

ELEXICON CORPORATION

2024 CORPORATE, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT



Land Acknowledgement

Elexicon acknowledges the Land on which we conduct our work, and where our staff and customers gather. For millennia, it has been the traditional territory of the Mississaugas of the Credit, as well as the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat Peoples. We are grateful for Indigenous Peoples who have cared for these Lands and Waters since time immemorial, as they guide us to operate in harmony with our natural environment for generations to come.

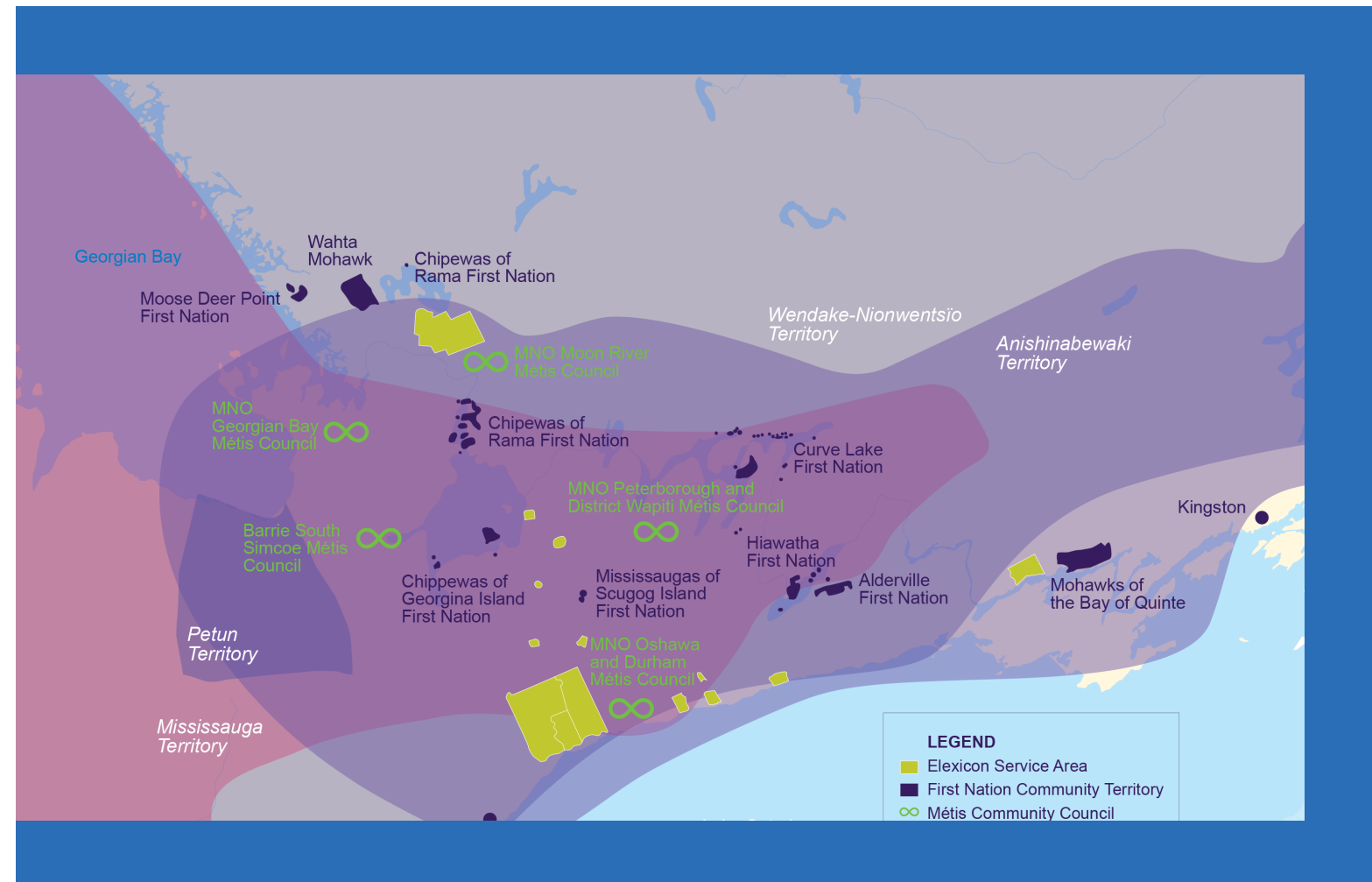


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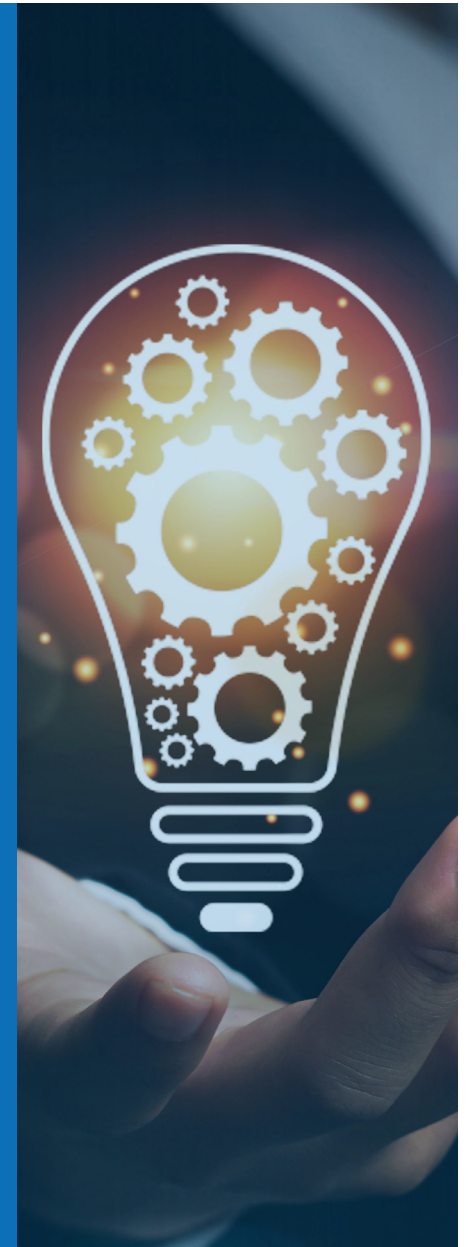
- Diversity, Equity and Inclusion
- Environmental Sustainability
- Health, Safety and Wellness
- Community Engagement
- Upgrading Asset Infrastructure
- Cyber security

Our Purpose

Empowering through energy innovation for a cleaner, better future.

Our Beliefs

- + Collaboration
- + Curiosity
- + Diversity, Equity & Inclusion
- + Environmental and Social Well-being
- + Health and Safety



Who We Are

We’re powering life’s most meaningful moments, as well as creating a harmonious connection between experiences and people and the environments where they dwell. Through our safe and reliable services, we illuminate, we move, we grow, we comfort, we nourish, and we educate, ultimately shaping stronger communities and a better world.



Elexicon Corporation is a holding company, 100 per cent owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville. Elexicon Corporation consists of two wholly owned subsidiary operating companies: Elexicon Energy Inc. and Elexicon Group Inc.

Elexicon Energy Inc. is a regulated electricity distribution company that delivers electricity to more than 180,000 homes and businesses located in ten municipalities in east-central Ontario. The company is regulated by the Ontario Energy Board, an independent regulator of the electricity and natural gas sector. Elexicon Energy, through its investments, is focused on grid modernization and integration of innovative technologies to its distribution network to provide reliable and cost-effective services, to meet the current and future needs of its customers. The company is defining the role of the distributor in the energy transition and electrification of the economy.



Note: Elexicon Corporation winded down the operations of its subsidiary company – Elexicon Group – as it refocused on its regulated business.

2024 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 - Elexicon Energy - Elexicon Corporation plays a central role in empowering a cleaner, better future for our customers and communities. This report details how we are looking after the people and planet in the communities we serve to foster a more sustainable future.



GOVERNANCE AND INTEGRITY

- + Regular rotation of our board composition to ensure we have the right skills and experience levels to properly govern the organization.
- + \$185.4 million in economic value and benefits delivered in 2024.
- + \$7.8 million in dividends paid to or payable to our shareholders for reinvestment in our communities.
- + Recipient of the Electrical Safety Authority’s Ontario Electrical Safety Award.
- + Recipient of the Electricity Distributors Association’s Innovation Excellence Award.



PEOPLE

- + 294 talented and committed employees representing the diverse communities we serve.
- + Fifty-three (53) per cent of new hires in 2024 come from diverse backgrounds.
- + Thirty-six (36) per cent of our workforce identifies as female.
- + Twenty-eight (28) per cent of our workforce is comprised of visible minorities.
- + Regularly evaluating pay equity and adjusting to ensure we are compensating employees who have a similar job function with comparably equal pay, regardless of gender, race, ethnicity or other status.



PLANET

- + Elexicon’s corporate headquarters in Ajax is a Leadership in Energy and Environmental Design (LEED) building - an international symbol of sustainability excellence and green building leadership.
- + More than 400 photovoltaic panels occupying 45,000 square feet on the corporate headquarters’ roof 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 corporate headquarters, equipped with two Level 2 chargers and a Level 3 charger, is used frequently by neighbourhood residents and visitors.
- + Altona Towns in Pickering - Canada’s first pre-planned nested microgrid community - is demonstrating the future of residential neighbourhoods and shows how microgrids can benefit homeowners while reducing the amount of electricity needed from the grid.
- + Inaugural recipient (2023) of the Electricity Distributors Association’s Sustainability Excellence Award for our commitment to operating in an environmentally and socially responsible manner.



COMMUNITY

- + \$370,000 donated to more than 100 local charities and community organizations.
- + \$338,000 raised for seven vital community agencies at Elexicon Energy’s Annual Charity Golf Tournament.*
- + \$48,000 raised for Grandview Kids Foundation at ‘Dream Big, Dream Brighter Gala.’**
- + \$15,000 donated to Ontario Tech University’s Women for STEM (Science, Technology, Engineering and Mathematics).
- + Fourteen (14) high school students received an educational grant from Elexicon for a graduating student pursuing a post-secondary education in energy, electrical engineering or related field.



*The seven recipients of the golf tournament were five Big Brothers Big Sisters agencies, Kids’ Safety Village of Durham Region, and Sloane’s House Paediatric Respite & Hospice Care Centre.

**Elexicon and Grandview Kids Foundation formed a three-year partnership to help raise funds to advance and support the specialized programs and rehabilitation services delivered by the not-for-profit organization. The amount raised in 2024 brings the three-year fundraising total to \$117,000.



Message from the Chair

The customers and communities we serve are at the heart of everything we do at Elexicon. As the fourth largest municipally owned energy company in Ontario, it is our duty to deliver reliable electricity services, while operating safely and in an environmentally and socially responsible manner. In 2024, people were a major focus for Elexicon.

We welcomed a record number of new hires, representing the diversity of the communities in which we operate. As development continues to expand in our service areas, we are proud to grow the Elexicon family to ensure we maintain the high levels of service our customers have come to expect.

With a team of 290-plus dedicated employees, another focus was ensuring their safety, both on and off the job. To help keep their safety skills sharp, we hosted our annual Safety Refresher and Rescue Day event. The training seems to be having a positive impact - in 2024, we reduced reportable safety incidents to 1.82 per cent, down from 4.68 per cent in 2023.

We also focused on Indigenous Peoples as we continue to make progress on our Reconciliation Action Plan, an important initiative at Elexicon. This plan includes a three phase approach that involves finalizing commitments, creating action plans and activating the plan.

Our Corporate Giving Program focuses on people in our communities, as we strive to create a lasting impact and long-term value for those in need. In 2024, we were pleased to donate more than \$370,000 to local charities, non-profits and community organizations.

As the population of Ontario continues to grow, so does the demand for energy. The Independent Electricity System Operator's (IESO) Conservation and Demand Management Framework, Ontario's next energy efficiency framework, will have an extended timeframe, offering delivery consistency to customers and utilities. Under the new 12-year framework, province-wide programs will be delivered by the IESO. Going forward, there will be more opportunities and involvement for local distribution companies, like Elexicon.

Our teams are always looking forward, using input from the people and businesses in our service areas to understand their unique issues and how we can help resolve them. As we look back on 2024, Elexicon continued to make great strides in delivering on this commitment to our customers and communities in powering a cleaner, better energy future.

Anthony Haines

Chair of the Board of Directors
Elexicon Corporation

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 for its shareholders, customers and communities.

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

As a Corporation, we strive to do this by reducing our own ecological footprint and, where possible, enhancing the environment and social fabric of the communities we serve.

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

The Corporation is committed to operating safely and in an environmentally and socially responsible manner, driving clean and sustainability-based change within its operations and the diverse communities we work in and serve.



2024 Highlights

DIVERSITY, EQUITY AND INCLUSION

Exelicon Corporation and its subsidiary, Exelicon Energy (Exelicon), are dedicated to fostering a diverse, equitable and inclusive workplace built on respect, support and collaboration. With input from its employees, Exelicon has not only created a Diversity, Equity & Inclusion (DEI) Vision, Mission and Policy, but has also woven DEI principles throughout all aspects of its Talent Management program. This comprehensive approach ensures that DEI is embedded in every facet of our operations, from recruitment and development to retention and advancement. Our commitment to these values is reflected in our One Exelicon Operating Principles, collectively known as 'Our Why, Our Way and Our How.'

Snapshot of Exelicon's DEI Policy

All employees share the responsibility for creating a supportive and inclusive environment and being stewards of this policy by:

- + Fostering a culture that embraces equity, diversity, inclusion and belonging.
- + Acknowledging and addressing the biases, underlying beliefs and values, assumptions and stereotypes that inhibit opportunity in work.
- + Welcoming, embracing and fostering positive, informed and inclusive attitudes towards each other.
- + Providing environments that are free of discrimination and harassment, and inclusive of all individuals.
- + Ensuring the inclusion of perspectives and voices of under-represented groups in decision-making.



Our Why · Our Way · Our How

Our Why

We deliver safe and reliable energy to our communities* and create the possibilities that energize our customers' future.

Our Way: Strategic Pillars

Customer Centricity

Developing an agile operating mindset that prioritizes decisions to build and maintain a positive customer experience. Customers are the cornerstone of any service organization.

Operational Excellence

The continuous improvement of the organization's people, processes, places, safety and financial sustainability. As a newly formed organization, unifying our processes, focusing on our people and their safety (as well as the public's), and better connecting with our customers and stakeholders is key to the sustained success of the organization.

Economic Development

Enabling the organization to be a trusted strategic partner and catalyst for growth by nurturing, developing, and managing relationships with our community shareholders and the stakeholders in the areas we serve.

Strategic Investment

With a solid investment strategy, Elexicon ensures we continue to provide customers with reliable, affordable energy services while building a robust grid to manage current demand while also upgrading infrastructure, as appropriate, to prepare for a changing energy landscape in the years ahead. The focus will be on investments to benefit today, prepare for tomorrow and meet the needs of our shareholders and stakeholders.

Our How: Beliefs & Behaviours

Safe & Well

We promote a culture of safety and wellness.

Consistent

We hold self and others to a standard of excellence.

Respectful

We work with the highest integrity, valuing and showcasing appreciation for others.

Responsive

We are timely in addressing the needs of our communities.

Collaborative

We work together, innovate and celebrate.

Clear

We ensure clarity.

*Communities: Shareholders, Customers and Team Members

ENVIRONMENTAL SUSTAINABILITY

Elexicon serves some of the fastest growing communities in Ontario, which makes the journey of decarbonization and renewable energy a challenge but one that is necessary. A big part of ensuring a better tomorrow for future generations is operating in harmony with our physical environment. Elexicon is continuously evaluating its practices and challenging itself to do better.



Elexicon’s ESG considerations are founded on three core principles:

- + Environmental**
Mitigate the impact of Elexicon’s operations on the environment.
- + Social**
Be good stewards in the communities where we operate.
- + Governance**
Ensure the safety and well-being of employees, and reduce the risk of future legal, regulatory, reputational and compliance issues.

ESG: Responsible Investing

In 2023, Elexicon developed the framework of an Environmental, Social and Governance (ESG) program along with activities that would support the plan. During 2024, the organization reported on its performance in the areas that are important to its stakeholders. Moving forward, the goal is to build a comprehensive plan to make a positive impact on the environment, our customers and communities, as well as employees.



Facilitating the Integration of DERs

Elexicon is working with Survalent, a leading provider of advanced distribution system management software, and other local distribution companies to enable distributed energy resources (DERs) such as solar and wind power, energy storage and demand management tools to ensure interoperability between the consumer and the electricity grid. The project will provide a platform that brings together real-time energy supply and consumption information at the local level, and gain a better understanding of how renewable energy sources can be obtained at a local level and contribute to clean, reliable and affordable energy to meet growing needs that include electric vehicles.



Helping Homeowners Save on Energy Costs

Elexicon is participating in a regional household energy retrofit initiative called Durham Greener Homes. Inspired by Durham Region’s Community Energy Plan, the program was created to assist homeowners in navigating through the retrofit process to reduce their energy consumption and greenhouse gas emissions. By 2050, the program hopes to remodel the majority of the over 200,000 existing single-family dwellings, including detached, semi-detached and row homes, resulting in an average energy savings of 40 to 50 per cent per household.



Championing Sustainable Transportation in Whitby

Elexicon has partnered with the Town of Whitby to operate ten, Level 2 charging stations to inspire change and encourage residents to switch to electric vehicles (EVs). The adoption of EVs and electrification of transit is vital to reducing emissions. The partnership is another example of Elexicon supporting Durham Region’s Climate Adaptation Plan, which aims to drastically reduce greenhouse gas emissions and become a carbon neutral community by 2045.

Other Environmental Sustainability Highlights

+ ISO 14001 Compliance

The organization began the challenging and rewarding path to integrate environmental, economic and social factors into every level of its operations with the aim of being ISO 14001 compliant by 2025.

+ GHG Emissions Baseline Evaluation

Elexicon undertook a Greenhouse Gas baseline evaluation as part of the ESG framework. The evaluation also marks the beginning of Elexicon’s journey to achieving its commitment to Net Zero by 2050.

+ Approval of an Environmental Policy

The approval of Elexicon’s first Environmental Policy serves as the cornerstone of the organization’s sustainability journey, outlining its principles and objectives.

+ Waste Audits

Elexicon has conducted surveys to learn about the sustainability practices of its contracted waste disposal companies to confirm they are environmentally responsible.

+ Alignment with Contractors and Suppliers

Efforts were initiated to ensure Elexicon’s contractors and suppliers align with the organization’s sustainability goals.



HEALTH, SAFETY AND WELLNESS

Exlexicon is committed to the health, safety and wellness of its employees, contractors and customers. The organization strives to protect employees from physical injury and occupational illness by making every reasonable effort to provide a healthy and safe work environment, from regular training and refresher days to employee programs and services. Exlexicon believes that strong workplace health and safety practices have many benefits, including higher productivity, better recruitment and retention, and fewer work interruptions.

Maintaining the Highest Health and Safety Standards

In 2024, Exlexicon showed positive trends in safety metrics, such as reducing reportable safety incidents to 1.82 per cent, down substantially from 4.68 per cent in 2023. This improvement is largely due to the establishment of a new Incident Review and Continuous Improvement Committee, and the implementation of new metrics and dashboards for monitoring and reporting.

Exlexicon continues to monitor specific health and safety concerns, including the ongoing maintenance and repair of its aging infrastructure, mental health support in response to the demanding nature of the industry, increased staff training for new technologies, and the heightened risk of incidents due to the frequency and severity of adverse weather conditions.



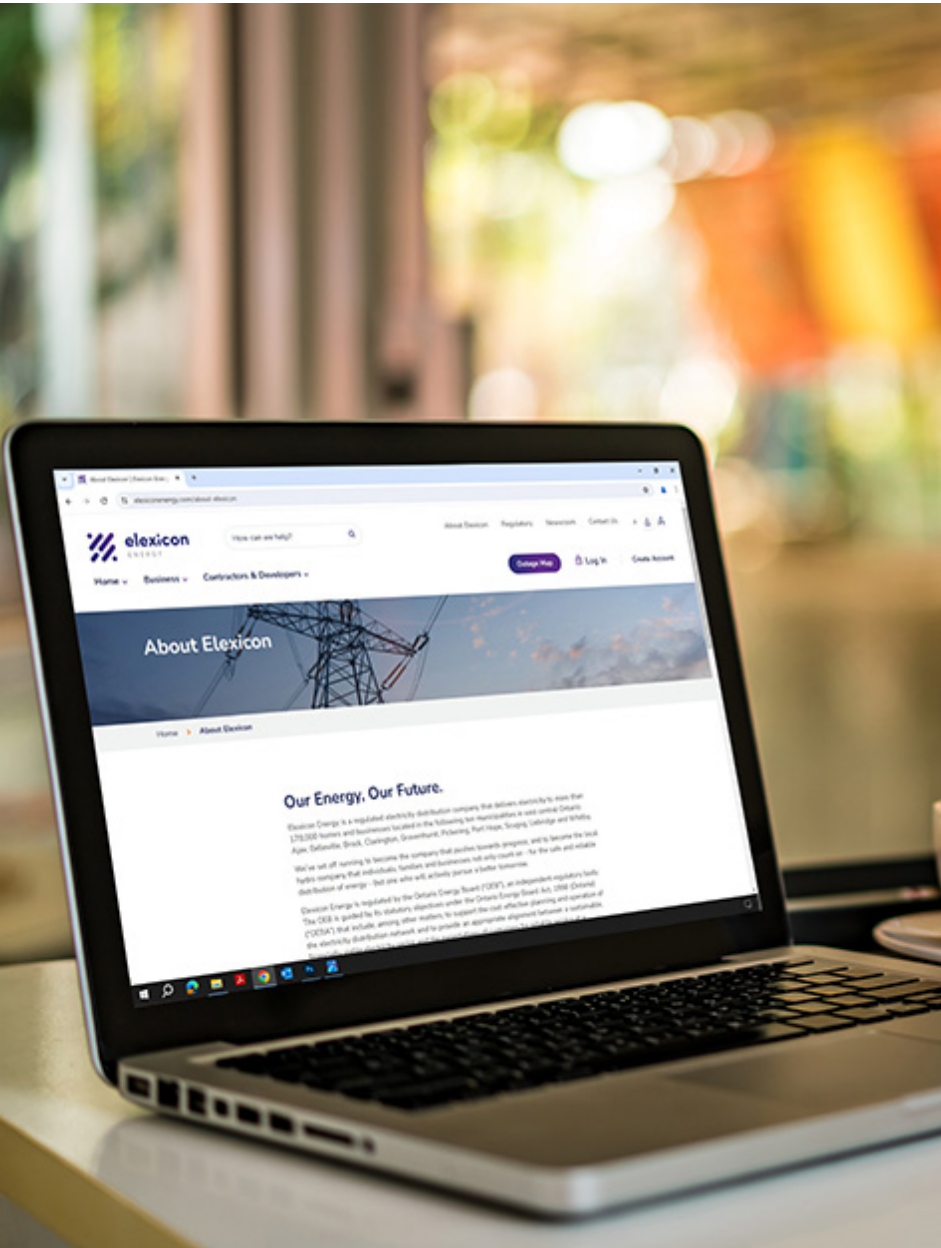
**Safety Refresher & Rescue Day:
Valuable Refresher Training on Safe Work Practices**

Exlexicon’s frontline teams - Lines Operations, Metering, and Stations and Protection & Control Automation - are highly trained to work efficiently, safely and collaboratively to keep the lights on in homes, workplaces and communities. Their work is dangerous, and they perform it in all types of weather conditions, from the extreme heat to the bitter cold. Every fall, these front-line teams gather at Exlexicon’s Clarington Operations Centre for Safety Refresher & Rescue Day. The annual event offers the teams valuable refresher training on safe work practices, and the planning and execution of rescues in emergency situations. Training includes bucket self-evacuation, bucket rescue, pole top rescue and confined space rescue.



**Maintaining a Hybrid Work Model
for Some Employees**

While many organizations that adopted a work from home model during the COVID-19 pandemic have ended the model and have required employees to return to the office full-time, Exlexicon has maintained the hybrid work model for employees whose job does not require them to be in the office full time. Employees working under the model are still expected to come into the office at least two days a week, maintaining a positive work-life balance.



COMMUNITY ENGAGEMENT

Community engagement is at the heart of how Elexicon operates. The organization's Corporate Giving Program is about empowering the communities it serves to create a better future, together. In 2024, the program provided funding to nearly 100 local charities and community organizations with a total donation amount of \$370,000.

Elexicon is creating a lasting impact in its communities by:

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

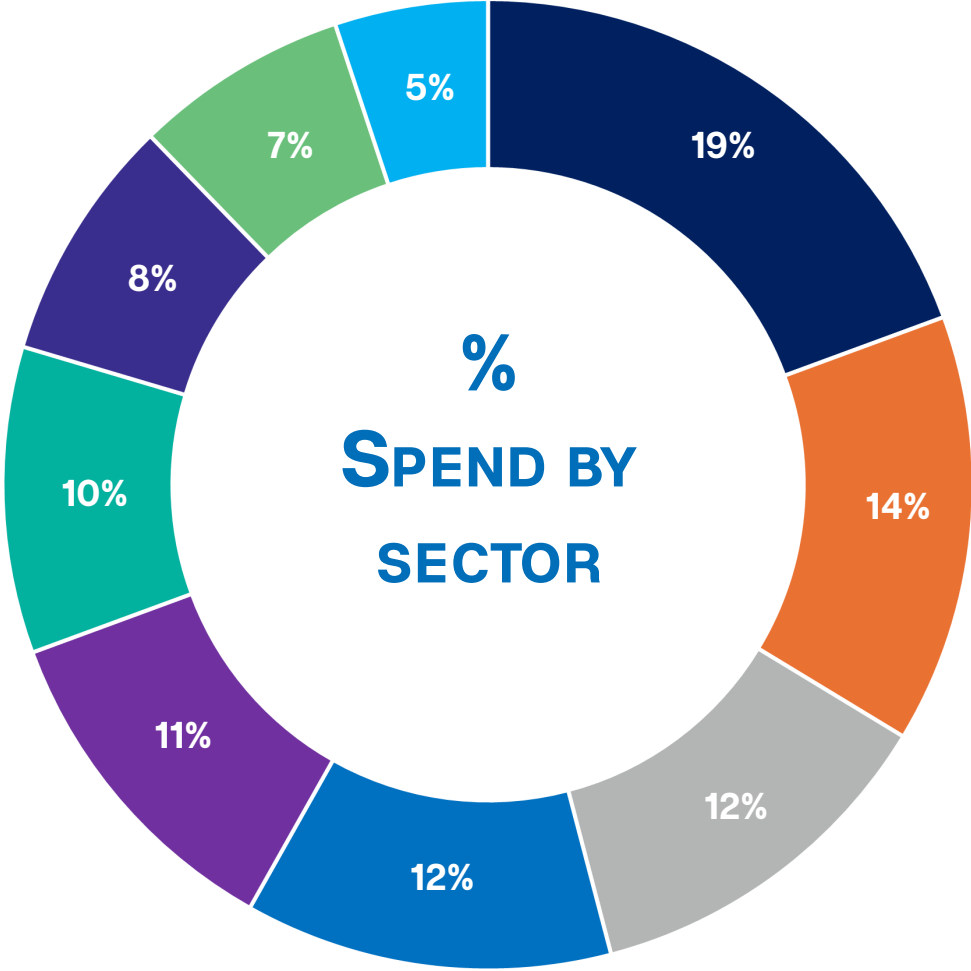


A SNAPSHOT OF ELEXICON'S
CORPORATE GIVING SPEND
IN 2024



SPEND BY SECTOR

- Health Services
\$72,500
- Education & Youth
\$54,324
- Mayoral Events*
\$46,780
- Child & Family Services
\$46,472
- Municipal Events
\$43,418
- Local Events
\$39,850
- Environment, Sustainability
& Climate Change Mitigation
\$29,000
- Community Safety &
Support
\$28,000
- Food & Food Security
\$19,655



*Proceeds raised from the Ajax-Pickering Mayors' Charity Golf Classic, Pickering Mayor's Gala, and Whitby Mayor's Gala is donated to not-for-profit and community organizations doing meaningful work in Durham Region.

Corporate Giving Testimonials

“We appreciate Elexcon Energy’s generous support, which has enabled us to make a significant difference in expanding and enriching our programs for young girls in our community. Thanks to your contribution, we can empower these young women and positively impact their lives.”

Yvette Nechvatal-Drew, Executive Director
Girls Incorporated of Durham

“Thanks to Elexicon Energy’s support of our Rainy Day Grocery Program, we provided low-income clients with grocery cards to select food from their local grocery stores appropriate to cultural, religious medical and personal preferences. Being diagnosed with a life-threatening illness can result in difficulty affording the necessities of life including groceries.”

Laurie Docimo, Sponsorships & Grants
Shine Through the Rain Foundation

“Elexicon Energy’s generous sponsorship of our Celebration of Courage Gala significantly contributed to its success and, more importantly, to the ongoing support of women and children impacted by gender-based violence. Elexicon’s investment allowed us to direct more of the evening’s proceeds toward essential services, including safe shelter, supportive counselling and outreach programs. We are deeply grateful for Elexicon’s continued commitment to community well-being and social responsibility.”

Dena Sicard, Fund Development Volunteer Manager
The Denise House/Sedna Women’s Shelter & Support Services Inc.

“WindReach Farm is very grateful for the ongoing support from Elexicon Energy. As a charity, we rely on the generosity of individuals and organizations like Elexicon to help us provide the programs and services to individuals and their families who have limited options in our community. Whether it’s a child who has mobility issues and rides in our therapeutic riding program and strengthens their body enough to walk unassisted, an adult with a physical or intellectual disability who finds joy and friendship in our adult day program, or a summer camper who is able to join in activities with other children both able bodied and non-able bodied, your sponsorship inspires, empowers and changes lives every day. Thank you, Elexicon, for caring and supporting your community.”

Carol Dahlquist, Executive Director
WindReach Farm Foundation



UPGRADING ASSET INFRASTRUCTURE

Exlexicon distribution system infrastructure continues to age, and in 2024 the organization prioritized the timely upgrade and replacement of its assets based on their condition and end-of-life assessment.

To focus on reliability improvements and better serve the needs of its customers and communities, Exlexicon reorganized its Asset Management division in 2024. This division will be involved in several key projects planned for 2025 and beyond to modernize the grid and improve reliability metrics.

Exlexicon also has an ongoing maintenance program that includes pole testing, tree trimming transformer inspections, and switch maintenance, among other tasks.



KEEPING ELEXICON'S SYSTEMS AND DATA PROTECTED

The cyber security landscape continues to evolve, with threats becoming increasingly sophisticated and pervasive. Ongoing geopolitical tensions such as those involving Russia, China, Iran, and India are of particular risk to the Canadian energy sector and its critical infrastructure. In the event of a cyber-attack, the exposure to the electrical grid and related assets could result in power outages, loss of access to essential systems and corruption of sensitive data. Such disruptions can lead to reputational damage and potentially legal and regulatory consequences.

To protect against cyber security threats, Exlexicon has implemented a multi-year Enterprise Resource Planning initiative. The Information Technology/Operational Technology (IT/OT) operating model is designed to address technological obsolescence while enhancing organizational efficiency and mitigating vulnerabilities inherent in legacy systems. In addition, Exlexicon is designing and implementing controls to monitor, alert and report on out-of-date operating systems that may be at risk.





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