

Fighting Against Forced Labour and Child Labour in Supply Chains Act **(the “Act”)**

2023 Annual Report

1) Applicability of Requirements of the Act

ENWIN Utilities Ltd. (ENWIN) and the Windsor Utilities Commission (WUC) each fall within the definition of “entity” under the Act on the basis of their place of business and because they each meet the applicable financial conditions applicable to an entity under the Act. Windsor Canada Utilities Ltd. (WCU) also falls within the definition of an “entity” under the Act and, subject to the comments below, may be subject to the Act’s reporting requirement under section 9(c) of the Act because it controls ENWIN.

WCU, ENWIN and WUC note that it is not clear that they have reporting obligations under the Act because it is not clear that distribution of electricity or the production and distribution of water constitutes producing, selling or distributing goods within the meaning of section 9(a) of the Act. However, this report is being provided until WCU, ENWIN and WUC can obtain clarity regarding their obligations under the Act, on the basis that the Minister of Public Safety and Emergency Preparedness may interpret the Act as imposing reporting obligations on WCU, ENWIN and WUC.

This 2023 Annual Report is a joint report provided in accordance with section 11(2)(b) of the Act by WCU, ENWIN and WUC. Because WCU is a holding company and WUC’s operations are wholly outsourced to ENWIN, the supply chain activities set out in this report are performed by ENWIN and its employees.

2) Structure, Activities and Supply Chains

a) Structure

Legal & Corporate Structure

WCU was incorporated in December 1999. It is a holding company with no employees or direct supply chain activities, owned by its sole shareholder the Corporation of the City of Windsor (City).

ENWIN was incorporated in December 1999. It is a monopoly regulated electricity Local Distribution Company (LDC) operating in its service territory in Windsor, Ontario. ENWIN owns and maintains an electricity distribution system that serves almost 91,000 residential and commercial customers. ENWIN is wholly owned by WCU.

ENWIN employs 312 people, all of whom reside in Canada. Most of this workforce is engaged directly via employment contracts or via a Collective Bargaining agreement.

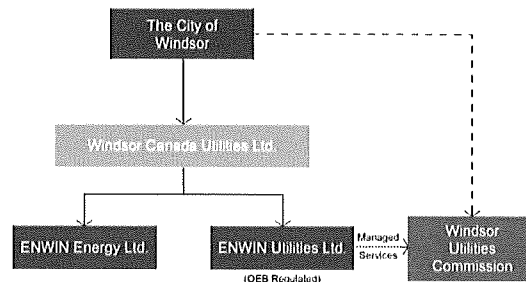
WUC was established as a public utility under the *City of Windsor (Amalgamation) Act, 1935* and continued as a local board under the *City of Windsor Act, 1936*. As a result, WUC operates under the *Public Utilities Act* and the *Municipal Act, 2001*. WUC owns the City of Windsor Water Distribution System, which currently produces and distributes water to approximately 75,000 residential and commercial customers in Windsor, Ontario. It also distributes water at a wholesale level to the Towns of LaSalle and Tecumseh, Ontario.

On November 6, 2012, WUC and ENWIN first entered into a Water System Operating Agreement (WSOA), pursuant to which ENWIN operates WUC’s water production and distribution systems. The services provided by ENWIN include management, administrative services, construction operations, and maintenance services. ENWIN is responsible for providing all personnel required to operate the water systems. As such, WUC has no employees or officers.

ENWIN Energy Ltd. (EWE) is a non-regulated company focusing on the provision of competitive energy services. EWE does not have reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act)* since it does not meet the the definition of “entity” under the Act.

Figure 1 sets out the corporate structure of WCU, ENWIN, EWE and WUC.

Figure 1
Corporate Structure



The Managed Services are provided by the Water System Operating Agreement

b) Activities

WCU’s principal activity is to provide strategic direction and guidance to the operations of its wholly owned subsidiaries, ENWIN and EWE.

ENWIN is a regulated electricity distributor. Its role can be understood in the context of an explanation of Ontario’s electricity system. The bulk electricity system in Ontario consists of three main segments:

- 1) Generation: the production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind, etc. facilities;
- 2) Transmission: the bulk movement of the electricity from the generating site along high-voltage power lines over long distances; and
- 3) Distribution: the delivery of electricity from the transmission system to individual end-use consumers.

The Independent System Electricity Operator (“IESO”) operates and monitors Ontario’s electricity grid, directing the flow of electricity and balancing the hundreds of supply resources with demand. As the point of contact for electricity with the end-use customer, ENWIN 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 IESO.

In addition to its role as the customer-facing billing entity for the electricity system, ENWIN’s mandate is to connect communities by providing safe, reliable, efficient, and cost-effective electricity and clean energy solutions to the residents and businesses in its service territory, which is limited to Windsor, Ontario, 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.

Pursuant to section 71 of the *Ontario Energy Board Act*, ENWIN may also provide certain services that would assist the Government of Ontario in achieving its goals in electricity conservation, including services related to the promotion of electricity conservation and the efficient use of electricity, electricity load management, the promotion of cleaner energy sources, and certain renewable generation, cogeneration and energy storage activities.

Except as expressly set out above, ENWIN does not produce, manufacture, or import goods, though it purchases goods as described below.

WUC’s mandate is to connect communities by delivering clean, reliable, cost-effective and safe water solutions that are essential to life. WUC produces and distributes water throughout Windsor, Ontario and to the towns of LaSalle and Tecumseh, Ontario. The importation of goods for WUC is limited to specific equipment for the water distribution system. This equipment accounts for a small portion of overall purchase order spend and is mostly procured from the USA. WUC also purchases goods as described below.

c) Supply Chains

ENWIN

In accordance with its mandate, ENWIN purchases electricity on behalf of its customers, and it purchases goods and services to build and maintain the distribution system that delivers electricity to its customers.

A high-level review ENWIN's 2023 purchase order spend related to top Tier 1 suppliers shows that, of the purchase orders reviewed, substantially all goods and services that directly support the distribution system were purchased from suppliers operating in Canada or the USA. Moreover, of the goods that directly support the distribution system, substantially all of the purchase order spend that was reviewed was purchased from suppliers that manufacture the goods in Canada or the USA.

ENWIN notes that the equipment and goods used in the distribution system require highly skilled labour to manufacture in accordance with applicable regulations and standards, which likely reduces the risk of forced or child labour in the production process.

ENWIN did not conduct an analysis to identify components or raw materials used in the manufacturing process from these suppliers in 2023.

WUC

Like ENWIN, most of the supply chain activities conducted for WUC are directed towards to procurement of goods and services that support the water production and distribution systems. Water production and distribution is a highly regulated industry, with goods and services that must meet stringent regulatory requirements.

The greatest portion of WUC's 2023 purchase order spend from top Tier 1 suppliers was related to the procurement of service providers for the construction and maintenance of the water distribution system, all of which were contractors with offices and employees located in Canada. A high-level review of 2023 purchase order spend from top Tier 1 suppliers indicates that substantially all of WUC's purchase order spend that was reviewed was purchased from suppliers in Canada and the USA.

3) Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

a) Internal

ENWIN is committed to being a workplace that is trusted by its employees, customers, and shareholder. In so doing, ENWIN encourages employee actions that align with its purpose, and takes steps to be a long-term community partner.

ENWIN strives to maintain a respectful workplace free from harassment and violence, including sexual harassment and sexual violence, discrimination and physical and psychological injury. ENWIN believes that no task should be performed without first considering the health of employees and environmental impacts.

ENWIN ensures compliance with all applicable federal and provincial laws and regulations as a minimum standard. All employees are expected to comply with this commitment and all related laws, policies and procedures, including:

Laws and Regulations Thereunder

- *Employment Standards Act 2000*
- *Labour Relations Act, 1995*
- *Personal Information Protection and Electronic Documents Act*
- *Human Rights Code*
- *Occupational Health and Safety Act*
- *Education Act*

Internal Policies and Procedures

- Employee Code of Ethics and Conflict of Interest Policy
- Hiring Policy
- Respect in the Workplace Policy
- Health & Safety Policy
- Diversity, Equity, and Inclusion Policy
- Workplace Violence and Harassment Training
- Prevention of Violence in the Workplace Policy
- Accessibility (AODA) Policies
- Release of Personal and Employment Information Policy
- Compensation and Benefits Policy for Management and Non-Union Employees

In compliance with the above-noted laws, policies, and procedures, ENWIN's hiring practices also require the following:

- All external job opportunities are posted on a variety of website job boards, and on ENWIN's website, inviting candidates to apply.
- No one under the age of 16 will be employed, and students must be participating in supervised alternative learning programs or enrolled full time in a community college or university program.
- All required hours of work comply with the requirements of the *Employment Standards Act, 2000*.
- Employees are entitled to rearrange their work duties without loss of pay to observe the religious holiday(s) of their faith.
- Employees are offered sick leave, bereavement leave, pregnancy leave, parental leave, and family medical leave.

ENWIN strives to find prompt and equitable resolutions to all employee-related matters. In addition, about 61% of ENWIN employees are represented by the International

Brotherhood of Electrical Workers Union (IBEW), which assists with finding prompt and equitable resolution of employment related complaints, grievances and disputes, promoting co-operation and understanding between the ENWIN and members of the bargaining unit, and participating in discussions and negotiations regarding the working conditions, wages, benefits and other employment-related matters.

ENWIN's employment contracts and workplace policies are regularly reviewed to ensure compliance with applicable laws.

b) External

ENWIN and WUC strive to only work with suppliers and manufacturers that align with their key principles, behaviours, and core values. The current supplier contracts include provisions requiring suppliers to comply with applicable laws. Supply chain activities are consolidated with ENWIN, such that a single procurement team conducts activities on behalf of both entities, operating under the same policies and procedures.

Working to maintain an open and competitive purchasing environment, ENWIN has a Purchasing Policy in place to ensure reliable suppliers and contracts. The Purchasing Policy ensures that employees in the purchasing department are operating within guidelines towards the procurement of equipment in accordance with industry standards and regulations. Additionally, high value and/or complex procurements include robust vendor qualification processes, involving internal stakeholders, to ensure suppliers are appropriately vetted. Suppliers must demonstrate appropriate levels of qualification, internal controls, policies and procedures related to safety, personnel management, and compliance with applicable laws and regulations.

3. Risk of Forced Labour and Child Labour, Assessment and Management of the Risk

a) Internal

Given the adherence to laws, policies, and procedures set out above and applicable to its employees, ENWIN is confident that there is no risk of forced labour or child labour related to its employees, all of whom work and reside in Ontario, Canada. ENWIN will continue to adhere to all applicable laws with respect to labour and employment matters, comply with its employment contracts and its collective bargaining arrangements, thus fully mitigating future risks relating to forced labour and child labour.

b) External

ENWIN often purchases finished products or electricity distribution equipment (equipment) that it then uses to assemble according to its own engineered designs to distribute electricity. The equipment and the assemblies of the equipment must be specifically designed for a few main factors:

- 1) Installing, operating and maintaining electricity infrastructure is dangerous and regulated as such.
- 2) Electricity is a necessary service that is relied on by every resident and business connected to the electricity system.
- 3) The electricity system is installed and operates in the public domain, overhead along the streets, highways, and underground of the streets and houses.

To reliably and safely deliver electricity across a system that will withstand the outside environment for many decades, most of ENWIN's equipment 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. As a further step of due diligence, all equipment used in ENWIN's electricity distribution system is approved for use by a Professional Engineer as per O. Reg. 22/04 – Electrical Distribution Safety, which includes an annual audit on the approval process. Therefore, production of electricity distribution equipment requires high quality and precision. This is achieved with a manufacturing sector that has high skill, training, and labour rates, which likely reduces the risk of forced or child labour in the electricity sector.

WUC purchases finished products for the water distribution system. Like ENWIN, WUC operates in a highly regulated industry. Equipment and materials for the water distribution system must adhere to specifications, which are overseen by qualified engineers. The technical and complex nature of equipment and materials required for the water distribution system likely reduces the risk of forced and child labour in the industry. As it relates to the procurement of goods, services and the chemicals used in the distribution system from top Tier 1 suppliers, substantially all of WUC's purchase order spend that was reviewed was from suppliers located in Canada and the USA.

The *Act* seeks to help eradicate forced or child labour contributions to the Canadian economy particularly in the areas of concern identified by the report *Ending Child Labour, Forced Labour and Human Trafficking in Global Supply Chains*¹, including Africa, Asia, Latin America, and the Caribbean. A review of the equipment used by ENWIN and WUC in their distribution systems shows that, based on a high-level review of the 2023 purchase order spend from top Tier 1 suppliers, greater than 80% was supplied from Canada or the USA.

ENWIN expects to continue its current purchasing policies, thus mitigating future risks of suppliers using forced labour and child labour.

4. Assessment and Management of Risks of Forced Labour and Child Labour

Based on the high-level review outlined above, ENWIN did not identify risks of forced or child labour in its or WUC's supply chain. However, ENWIN and WUC are committed to managing such risks by working collaboratively with their suppliers, along with industry

¹ International Labour Organization, Organisation for Economic Co-operation and Development, International Organization for Migration and United Nations Children's Fund, 2019

stakeholders to better understand where there are risks, and where we need to make changes.

5. Measures Taken to Remediate Forced Labour or Child Labour

Because no instances of forced labour or child labour were identified in ENWIN's reviews on behalf of itself and WUC, no measures to remediate forced labour or child labour were needed or taken.

6. Measures Taken to Remediate Loss of Income to Vulnerable Families

Because no measure to eliminate the use of forced labour or child labour in ENWIN's or WUC's activities and supply chains were needed or taken for reasons set out above, no loss of income to the most vulnerable families resulted and no measures to remediate such loss of income were needed or taken.

7. Training Provided to Employees

In 2023, no specific training related to forced labour or child labour was provided to employees of ENWIN.

8. Assessment of Effectiveness in Ensuring that Forced Labour and Child Labour Are Not Being Used in Business and Supply Chain

Given that compliance with applicable laws and contractual requirement will fully mitigate risks relating to forced labour and child labour with respect to internal employment arrangements, and that specialized and regulated standards and requirements apply to products and services procured through external business and supply chain arrangements, which in turn substantially mitigate risks relating to forced labour and child labour, ENWIN and WUC have not adopted specific methods for assessing whether forced labour and child labour are being used in their respective businesses.

9. Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this joint report for Windsor Canada Utilities Ltd., ENWIN Utilities Ltd., and Windsor Utilities Commission.

This report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by:

- (a) the Board of Directors of Windsor Canada Utilities Ltd. on April 24, 2024;
- (b) the Board of Directors of ENWIN Utilities Ltd. on April 24, 2024; and
- (c) the Windsor Utilities Commission on April 24, 2024.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete to the best of my knowledge in all material respects for the purposes of the Act, for the reporting year listed above.

Name: Drew Drake
Title: Mayor
Date: May 21, 2024
Signature: [Handwritten Signature]

I have the authority to bind Windsor Canada Utilities Ltd.

Name: Garnet Fenn
Title: Board Chair
Date: May 21, 2024
Signature: Garnet Fenn

I have the authority to bind ENWIN Utilities Ltd.

Name: Kieran McKenzie
Title: Board Chair
Date: May 21, 2024
Signature: [Handwritten Signature]

I have the authority to bind The Windsor Utilities Commission