

ESSEX POWER CORPORATION



SUSTAINABILITY REPORT | 2022



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**John Avdoulos,
B.A. Sc., MBA**

PRESIDENT &
CHIEF EXECUTIVE
OFFICER



**Steve Ray,
B.A. Sc., P.Eng**

CHIEF
OPERATING
OFFICER

SENIOR MANAGEMENT

ABOUT THIS REPORT

Our 2022 Sustainability report provides a variety of disclosures which highlight our environmental, social and governance (ESG) performance. The content of this report will provide stakeholders with a balanced view of how Essex Power Corporation (EPC) is committed to a sustainable future that is beneficial to all out stakeholder groups. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. This report reflects our performance from the period of January 2022 to December 2022. All financial figures are reported in Canadian dollars



Questions about this report? Contact Alicia Gewarges, Senior Specialist, Corporate Communications
Essex Power Corporation | agewarges@essexpower.ca | 200-2199 Blackacre Dr. Oldcastle, ON, N0R 1L0



OUR PHILOSOPHY | Essex Power Corporation is committed to contributing towards a brighter, sustainable future for all residents of Windsor-Essex County. Our commitment to innovation, performance management, and leading by example has built the foundation for Essex Power and our affiliates to establish a diverse set of environmentally friendly practices and sustainable energy products.

MISSION

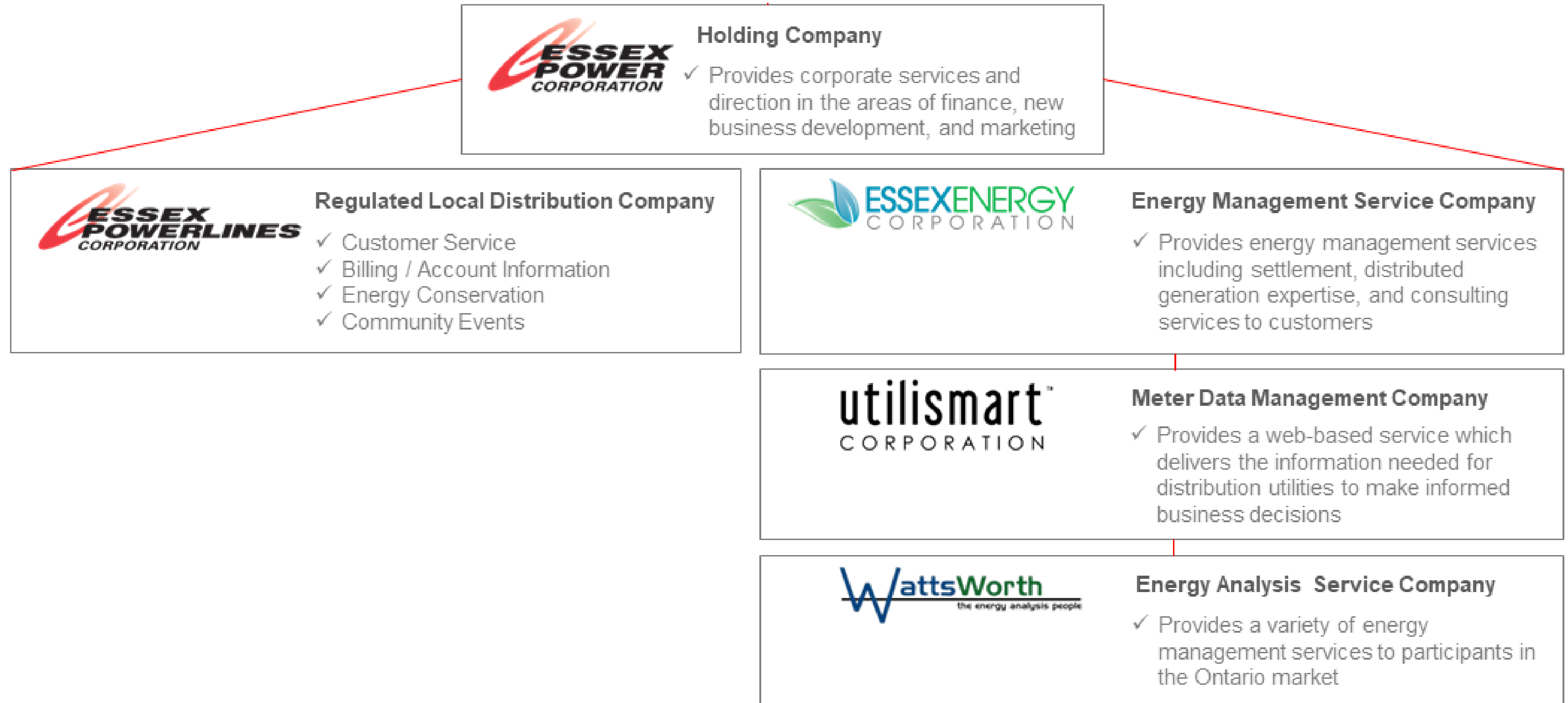
Essex Power Corporation is a dynamic energy company that provides safe, reliable and economical energy supply and services to our customers. Our commitment to innovation, performance management, and leading by example has built the foundation for Essex Power and our affiliates to establish a diverse set of energy products and services that are valued by our customers. At Essex Power, Your Power is Our Priority.

VISSION

Essex Power's vision is to be an Energy Provider that utilizes "best in class" people, processes, and technology to lead the marketplace in sustainable energy solutions. Our customers receive the greatest value by integrating an economic and environmental balance to the products and services we will deliver to them. As an Energy Provider, we will be a community leader in ensuring that environmental stewardship is a vital component of our services to increase customer awareness of proper energy utilization and management.

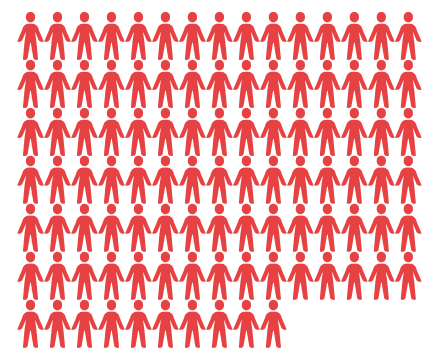
VALUES

Integrity- Every employee at every level of the organization makes the commitment to conduct business lawfully and ethically. Excellence- EPC is on a journey to be "best in class" in energy delivery. EPC commits to continuously improve and look for innovation that help customers, seizes opportunities to develop our own skills and talents, and fosters respectful and trusting relationships with our colleagues. Citizenship- Respecting and supporting the social and cultural fabric of the communities we work, live and serve in is EPC's responsibility. EPC strives to conduct business in an environmentally responsible manner and in a way that protects the health and safety of fellow employees and the public.



EMPLOYEE PROFILE

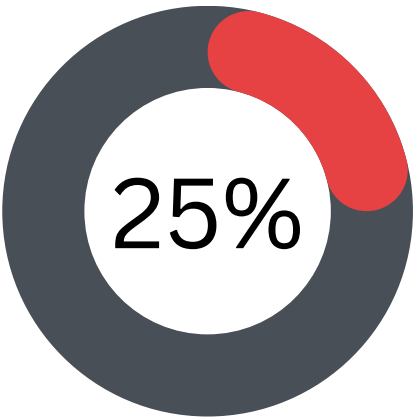
Essex Power does not keep statistics on minority groups, age or gender. Essex Power is an equal opportunity employer. Learn more at www.essexpower.ca



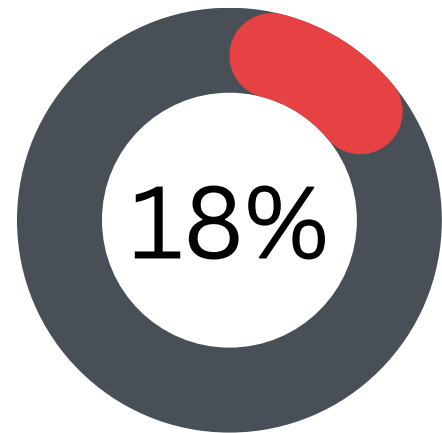
114 total employees at Essex Power.



100% of EPC workers are represented in formal join management-worker health and safety committees.



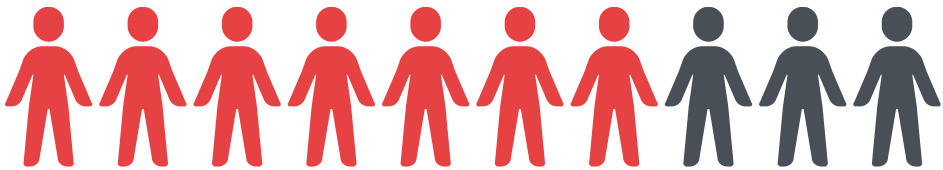
25% of EPC workers are covered by collective bargaining units.



18% of EPC workers were newly hired in 2022 (21 total)



100% of EPC workers are entitled to parental leave. In 2022, 1 employee took parental leave and returned to work after the leave ended.

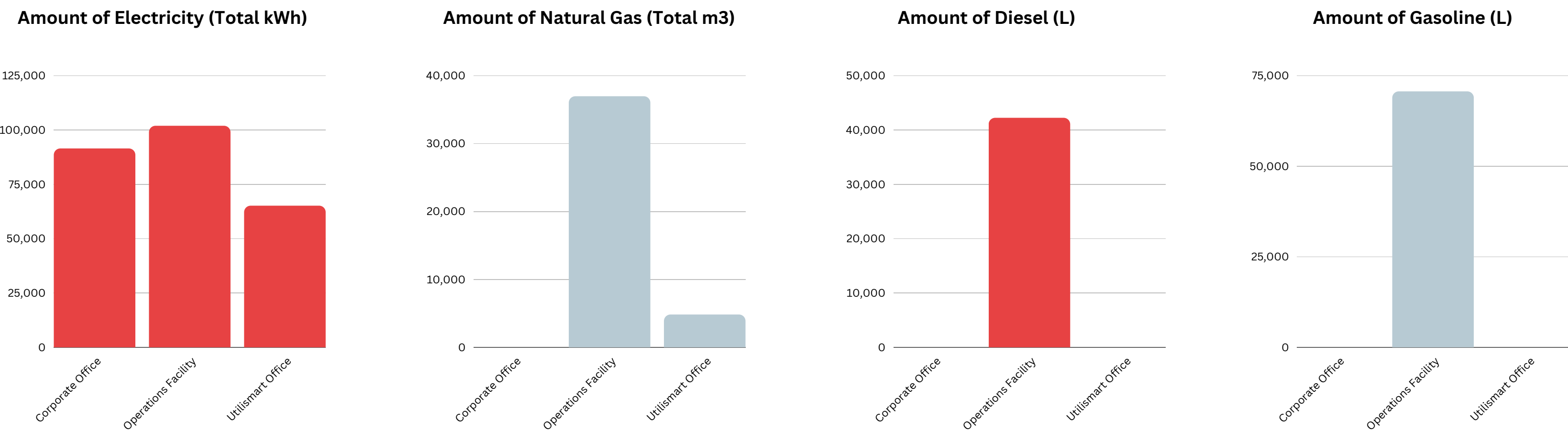


7 of every 10 Essex Power employees are subject to regular performance and career development reviews.

MEMBERSHIP OF ASSOCIATIONS



ENERGY CONSUMPTION



Essex Power actively seeks to reduce its energy consumption through participation in a variety of programs and other efforts. Essex Power Group of Companies owns solar PV solutions throughout Ontario. Notably, the Operations facility had installed a solar PV solution on its rooftop in 2019. In 2022, the PV solution generated 121,528 Wh of clean energy. Overall the final yield of all owned solar PV assets amounted to over 5100 MW of clean energy for Ontario. Essex Energy Corporation provides a variety of services related to energy conservation and renewable energy development. Some of these activities include: (1) CDM Consulting (2) Renewable Energy System Design (3) Installation of DERs (4) Consulting (mainly solar, other DERs including BESS, EV charger infrastructure, wind, biomass, etc.)

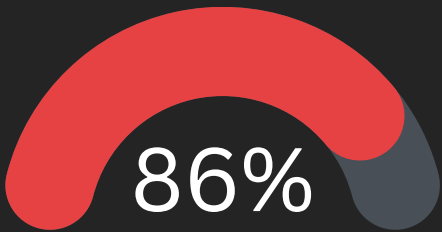
EPC MANAGERS MEET ON AN ONGOING BASIS WITH ALL SHAREHOLDERS AND BOARD MEMBERS TO DISCUSS MATERIAL MATTERS.

ESSEX POWERLINES CONTINUES TO SUPPORT ITS SHAREHOLDER MUNICIPALITIES BY CONTRIBUTING TO AND ATTENDING LOCAL EVENTS.

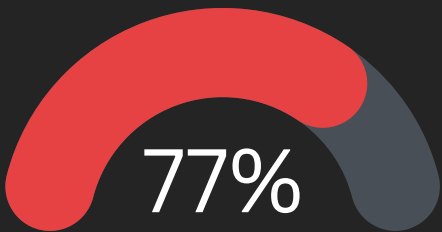
ESSEX POWERLINES SPECIFICALLY ENGAGES WITH ITS CUSTOMERS TO ENSURE THAT THERE IS SATISFACTION IN SERVICE DELIVERY. CUSTOMER SATISFACTION SURVEYS ARE SENT OUT FREQUENTLY TO DETERMINE THE SATISFACTION WITHIN ITS SERVICE TERRITORY. ADDITIONALLY, EPC FOCUSES ON SPONSORING COMMUNITY INITIATIVES AND FESTIVALS.

STAKEHOLDERS

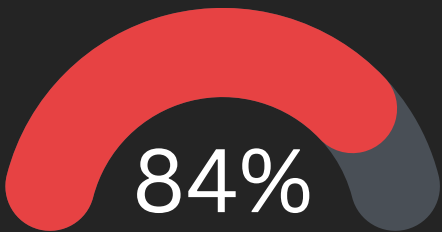
CIVIL SOCIETY | MUNICIPALITIES | EMPLOYEES &
TRADE UNIONS | SHAREHOLDERS | CUSTOMERS



OVERALL CUSTOMER SATISFACTION



QUALITY OF POWER SERVICE



QUALITY OF CUSTOMER SERVICE

OUR COMMUNITY, OUR PRIORITY



We are committed to giving back to the community. We believe that corporations have a responsibility to invest in the economic, social and environmental well-being of their neighbours. True to our principles, we're doing just that. In 2022, we led a variety of initiatives to generate positive impacts in our region.

Markets Served	EPC, through Essex Powerlines Corporation, distributes electricity to the municipalities of Amherstburg, LaSalle, Leamington and Tecumseh in the province of Ontario in Canada. EPC delivers electricity principally to four distinct class types of customers: (1) Residential: accounts where the electricity is used exclusively in a separately metered living accommodation where the electricity is taken at 750 volts or less. (2) General service less than 50kW: non-residential accounts whose average monthly maximum demand is less than, or is forecast to be less than, 50kW where the electricity is taken at 750 volts or less (3) General service 50 to 4,999kW: Non-residential accounts where the average monthly maximum demand used for billing purposes is equal to or greater than or is forecast to be equal to or greater than, 50kW but less than 5,000kW Large User: Accounts where the average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000kW. EPC also provides commercial rooftop and ground-mount solar generation. The sales and marketing are provided through Essex Energy. Utilismart Corporation provides Distribution Utilities, municipalities, commercial and industrial customers with the data that they require to operate efficiently and effectively through a web-based portal
Precautionary Principle or Approach	EPC supports the Precautionary Principle as defined in Principle 15 in the Rio Declaration
Key Stakeholder Topics and Concerns Raised	EPC holds internal meetings with shareholders and board members on a normal cadence. The concerns and key topics of these meetings result in the agenda and updates for subsequent meetings.
Anti-Corruption	EPC does not have a formal risk assessment tool focused on corruption. EPC has multiple corporate policies in place to address corrupt practices, including: Whistleblower Policy, Code of Conduct Policy, and Corporate Procurement Policy. EPC practice is to have all current and new employees, as a condition of hire, review and sign the Code of Conduct policy. The Audit Committee of the Board of Directors is accountable to evaluate and investigate reports of violation to ensure that the integrity and performance of Essex Power Corporation is maintained.
Operations assessed for risks related to corruption	100%. All operations are outlined in several different company policies as mentioned above. These policies are revised and updated as required. Any violations may be reported to the Audit Committee of the Board of Directors of Essex Power Corporation.

Communication and training about anticorruption policies and procedures	EPC practice is to have all current and new employees, as a condition of hire, review and sign the Code of Conduct policy. Formal training and walk through of all documents occur within the first week of hire by the HR Manager.
Confirmed incidents of corruption and actions taken	Zero reported incidents resulting in no need for action.
Non-compliance with environmental laws and regulations	Essex Power has not identified any non-compliance with environmental laws and/or regulations
Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Health Dental Life AD&D STD LTD Dependent Life OMERS Pension and/or RSP match program
Minimum notice periods regarding operational changes	EPC does not have a formal minimum notice period for significant operational changes, but it does work diligently to give reasonable notice.
Average hours of training per year per employee	Average hours of training vary across Essex Power depending on the position and trade.

Programs for upgrading employee skills and transition assistance programs	Essex Power encourages and supports all employees to participate in training programs that will upgrade skills based on their position/trade. A tuition reimbursement program is in place for this.
Incidents of discrimination and corrective actions taken	Zero instances of discrimination therefore no action required.
Substantiated complaints concerning breaches of customer privacy and losses for customer data	Essex Power has identified one complaint concerning breaches of customer privacy in 2021. The matter has been dealt with in accordance with Company policy.
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Essex Power is subject to Canadian and Ontario Law on matters of the right to exercise freedom of association or collective bargaining. Essex Power respects freedom of association and the right to collective bargaining. Moreover, Canada is a signatory to International Labour Organization (ILO) Convention #87, the Association and Protection of the Right to Organize Convention, 1948.
Operations and suppliers at significant risk for incidents of child labour	Essex Power complies fully with all Canadian and provincial laws on minimum age convention and child labour. Additionally, EPC suppliers are either from Canada or the United States which both have appropriate child labour laws in place. Therefore, there are zero incidents to report
Operations and suppliers at significant risk for incidents of forced or compulsory labour	EPC does not have forced or compulsory labour and complies fully with Canada's federal and provincial anti-compulsory labour laws.

Operations with local community engagement, impact assessments, and development programs	<p>The exact percentage of operations implemented within the local community is not explicitly tracked. The electricity distribution operations of Essex Power reside within the communities of its shareholders, where it is licensed to operate by the Ontario Energy Board. On a neighborhood level, community members are informed beforehand if Essex Powerlines is going to be working locally. Since impacts are minimal at an operational level, and site rehabilitation is part of work practices, no programs are in place to assess impacts.</p> <p>Specific information on EPC community engagement can be found in the Social Performance section in the 2022 Annual Report at www.essexpower.ca.</p>
Political Contributions	<p>EPC does not contribute to political parties, politicians, and related institutions.</p>
Proportion of senior management hired from the local community	<p>No formal policy or common practice of granting hiring preferences to residents.</p>
Workplace Related Injuries	<p>Essex Power Corp had 0 workplace fatalities in 2022, 2.55 lost-time incidents, 4 recordable work-related injuries and a lost day rate of 2 days</p>
Statement from senior decision-maker	<p>Please see Board & CEO message in 2022 Annual Report, available at www.essexpower.ca</p>