



Building Connections for Life

REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN THE SUPPLY CHAIN 2023

[www://sudburyhydro.com/](http://sudburyhydro.com/)



Introduction

On January 1, 2024, the Fighting Against Forced Labour and Child Labour in the Supply Chain Act was enacted. This legislation seeks to help eradicate child and forced labour contributions to the Canadian economy particularly in the areas as identified by the report Ending child labour, forced labour and human trafficking in global supply chains: International Labour Organization, Organisation for Economic Co-operation and Development, International Organization for Migration and United Nations Children's Fund, 2019. The report specifically identifies Africa, Asia, Latin America and the Caribbean as areas of concern.

Slavery, human trafficking, forced labour and child labour are contrary to our core values and we do not tolerate them in our organization or in those of our suppliers, contractors, and subcontractors. We hold our employees, our contract workers, and the Board of Directors of Greater Sudbury Hydro Inc. to act with integrity and always comply with the letter and spirit of the relevant legislation and regulations in the jurisdiction in which we operate. We have begun to review and revise our both our internal and external policies and practices and are striving to respond to any instances that arise where our expectations are not being met in a timely and appropriate manner.

What is Modern Slavery?

Modern Slavery is a violation to basic human rights, which involves the forced labour of minor children and individuals against their will, and which could cause the individual to reasonably believe their safety or that of a person known to them would be threatened. Examples can include forced labour, servitude and prevention of freedom of movement.

Who we are

Our purpose

Greater Sudbury Hydro Inc. (GSH) distributes electricity to over 47,800 customers within the City of Greater Sudbury and the Municipality of West Nipissing. We maintain 30 substations with the latest computerized technology in order to supply reliable electricity to residential and commercial customers, and ensure our communities have the electrical infrastructure to grow and prosper.

Our mission

GSH is a wholly owned subsidiary of the City of Greater Sudbury, under the umbrella of Greater Sudbury Utilities (GSU). Strong and innovative connections are what drive Greater Sudbury Utilities core capabilities. The GSU group of companies, which includes GSH, work together to empower people to connect, prosper & grow through innovation and proven leading-edge technology, time and time again. Together, a stronger utility — a greener community.



**Written statements exist on paper.
These values are what we live.**

Everything we do, say, or aspire to, at Greater Sudbury Utilities is a reflection of our shared values. They guide our business activities and shape our unique corporate culture. They make us who we are and define our reputation in the communities we serve. So, when it comes to our values, we never compromise.

This brings us together and sets us apart.

The Power of Us

We believe in...

Doing the right thing.

We always work in the best interest of our stakeholders, no matter the circumstance. We deliver on our promises, across all companies, and consistently treat others as we'd like to be treated. We do the right thing, even when no one is watching.

Ensuring safety is our responsibility.

We take care of what's most important to us—now and over the long-term. Our people, our families, the public, and our communities are most important to us, and their safety is our greatest responsibility. We exhibit an unwavering commitment to continuous learning, safety, health, wellness, and work-life balance where our people can achieve their full potential as experts and individuals.

Acting courageously.

We want to lead in everything that we do, and so we see challenges as opportunities. We make space to try new things, innovate, and have honest conversations. Regardless of the outcome, we own the results. We take on adversity willingly to grow our businesses and improve our practices.

Protecting our assets.

We practice sound financial management, remain responsive in emergency situations, and engage in preventative maintenance of infrastructure. We take a long view - our unwavering commitment to quality builds physical connections that meet the needs of future generations.

Giving more.

We want to make the greatest impact possible. We strive to exceed expectations in the quality of services provided and to be active corporate citizens locally and regionally. We respond to customer requests with urgency and compassion, and support important social causes through volunteerism and charitable giving.

We are experts in our fields. We believe in our ideas and in our collective ability to bring them to life. We hire the best people, the most qualified people, and we let their talents shine. We are united in purpose and always willing and respectful collaborators—no egos, no competition. We spearhead partnerships, support one another, trust implicitly, and do great things together.

Structure, Activities and Supply Chain

Structure

Greater Sudbury Hydro Inc. (“GSH”) was incorporated on October 1, 2000 under the Business Corporation Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada. On January 24, 2008, an amalgamation occurred between GSH and West Nipissing Energy Services Ltd., with the corporation continuing to retain the GSH name.

Where we are

GSH employs between 50-100 people within Northern Ontario with the majority located in the City of Greater Sudbury. They are mostly engaged directly via employment contracts or via Collective Bargaining agreements. Our employment contracts and workplace policies are regularly reviewed to ensure compliance with the governing legislations.



Activities

Our mandate is to provide safe, reliable, efficient / cost effective delivery of electricity to the residents and businesses in our service territory, the citizens of the City of Greater Sudbury and West Nipissing under a license issued by the Ontario Energy Board (“OEB”). GSH is regulated by the OEB and adjustments to GSH’s electricity distribution rates require OEB approval.

Code of Conduct

We are committed to being a workplace that is trusted by employees, clients, and shareholders. We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust from and builds value for our clients, employees, community, and shareholders. We encourage employee actions that align with our purpose, and to be a long-term community partner. We maintain a respectful workplace free of discrimination, sexual harassment, and workplace harassment, and believe that all workplace incidents, illnesses, and environmental impacts are preventable and that no task or production schedule is more important than the mental and physical health of a worker, the safeguarding of the public, or the protection of the natural environment. We regularly review our Code of Conduct to ensure that we maintain best practices for corporate culture, and that we are truly are living the fundamental principals of diversity, inclusivity, and equity.

Approximately 85% of GSH employees are represented by the Canadian Union of Public Employees local 4705 (“Union”). This ensures prompt and equitable resolution of employment related complaints, grievances and disputes. In addition, it promotes co-operation and understanding between GSH and members of the bargaining unit. It also recognizes the mutual value of joint discussions and negotiations in matters pertaining to the improvement of working conditions, scale of wages, employee benefits and other employment-related matters. Given the adherence to laws, the policies and procedures in place for all employees, GSH is confident that there is no forced labour or child labour risk among its employees, all of whom work and reside in Ontario, Canada.

Internal Policies

We comply with all applicable provincial and federal laws and regulations as a minimum standard. All employees acting on behalf of GSU/GSH are expected to comply with this commitment and all related corporate policies, including:

Laws and Regulations

- Employment Standards Act 2000;
- Labour Relations Act, 1995;
- Personal Information Protection and Electronic Documents Act (Canada), 2000;
- Ontario Human Rights Code, R.S.O. 1990; and
- Occupational Health and Safety Act as amended, R.S.O. 1990 (“OHSA”).

Internal Codes & Policies

- Code of Conduct;
- Respectful Workplace Policy;
- Health & Safety;
- Accessibilities Policy.

Hiring Practices & Policies

Within the various policies and hiring procedures, we adhere to the following extracted items:

- All open job opportunities are posted on a variety of website job boards, on our website, inviting candidates to apply;
- Complying with provincial regulations, no one under the age of 16 will be employed, and students must be enrolled full-time in a community college or university program;
- In no case shall an employee be required to work more than 60 hours in any one week;
- Barring exceptional circumstances, and subject to the Employment Standards Act, 2000, an employee cannot be required to work on a public or paid holiday;
- Employees are offered: sick leave, bereavement leave, pregnancy leave, parental leave, personal leave, and are supported upon their return to the workplace as determined by the employee and their supervisor.



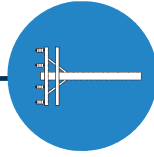
Supply Chains

The Bulk electricity system in Ontario is broken into three main segments:



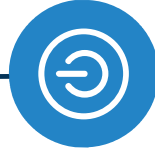
Generation

the production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind facilities, etc.



Transmission

the bulk movement of the electricity from the generating site along high-voltage power lines over long distances; and



Distribution

carrying the electricity from the transmission system to individual consumers. GSH is a distributor of electricity.



The Independent Electricity System Operator (IESO) works at the heart of Ontario's power system. IESO delivers key services across the electricity sector including managing the power system in real time, planning for the province's future energy needs, enabling conservation and designing a more efficient electricity marketplace to support sector evolution.

Role of a Distributor

As a distributor, our role is to deliver electricity safely and reliably, at a reasonable cost. However, as the point of contact for electricity with the end-use customer, we invoice and receive revenue for the entire bulk electricity system, including generation, transmission, and distribution. The revenues collected for generation and transmission are remitted as a pass through (with no profit gained) to the corresponding entities via the IESO.

Supplier Risk Management

External

We are working to maintain an open and competitive purchasing environment. We have a Purchasing Policy in place to ensure reliable suppliers and contracts. This policy ensures that employees in the purchasing department operate within guidelines towards the procurement of equipment in accordance with industry standards and regulations, with thresholds for tenders, receiving competitive bids, verbal, and written quotes, completing the purchase order process, and adhering to signing authorities.

Moving forward

We will develop a risk assessment and due diligence program for our suppliers including establishing a Supplier Code of Conduct.

We will be risk assessing suppliers at the inception of the business relationship, track changes in their risk profiles on an ongoing basis and identify negative news related to our highest-risk suppliers. If a supplier is flagged for human rights risk, they will be subject to enhanced due diligence. GSU aims to prevent and mitigate adverse impacts we may be directly linked to by taking appropriate action to mitigate such risks, which may include exercising leverage in our business relationships.



In 2023, we worked with over 230 different suppliers. Our review of these suppliers showed that a vast majority are based in North America, with a significant number being located in Canada. However, we have also determined that a few suppliers have locations in areas of concern and establishing the origin of products in these cases are more difficult. Moving forward, we will be working with our suppliers to ensure that they are upholding this legislation, and verifying their own supply chain on all orders from GSH.

How it works

We purchase finished products or electricity distribution equipment (“equipment”) that is then used to assemble according to its own engineered designs to provide the service of electricity. The design of the equipment and the assemblies of the equipment must be specifically designed for the following factors:

- electricity is dangerous to everyone and anything that is near it;
- it is a necessary service where every resident, business – commercial and industrial customer connected to the electricity system relies on the power;
- the system is installed and operates in the public domain, overhead along the streets, highways, and underground of the streets and houses.

In order to deliver a safe, reliable system that will withstand the outside environment in which it is situated for many decades, the majority of the equipment utilized for electrical distribution is designed to an industry specification and must meet performance tests as per an industry standard, such as those developed by the Canadian Standards Association. Therefore, production of electricity distribution equipment requires high quality which is achieved with high skill, training, and labour rates, which is not prone to forced labour or child labour.

Steps to Prevent and Reduce Forced Labour and Child Labour Moving forward

Up to this point, we have witnessed no evidence of forced labour or child labour in GSH' supply chains. Given the location and high quality involved in manufacturing the equipment, the risk of forced labour and child labour being present in our first tier of the supply chain is relatively low.

However, we are committed to working collaboratively with our suppliers and industry stakeholders to understand where risks are, and where we need to make changes. We are committed to improving our practices to combat forced labour and child labour. We recognize that forced labour and child labour is a real yet hidden issue. We will not tolerate either form of slavery in our business or supply chain.

Beginning in 2024, we are committed to developing a plan to address actions regarding forced labour and child labour. It will include:

Internally

- An internal Supplier Code of Conduct outlining the standards and expectations to which we will hold all suppliers accountable.;
- Updates to the Employee Code of Conduct, for reporting any situations faced or suspicions raised;
- Developing awareness materials and training for employees; and
- Developing an internal and external risk assessment guideline to assist in help address those risks to human rights deemed by us to be the most likely and severe within our organization, supply chain and business relationships;

Externally with First Tier Suppliers and Manufacturers

- Engage for transparent information sharing on their due diligence activities, existing and planned, regarding their related policies, codes, and recruitment practices, etc.; and
- Review and revise supplier contracts, adding specific representations and warranties that they do not use child labour or forced labour, and that the supply partner is making efforts to ensure that child labour and forced labour do not exist in the many tiers of their supply chains.

Governance Process

In preparing this statement, we engaged with each of the reporting entities covered by this statement, and with other entities we own or control. We also consulted with key areas of our organization to prepare this statement, including Procurement, Human Resources, Corporate Finance, and General Counsel. This consultation process has supported our enterprise-wide approach to ensuring the prevention modern slavery in our organization.

We remain committed to preventing slavery and human trafficking from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures, and practices periodically to determine any enhancements we can make to help prevent modern slavery and human trafficking.

This statement was approved by the GSH Board Members on April 22, 2024.



This report was signed in Sudbury, Ontario on the ___th day of May, 2024.


Rene Lapierre (May 10, 2024 09:31 EDT)

NAME Rene Lapierre
Vice-Chair
“has authority to bind GSH”

