



This report is made pursuant to *An Act to enact the Fighting Against Forced and Child Labour in Supply Chains Act and to amend the Customs Tariff* (Canada) (the “Act”) in respect of the year ended December 31, 2023.

Applicability of Requirements of the Act

Essex Powerlines Corporation falls within the definition of “entity” under the Act on the basis of its place of business and because it meets the applicable financial conditions applicable to an entity under the Act. Essex Power Corporation also falls within the definition of an “entity” under the Act and is subject to the Act’s reporting requirements under section 9(c) of the Act because it controls Essex Powerlines Corporation.

This report outlines the approaches and initiatives taken by Essex Power Corporation and Essex Powerlines Corporation to identify and address the risks of forced labour and child labour in their business operations and supply chains during the financial year commencing January 1, 2023 and ending December 31, 2023.

This is a joint report under section 11(2)(b) of the Act for Essex Power Corporation and Essex Powerlines Corporation.

Steps Taken to Prevent and Reduce the Risk that Forced Labour or Child Labour Is Used by the Entities or of Goods Imported by the Entities

Essex Power Corporation and Essex Powerlines Corporation comply with Ontario and Canadian laws and regulatory requirements regarding their employees, contractors, procurement and supply chains. Other than such compliance, neither Essex Power Corporation nor Essex Powerlines Corporation took any steps during the applicable financial year to prevent or reduce the risk that forced labour or child labour was used at any step of goods imported into Canada by the entity. Neither entity is involved with the production of goods in Canada or elsewhere.

Entities’ Structure, Activities, and Supply Chains

Essex Power Corporation, incorporated on March 17, 2000, under the *Business Corporations Act* (Ontario), is owned by four municipalities: the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington, and the Town of Tecumseh. Essex Power Corporation is the parent holding company of a regulated local distribution company, Essex Powerlines Corporation, and an unregulated company, Essex Energy Corporation. Essex Energy Corporation is a wholly owned unregulated subsidiary of Essex Power Corporation and is not subject to the reporting requirements under the Act. Essex Energy Corporation is an energy technology company providing various services

and technology related solutions to electrical utilities, generators, transmitters, and consumers across North America.

Essex Powerlines Corporation is a regulated local electricity distribution company that is a wholly owned subsidiary of Essex Power Corporation. Essex Powerlines Corporation is responsible for distributing electricity¹ to over 34,000 business and residential customers and connections within the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington, and the Town of Tecumseh. Essex Powerlines Corporation employs 50 people, all of whom reside in Canada. Generally, this workforce is engaged directly via employment contracts or via a collective bargaining agreement.

As the point of contact for electricity with the end-use customer, Essex Powerlines Corporation invoices and receives revenue for the entire bulk electricity system, including generation, transmission, and distribution. However, the revenues collected for generation and transmission are remitted as a pass through (with no profit gained) to the corresponding entities via the Independent Electricity System Operator.

Essex Powerlines Corporation provides distributions services to the residents and businesses in its regulated service territory under a license issued by the Ontario Energy Board (OEB). Under its license, it is the monopoly provider of electricity distribution services and all adjustments to its electricity distribution rates require OEB approval.

Supply chains for Essex Powerlines Corporation include purchasing electricity distribution system components and solar panel materials. All goods are purchased from Canadian suppliers / distributors; these goods are manufactured outside of Canada. Solar panels are manufactured in three (3) countries; inverters are manufactured in three (3) countries and meters are produced in one (1) country outside of Canada. There are seven (7) countries outside of Canada, known to be sources of goods in the supply chains of Essex Power Corporation and Essex Powerlines Corporation.

Policies and Due Diligence Process

Policies at Essex Power Corporation and Essex Powerlines Corporation related to procurement and purchasing do not directly address forced or child labour in the supply chain.

Risks in Supply Chain

There is no risk assessment procedure in place at Essex Power Corporation or Essex Powerlines Corporation that examines forced labour or child labour in the supply chain of suppliers of the Entities.

¹ It is not clear that distribution of electricity constitutes producing, selling or distributing goods within the meaning of section 9(a) of the Act. However, this report is being provided until clarity can be obtained in this regard on the basis that the Minister of Public Safety and Emergency Preparedness may interpret the Act as imposing reporting obligations on the basis that section 9(a) does apply to the distribution of electricity..

Remediation Steps re Forced Labour and Child Labour

No specific remediation steps have been taken with respect to forced labour or child labour in the supply chains of Essex Power Corporation or Essex Powerlines Corporation.

Remediation Steps re Loss of Income of Most Vulnerable Resulting from Measures to Eliminate Forced Labour and Child Labour

No specific remediation steps have been taken with respect to loss of income of most vulnerable resulting from measure to eliminate forced labour or child labour in the supply chains of Essex Power Corporation or Essex Powerlines Corporation.

Training

While Essex Power Corporation and Essex Powerlines Corporation staff are trained on a wide range of legislated topics, there is currently no specific training undertaken that addresses the topics of forced labour and/or child labour.

Effectiveness Assessment

There was no effectiveness assessment undertaken by Essex Power Corporation or Essex Powerlines Corporation to assess the entities' effectiveness in ensuring that forced labour and child labour are not being used in the business and supply chains.

Attestation

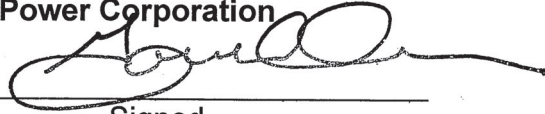
This statement is made pursuant to the Act for the financial year ending December 31, 2023. It has been issued on behalf of Essex Power Corporation and Essex Powerlines Corporation and approved pursuant to subparagraph 11(4)(b)(i) of the Act by Essex Power Corporation's board of directors on [DATE] and Essex Powerlines Corporation's board of directors on [DATE].

In accordance with the requirements of the Act, and in particular section 11 thereof, each of the undersigned attests that they have authority to bind the respective corporations of which they are signing officers, that they have reviewed the information contained in this joint report and, based on their respective knowledge, and having exercised reasonable diligence, each attest that the information in the report is true, accurate and complete to the best of their respective knowledge in all material respects for the purposes of the Act, for the reporting year listed above with respect to Essex Power Corporation (in the case of the officer thereof) and Essex Powerlines Corporation (in the case of the officer thereof).

Signed:

Essex Power Corporation

Per: _____



Signed

Name:

Gary McNamara

Title:

Chair

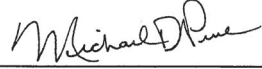
Dated

May 15, 2024

I have the authority to bind Essex
Power Corporation

Essex Powerlines Corporation

Per: _____



Signed

Name:

Michael Prue

Title:

Chair

Dated

May 15, 2024

I have the authority to bind Essex
Powerlines Corporation

60275608.2