

Elexicon Corporation

2021 Corporate, Environmental and Social Responsibility Report



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Our Purpose

"Empowering through energy innovation for a cleaner, better future"

Beliefs

Collaboration

Diversity, Equity, and Inclusion

Environmental and Social Well-Being

Health and Safety

Curiosity

2021 Snapshot

Corporate, Environmental and Social Responsibility is embedded in our purpose and strategy. As the holding company of Ontario's fourth largest municipally-owned electricity distribution company and one of Durham Region's biggest innovative energy solutions company, Elexicon Corporation plays a central role in empowering a cleaner, better future for our communities.

This report explains how we are looking after the people and planet in the communities we serve to foster a more sustainable future.

Governance and Integrity

- 2019 – Established as a corporation and holding company of Elexicon Energy Inc., and Elexicon Group Inc.
- \$136M in economic value delivered in 2021
- \$16.9M net income generated in 2021

People

- 257 employees representing the diverse regions we serve
- 173K residential and business customers across 10 different service territories in Ontario
- Inclusive Society – we are committed to an equitable, inclusive and diverse society. In 2021 we were the first company in Canada to sign the expanded EDI EHRC Accord (Electricity Human Resources Canada)
- 100% of subsidiary employees have completed EDI training

2021

Planet

- 24 electric vehicle charging ports installed in 2021 with another 1,883 ready to be installed in 2022
- 337MWh of solar energy produced
- 102,000+lbs of CO2 emissions saved from solar projects
- LEED Silver certified corporate headquarters (Ajax)
- More than 400 photovoltaic panels, occupying 45,000 square feet on the roof of the building's garage, generate 160,000 kWh of clean, carbon-free electricity annually - an amount equivalent to that consumed by approximately 20 typical households
- A solar-powered electric vehicle carport at Elexicon Energy's headquarters equipped with multiple Level 2 electric vehicle chargers and a Level 3 fast charger is used frequently by visitors and neighborhood residents
- Winner of Electricity Canada's Centre for Excellence Innovation Award

Community

- \$350K – Community giving is at the heart of what we do. In 2021, we committed \$350K to empower and advance the goals of local communities and charities
 - Grants for Education – In 2021, 28 high schools received educational grants from Elexicon to advance the higher education aspirations of its students
- Developing partnerships that contribute to the long-term sustainability of our natural resources, stronger environmental practices and demonstrating an environment-first mindset to community planning.
- 97% of customers are satisfied with our work



About Elexicon Corporation

Elexicon Corporation (“Elexicon”) is 100 per cent owned by five municipal shareholders: the Town of Ajax, the City of Belleville, the Municipality of Clarington, the City of Pickering, and the Town of Whitby. Elexicon Corporation is a holding company with two subsidiaries: Elexicon Energy Inc. (“Elexicon Energy”) and Elexicon Group Inc. (“Elexicon Group or EGI”). Each of the Subsidiaries has their own Board of Directors and are expected to operate as independent businesses.

The Corporation is overseen by a Board of Directors consisting of six Independent Directors and five Dependent Shareholder Directors. The Dependent Directors are by agreement the Mayors, or Mayors’ Designates, of the Shareholder Municipalities. The Independent Directors are appointed by the Shareholder Representatives shareholder municipalities.

The core businesses of the Corporation are electricity distribution in the communities of Ajax, Beaverton, Belleville, Bowmanville, Brock, Cannington, Gravenhurst, Newcastle, Orono, Pickering, Port Hope, Port Perry, Sunderland, Uxbridge, Whitby, Brooklin and Ashburn, and innovative energy and electric vehicle solutions and services across Canada and North America.

Our success comes from the close to 260 employees at our subsidiary companies who empower our communities and customers through energy innovation for a cleaner, better future.

How we create value is just as important as what we do. We believe that collaboration helps achieve better results, curiosity sparks innovative thinking, an inclusive culture that is equitable and diverse empowers success, environmental and social stewardship gives us the social licence to serve our community and the promotion of a healthy and safe place to work is at the cornerstone of what we do.

Chair's Message



Patrick McNeil
Chair of the Board

In 2021, as our communities continued to respond to the global pandemic and we saw an increased focus on climate change impacts, Elexicon deliberately set out to thoughtfully discuss our role, as a critical public sector service, in helping to address the most urgent environmental, social and economic challenges of our communities.

As the Corporate Board of Directors of the fourth largest electric utility in Ontario and a growing innovative energy solutions provider, we sought to fully understand the problems we were uniquely positioned to help solve in the energy transition, and the greater good we could deliver. Our discussions were robust and included the community leaders of our shareholder municipalities: Ajax, Pickering,

Whitby, Clarington and Belleville. From that, our purpose took shape. **Empowering a cleaner, better future through energy innovation.** We take this purpose seriously. Not only as a way to strengthen the position of our subsidiaries' profitability and earnings but as a way to bring about meaningful change through energy innovation, transformation and collaboration. As we grow, we'll be able to do more good for our communities, customers, shareholders and employees.

In the coming years, as our strategy takes shape we will focus on these three key commitments:

Empower: Empowerment is at the core of everything we do, how we will create more opportunities for our customers, community and employees.

Energy Innovation: We will be avid fast follower and adopter of new technologies, solutions and products.

Cleaner, Better Future: Speaks to the end result of our efforts of creating a brighter future for the environment, our communities and our customers.

This profound change can only be accomplished by fostering a workplace that promotes equity, diversity and inclusion, and encourages collaboration between different groups. Having an inclusive culture where respect, equity and

positive recognition of differences are cultivated, diverse voices are heard, and everyone feels valued, including those in our community who are at risk of falling behind is critically important to our ability to create a better future. In 2021, we invested in important EDI training for our staff and were the first energy company in Canada to sign Electricity Human Resources Canada's ("EHRC") EDI leadership accord.

Additionally, Elexicon provided close to \$350,000 in funding to address a number of significant societal issues, including critical healthcare funding gaps, food insecurity and environmental and sustainability education and to create more inclusive opportunities for our communities to prosper.

We believe we have a duty to the customers, and communities we serve, to provide ongoing, consistent and meaningful value. We have a lot of work ahead of us but we know that rooted in our common purpose our energy as a corporation and group of companies will create a better future.

A handwritten signature in dark ink, appearing to read 'Patrick McNeil', written in a cursive style.

Patrick McNeil
Elexicon Corporation
Board Chair

Our Approach to Corporate, Environmental and Social Responsibility

Elexicon Corporation recognizes that adopting a mindset that has Corporate, Environmental and Social Responsibility (“CESR”) at its heart is essential in creating value to its shareholders, customers and communities.

We endeavour to contribute to a cleaner and more sustainable future by actively contributing to regional, provincial, national and global environmental and social good efforts.

The corporation strives to do this by reducing its own ecological footprint, and where possible enhancing the environment and social fabric of the communities it services.

Through our subsidiaries, Elexicon Energy Inc., and Elexicon Group Inc., the Corporation has outlined the importance of defining CESR goals and values and to design a set of actions to address the issues that affect its people, planet and community.

We are committed to operating safely and in an environmentally and socially responsible manner; driving clean and sustainability-based change within our operations and the diverse communities we work in and serve.



2021 Highlights

Equity, Diversity and Inclusion (“EDI”)

Elexicon Corporation and its subsidiaries are employers that foster a work environment that promotes the representation and participation of the full spectrum of individuals, including people of all ages, races and ethnicities, abilities, gender expression, religions, cultures and sexual orientations. We embrace people with diverse backgrounds, experiences, skills and expertise working hard to make Elexicon a desired place to work and one that mirrors the richness of its communities.

In 2021, we made a significant commitment to enhancing EDI in the workplace, becoming the first energy company in Canada to sign the expanded Leadership Accord with Electricity Human Resources Canada. The accord focuses on gender equality in the electricity sector as well as expanding its reach to racialized and under-represented groups.

All of our employees participated in a full day of EDI training this past year and our people leaders engaged in an additional day of learning to enhance their abilities to lead their teams to see real, sustainable change, and to leverage the full potential of all their talent.



Driving Clean & Sustainable Change

Elexicon will actively contribute to the regional, provincial, national, and global environmental efforts by reducing our ecological footprint, and where possible enhancing the environment, we operate in. Viewed as an innovator in the energy landscape, driving clean and sustainability-based change within its own operations, and supporting the growth of a green vision for the communities in which it operates and serves.

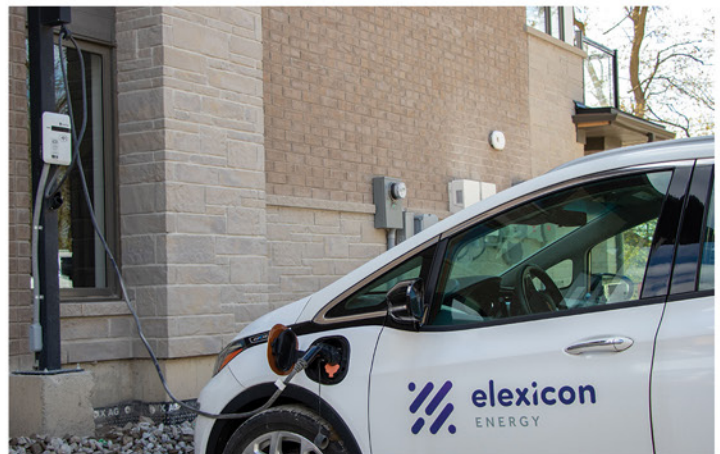
In its short three-year history, as a progressive company, Elexicon has established itself as a leader in innovation and environmental sustainability. The organization unveiled Canada's first pre-planned residential microgrid community, is tapping into the potential of community energy through innovative pilot projects and programs like Envision™, and partnering on joint ventures with companies like WYSE Metering and initiatives that promote and encourage a sustainable future. This includes planning efforts to support municipal Net-Zero targets and climate adaptation, and mitigation strategies and advocacy to both provincial and federal government.

Town of Whitby – Geothermal District Energy



In 2021, our subsidiary Elexicon Group Inc. launched a partnership with The Town of Whitby to develop a major new geothermal District Energy system in North Whitby that will provide zero carbon heating and cooling for an entire new development including the future Whitby Sports Complex and up to 19 other privately owned commercial and industrial facilities.

New Microgrid Community in Pickering Demonstrates Future of Residential Neighbourhoods



In November 2021, our subsidiary Elexicon Energy Inc. unveiled Canada's first pre-planned residential microgrid community in the City of Pickering. Forging unique partnerships with technology partner Opus One Solutions and residential developer Marshall Homes, the first of its kind community includes a rooftop solar, lithium-ion battery energy storage; electric vehicle charging stations; innovative smart metering system for community use; and an integrated distribution energy service platform. The project offers an exciting alternative to conventional sources of power that are cleaner, more economical and adaptable to future climate change impacts. In 2021, Elexicon was awarded with two Innovation Leadership Awards from the Canadian Electricity Association Centre of Excellence for this smart community microgrid.

Electric Vehicles and Green Home Retrofit Programs

We are a proud participant in NRCAN's Zero Emission Vehicle Program and one of their approved Delivery Organizations. In January of 2021, Elexicon Group Inc. started a joint venture with WYSE Metering called EVSTART™ to accelerate electric vehicle adoption by rolling out EV charging infrastructure throughout Canada with the goal of becoming the leading provider of EV charging stations and solutions in Canada. While our other subsidiary, Elexicon Energy Inc. partnered with the Region of Durham and

neighbouring electric utility on a region-wide zero emission vehicle education and awareness initiative called E-Mission. The initiative included a wide variety of free and fun opportunities for Durham residents to learn more about electric vehicles.

Ellexicon has partnered with the Region of Durham on another unique initiative. The Durham Greener Homes (“DGH”) program is a region-wide residential energy retrofit program designed to support homeowners as they navigate through the deep energy retrofit process in an effort to lower their energy use and greenhouse gas emissions. The DGH program is one of six priority programs critical to achieving the community net zero greenhouse gas target outlined in the Durham Community Energy Plan and Regional Council's climate emergency declaration. The program aims to retrofit a large majority of the nearly 200,000 existing single-family homes ranging from detached, semi-detached and row homes by 2050, achieving in the order of 40 to 50% energy savings per home.

Environmental Stewardship in Our Operations

Protection of Wildlife and Conservation Areas



Ellexicon's communities include several conservation and protected natural lands. Wildlife are a common sight in many of our areas. Taking steps to protect endangered species and migratory birds, like osprey, that like to perch on

high areas including electricity poles, is an important part of our stewardship efforts in our daily operations. Thanks to the hard work and care of our employees, osprey platforms are erected near typical nesting locations to care for this protected species and their offspring.

Ellexicon Crews Environmental Response



Ellexicon's Environmental Response Team works hard to prevent incidents in our service territories through a number of initiatives, regular environmental and safety audits and training. We help fund a number of conservation initiatives throughout the year through partnership and our Corporate Giving Program.

That being said, from time to time accidents happen, and Ellexicon is quick to respond to care for the environment. On April 16th, 2021, Ellexicon was called to the scene of a vehicular accident Bowmanville after a padmount transformer was significantly damaged when it was struck by a passenger vehicle. Our environmental crew was quick to respond to contain the oil spill from the transformer and work with municipal and conservation authorities to mitigate any further environmental damage to nearby water systems and environmentally sensitive areas.

Ellexicon's top priority is the health and safety of our employees, customers, and the public, including the communities we serve and our environment. We are focused on ensuring we are attentive and responsible including being a socially responsible and environmental steward in the communities we serve.



Health, Safety & Wellness

Ellexicon Corporation considers the safety, health and wellness of its people and community to be critical in its business operations.

Our safety metrics are some of the strongest in the industry, and we are proud to have a record of zero lost time injuries, but there is always the potential for large threats to health and safety due to the nature of the work our employees perform. Ongoing training and reinforcement of safety practices is an essential part of our business. The pandemic complicated things, creating a new set of health and wellness challenges. In 2021, the Corporation established a Mandatory Vaccine Policy, increased cleaning and social distancing practices and adopted a new application and screening tool for reporting symptoms and illness all leading to an exemplary record of zero COVID-19 workplace transmission.

Ellexicon puts a strong focus on mental health, encouraging employees to use its Employee Assistance Program and contributing to nation-wide mental health campaigns like Bell Let's Talk, contributing over \$10,000 in funding to organizations like Ontario Shores Centre for Mental Health Sciences. The campaign featured staff and Management as they discussed mental health challenges as a result of the pandemic and included a public video in partnership with Ontario Shores raising funds for the hospital foundation using social media channels such as Twitter, Facebook and LinkedIn.

Community Giving

Elexicon has a duty to the customers and communities it serves, to provide ongoing, consistent, and meaningful value. Building strong relationships with the communities to support, and drive mutual benefit, creating employment opportunities and improving our communities, while driving business development.

In 2021, we created a lasting impact in our communities by:

- Developing partnerships that contribute to the long-term sustainability of our natural resources, stronger environmental practices and that demonstrate an environment-first mindset to community planning
- Sponsoring not-for-profit events and providing funding through our Corporate Giving Program to organizations and projects that align with our mission and vision for the future Funding is allocated through a formal process based on our Corporate Giving Policy, the proportion of customers within a service area and community need
- Creating meaningful opportunities for our youth and young women in under-represented STEM fields through our bursary, scholarship and mentorship programs

The following summary serves as a transparent acknowledgement of our social impact in our services areas in 2021.

2021 Corporate Giving Program			
Summary	Spend by Theme	% Spend by Theme	Recipient Examples
Child & Family Services	\$61,000	17%	Grandview Children's Centre Hearth Place Cancer Support Centre
Community Safety & Support	\$45,598	13%	Victim Services of Durham Region Gravenhurst Women's Shelter
Education & Youth	\$28,000	8%	Scientists in School Quinte Regional Science & Tech. Fair
Environment & Sustainability	\$16,700	5%	Town of Whitby's LEAF Backyard Planting Program and Urban Bee Hive
Food & Food Security	\$22,782	7%	Feed the Need in Durham Gleaners Food Bank (Quinte)
Health Services & Promotion	\$71,000	20%	Ontario Shores for Mental Health Durham Region Hospice
Local Events	\$17,800	5%	Rotary Club of Ajax Lions Club of Belleville
Mayor Events	\$32,100	9%	Durham Region Mayors' Gala Mayor's Luncheon for the Arts
Municipal Events & Support	\$54,666	16%	City of Belleville's Festival of Lights Ajax Merry & Bright Campaign

Through the careful selection of local community initiatives, our goal is to create lasting impact and long-term value in the communities that we serve.



"Grandview Kids Foundation is honoured to be part of Elexicon Energy's Corporate Giving Program, which is helping to make so much possible for local charities. Our partnership with Elexicon Energy helps provide programs and services to children and youth with physical, communication and developmental needs to live their best life. Together, we are working on building a brighter future for our community."

Brandy Reid

Community Engagement & Donor Relations Officer

"The funds received from Elexicom will help improve the quality of life for at-risk children and youth in Belleville and area by providing educational opportunities, inspiring activities, and engaging experiences that will empower them for future success. Elexicom is truly making a difference for these children and youth, and The Children's Foundation appreciates the support given towards these events."

Kim Henry

Executive Director, Children's Foundation Belleville

"With the generosity of Elexicon Energy, Victim Services of Durham Region has been able to continue offering much needed practical assistance and crisis interventions aimed at enhancing the safety and well-being of survivors of crime, gender based violence and human trafficking. We could not do this work without the support of companies like Elexicon."

Krista MacNeil

Clinical Director, Victim Services of Durham Region

"Elexicon's generous donation prior to Christmas made a HUGE impact on our ability to support our neighbours. We were able to provide the little extras that can make such a difference to lifting spirits and bringing a smile. We are extremely grateful to your team as a valued partner in our community. Warm wishes to you all throughout 2022."

Helen Donovan

Chair, Northumberland Fare Share Food Bank.





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Elexicon Corporation wishes to thank all the employees
whose photos appear in this CESR Report.

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