

TRANSFORMING SAFETY TOGETHER!

ANNUAL REPORT
2021/2022

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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.



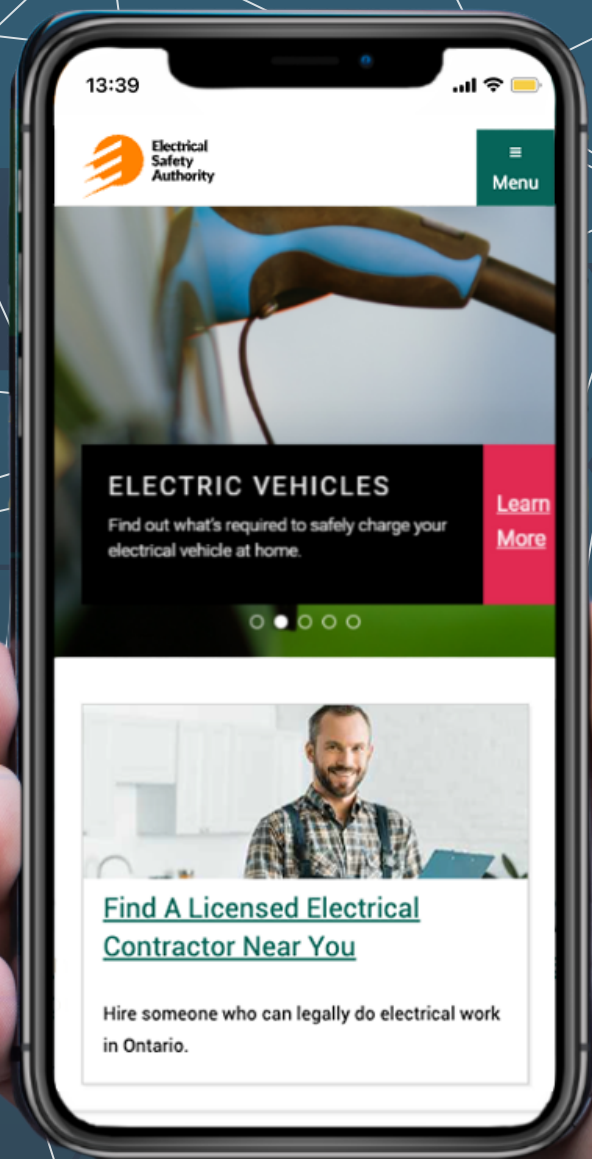
COLLABORATION

We work best when we work together.



INTEGRITY AND TRUST

We will take the high road.



BY THE NUMBERS

444,879
INSPECTIONS



11,719 VIRTUAL
INSPECTIONS



\$50,000

Sunnybrook Burn Unit Endowment Update – Corporate
Donation to Electrical Injury Endowment Fund and
Chair in Burn Research at Sunnybrook Foundation
– helping electricians and victims of electrical burns



537,209
INBOUND CALLS

456 PRODUCT
SAFETY CASES

LICENSES
ISSUED

886
LICENSED
ELECTRICAL
CONTRACTORS

754
MASTER
ELECTRICIANS

LICENSING
ENFORCEMENT

103
INVESTIGATIONS

70
CHARGES

48
CONVICTIONS



142,223
ONLINE NOTIFICATIONS

451 Licence Holder
Meeting Attendees



130 Annual Meeting
Attendees



132

Master Electrician
Exams held



1,010
INDIVIDUALS
who passed the Master
Electrician Exam



98% of LDCs compliant
with O.Reg.22/04

2% LDCs provided
with areas to address
to achieve compliance
with O.Reg.22/04

23%

INCREASE IN
ONLINE PERMITS
RECEIVED

14%

INCREASE IN
INSPECTIONS
CONDUCTED



6 PODCAST
EPISODES

An average of
4,500
DOWNLOADS
per episode

TOP 10%
Per all podcasts
globally according to
podcast hosting platform



13,773 Facebook
followers



2,238,134
Page views on esasafer.com



15,208
Master Electrician Licences



9,481
Licensed Electrical
Contractor Licences

MESSAGE FROM THE CHAIR

In my second year as ESA's Chair of the Board, I can say that the past year continued to challenge us as an organization and a society. Effective teamwork, agility and resiliency from everyone at ESA helped to keep Ontarians safe from electrical harm, whether at work or home.

I'm proud of the work we've accomplished together, working in close collaboration with the Ministry of Government and Consumers Services (MGCS) and our many stakeholder groups across the province. Continuing through the pandemic, ESA's executive management team and employees delivered uninterrupted service and maintained strict safety COVID-19 protocols to ensure safety of employees and customers.

In the past year, ESA continued to act upon the Auditor General's recommendations from the Value for Money Audit to pave the way forward in being a modern, results-based regulator that reduces burden for businesses. As of March 2022, ESA has addressed 75% of the recommendations and stay on target to complete remaining recommendations.

In addition to the progress made against the Auditor General's recommendations and our corporate strategy and business plan, ESA is well positioned for a post-pandemic business environment that promotes electrical safety today and anticipates what tomorrow will bring.

On behalf of the Board, I would like to extend the most sincere thanks to ESA's former President and Chief Executive Officer, David Collie, for his unwavering leadership and guidance over the past 13 years. I'm particularly thankful for one of the many and lasting legacies David made with ESA, the Inclusion, Diversity, Equity and Accessibility (IDEA) strategy. Through this framework, we ensure we embrace our diverse identities, talents and perspectives in a way that represents and serves the needs of all Ontarians.

The Board and I are also looking forward to working closely with ESA's newly appointed President and Chief Executive Officer, Josie Erzetic. On behalf of the entire Board, all our employees and partners, we congratulate Josie on her new position and know that she will guide ESA into new opportunities in order to continue to promote safety education, reduce regulatory burden and ensure electrical safety for all Ontarians.



Annette Bergeron,
Chair



JOINT LETTER FROM PAST CEO/CURRENT CEO

The last year continued to underline the importance of safety for our loved ones, colleagues, community and ourselves.

We are grateful for the continued resiliency and hard work that everyone at ESA, an Ontario government-designated essential service, has shown. We leveraged new ways to work alongside each other to maintain an unmatched level of electrical safety across the province.

We continued to address the Auditor General's recommendations to further ESA's goal of becoming a modern regulator. Our collaboration with the Ministry of Government and Consumer Services and other valued stakeholders and safety partners still plays an essential part in helping us get there.

Beyond our work on addressing the recommendations, ESA employees continued to be flexible when it came to delivery of services through all of our lines of business, utilizing virtual platforms where in-person was not possible. In particular, we congratulate our frontline workers who utilized new tools, such as remote inspection, but also continued to provide in-person inspection services throughout waves of the pandemic.

We continue to dig deeper into our five-year strategic plan, by reducing burden on businesses, exploring new digital opportunities and moving forward with our robust Inclusion, Diversity, Equity and Accessibility (IDEA) strategy.

In fiscal year 2022, an important milestone was reached as the 28th edition of the Ontario Electrical Safety Code was launched. This new edition is a reflection of where our industry is headed, ensuring that Ontarians stay safe with new technologies and against evolving environmental concerns.

This year was certainly one of transition and new opportunities. David Collie announced his retirement from ESA after 13 years with the organization. In April, David was appointed Chair of the new Electrification and Energy Transition Panel and is looking forward to working with ESA in his new leadership role in the industry.

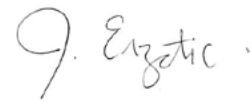
In March, ESA's Board of Directors appointed Josie Erzetic as the President and Chief Executive Officer of ESA.

We continue to be thankful for the outstanding leadership of ESA's Board Chair, Annette Bergeron and the guidance from the Board of Directors as we remain committed and focused on electrical safety for everyone in Ontario.

Sincerely,



David Collie,
President and CEO (past)



Josie Erzetic,
President and CEO



SAFETY



STRATEGIC GOAL

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



TARGET

ESA will work to see a reduction of 10 per cent in the combined rate of electrical fatalities and critical injuries (based on the five-year rolling average).



PROGRESS IN 2021/2022

ESA focused its efforts on people and those places most at-risk, as identified using an evidence-based approach through insights from the Ontario Electrical Safety Report (OESR), incidents tracking and incident surveillance. The average rate of critical injuries and fatalities per million population in 2021/2022 was 72.2, representing a 3.7% decline in the five-year average rate compared to the baseline measure of 75 in 2019/2020.

ESA's Two-Part Powerline Safety Digital Campaign

ESA launched the first part of its annual Powerline Safety Campaign during the week of May 17-23, 2021. The annual campaign reached trades workers and consumers and encouraged them to Stop, Look and Live when around powerlines. The campaign also leveraged ESA's partnerships with Local Distribution Companies (LDC) to extend the message reach to Ontarians throughout the province. ESA shared communications toolkit including key messages, bill inserts and social media content.

Building off the success of a digital-first approach in 2020, ESA once again conducted a digital paid campaign on social media channels including Facebook, YouTube and Spotify. Online videos about safety regarding overhead and downed powerlines were used to help inform both trades and general public audiences.

Recognizing a need for additional powerline safety awareness in the fall, a time when tree trimming and yard work activities are high for arborists and homeowners, ESA executed a small communications campaign targeting these audiences. Tactics included a news release, paid media and additional social media outreach with LDCs.

Tallying both campaign results together, there were over 46 million impressions, 3 million video views and 44,000 clicks to ESA's webpage on powerline safety.

Lichtenberg Generators Safety Messaging



The Electrical Safety Authority (ESA) launched a social media campaign to warn Ontarians against the use of high voltage energy sources, such as microwave oven transformers or similar components, to manufacture fractal wood-burning devices called Lichtenberg Generators.

In the last five years, ESA was notified of five fatalities and one critical injury due to Lichtenberg Generator use – two of these fatalities occurred just last year in spring 2021. We know these deaths and injuries are entirely preventable.

The generators are extremely dangerous and used to create abstract art by burning fractal patterns into various materials such as wood and acrylic. Both homemade and pre-built Lichtenberg generators have the potential to seriously injure and/or kill because they contain live accessible wiring components that are unsafe for any use or handling. These devices may also have counterfeit electrical safety approval labels that falsely indicate they are safe and approved for use.

Searches for Lichtenberg generators or fractal burning device on YouTube result in numerous videos guiding viewers on how to build and use these extremely dangerous devices. In September 2021, ESA began reporting these videos to YouTube as a violation of their Community Guidelines (Harmful or Dangerous Content Policy). We are pleased to say 70 videos were removed by YouTube by March 31, 2022.

ESA will continue reporting these videos as part of YouTube's Trusted Flagger Program, which means reports or "flags" from Trusted Flaggers like ESA will be prioritized for review by YouTube.

In addition to flagging videos for removal, ESA launched a 20-second safety video in October 2021. The video, shared on Facebook and Twitter, as well as paid ads on YouTube and Google, received over 9.7M impressions and over 736K views. The ads targeted Ontario males 18-40 with interests in DIY, home improvement and art-related hobbies. These efforts also led to over 30K views of ESA's "Dangers of Lichtenberg Generators" Safety Alert page on esasafe.com.

Health Canada also issued a public advisory in January 2022. It stated that they strongly advised Canadians not to attempt to use or assemble a Lichtenberg generator for any purpose because they can result in fatal injuries to users and bystanders. Health Canada noted ESA as the contact for more information.

It is our goal that together with Health Canada we can significantly decrease, if not eliminate, the availability of these dangerous devices in the province, resulting in a safer Ontario for all.

ESA Launches It's First-Ever Podcast, Grounded In Ontario

Amidst the COVID-19 pandemic, ESA identified a new and convenient way to reach one of its key audiences, Licensed Electrical Contractors (LECs), Master and certified electricians, with the launch of the Grounded in Ontario podcast. Listeners can access the episodes conveniently on ESA's website or on their phones via any listening platform.

Since its inception, LECs and other industry professionals have found that Grounded in Ontario delivers useful information, examples and anecdotes to help them do their job better. In fact, some have noted that they return to episodes on specific subject matter as it applies to a project they're working on. In addition to the insightful conversation, each episode includes helpful links to ESA bulletins, the Ontario Electrical Safety Code (OESC), data and additional information to easily reference.

Ground in Ontario covers a range of technical topics and safety tips relevant to those working in the electrical industry. Topics that have been discussed with members of ESA's regulatory team include: pools and hot tubs, EV supply equipment, arc fault and ground fault circuit interrupters, the underground economy, energy storage systems and the 28th edition of the OESC.

For determining new episode questions and topics, ESA continually engages with listeners and stakeholders to ensure they're getting the right information and insights they need.

To date, the Grounded in Ontario podcast has reached over 27,000 episode downloads and has already reached the top 10% of podcasts globally.



COMPLIANCE



STRATEGIC GOAL

To efficiently achieve its mandate of helping Ontarians to remain free from electrical harms by being able to operate with organizational agility in its 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 identify and execute targeted strategies.



PROGRESS IN 2021/2022

This fiscal year ESA targeted the underground economy, product safety and utility oversight programs addressing three particular recommendations in the Auditor General's 2020 Value for Money Audit. ESA met or exceeded all of these targets.

WSIB Pilot Update

Last year ESA contacted businesses that were registered with WSIB with the designation "Electrical contractor and other wiring installation contractor", but did not hold an Electrical Contractor Licence with ESA. The goal was to identify and educate businesses about the licensing requirements for electrical contractors.

This year RCP expanded the pilot and followed up on those that either did not respond to last year's pilot, admitted to being a subcontractor or had requested an LEC application and did not become licenced. Through letters and phone calls, 156 (80%) contractors have now come into compliance by either becoming an LEC, going on the payroll of an LEC, or removing themselves from the "Electrical contractor and other wiring installation contractor" category. The remainder of the businesses have been documented and are being monitored.

In addition, those that were newly registered with WSIB in the "Electrical contractor and other wiring installation contractor" category were cross-referenced with the listing of all LECs. One business was not licensed and was contacted to ensure compliance with the licensing requirements.

Kijiji Pilot Update

The Kijiji project is aimed at reducing unlicensed electrical contracting activity on Kijiji by proactively searching for ads posted by unlicensed electrical contractors and issuing a Notice of Violation advising the ad holder that they are in contravention of the Electricity Act.

FIRST NOTICE OF VIOLATIONS RESULTED IN 69% DECREASE IN POSTING ADS BY UNLICENSED CONTRACTORS

After issuing two Notice of Violations, Kijiji would remove the ad(s) upon ESA's request, and upon removing the ad, Kijiji would provide an educational message to the ad holder on the licensing and notification requirements. In instances where the ad holder continued to post, or when there were other aggregating factors such as misusing an LEC licence number, it leads to Investigation.

In addition to educating and directing those that post ads offering to perform electrical work without a licence, Kijiji continues to post banner ads promoting the requirements to hire a Licensed Electrical Contractor and obtain a Certificate of Acceptance from ESA.

1015 NOTICE OF VIOLATIONS ISSUED

674 ADS REMOVED
(276 AD HOLDERS)

56 INVESTIGATIONS

14 CONVICTIONS

Pilot Targets Electric Vehicle Charging Station Installations

A public awareness campaign was initiated in summer 2021 (June–August) after ESA Inspectors noticed a trend of electric vehicle charging systems being installed without a notification. The campaign was focused on Toronto with the objectives to remind LECs to file notifications and to inform consumers of the requirements to have the charging system installed by an LEC.

- **1,168 educational letters** were issued to LECs in the GTA
- **62,958 social media impressions** through Facebook and Twitter

ESA notifications related to EV chargers in 2021 increased **23%** when comparing to the previous three-month period.

MARCH TO MAY VS JUNE TO AUGUST

ESA notifications related to EV chargers in 2021 increased **87%** when comparing to the same time period in 2020.

JUNE TO AUGUST

ESA notifications related to EV chargers in 2021 increased **56%** when comparing to the post three-month period.

SEPTEMBER TO NOVEMBER



ORGANIZATIONAL EXCELLENCE



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.



PROGRESS IN 2020/2021

ESA has seen a five per cent (5%) increase in the Corporate Excellence Index compared to the base line year of 2018-19.

New Mapping Tool Improves Inspection Scheduling and Communication to Customers

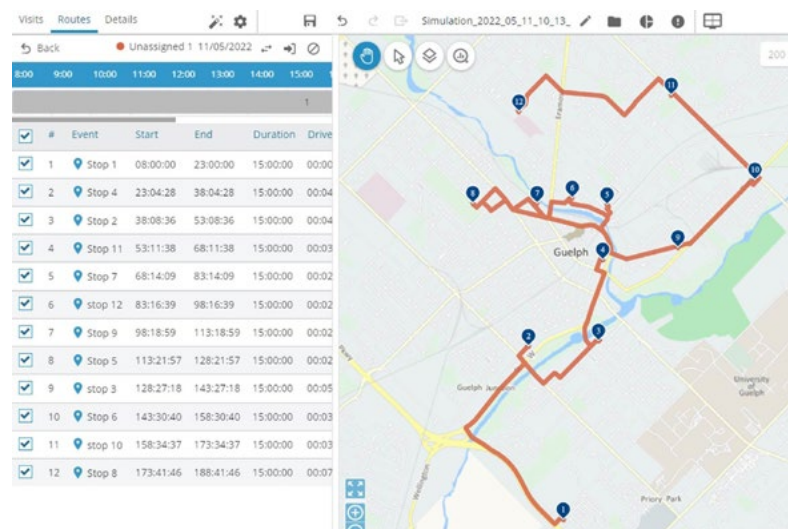
In the summer 2021, ESA implemented a new mapping tool in certain areas of the province that provides Inspectors with a flexible system for planning inspection routes and enables ESA to communicate inspection timelines with customers.

The Inspector mapping tool enables ESA Inspectors, to plan their day and allows management of emergencies or changes in schedule to help ensure electrical inspections take place in a timely fashion.

One of the key benefits of the new system is that it offers improved communication tools so Inspectors can let customers know when they will be arriving, via text or email message.

The site contact could receive an email or text in the morning proposing a time window when the Inspector is expected to arrive. The site contact may receive another message when the Inspector is on their way to the site.

This will help customers plan out the day and ensure that the appropriate contact is on site to meet the Inspector when they arrive.





Master Electrician Licence Online Portal Created

The Master Electrician Licence portal was created as a part of ESA's efforts to fast track digital projects to help ease the burden for our stakeholders during the pandemic. The Master Electrician Licence Online Portal opened on June 28, 2021. It was launched to compliment other ESA online services. The Master Electrician (ME) portal allows current MEs to make payments for their annual licence fee online. A digital portal was already available to Licensed Electrical Contractors (LECs) to have the option to pay their annual licence fees through the LEC Portal. ESA will continue to work towards enhancing our online solutions for our licensees.

PUBLIC ACCOUNTABILITY



STRATEGIC GOAL

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



TARGET

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



PROGRESS IN 2020/2021

Year-over-year, the ESA's Accountability Index score has remained steady, increasing directionally from 8.3 in 2019 to 8.4 in 2021. Amongst both homeowners and electricians, most individual measures are up directionally since 2019. Responsiveness (ESA staff listening to and responding to stakeholder concerns) saw the largest directional increase amongst both homeowners and electricians since 2019.

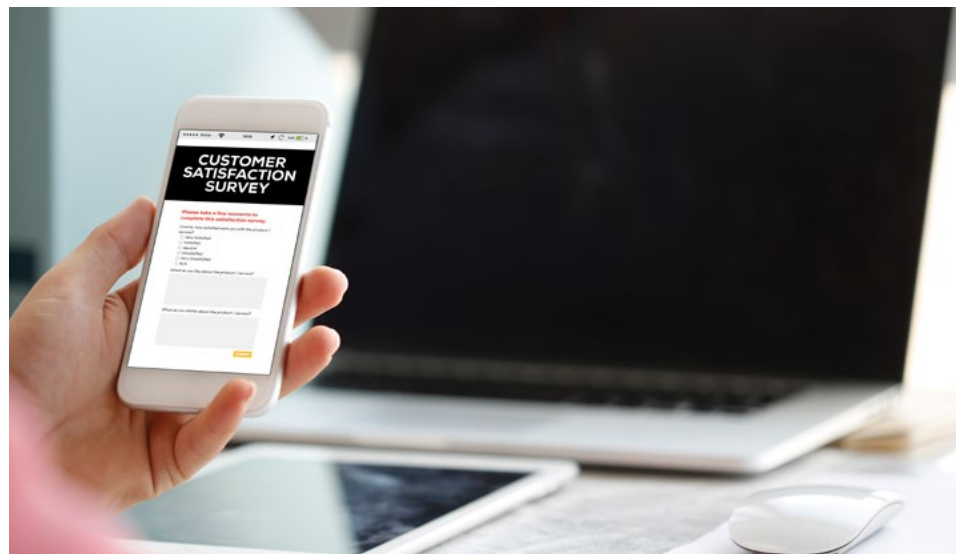
Multi-stakeholder Survey Results

As a modern and accountable regulator who strives to be proactive and improve safety, ESA regularly seeks the opinions of stakeholders and the community we serve. With public accountability being a strategic goal of the organization, ESA endeavours to seek feedback and improve how we deliver our services. On a bi-annual basis, the organization seeks the opinions and perceptions among electricians, electrical industry stakeholders and homeowners to better identify and understand areas for improvement.

Since 2015, ESA has been working with Innovative Research Group (IRG) to design and execute a multi-stakeholder survey. The 2021 survey measured accountability across six identified stakeholder groups: Licensed Electrical Contractors/Master Electricians, Homeowners, Local Distribution Companies (LDC) managers and LDC executives, safety industry and product safety stakeholders.

The survey examined 12 dimensions relating to a variety of stakeholders 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 and approximately two out of every three homeowners and electricians hold a very favourable opinion of the organization. The share of electricians and industry stakeholders who feel that the sector is appropriately regulated also continues to grow since the last multi-stakeholder survey from 2019.



Multi-stakeholder Survey Results (CON'T)

The overall mean accountability score/index averaged across all stakeholder groups and all 12 dimensions was 8.2 out of 10 – the same score as in 2019. Given the challenges presented during the COVID-19 pandemic, this score is a reflection of significant efforts across the organization during a difficult time for our society.

A copy of the full multi-stakeholder survey can be accessed [here](#).

Over the next couple of years, ESA will work toward increasing the satisfaction indexes, improve upon overall communications with stakeholder groups and revise the survey questions where appropriate. The next multi-stakeholder survey is scheduled for the fall of 2023.

Inclusion, Diversity, Equity, and Accessibility Strategy

In 2021, ESA continued the execution of the IDEA Strategy. In order to elevate the commitment a new category was added to the ESA employee Spotlight Awards, "The President and Chair's Award" for Inclusion, Diversity, Equity & Accessibility (IDEA) Award. This honours individuals and groups making a positive contribution to the advancements of Inclusion, Diversity, Equity & Accessibility in support of ESA mandate. In support of two of the three priority areas; deepening leadership capacity and accountability; and Fostering an inclusive work environment; ESA has designed a wide range of days of awareness, that acknowledge, celebrate, education and support diversity and inclusion in the workplace.



MANAGING COMPLIANCE AND ENFORCEMENT

ONTARIO ELECTRICAL SAFETY CODE, O. REG. 164/99

Ontario Electrical Safety Code, O. Reg. 164/99

establishes requirements and standards for electrical wiring installations, the safe use of electrical equipment in Ontario, and the appointment of electrical inspectors. To advance electrical safety, ESA also reviews plans for electrical installations,

conducts general inspections of existing electrical installations and investigates electrical safety incidents. ESA works to ensure compliance with Ontario's safety requirements and the timely resolution of defects. Where required, ESA will escalate enforcement to the courts.

ONTARIO ELECTRICAL SAFETY CODE	2021/2022	2020/2021
Customer service calls answered	537,209	536,217
Notifications created ^	476,503	438,317
Inspections completed *	444,879	406,796
→ Wiring (e.g. residential, commercial, industrial etc.)	396,310	361,318
→ Continuous Safety Services	30,680	30,202
→ Fire Marshal Orders	272	257
→ Hazards	17,617	15,019
Pass rate of Inspections*	85%	84%
Total technical defects created*	126,318	121,954
Top technical defects*	A) AFCI required for branch circuits b) Complete panel directory required c) Minimum support spacing, non-metallic sheathed cable	a) AFCI required for branch circuits b) Complete panel directory required c) Minimum support spacing, non-metallic sheathed cable
Total warnings created*	20,551	19,025
Continuous Safety Services	4577 customers with 30,949 sites	4,517 customers with 30,567 sites
Investigations conducted	47	4
Charges laid	39	19
Court convictions secured	28	2
Appeals	11	8
Complaints	25	31

LICENSING OF ELECTRICAL CONTRACTORS AND MASTER ELECTRICIANS, O. REG.

Licensing of Electrical Contractors and Master Electricians, O. Reg. 570/05 defines provincial licensing and administration requirements for Electrical Contractors and Master Electricians and is intended to protect the public from unqualified contractors offering electrical services. ESA activities include managing and enforcing licensing requirements.

LICENSING	2021/2022	2020/2021
Electrical Contractor licences issued	754	600
Master Electrician licences issued	886	527
Licenses renewed	22,759	23,083
Individuals who wrote the Master Electrician exam	1,247	562
Master Electrician exam pass rate	81%	81.3%
Discipline notifications handled	594	876
Licenses suspended	90	68
Licenses revoked	0	0
Complaints handled	2,189	2,914
Notices of violations issued	1,396	1,944
Licensing investigations conducted	103	98
Charges laid	70	22
Court convictions secured	48	8
Appeals	18	5

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, but 570/05 Licensing of Electrical Contractors

and Master Electricians, O. Reg. 570/05 defines provincial licensing and administration requirements for Electrical Contractors and Master Electricians and is intended to provides LDCs with a number of 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.

ELECTRICAL DISTRIBUTION SAFETY REGULATION	2021/2022	2020/2021
Electrical distribution-related safety incidents reported	330	358
Electrical distribution-related fatalities	2	5
Due diligence inspections	315	343
Public safety concerns received	199	281

PRODUCT SAFETY, O. REG. 438/07

Product Safety, O. Reg. 438/07 goal is to provide protection to the public from unsafe electrical products and equipment sold and used in Ontario. ESA is responsible to provide oversight of this regulation that includes requirements for pre-market approvals 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/ industrial electrical products. While

Health Canada is accountable for post-market safety oversight of consumer electrical products, ESA continues to support the national product safety system by investigating incidents related to electrical products and publicizing electrical product safety notices (including recalls and flash notices) and through its ongoing engagement in national committees, including the Canadian Advisory Council for Electrical Safety (CACES) and National Public Safety Advisory Committee (NPSAC).

PRODUCT SAFETY	2021/2022	2020/2021
Total product safety incident reports received by ESA	456	329
Reports deemed high risk	2	2
Reports deemed medium risk	365	266
Reports deemed low risk	72	38
Non-Related Reports	17	23
Safety alerts issued	10	1
Investigations conducted	0	0
Recalled product notifications	0	0
Charges laid	3	0
Convictions	1	0
Appeals	0	0

Reports are deemed high, medium or low risk by a risk assessment tool based on specific parameters. Some of these parameters include but are not limited to:

- estimating the likelihood of the product being or becoming defective by evaluating factors such as; product certification, use environment, history of compliance or previous product issues, ability to detect defect prior to product use and pattern of incidents;
- estimating the likelihood of the serious negative effect materializing by evaluating factors such as exposure characteristics, human device interaction, undetected overheating and impact of warnings; and
- assessing severity of the potential impact by evaluating the Loss Severity – major, moderate, minor, or insignificant.

ORGANIZATIONAL STRUCTURE

Officers AS OF MARCH 31, 2022

DAVID COLLIE, FCPA, FCMA, MBA, C.DIR.

President and CEO, Electrical Safety Authority. Governance Committee Chair, Hamilton Health Sciences, Public Member, National Association of Pharmacy Regulators, Member, CWB Group.

Previously: President and CEO, Burlington Hydro. Chair, Plug n Drive, Vice Chair, Energy Council of Canada, Chair, Electricity Distributors Association.

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

Chief Regulatory Officer and General Counsel, Electrical Safety Authority.

Previously: Vice-President, Corporate Business Development, Ontario Power Generation Inc. Director, Nanticoke Solar. Director, Peter Sutherland Sr. Generating Station (a Joint Venture of OPG and Taykwa Tagamou First Nation). Energy Advisor, Ontario Centres of Excellence. Director, John Wanless Childcare Program.

SANDRA MONTAGUE, CPA, CGA

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, BASC. (MECH. ENG.), LLB

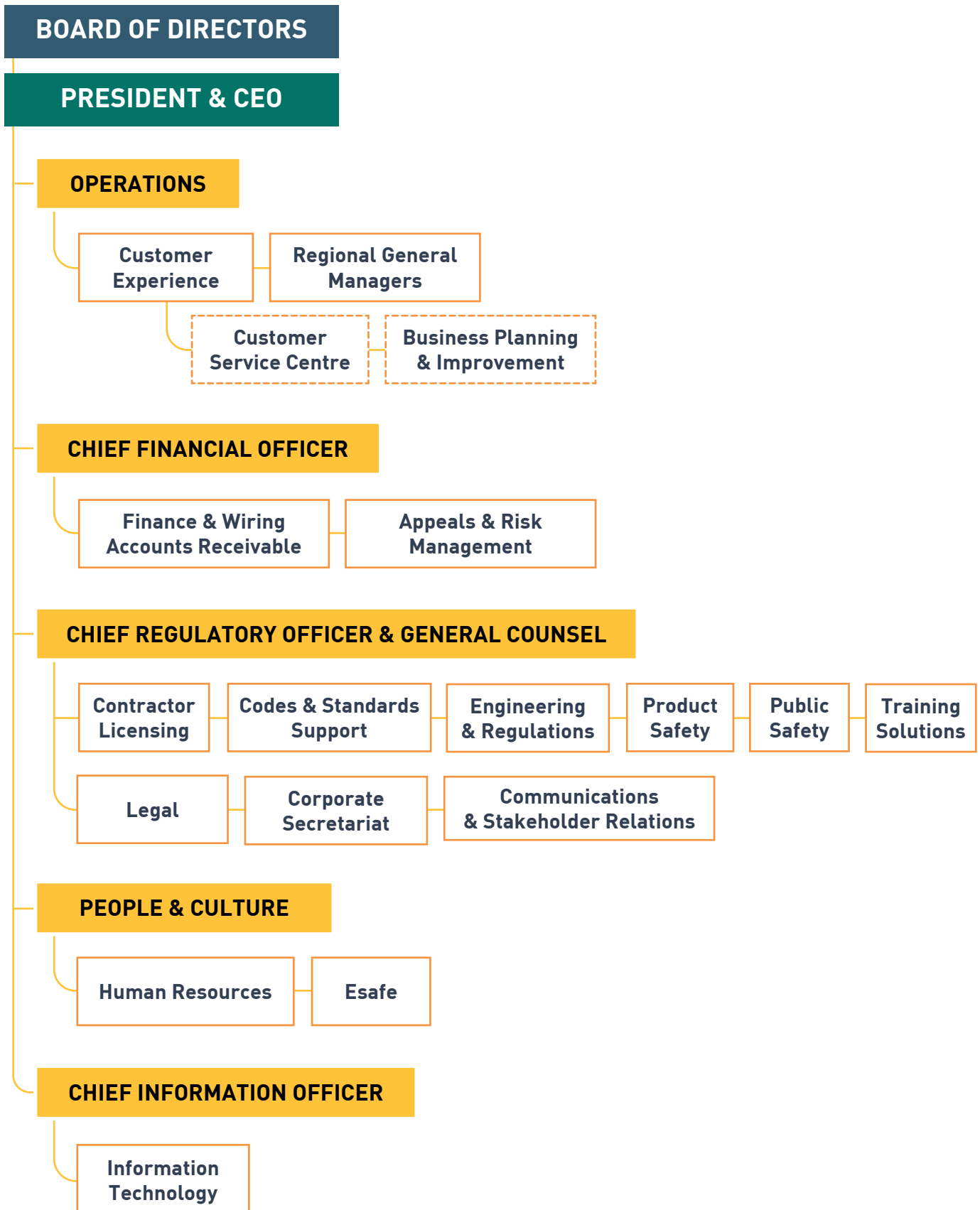
LLB Corporate Secretary, Electrical Safety Authority.

Previously: Director, Legal Services, Hatch Ltd.

EXECUTIVE MANAGEMENT TEAM

- **David Collie**
President and Chief Executive Officer
- **Carol Calvert**
VP, People & Culture
- **Earl Davison**
VP, Operations
- **Josie Erzetic**
VP, Chief Regulatory Officer, General Counsel
- **Sandra Montague**
Chief Financial Officer
- **Kelley Irwin**
Chief Information Officer

Organizational Chart



Board Governance

ESA's Board of Directors is responsible for corporate governance, regulatory oversight, and guiding the development and achievement of the organizational strategy. The Board and management focus on progressive corporate governance and regulatory oversight practices at ESA.

Among its key responsibilities, the Board:

- approves ESA's strategic plan, business plan, and budget, and ensures the integrity of the organization's reporting of financial performance;
- oversees the appointment, development, monitoring, succession planning and compensation of senior management;
- monitors the strategic environment and ensures appropriate enterprise risk management;
- monitors external communications and stakeholder relationships; and
- monitors the integrity of the organization's internal control and management information systems.

Board Directors are selected based on an election/appointment process according to a set of established qualifications available at esasafe.com.

The Board comprises of 12 members reflecting: the public, electricity distribution, electrical contractors, engineering, manufacturing, consumer representatives and others. Board members may serve a maximum of three consecutive terms of three years each. Each member of the Board has signed and agrees to abide by a [Directors' Code of Conduct](#).

The Board has a robust training and development plan that includes an orientation to directors' duties, as well as ongoing training and education throughout the year on topics relevant to the Board, the electricity sector and good governance. As well, each Board Director serves on two committees in order to strengthen oversight and succession planning.

During the year Rhonda Barnet joined the Board, and Christopher Hopper, Daniel Péloquin and Ysni Semsedini were re-elected as Directors. As a result of an Auditor General recommendation the ex-officio position held by the CEO was replaced by a member representing the interest of consumers.

Board Committees

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: C. Hopper

Members: A. Bergeron; P. Gregg; D. Péloquin; Y. Semsedini; A. Arenja (from January 2022); G. Oosterhof (to January 2022); W. Pamic (to February 2022)

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: R. Mace

Members: A. Bergeron; D. MacDonald; G. Oosterhof; A. Malo; A. Arenja; Y. Semsedini

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: A. Malo

Members: A. Bergeron; P. Gregg; R. Mace; D. Péloquin; D. MacDonald; C. Hopper; G. Oosterhof (from January 2022); A. Arenja (to January 2022); W. Pamic (to February 2022)

Meetings April 2021 to March 2022

Audit & Investment Committee	5 meetings
People, Culture and Governance Committee	4 meetings
Regulatory Affairs Committee	4 meetings
Board Meetings	6 meetings

Board Members AS OF MARCH 31, 2022

**ANNETTE BERGERON, MBA,
P.ENG., FEC FCAE**
(YEAR 2 OF TERM 3)

Chair, ESA Board of Directors,
Principal, Bergeron Consulting;

Previously: President, Engineers
Canada; Director, South East
Local Health Integration Network;
President, Professional Engineers
Ontario; President, Ontario
Society of Professional
Engineers; Director, Kingston
General Hospital.

ARJAN ARENJA, P.ENG., MBA
(YEAR 3 OF TERM 1)

President, Spectrum Business
Development Inc.; Councillor,
Professional Engineers Ontario,
currently Chair of PEO's
Governance and Nomination
Committee and a member
of Joint Relations (OSPE-PEO)
Committee, past member of
PEO's Executive and Finance
Committees; recently elected
board member of Engineers
Canada; and a member
of Engineer's Canada's
Governance Committee.

Previously: Senior Manager,
Bruce Power; Sr. Manager, Royal
Group Technologies Inc.; Manager,
Trow Consulting Engineers (in
2011 renamed to EXP)

RHONDA BARNET, B.Sc., C.Dir.
(YEAR 1 OF TERM 1)

Director ESA Board of Directors,
CEO Palette Skills, Executive
Chair AVIT Manufacturing,
Director NGen Canada; Chair
Advanced Manufacturing
Economic Strategy Table
(Government of Canada)

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

PETER GREGG, MBA, ICD.D
(YEAR 3 OF TERM 3)

President and CEO, Nova Scotia
Power. Former President and
CEO, Independent Electricity
System Operator, Council of
Independent System Operators
and Regional Transmission
Organizations. Member,
Representatives Committee
of the North American Electric
Reliability Corporation. Director,
Greater Toronto Airports
Authority. Director, Ontario
Energy Network; Director,
Electricity Canada; Director,
Nova Scotia Power.

Previously: Chair, ESA's Board
of Directors; Chair, ESA's Audit
Committee; CEO and President,
Enersource Corporation; Chief
Operating Officer at Hydro
One Networks.

CHRISTOPHER HOPPER, BA, MBA
(YEAR 1 OF TERM 3)

President & CEO Complete Electrical
Services Inc.; Director, VentureLink
Fund; Chair, Post 21 Foundation;
Director, Holland Bloorview Kids
Rehabilitation Hospital Foundation

DALE MACDONALD, RSE, ME, LEC
(YEAR 3 OF TERM 2)

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.

Board Members AS OF MARCH 31, 2022

ROBERT MACE, B. ADMIN, MBA (YEAR 3 OF TERM 3)

Retired May of 2021 following a 30 year career with the Synergy North Corporation, (previously Thunder Bay Hydro Corporation), group of companies. Served as President & CEO since 2003.

Currently: Director and Past Board Chair, Mearie Management Inc.

Previously: Director and Past Chair, Electricity Distributors Association; Director and Past Chair, The MEARIE Group; past member IESO Stakeholder Advisory Group; past member Minister of Energy's Energy Advisory Council; past member OEB Chairs Advisory Roundtable.

ADÈLE MALO, BA, LL.B., LL.M, ICD.D (YEAR 2 OF TERM 3)

Director, Member of Audit Committee, Chair of the Governance and Compensation Committee, Capstone Infrastructure Corporation

Previously: EVP Regulatory and Government Affairs and General Counsel, Direct Energy;

General Counsel and VP Sustainable Development, Ontario Power Generation

GARY OOSTERHOF, ME (YEAR 2 OF TERM 3)

Owner, President and CEO, Oosterhof Electrical Services Ltd.; Councillor, City of Kingston; Past President, Kingston Electrical Association

Previously: Electrical Contractor Registration Agency (ECRA) Advisory Council; Director,

Past Member of Contractor Committee, OEL

WALTER PAMIC, GSC (UNTIL FEBRUARY 2022)

CEO of Power-Tek Group; Director, Board of Governors of OCOT; Director, Merit Ontario; Chairman of the Board, Merit Canada

Previously: Ontario College of Trades Board of Governors, Merit Ontario Board of Directors, Merit Canada Board of Directors, Past Board member Ontario Electrical League

DANIEL PÉLOQUIN, B. ENG. (YEAR 1 OF TERM 3)

CEO, Daniel Péloquin Consultant. Director, Spark Power. Director, Vizimax.

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

YSNI SEMSEDINI, P. ENG., MBA (YEAR 2 OF TERM 1)

President & CEO, Newmarket – Tay Power Distribution Ltd.; Past Chair, Electricity Distributors

Association; Director, The MEARIE Group; Director, Ontario One Call; Director, Saturn Power

Previously: CEO Festival Hydro Inc, President & CEO, Rhyzome Networks

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 costs for Inspectors, 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 restricted net asset target (see page 43) to ensure that it maintains adequate net asset reserves and financial liquid assets in the event of unforeseen adverse financial events, or to fund specific strategic initiatives as recommended by ESA management.

In order to ensure long-term sustainability, ESA has a multi-year financial framework that includes improving its net asset position (see page 33) ensuring the company can meet its future obligations for pensions and other post-employment benefits (OPEB) both of which accumulate over time. Any cash generated by an annual surplus is invested in long-term investments held in a restricted reserve (see page 38) to address the future OPEB liability.

FY2022 Performance

FY2022 PERFORMANCE

The year (April 1, 2021 to March 31, 2022) saw strong growth in wiring activity, led by residential and commercial renovations. Wiring activity bounced back from its COVID lows in the prior year, impacting both revenue and expenses as ESA responded to the incremental work. Operational expenses increased year over year but at a lower rate than the increase in operating revenue. Corporate investment assets were negatively affected by several factors including the Russian invasion of Ukraine, rising interest rates and fears regarding inflation.

For the year, the organization posted an operating surplus of \$1.1 million compared to an operating deficit of \$7.7 million the prior year, and a bottom line surplus of \$0.2 million after the contribution of investment losses of \$0.9 million.

ESA did not increase wiring fees for the fiscal year 2022 and has not increased wiring fees since 2016.

ESA experienced a decrease in its net asset position by \$6.2 million to \$82.2 million as of March 31, 2022 primarily as a result of a negative pension re-measurement of \$6.4 million due to pension and other OPEB.

REVENUES

Total operating revenues were \$116.6 million, an increase of 9.7 per cent from the prior year. This included: residential wiring revenue of \$44.8 million, an increase of 16.2 per cent; industrial/commercial/institutional wiring revenue of \$24.0 million up by 4.3 per cent; and CSS revenue of \$24.8 million, an increase of 2.2 per cent.

Non-regulatory revenue was \$16.5 million, an increase of 11 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 \$115.6 million including amortization, an increase of 1.3 per cent from the prior year.

Total labour-related costs – salaries, wages and benefits, pension and OPEB – were \$90.0 million or 77.8 per cent of total expenses, a decrease of 1.4 per cent over the prior year. It should be noted that the main cause for this decrease was a reduction in pension expense of \$3.9 million over the prior year. Included in this total is the OPEB interest expense for the year of \$4.9 million.

ESA worked to restrain increases in its other expense categories which include: purchased services of \$7.2 million; inspection travel and related costs of \$5.6 million; office administration of \$0.7 million; facilities costs of \$1.5 million; computer support of \$2.7 million; other costs of \$5.3 million, which includes the Ministry of Government and Consumer Services oversight fee of \$685,000.

Capital spending was \$2.4 million and primarily focused on IT infrastructure and ESA's efforts to continue executing on its digital strategy.

FY2022 Performance (CON'T)

PENSION

ESA's registered pension plan is a defined benefit plan. As part of its financial framework for sustainability, ESA has been seeking to improve the funded status of the pension. Due to the decrease in plan assets at year-end, driven by the equity market downturn in the last quarter of the fiscal year, the pension surplus on a going concern basis as of March 31, 2022 has decreased to \$66.2 million. (see page 38).

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.

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 FY2022 senior management compensation (including all salaries, incentives and severance) totaled \$6.9 million for 32 employees compared to \$7.3 million for 33 people the previous year.

REVENUE BY SOURCE*

(in thousands of dollars)

	FY2022	FY2021
Regulated services	\$ 99,740	\$ 91,053
Non-regulated services	16,461	14,880
Sub-total**	116,201	105,933
Investments and other***	241	20,299
TOTAL REVENUE	\$ 116,442	\$ 126,232

FULLY ALLOCATED EXPENSES*

(in thousands of dollars)

	FY2022	FY2021
Regulated services	\$ 98,079	\$ 96,032
Non-regulated services	16,185	16,442
Sub-total**	114,264	112,474
Investments and other	1,988	2,268
TOTAL EXPENSES	\$ 116,252	\$ 114,742

REVENUES BY LINE OF BUSINESS*

(in thousands of dollars)

	FY2022	FY2021
Wiring – Residential	\$ 44,849	\$ 38,597
Wiring – Industrial/Commercial/Institutional	24,008	23,022
Continuous Safety Services (CSS)	24,760	24,227
Field Evaluation	11,641	9,464
Utility Regulation	2,919	2,864
Contractor Licensing	4,942	4,815
Plan Approvals	1,676	1,775
Other revenues****	1,822	1,586
TOTAL REVENUE BEFORE INVESTMENT INCOME	\$ 116,617	\$ 106,350

* Any differences due to rounding; prior year classifications restated for consistency

** Does not include allocation of investment income as an offset to OPEB interest expense

*** Investment asset saw a significant decline in Q4 as a result of many factors including, the war in Ukraine, inflation fears and the rising interest rate environment. See FY2022 Performance section for more details

**** 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, 2022
- 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, 2022, 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 “Auditors' Responsibilities for the Audit of the Financial Statements” section of our auditors' 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.

AUDITORS' 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 auditors' 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT 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 auditors' 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 auditors' 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 8, 2022

Statement of Financial Position

**MARCH 31, 2022 WITH COMPARATIVE
INFORMATION FOR 2021**

(in thousands of dollars)

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,073	\$ 4,075
Accounts receivable	12,892	13,096
Other assets	1,532	1,415
	18,497	18,586
Investments (note 3 and 7)	117,887	115,621
Property, plant and equipment (note 4)	9,412	9,026
Intangible assets (note 5)	3,608	4,141
Deferred pension asset (note 6)	60,617	63,702
Other non-current assets	60	63
	\$ 210,081	\$ 211,139
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities (note 13)	\$ 18,056	\$ 18,820
Deferred revenue	24,969	23,519
	43,025	42,339
Employee future benefit obligation (note 6)	84,835	80,382
	127,860	122,721
Net assets:		
Invested in capital assets and intangible assets	13,020	13,167
Unrestricted reserve	69,201	75,251
Total net assets (note 14)	82,221	88,418
Contingencies and commitments (notes 10 and 11)		
	\$ 210,081	\$ 211,139

See accompanying notes to financial statements.

On behalf of the Board:



Annette Bergeron



Christopher Hopper

Statement of Operations

YEAR ENDED MARCH 31, 2022,
WITH COMPARATIVE INFORMATION FOR 2021
(in thousands of dollars)

	2022	2021
Revenues (note 8)	\$ 116,617	\$ 106,350
Expenses		
Salaries and benefits	84,970	86,597
OPEB – interest expense (note 6)	4,985	4,707
Operating	23,029	19,614
Amortization	2,578	3,152
	115,562	114,070
Excess (deficiency) of revenues over expenses before the undernoted	1,055	(7,720)
Change in fair value of investments	(7,541)	11,137
Other investment income	6,676	8,073
Investment income (loss) (note 7)	(865)	19,210
Excess of revenue over expenses for the year	\$ 190	\$ 11,490

See accompanying notes to financial statements.

Statement of Changes in Net Assets

YEAR ENDED MARCH 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021 (in thousands of dollars)	INVESTED IN CAPITAL ASSETS AND INTANGIBLE ASSETS	UNRESTRICTED RESERVE	TOTAL 2022 (NOTE 14)	TOTAL 2021 (NOTE 14)
Net assets, beginning of year	\$ 13,167	\$ 75,251	\$ 88,418	\$ 10,387
Excess of revenues over expenses	-	190	190	11,490
Investment in capital assets	(147)	147	-	-
Re-measurements due to pension benefit and OPEB actuarial gains and plan amendments	-	(6,387)	(6,387)	66,541
Net assets, end of year	\$ 13,020	\$ 69,201	\$ 82,221	\$ 88,418

See accompanying notes to financial statements.

Statement of Cash Flows

YEAR ENDED MARCH 31, 2022,
WITH COMPARATIVE INFORMATION FOR 2021
(in thousands of dollars)

	2022	2021
CASH PROVIDED BY (USED IN):		
Operation activities:		
Excess of revenues over expenses	\$ 190	\$ 11,490
Items not involving cash:		
Amortization	2,578	3,152
Change in other non-current assets	3	–
OPEB obligation expense	7,597	7,223
Pension benefit plan expense	3,800	7,734
Change in fair value of investments	7,541	(11,137)
	\$ 21,709	\$ 18,462
Net change in non-cash working capital balances related to operations (note 9)	773	3,238
OPEB obligation contributions	(2,266)	(1,643)
Pension benefit plan contributions	(7,980)	(7,800)
	\$ (9,473)	\$ (6,205)
Investing activities:		
Net purchase of investments	(9,807)	(7,093)
Purchase of property, plant and equipment and intangible assets	(2,431)	(1,593)
	\$ (12,238)	\$ (8,686)
Net increase (decrease) in cash and cash equivalents	(2)	3,571
Cash and cash equivalents, beginning of year	4,075	504
Cash and cash equivalents, end of year	\$ 4,073	\$ 4,075
Cash and cash equivalents is comprised of the following:		
Cash	\$ 4,073	\$ 4,075
	\$ 4,073	\$ 4,075

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2022

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 Government and Consumer Services ("MGCS"). 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

(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.

Notes to Financial Statements (CON'T)

(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. Management has determined that there are no impairment losses.

(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.

(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.

Notes to Financial Statements (CON'T)

3 Investments:

	2022	2021
Fixed Income Canadian:		
Corporate bonds/GIC's	\$ 65,646	\$ 67,896
Equities:		
Canadian	20,840	21,802
U.S.	26,393	22,840
Foreign (non-U.S.)	5,008	3,083
Total equities	52,241	47,725
Total investments	\$ 117,887	\$ 115,621

Investments are internally restricted for future expenditures for post-employment benefits (note 7). The bonds have a weighted average term to maturity of 85.2 months, a weighted average interest rate of 2.70% and a weighted average yield to maturity of 3.20%.

4 Property, plant and equipment:

	COST	ACCUMULATED AMORTIZATION	2022 NET BOOK VALUE	2021 NET BOOK VALUE
Land	\$ 2,314	\$ –	\$ 2,314	\$ 2,314
Buildings	8,341	4,631	3,710	4,044
Building improvements	1,937	972	965	1,116
Electronic equipment	7,876	7,579	297	679
Telephone and projection system equipment	2,749	2,624	125	184
Office furniture and equipment	2,373	2,092	281	359
Inspection equipment	19	19	–	–
Leasehold improvements	1,791	1,791	–	–
Capital work in process	1,720	–	1,720	330
	\$ 29,120	\$ 19,708	\$ 9,412	\$ 9,026

5 Intangible assets:

	COST	ACCUMULATED AMORTIZATION	2022 NET BOOK VALUE	2021 NET BOOK VALUE
Computer software and licenses	\$ 25,320	\$ 21,712	\$ 3,608	\$ 4,141

Notes to Financial Statements (CON'T)

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, 2022 based on projections from the January 1, 2019 actuarial funding report. The obligations for OPEB and long-term disability are measured as at March 31, 2022 based on projections from data as at January 1, 2019 and March 31, 2022 respectively. The fair value of assets for all plans is determined using the March 31, 2022 asset values.

The actuarial present value of the accrued pension benefits for funding purposes is estimated as at March 31, 2022 based on a projection of the actuarial valuation as of January 1, 2019. The effective date of the next required actuarial valuation report for funding purposes for the pension plans is January 1, 2022.

Information about ESA's defined pension benefit plans and OPEB plans for the year ended March 31, 2022 is as follows:

	2022 PENSION BENEFIT PLANS	2022 OPEB PLANS	2021 PENSION BENEFIT PLANS	2021 OPEB PLANS
Accrued benefit obligation, end of year	\$ (396,002)	\$ (83,781)	\$ (382,318)	\$ (79,237)
Fair value of plan assets, end of year	456,619	–	446,020	–
Funded status, plan surplus (deficit)	60,617	(83,781)	63,702	(79,237)
Add: Workplace Safety Insurance Board of Ontario liability and other benefit liabilities	–	(1,054)	–	(1,145)
Total employee future benefit asset (obligation)	\$ 60,617	\$ (84,835)	\$ 63,702	\$ (80,382)

The amount of \$60,617 (2021 - \$63,702) reported on the statement of financial position as a deferred pension asset represents the excess of the plan assets over the actuarially determined present value of accrued pension benefits and consists of a balance of \$66,225 (2021 - \$68,853) in the pension plan and a liability of \$5,608 (2021 - \$5,151) in the Supplementary Retirement Plan.

Notes to Financial Statements (CON'T)

6 Employee future benefit plans (continued):

The breakdown of the total benefit cost is as follows:

	2022 PENSION BENEFIT PLANS	2022 OPEB PLANS	2021 PENSION BENEFIT PLANS	2021 OPEB PLANS
Employer current service cost	\$ (7,820)	\$ (2,612)	\$ (7,566)	\$ (2,516)
Finance income (cost)	4,020	(4,985)	(168)	(4,707)
Total defined benefit cost	\$ (3,800)	\$ (7,597)	\$ (7,734)	\$ (7,223)

The significant actuarial assumptions adopted in measuring ESA's accrued pension benefits and OPEB obligations for the year ended March 31, 2022 are as follows:

	PENSION BENEFIT PLANS		OPEB PLANS	
	2022	2021	2022	2021
Discount rate	6.30%	6.30%	6.30%	6.30%
Rate of compensation increase (before merit)	2.50%	2.50%	2.50%	2.50%
Increase in Consumer Price Index	2.00%	2.00%	-	-

The significant actuarial assumptions adopted in measuring ESA's expenses for pension benefits and OPEB obligations for the year ended March 31, 2022 are as follows:

	PENSION BENEFIT PLANS		OPEB PLANS	
	2022	2021	2022	2021
Discount rate	6.30%	6.30%	6.30%	6.30%
Rate of compensation increase (before merit)	2.50%	2.50%	2.50%	2.50%
Increase in Consumer Price Index	2.00%	2.00%	-	-
Expected long-term rate of return on plan assets	6.30%	6.30%	-	-

ESA's rate of growth for health care costs in 2022 is estimated as follows:

Drugs – 6.75% in 2019 grading down to 4.25% per year in 2029

Other medical costs – 4.25% per year

Dental – 3.75% 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.

Notes to Financial Statements (CON'T)

6 Employee future benefit plans (continued):

The pension plan assets are invested as follows:

	2022
Cash	1%
Canadian fixed income investments and income oriented	32%
Canadian equities	15%
Global developed market equities	33%
Emerging market equities	3%
Alternative investments	16%
	100%

	2021
Cash	1%
Canadian fixed income investments and income oriented	31%
Canadian equities	16%
U.S. equities	15%
Non-North American equities	20%
Alternative investments	17%
	100%

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

	2022	2021
Employer's contributions	\$ 7,857	\$ 7,678
Employees' contributions	6,166	5,850
Net transfers	34	245
Benefits paid	21,658	17,396
Re-measurements due to pension benefit actuarial gains and plan amendments	1,633	1,334

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.

Notes to Financial Statements (CON'T)

The reconciliation of the Defined Benefit Obligation as at March 31, 2022 is presented below:

RECONCILIATION OF THE DEFINED BENEFIT OBLIGATION (DBO)

	PENSION	OPEB
Defined benefit obligations – opening	\$ 382,318	\$ 79,237
Employer current service cost	7,820	2,612
Employee contributions	6,166	–
Transfers in	34	–
Benefits paid	(21,781)	(2,176)
Administrative expenses	(949)	–
Interest on defined benefit obligation	24,031	4,985
Actuarial gains	(1,637)	(877)
Actuarial (gains)/losses – PfAD	–	–
Defined benefit obligations – closing	\$ 396,002	\$ 83,781

7 Internally restricted long-term investments:

Long-term investments in the amount of \$117,887 (2021 - \$115,621) are internally restricted for specific purposes relating to liquidity of future expenditures for post-employment benefits. Furthermore, investment income earned through long-term investments is also used to offset OPEB interest expense. Investment loss for the year totals \$865 (2021 - \$19,210 income) with an OPEB interest expense of \$4,898 (2021 - \$4,707).

8 Revenue:

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

	2022	2021
Wiring	\$ 68,857	\$ 61,619
Continuous safety services	24,759	24,227
Other	23,001	20,504
	\$ 116,617	\$ 106,350

9 Statement of cash flows:

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

	2022	2021
Accounts receivable	\$ 204	\$ (1,015)
Other assets	(117)	(231)
Accounts payable and accrued liabilities	(764)	2,974
Deferred revenue	1,450	1,510
	\$ 773	\$ 3,238

Notes to Financial Statements (CON'T)

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, 2022.

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:

2023	\$ 2,689
2024	2,691
2025	2,647
2026	2,595
2027	2,528
Thereafter	2,438
	\$ 15,588

- b) As at March 31, 2022, a letter of credit in the amount of \$920 has been issued to the Workplace Safety Insurance Board of Ontario to guarantee funding of future liabilities.

Notes to Financial Statements (CON'T)

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.

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 \$2,717 at March 31, 2022 (2021 - \$1,801). 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 \$10,000 credit facility which is undrawn at March 31, 2022 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 \$2,133 (2021 - \$2,432) 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.

Notes to Financial Statements (CON'T)

15 Impact of Coronavirus COVID-19 Pandemic:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

(a) Impact of COVID-19 on financial risks:

The COVID-19 pandemic has impacted the financial risks of the Company as follows:

i) Credit risk:

Credit risk has increased due to the greater uncertainty surrounding the collectability of accounts receivable from individuals and businesses because of the economic slowdown and changes in operations caused by COVID-19. ESA is mitigating this risk by closely monitoring these receivables and by entering transactions with credit-worthy counterparties. The Company has updated its allowance for doubtful accounts to include considerations related to COVID-19.

ii) Market risk:

Market risk has increased due to significant volatility in financial markets as discussed below:

a) Currency risk:

The Company's investments in foreign currency instruments have heightened risk due to significant fluctuations in currency markets and the uncertainty in market valuations for currencies due to the pandemic.

b) Other price risk:

Other price risk has increased due to greater uncertainty in the valuation of financial assets arising from volatility in equity markets.

The Company is continually monitoring the impact of market volatility on its financial instruments and will make adjustments to investment strategies as required to reduce the risk on the Company's operations and financial position.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Company's operations and financial position is not known at this time. These impacts could include a decline in future cash flows, changes to the value of assets and liabilities, and the use of accumulated net assets to sustain operations. An estimate of the financial effect of the pandemic on the Company is not practicable at this time, however, the impact on ESA is not expected to be significant in the foreseeable future.

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, with the exception of 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. Advisory council terms of reference, meeting minutes and information on working groups and consultations are posted on esasafe.com. Advisory councils play a valuable role in helping to shape electrical safety initiatives. Their input and advice helps inform ESA's strategy and advance its safety goals and objectives. ESA thanks all Advisory Council members for their time, effort, and dedication.

ELECTRICAL CONTRACTOR REGISTRATION AGENCY ADVISORY COUNCIL

Joe Kurpe, Chair
Cameron Hann, Vice Chair
Larry Allison
Matthew Aston
Vince De Gasperis
Steve Del Guidice
Leo Grellette
Brian Smith
Catherine Taylor

CONSUMER ADVISORY COUNCIL

Sandy Manners, Chair
Sunaina Menezes, Vice Chair
Larry Allison
Gurvinder Chopra
Tammy Orifa
Jennifer Reynolds

CONTRACTOR ADVISORY COUNCIL

Dave Ackison, Chair
Ron Bergeron
Shawn Blacklock
Ryan Delisle
Stephen Green
Mark Hopkins
Joe Kurpe
Doug McGinley
James McKellar
Chris Ruber
Rob Smith
Dan Williams
Scott Yemen

ONTARIO PROVINCIAL CODE COMMITTEE

Nansy Hanna (Chair),
Electrical Safety Authority
Brittany Ashby
Guy Benjamin
Malcolm Brown,
Electrical Safety Authority
George Chelvanayagam
Gurvinder Chopra
Mel Fruitman
Vladimir Gagachev
Phil Lasek
Rick Leduc
Martin Lem
Chris Magnusson
Peter Olders
Tim Pope
Andrew Pottier
Eerik Randsalu
Dave Sinclair,
Electrical Safety Authority
Rob Smith
Adam Zubczyk

UTILITY ADVISORY COUNCIL

Ajay Garg,
Hydro One Networks
Inc – Transmission
Alain Leger,
Infrastructure Health
and Safety Association
Alex Braletic,
Newmarket-Tay Power
Distribution Limited
Dan Guatto,
Burlington Hydro Incorporated
Darren Desrosier,
Hydro One Networks
Inc – Distribution
Edward Donkersteeg,
Hydro Ottawa Limited
Faisal Habibullah,
Elexicon Energy
Greg Sheil,
London Hydro Incorporated

Cameron Greig,
Kitchener-Wilmot
Hydro Incorporated
Jeff Graham,
Festival Hydro Incorporated
Joseph Chiuco,
Alectra Utilities Corporation
Mark Humphries,
CSA Group
Patrick Fee,
Electrical Safety Authority
Sandy Manners,
Consumer Advisory Council
Sushma Narisetty,
Toronto Hydro Electric
System Limited
Tony Pereira,
Bell Canada

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 fulfilling its obligations to meet the accessibility needs of persons with disabilities in a timely manner in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA), and the related Standards, namely, the Integrated Accessibility Standards Regulation (Regulation 191/11) (IASR) and the Accessibility Standards for Customer Service (Regulation 429/07) (ASCS). As part of ESA's commitment to meeting its obligations under the AODA, ESA has developed a Multi-Year Accessibility Plan that outlines ESA's strategy to prevent and remove barriers to accessibility, including the updated website. ESA has also established policies and processes to assist persons with disabilities, including the Integrated Accessibility Standards Policy, updated in February 2020. ESA's Multi-Year Accessibility Plan will be reviewed and updated at least once every five years. The Integrated Accessibility Standards Policy and Multi-Year Accessibility Plan can be found at esasafe.com.

Appeals Process

ESA is committed to providing individuals 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 a decision of the Director of Reviews and Appeals. In this regard, ESA established a fair and transparent reviews and appeals process to facilitate the right to request a review or an appeal. The reviews and appeals process, which can be reviewed at esasafe.com/appeals/, has specific Rules of Procedure that define the process steps to respond to a request for Director's Review, Director's Hearing or Review Panel Hearing.

Level one of the process, Director's Reviews and Hearings, apply to Orders pertaining to the Ontario Electrical Safety Code, electrical utility distribution, product safety, and to Notices of Proposal and Notices made on licenses or licensing applications. Level two of the process, Review Panel Appeals, applies to appeals of the Director's decision issued in Level One.

In 2021/2022, ESA received 11 Requests for Director's Review to dispute Orders associated with the Ontario Electrical Safety Code (Regulations 164/99) compared to 8 the previous year. ESA received 18 Requests for Director's Hearing to dispute Notices of Proposal associated with Contractor Licensing (Regulation 570/05), compared to 5 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 compared to 0 in the previous year.

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.

Complaints

ESA responds to complaints received from customers, stakeholders and the public. Complaints are viewed as valuable opportunities to strengthen customer relationships. ESA provides information and encourages two-way communication at all levels to ensure it is continually improving service quality. Where possible, complaints are dealt with at the source. If a complainant is not satisfied at the initial stage, their complaint can be formalized and processed through two additional stages of resolution, ultimately resulting in a review and final response from the Chief Ethics Officer. Information on ESA's Complaints Policy can be found at esasafe.com. In 2021/2022 ESA received 25 complaints and resolved 23 pursuant to the Complaints Policy compared to 31 received and 21 resolved in the previous year. ESA continues to work to resolve outstanding complaints.

French Language Service

ESA responds to requests for French services as they arise throughout the year. In 2021/2022, ESA's Customer Service Centre received 3042 calls in French, compared to 3315 the previous year.

Non-Regulatory Business Policy

Per Schedule "I" of ESA's Administrative Agreement with the Ministry of Government and Consumer Services, ESA may engage in non-regulatory business ventures. Non-regulatory business falls outside government regulation 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. The Non-Regulatory Business Policy (Schedule "I") and additional information regarding ESA's non-regulatory business activities can be found at esasafe.com/non-regulatory-business/.

Privacy

ESA is committed to maintaining the accuracy, security and privacy of personal information in accordance with the terms of its Access and Privacy Code under the Administrative Agreement with the Government of Ontario and applicable privacy laws. In 2021, 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 unless one of the specific exemptions identified in the Code applies. In 2021/2022, ESA received 4341 Requests for Information and conducted 3814 Record Searches. The Access and Privacy Code and the updated Customer Privacy Policy can be found at esasafe.com. Both are overseen by ESA's Chief Privacy Officer.

Procurement

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

CONTACT US

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