

Report made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the 2023 Reporting Period

This Joint Report has been prepared and is filed by GrandBridge Corporation and GrandBridge Energy Inc. (the “Corporations”) for the period beginning January 1, 2023 and ending on December 31, 2023 (the “Reporting Period”). This document represents the inaugural Joint Report prepared by the Corporations in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Act”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used in GrandBridge Energy Inc.’s supply chain.

GrandBridge Corporation (“Holdco”) and GrandBridge Energy Inc. (“GrandBridge Energy”) are committed to the principles of ethical business conduct and the protection of human rights. This commitment extends to addressing and mitigating the risks of forced labour and child labour, each of which are crimes and constitute a serious violation of human rights, within supply chains.

The Act received royal assent on May 31, 2023 and came into force January 1, 2024. During the Reporting Period, GrandBridge Energy relied on existing applicable law, regulation and standards and its existing business practices to prevent and reduce the risk that forced labour or child labour is used at any step in its supply chain of the production of goods in Canada or elsewhere or imported into Canada.

Holdco does not supply or import goods into Canada as its business is restricted exclusively to holding the shares of its subsidiaries. It files this Joint Report by virtue of its control over GrandBridge Energy, which entity is a reporting entity under the Act.

1. Structure, activities and supply chains

a. Structure

Legal & Corporate Structure & Employees

Holdco is owned by three Ontario municipalities: the City of Cambridge (54.3%); the City of Brantford (41.0%); and the Township of North Dumfries (4.7%). Holdco was incorporated on May 2, 2022 under the *Business Corporations Act* (Ontario) pursuant to Section 142 of the *Electricity Act, 1998* (Ontario).

Holdco’s sole business is to act as a holding company for three wholly owned subsidiaries: GrandBridge Energy, GrandBridge Group Inc., and GrandBridge Solutions Inc. GrandBridge Solutions is a minority shareholder of Grand River Energy Solutions Inc. Holdco’s board is comprised of 10 directors, of which 7 are independent. Holdco’s officers include the President and Chief Executive Officer and Chief Financial Officer.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8

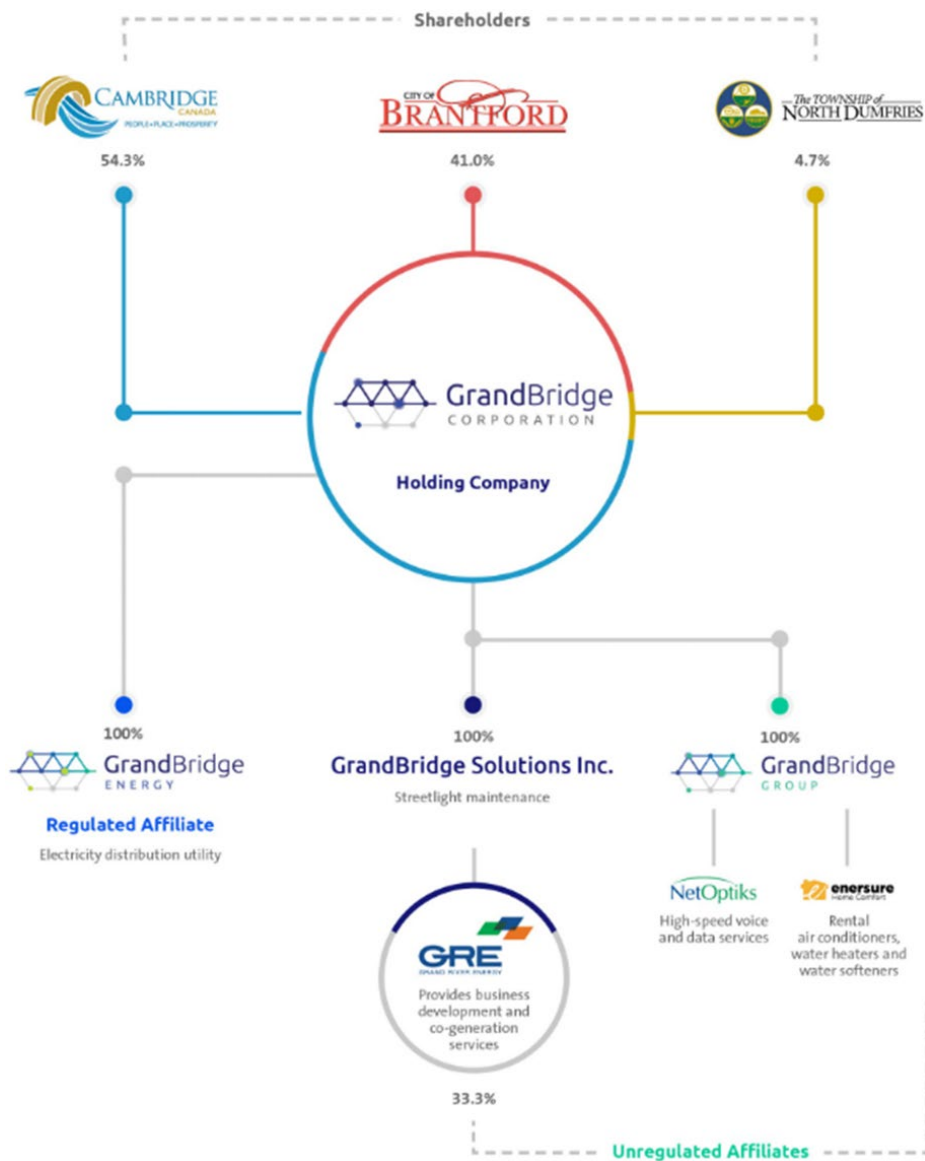


grandbridgeenergy.com

GrandBridge Energy was incorporated on May 2, 2022 under the *Business Corporations Act* (Ontario) pursuant to Section 142 of the *Electricity Act, 1998* (Ontario). GrandBridge Energy is the 8th largest electricity distribution company in Ontario by customer count and services approximately 113,000 customers in the City of Brantford, City of Cambridge, Township of North Dumfries and County of Brant. GrandBridge Energy’s board is comprised of 11 directors, all of which are independent. GrandBridge Energy’s officers include the President and Chief Executive Officer, VP Finance and Chief Financial Officer and Chief Operating Officer.

The following figure illustrates the corporate structure of Holdco and its subsidiaries.

Figure 1: Holdco Structure



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com

b. Activities

GrandBridge Energy is a regulated local electricity distribution company. Its mandate is to deliver safe, reliable, and efficient/cost-effective electricity to the residents and businesses in its service territory under a license issued by the Ontario Energy Board (“OEB”). GrandBridge Energy’s service territory is described in its licence. GrandBridge Energy does not operate outside its service territory. GrandBridge Energy is regulated by the OEB and adjustments to GrandBridge Energy’s electricity distribution rates require OEB approval. GrandBridge Energy complies with the Canadian Standards Association (“CSA”) standard Z462 for “Workplace Electrical Safety” which provides guidelines for electrical safety in the workplace and indirectly affects worker safety within local electricity distribution companies.

Over the course of the Reporting Period, GrandBridge Energy had an average of 184 employees dedicated to providing safe and reliable electricity to GrandBridge Energy’s customers. All employees are engaged directly via employment contracts or via a collective bargaining agreement. GrandBridge Energy’s workplace policies are regularly reviewed to ensure compliance with workplace laws.

The bulk electricity system can be described as having three main segments:

1. Generation and energy storage: production of electricity through the operation of nuclear, hydro, natural gas, solar, or wind, facilities, etc., which facilities may be connected to the distribution system or the transmission system, and storage of such energy by various means;
2. Transmission: the movement of electricity along high-voltage power lines and electricity infrastructure; and
3. Distribution: the delivery of electricity along low voltage power lines (< 50 kV) to end-use consumers.

Another important participant in the bulk electricity system is the Independent Electricity Operator (“IESO”), which operates and monitors the province-wide electricity grid. As the system operator, the IESO directs the flow of electricity, balancing the supply with demand.

As a distributor, GrandBridge Energy’s role is to deliver electricity safely and reliably at a reasonable cost. As the main point of contact for electricity with the end-use customer however, GrandBridge Energy is responsible for invoicing and receiving 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.

GrandBridge Energy is guided by a **vision to be a leader in energy transformation** and driven by a **mission to bridge communities to the energy future**. The following values are the principles and beliefs that guide GrandBridge Energy’s operations and are employee-focused:

- Continually invest in a culture of **safety**.
- Foster **teamwork** and **collaboration**.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com

- Value and develop our **employees**.
- Deliver **reliable** electricity to our communities.
- Pursue **growth** and **learning**.
- Be stewards of the environment and promote and practice **environmental sustainability**.

Holdco operates as a holding company. Revenues for Holdco are exclusively attributable to dividends from subsidiaries and financing income. Holdco does not produce, sell or distribute goods in Canada or elsewhere, nor does it import into Canada goods produced outside Canada. Holdco submits this Joint Report based exclusively on its control (as such term is defined in the Act) of GrandBridge Energy.

c. Supply chains

GrandBridge Energy's supply chain primarily supports the construction, operation and maintenance of electricity distribution equipment that form part of the bulk electricity system in Ontario. GrandBridge Energy's supply chain includes direct suppliers ("Tier-1 Suppliers") of goods and services to support the construction, operation and maintenance of electricity distribution assets and administrative functions. At the end of the 2023 fiscal year, GrandBridge Energy had 1,104 approved Tier-1 suppliers (1,062 operated in Canada, 41 operated in the United States of America, and 1 operated in the United Kingdom). Given the specialized nature of the electricity distribution industry, suppliers are limited and widely dispersed. GrandBridge Energy utilizes a vendor request form that is prepared by employees when approving a new vendor in its Enterprise Resources Planning system. GrandBridge Energy will consider updates to the vendor request form to incorporate Supplier Code of Conduct requirements and other elements aligned with reducing the risk of forced labour or child labour in its supply chain.

This inaugural Joint Report marks the beginning of an ongoing journey towards greater transparency and accountability in the operations of GrandBridge Energy. GrandBridge Energy acknowledges that its current understanding and reporting do not yet extend comprehensively to the deepest levels of its supply chains. As such, this initial document does not encompass the full breadth of its downstream supply chain activities but focuses on the measures implemented and structures established to date.

GrandBridge Energy recognizes the complexities involved in tracing and auditing every tier of its supply chains and the need for developing more robust mechanisms and partnerships to aid in these efforts. Over the coming years and as further guidance emerges on the Act, GrandBridge Energy plans to enhance its processes, further strengthen its policies, and deepen its due diligence procedures to better identify, prevent, and mitigate any instances of forced or child labour.

Holdco does not purchase or import goods and does not have any supply chains. Holdco did not purchase or import goods during the Reporting Period.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com

2. Policies and due diligence processes in relation to forced labour and child labour

a) Internal

GrandBridge Energy is committed to being a workplace that is trusted by employees, customers, and shareholders. GrandBridge Energy encourages employee actions that align with its purposes, mission and vision to be a long-term community partner. The Corporation maintains a respectful workplace free of discrimination, sexual harassment, and workplace harassment and believes 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.

GrandBridge Energy complies with all applicable provincial laws and regulations as a minimum standard. All employees acting on behalf of GrandBridge Energy are expected to comply with this commitment and all related corporate policies, including:

Laws and Regulations (Ontario)

- Employment Standards Act, 2000;
- Labour Relations Act, 1995;
- Municipal Freedom of Information and Protection of Privacy Act
- Personal Information Protection and Electronic Documents Act (Canada), 2000;
- Ontario Human Rights Code; and
- Occupational Health and Safety Act (“OHSA”).
- Ontario Energy Board Act, 1998; and
- Other laws of general application.

Internal Codes & Policies

- Code of Conduct: Respect in the workplace;
- Health & Safety Policy;
- Diversity, Equity, Inclusion Policy
- Workplace Violence & Harassment Policy
- Workplace Inspection Procedure
- Integrated Accessibility Standards Policy (AODA)
- Privacy Policy
- Personnel Policies and Procedures
- Whistleblower Policy

As a holding company, Holdco does not have any employees or policies or procedures in place other than with respect to Board governance.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com



Hiring Practices & Policies

GrandBridge Energy has various hiring policies and procedures that comply with applicable law and regulations and ensures no one under the age of 16 or any person that is not legally employable is employed.

GrandBridge Energy has 76% unionized employees represented by CUPE Local 181.16, and IBEW Local 646, providing the prompt and equitable resolution of employment-related complaints, grievances and disputes, promoting co-operation and understanding between GrandBridge Energy and members of the bargaining unit, and recognizing 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.

Holdco does not have any employees. It utilizes GrandBridge Energy staff to manage its daily operations including the corporate officers.

b) External

GrandBridge Energy strives to work exclusively with suppliers and manufacturers that align with its key principles, behaviours, and core values, which include zero tolerance for forced labour or child labour. The current supplier contracts include provisions that require compliance with applicable Canadian laws.

Holdco does not, as a matter of practice, procure goods within or outside of Canada and therefore has no policies in place governing such activities.

3. Risk of forced labour and child labour in an entity's business and supply chains, assessment and management

a) Internal

Given the adherence to applicable laws, and the policies and procedures in place for all employees and management's oversight of the employees, GrandBridge Energy is confident that there is no forced labour or child labour (as such terms are understood under the Act) within its employee ranks, all of whom work and reside in Ontario, Canada and are actively managed and overseen by GrandBridge Energy's management.

Holdco does not, as a matter of practice, have any employees. Holdco did not have any employees during the Reporting Period.

b) External

GrandBridge Energy purchases finished products or electricity distribution equipment ("equipment") that it then uses in the assembly of assets that provide the service of electricity according to its own engineered designs. The equipment and the assemblies of the equipment must be specifically



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com



designed to meet applicable safety and technical standards such that it can be installed and operated safely in the public domain, overhead along the streets, highways, and underground beneath streets and houses.

To establish a safe and reliable system that will withstand the outside environment in which it is situated for many decades, most of the equipment utilized 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 the GrandBridge Energy's system is approved for use by a Professional Engineer as per Ontario Regulation 22/04, Electrical Distribution Safety, which includes an annual audit on the approval process. Production of electricity distribution equipment requires high quality and precision, which is achieved through a manufacturing sector that has high skill, extensive training and certification, and labour rates that are less at risk of forced labour or child labour. The foregoing provides GrandBridge Energy with insight into its Tier-1 supply chain for finished products and electricity distribution equipment.

GrandBridge Energy acknowledges that its greatest exposure to forced labour and child labour is through its suppliers. Certain geographies and tiers of suppliers are higher-risk than others. As noted above, GrandBridge Energy's Tier-1 supply chain primarily includes suppliers of goods and services to support the construction, operation and maintenance of electricity distribution assets and administrative functions. At the end of the Reporting Period, GrandBridge Energy had 1,104 approved Tier-1 suppliers of which 1,062 operated in Canada, 41 operated in the United States of America, and 1 operated in the United Kingdom. The United Kingdom and the United States have each introduced laws to combat forced labour and child labour, in some cases more stringent than the Act.

Review of supplier specific risks focused primarily on the suppliers of electricity distribution equipment, which equipment constitutes the bulk of GrandBridge's procured goods. During the Reporting Period, 100% of GrandBridge Energy's equipment purchases used in the electricity distribution system were supplied from Tier-1 companies in Canada. Due to the bespoke and highly technical nature of the equipment, most of the equipment purchases are sourced from large, well established and reputable organizations within the utility industry. Further detail will be included in the assessments performed going forward as GrandBridge Energy's processes for reviewing the risk of forced labour and child labour in its business and supply chain enhances and evolves.

4. Remediation measures

Since GrandBridge Energy has not identified any forced labour or child labour in their activities its Tier-1 supply chains, it did not implement any remediation measures during the Reporting Period. Holdco does not have supply chains, nor does it carry out any activities other than to hold the shares of its subsidiaries.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com

5. Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in their activities and supply chains

GrandBridge Energy has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains and therefore has not introduced any remediation measures. GrandBridge Energy will continue to monitor this issue as it deepens its knowledge of its supply chains. Holdco does not have supply chains, nor does it carry out any activities other than to hold the shares of its subsidiaries.

6. Training on forced labour and child labour

Given the recent coming into force of the Act, GrandBridge Energy has not provided training to employees on forced labour and child labour during the Reporting Period but expects to do so in the future as guidance and materials become available. Holdco does not have any employees.

7. Assessment of the effectiveness of steps to prevent and reduce risks of forced labour and child labour in its business and supply chains

Based on GrandBridge Energy's initial assessment of its Tier-1 Suppliers, GrandBridge Energy has not found evidence of forced labour or child labour. A high-level initial review of its Tier-1 Suppliers and some second-tier manufacturers was completed. The review identified that many of the second-tier manufacturers have addressed forced labour and child labour in their respective Codes of Conduct. Given the outcome of the review, the country of supplier operations, and the high-quality manufacturing required for the equipment purchased by GrandBridge Energy to be used in the distribution system, the risk of forced labour and child labour being present in GrandBridge Energy's first and second tiers of the supply chain is low. GrandBridge Energy continues to work to further map its supply chain going forward.

To support the assessment, GrandBridge Energy collaborated with the Utilities Standards Forum which is a working group of local electricity distribution companies across the Province of Ontario. GrandBridge Energy also established an internal committee to navigate its compliance with the act and support the assessment of its Supply Chains. Through these channels, GrandBridge Energy surveyed 20% of its top suppliers on their Supply Chains and Codes of Conduct. These top suppliers account for approximately 80% of GrandBridge Energy's purchases in 2023.

GrandBridge Energy is committed to working collaboratively with its suppliers, along with industry stakeholders and non-profit organizations dedicated to reducing forced and child labour to further understand its risks and where changes are needed. GrandBridge Energy is committed to assessing its current practices to identify instances where the risk of forced labour or child labour may exist. GrandBridge Energy will not tolerate either forms of forced or child labour in its business or supply chain.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com



Conclusion

The evolution of this Joint Report will be guided by continual learning, stakeholder engagement, and the development of more sophisticated methods for supply chain oversight. The Corporations are committed to expanding the scope and depth of their reporting to ensure it becomes increasingly comprehensive and reflective of all their supply chain activities as applicable.

8. Holdco Approval and Attestation

This report has been approved by the Board of Directors of GrandBridge Corporation.

In accordance with the requirements of the Act, and in particular, section 11 thereof, I, the undersigned, attest that I have reviewed and approved the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind GrandBridge Corporation.

Full Name

Craig Mann

Title

Chair, Board of Directors of GrandBridge Corporation

Date

May 27, 2024

Signature

A handwritten signature in black ink that reads "Craig Mann".



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com



9. GrandBridge Energy Inc. Approval and Attestation

This report has been approved by the Board of Directors of GrandBridge Energy Inc.

In accordance with the requirements of the Act, and in particular, section 11 thereof, I, the undersigned, attest that I have reviewed and approved the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind GrandBridge Energy Inc.

Full Name

Terry Young

Title

Chair, Board of Directors of GrandBridge Energy Inc.

Date

May 27, 2024

Signature

A handwritten signature in black ink, appearing to read "Terry Young", is written over a horizontal line.



39 Glebe Street, P.O. Box 1060
Cambridge, ON N1R 5X6



150 Savannah Oaks Drive, P.O. Box 308
Brantford, ON N3T 5N8



grandbridgeenergy.com