756
Net change in non-cash working capital balances related to operations (note 9)	326	1,808
OPEB obligation contributions	(3,013)	(2,344)
Pension benefit plan contributions	(8,979)	(10,635)
	(11,666)	(11,171)
<b>Investing activities:</b>		
Net purchase of investments	676	(3,971)
Purchase of property, plant and equipment and intangible assets	(3,117)	(3,999)
	(2,441)	(7,970)
<b>Net increase (decrease) in cash and cash equivalents</b>	(840)	615
<b>Cash and cash equivalents, beginning of year</b>	4,688	4,073
<b>Cash and cash equivalents, end of year</b>	\$ 3,848	\$ 4,688
<b>Cash and cash equivalents is comprised of the following:</b>		
Cash	\$ 3,848	\$ 4,688
	\$ 3,848	\$ 4,688

See accompanying notes to financial statements.

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 1 Basis of presentation:

Electrical Safety Authority (the "Company" or "ESA") 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. ESA 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 ESA's ability to demonstrate: technical feasibility of completing the intangible asset so that it will be available for use; ESA's intention to complete the asset for use; ESA's ability to use the asset; the adequacy of ESA's resources to complete the development; ESA's ability to measure reliably the expenditures during the development and ESA's ability to demonstrate that the asset will generate future economic benefits. The assets are amortized on a straight-line basis over their useful lives of 5 years unless the life is determined to be indefinite. Research activities are expensed as incurred.

Asset	Years
Computer software and licenses	5

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### **(e) Asset retirement obligations:**

On an annual basis, ESA 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.

During the fiscal year, management identified indications of impairment on a project, which was under development and classified as "capital work in process." An impairment test was performed on the asset to determine if its value in use exceeded its carrying value and it was determined that it did not. This was due to business requirements that would not be realized by the asset under development and the inability to modify the asset to satisfy the organization's requirements. Accordingly, the Board of Directors approved the write off of \$540 (the book value of the asset). This impairment has been applied to reduce the carrying amount of property, plant and equipment.

### **(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 ESA 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.

ESA 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 ESA which, in general, provide ESA the right to receive cash or another financial asset from another party or require ESA to pay another party cash or other financial assets.

The fair value of ESA'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, 2024

(in thousands of dollars)

### (j) 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.

### 3 Investments:

Investments consist of the following:

	2024		2023	
Canadian Fixed Income Investments	\$	51,125	\$	46,701
Global Fixed Income Investments		13,055		16,123
Canadian Equities		10,829		10,312
Global Equities		42,846		43,467
Canadian Real Estate		2,720		–
Global Real Estate		1,321		–
<b>Total investments</b>	<b>\$</b>	<b>121,896</b>	<b>\$</b>	<b>116,603</b>

Investments are internally restricted for future expenditures for post-employment benefits (note 7). The bonds have a weighted average term to maturity of 89 months, a weighted average interest rate of 3.9% and a weighted average yield to maturity of 5.1%.

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 4 Property, plant and equipment:

	COST	ACCUMULATED AMORTIZATION	2024 NET BOOK VALUE	2023 NET BOOK VALUE
Land	\$ 2,314	\$ –	\$ 2,314	\$ 2,314
Buildings	8,341	5,299	3,042	3,376
Building improvements	1,937	1,304	633	795
Electronic equipment	8,047	7,895	152	279
Telephone and projection system equipment	2,749	2,696	53	88
Office furniture and equipment	2,442	2,233	209	251
Inspection equipment	19	19	–	–
Leasehold improvements	1,791	1,791	–	–
Capital work in process	2,443	–	2,443	1,820
	<b>\$ 29,420</b>	<b>\$ 21,237</b>	<b>\$ 8,846</b>	<b>\$ 8,923</b>

### 5 Intangible assets:

	COST	ACCUMULATED AMORTIZATION	2023 NET BOOK VALUE	2022 NET BOOK VALUE
Computer software and licenses	\$ 31,474	\$ 25,035	\$ 6,439	\$ 5,862

### 6 Employee future benefit plans:

ESA'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 ESA. 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, 2024 based on projections from the January 1, 2023 actuarial funding report. The obligations for OPEB and long-term disability are measured as at March 31, 2024 based on projections from data as at January 1, 2023 and March 31, 2024 respectively. The fair value of assets for all plans is determined using the March 31, 2024 asset values.

The actuarial present value of the accrued pension benefits for funding purposes is estimated as at March 31, 2024 based on a projection of the actuarial valuation as of January 1, 2023. The effective date of the next required actuarial valuation report for funding purposes for the pension plans is January 1, 2026.

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 6 Employee future benefit plans (continued):

Information about ESA's defined pension benefit plans and OPEB plans for the year ended March 31, 2024 is as follows:

	2024 PENSION BENEFIT PLANS	2024 OPEB PLANS	2023 PENSION BENEFIT PLANS	2023 OPEB PLANS
Accrued benefit obligation, end of year	\$ (459,191)	\$ (95,437)	\$ (473,664)	\$ (88,053)
Fair value of plan assets, end of year	492,217	–	456,204	–
Funded status, plan surplus (deficit)	33,026	(95,437)	(17,460)	(88,053)
Add: Workplace Safety Insurance Board of Ontario liability and other benefit liabilities	–	(756)	–	(1,198)
Total employee future benefit asset (obligation)	<b>\$ 33,026</b>	<b>\$ (96,193)</b>	<b>\$ (17,460)</b>	<b>\$ (89,251)</b>

The amount of \$33,026 (2023 - \$17,460 pension liability) 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 \$40,858 (2023 - \$9,967 deficit) in the pension plan and a liability of \$7,832 (2023 - \$7,493) in the Supplementary Retirement Plan.

The breakdown of the total benefit cost is as follows:

	2024 PENSION BENEFIT PLANS	2024 OPEB PLANS	2023 PENSION BENEFIT PLANS	2023 OPEB PLANS
Employer current service cost	\$ (9,231)	\$ (2,861)	\$ (10,031)	\$ (3,702)
Finance income (cost)	952	(4,520)	1,191	(4,087)
<b>Total defined benefit (cost)</b>	<b>\$ (8,279)</b>	<b>\$ (7,381)</b>	<b>\$ (8,840)</b>	<b>\$ (7,789)</b>

The significant actuarial assumptions adopted in measuring ESA's accrued pension benefits and OPEB obligations for the year ended March 31, 2024 are as follows:

	Pension benefit plans		OPEB plans	
	2024	2023	2024	2023
Discount rate	6.30%	6.00%	5.00%	5.10%
Rate of compensation increase (before merit)	6.75%	2.50%	6.75%	2.50%
Increase in Consumer Price Index	2.60%	2.00%	–	–



## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 6 Employee future benefit plans (continued):

The significant actuarial assumptions adopted in measuring ESA's expenses for pension benefits and OPEB obligations for the year ended March 31, 2024 are as follows:

	Pension benefit plans		OPEB plans	
	2024	2023	2024	2023
Discount rate	6.30%	6.00%	5.00%	5.10%
Rate of compensation increase (before merit)	6.75%	2.50%	6.75%	2.50%
Increase in Consumer Price Index	2.60%	2.00%	–	–
Expected long-term rate of return on plan assets	6.30%	6.00%	–	–

ESA's rate of growth for health care costs in 2024 is estimated as follows:

- Drugs - 6.00% in 2022 grading down to 4.00% per year in 2041
- Other medical costs - 4.00% per year
- Dental - 4.00% per year

The pension plan assets principally include equities and corporate and government debt securities, which are selected by professional investment managers. Pension plan assets are valued using current market values.

The pension plan assets are invested as follows:

	2024
Cash	1%
Canadian fixed income investments and income oriented	30%
Canadian equities	7%
Global equities	34%
Alternative investments	28%
	<b>100%</b>

	2023
Cash	0%
Canadian fixed income investments and income oriented	27%
Canadian equities	7%
Global developed market equities	37%
Alternative investments	29%
	<b>100%</b>

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 6 Employee future benefit plans (continued):

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

	2024	2023
Employer's contributions	\$ 8,707	\$ 10,408
Employees' contributions	6,905	6,272
Net transfers	657	405
Benefits paid	16,735	18,457
Re-measurements due to pension benefit actuarial gains and plan amendments	41,002	(52,985)

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, 2024 is presented below:

RECONCILIATION OF THE DEFINED BENEFIT OBLIGATION (DBO)	PENSION	OPEB
Defined benefit obligations – opening	\$ 473,664	\$ 88,053
Employer current service cost	9,231	2,862
Employee contributions	6,905	–
Transfers in	657	–
Benefits paid	(17,007)	(2,571)
Administrative expenses	(907)	–
Interest on defined benefit obligation	27,662	4,520
Past service costs	–	842
Actuarial gains	(13,304)	1,731
Actuarial (gains)/losses – PfAD	(27,710)	–
<b>Defined benefit obligations – closing</b>	<b>\$ 459,191</b>	<b>\$ 95,437</b>

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 7 Internally restricted long-term investments:

Long-term investments in the amount of \$121,896 (2023 – \$116,603) are internally restricted for specific purposes relating to liquidity of future expenditures including for post-employment benefits. Furthermore, investment income earned through long-term investments is also used to offset OPEB interest expense. Investment income for the year totals \$10,354 (2023 – \$1,160) with an OPEB interest expense of \$4,520 (2023 – \$4,087).

### 8 Revenue:

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

	2024	2023
Wiring	\$ 74,176	\$ 72,887
Continuous safety services	25,922	25,991
Other	26,827	24,731
	<b>\$ 126,925</b>	<b>\$ 123,609</b>

### 9 Statement of cash flows:

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

	2024	2023
Accounts receivable	\$ (709)	\$ (94)
Other assets	(422)	(526)
Accounts payable and accrued liabilities	712	1,928
Deferred revenue	745	500
	<b>\$ 326</b>	<b>\$ 1,808</b>

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

### 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, 2024.

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.

### 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:

2025	\$	3,514
2026		3,479
2027		3,411
2028		3,319
2029		3,314
Thereafter		3,248
	\$	<b>20,285</b>

- (b) As at March 31, 2024, 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.

### 12 Financial risks and concentration of credit risk:

ESA is exposed to a variety of financial risks including market risk and credit risk. ESA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on ESA's financial performance. ESA 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. ESA 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.

## Notes to Financial Statements

Year ended March 31, 2024

(in thousands of dollars)

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 \$1,833 at March 31, 2024 (2023 – \$2,833). ESA 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 ESA's potential inability to meet its obligations associated with the financial liabilities as they become due. ESA 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, 2024 and believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

**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 \$1,814 (2023 – \$2,204) is included within accounts payable and accrued liabilities.

**14 Internally restricted reserve:**

ESA has an approved internally restricted reserve to ensure sufficient capital is available to maintain long-term sustainability in the event of unforeseen adverse financial events, or to fund specific strategic initiatives as recommended by ESA management. This policy, approved by the Board of Directors, sets a target restricted reserve level based on budgeted operating expenses

# Advisory Councils

ESA currently has five stakeholder advisory councils: four provide advice and counsel to ESA management and one, the Electrical Contractor Registration Agency Advisory Council, provides advice and counsel to ESA's Regulatory Affairs Committee. Advisory councils are guided by terms of reference and chaired by individuals voted to the role by their respective council members, except for the Ontario Provincial Code Committee that is chaired by ESA management. Specific projects and issues are addressed by working groups or ad hoc committees when appropriate, and consultations are used to gather broad stakeholder feedback on key safety initiatives. Ensuring accountability and transparency is one of ESA's priorities in maintaining public trust and accountability. As part of this commitment, advisory council terms of reference, meeting minutes and information on council membership are available to the public at <https://esasafe.com/stakeholder-advisory-councils/>. Advisory councils play a valuable role in helping to shape electrical safety initiatives. Their input and advice help inform ESA's strategy and advance its safety goals and objectives. ESA thanks all Advisory Council members for their time, effort, and dedication.

## CONTRACTOR ADVISORY COUNCIL

Dave Ackison, Chair	James McKellar
Shawn Blacklock	Chris Ruber
Joe Kurpe	Mat Scratch
Ryan Delisle	Jeff Scott
Doug McGinley	Scott Yemen

## CONSUMER ADVISORY COUNCIL

Sandy Manners, Chair	Gurvinder Chopra
Larry Allison	Sunaina Menezes
Lucy Becker	Jennifer Reynolds

## ELECTRICAL CONTRACTOR REGISTRATION AGENCY ADVISORY COUNCIL

Cameron Hann, Chair	Steve Del Guidice
Larry Shaver, Vice Chair	Leo Grellette
Larry Allison	Joe Kurpe
Kelly Casey	Cathy Taylor
Vince De Gasperis	

## ONTARIO PROVINCIAL CODE COMMITTEE

Nansy Hanna, ESA, Chair	Diana Madill
Brittany Ashby	Chris Magnusson
Malcolm Brown	Peter Olders
George Chelvanayagam	Tim Pope
Mel Fruitman	Andrew Pottier
Vladimir Gagachev	Eerik Randsalu
Phil Lasek	Dave Sinclair
Rick Leduc	Robert Smith
Martin Lem	Adam Zubczyk

## UTILITY ADVISORY COUNCIL

Peter Petriw, Chair	Scott Glaze
Sushma Narisetty, Vice-Chair	Ken Gallen
Eric Andres	Faisal Habibullah
Authur Berdichevsky	Bryon Hartung
Alex Braletic	Alain Leger
Greig Cameron	Yaqiong (Kim) Liu
Joseph Chiuco	Sandy Manners
Edward Donkersteeg	Shevan Mustafa
Patrick Fee	Rohit Nehru
Ajay Garg	Tony Pereira

# 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 was last updated in December 2022. This 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.

There were no requests received for accessibility services in FY24.

## 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/](https://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 2023/2024, ESA received 7 Requests for Director's Review to dispute Orders associated with the Ontario Electrical Safety Code (Regulations 164/99) compared to 11 the previous year. ESA received 17 Requests for Director's Hearing to dispute Notices of Proposal associated with

Contractor Licensing (Regulation 570/05), compared to 26 in the previous year. ESA did not receive any requests for Director's Review associated with the Product Safety (Regulation 438/07) or the Electrical Distribution Safety Regulation (Regulation 22/04). ESA received 1 Notice of Appeal before the Review Panel to dispute a Director's decision compared to 2 in the previous year. ESA received 10 Notice of Appeals before the Review Panel to dispute an Administrative Penalty Order.

## Code of Conduct

ESA's Code of Conduct (Code) provides a framework within which all day-to-day activity takes place, in alignment with ESA's mandate and values. The Code 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](https://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 <https://esasafe.com/complaints/>. In 2023/2024 ESA received 8 complaints and resolved all 8 pursuant to the Complaints Policy. The average time from receiving to resolving a complaint was 12 days.



### 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 vision and purpose with a focus on the ability to be a modern regulator while keeping safety our top priority.

ERM assessments are completed quarterly using a rigorous and meticulous approach and the results 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.

During the financial year, all of ESA's enterprise-wide risks were within tolerance. Risks assessed as "Moderate" were closely monitored.

Management implemented 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.

ESA's ERM system features real-time reporting through a risk intelligence system which clearly defines monitoring and reporting responsibilities throughout the entire organization. Risks that exceed ESA's established risk appetite are escalated to ensure additional monitoring controls and risk mitigation measures are implemented. 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 2023/2024, ESA's Customer Service Centre received 1931 calls in French, compared to 2934 the previous year.

### Non-Regulatory Business

Per Schedule "I" of ESA's Administrative Agreement with the Ministry of Public and Business Services Delivery, 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 our 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. Changes were made and approved in November 2023 to align with Schedule "I" of the Administrative Agreement and incorporate Non-Regulatory Business Conflict of Interest policy provisions. 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/](https://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 exemptions identified in the Code. In 2023/2024, ESA received 3,089 Requests for Information and conducted 2,302 Record Searches. The Access and Privacy Code and the updated Customer Privacy Policy can be found at [esasafe.com](https://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 includes changes in December 2023 to ensure its alignment with leading practices and the Ontario Broader Public Services Procurement Directive, can be found at [esasafe.com](https://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 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.



**esasafe.com**



## CONTACT US

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[@homeandsafety](https://twitter.com/homeandsafety)



[facebook.com/ElectricalSafetyAuthority](https://facebook.com/ElectricalSafetyAuthority)



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[youtube.com/ElectricalSafetyESA](https://youtube.com/ElectricalSafetyESA)