Hydro One Limited Sustainability Report 2019

Message from Our President and CEO

Hydro One At-A-Glance

Our Approach to Sustainability

People and Potential

Plan, Design and Build a Grid for the Future

Be the Safest and Most Efficient Utility

Advocate for Our Customers

Be a Trusted

Partner

Innovate and Grow the Business

**Appendices** 

| CATEGORY/SECTION | TOPIC               | GRI DISCLOSURE   | 2019  |
|------------------|---------------------|--|---|
| Core             | Standard Disclosure | GRI 102-1  | Hydro One Limited   |
|                  |                     | Name of the organization                                     |   |
| Core             | Standard Disclosure | GRI 102-2  | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>                      |
|                  |                     | Activities, brands, products, and services                   |   |
| Core             | Standard Disclosure | GRI 102-3  | 2019 Sustainability Report, <u>Connect with Us</u>                            |
|                  |                     | Location of headquarters                                     |   |
| Core             | Standard Disclosure | GRI 102-4  | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>                      |
|                  |                     | Location of operations                                       |   |
| Core             | Standard Disclosure | GRI 102-5  | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>                      |
|                  |                     | Ownership and legal form                                     |   |
| Core             | Standard Disclosure | GRI 102-6  | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>                      |
|                  |                     | Markets served   |   |
| Core             | Standard Disclosure | GRI 102-7  | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>                      |
|                  |                     | Scale of the organization                                    |   |
| Core             | Standard Disclosure | GRI 102-8  | 2019 Sustainability Report, People and Potential                              |
|                  |                     | Information on employees and other workers                   |   |
| Core             | Standard Disclosure | GRI 102-9  | Supplier Code of Conduct  |
|                  |                     | Supply chain   |   |
| Core             | Standard Disclosure | GRI 102-10   | There were no significant changes to Hydro One in 2019.                       |
|                  |                     | Significant changes to the organization and its supply chain |   |
| Core             | Standard Disclosure | GRI 102-12   | 2019 Sustainability Report, <u>Be a Trusted Partner</u>                       |
|                  |                     | External Initiatives   |   |
| Core             | Standard Disclosure | GRI 102-13   | In 2019, Hydro One was a member of the Canadian Chamber of Commerce,          |
|                  |                     | Memberships of associations                                  | Canadian Electricity Association, CD Howe Institute, Electricity Distributors |
|                  |                     |  | Association, Edison Electric Institute, North American Transmission Forum,    |
|                  |                     |  | Ontario Chamber of Commerce, Ontario Energy Association, Ontario Energy       |
|                  |                     |  | Network, Toronto Region Board of Trade, Western Energy Institute and Young    |
|                  |                     |  | Energy Professionals.   |

| CATEGORY/SECTION | TOPIC               | GRI DISCLOSURE  | 2019  |  |  |
|------------------|---------------------|---|---|--|--|
| Core             | Standard Disclosure | GRI 102-14<br>Statement from senior decision-maker                    | 2019 Sustainability Report, Message from Our President and CEO  |  |  |
| Core             | Standard Disclosure | GRI 102-15<br>Key Impacts, risk and opportunities                     | 2019 Sustainability Report, <u>Our Approach to Sustainability</u> ,<br>2019 ESG Performance Table   |  |  |
| Core             | Standard Disclosure | GRI 102-16<br>Values, principles, standards, and norms of behavior    | Code of Business Conduct and Our Values   |  |  |
| Core             | Standard Disclosure | GRI 102-17<br>Mechanisms for advice and concerns about ethics         | Code of Business Conduct, Ombudsman, <u>2019 ESG Performance Table</u> and Whistleblower policy   |  |  |
| Core             | Standard Disclosure | GRI 102-18<br>Governance structure                                    | 2019 Sustainability Report, <u>Our Approach to Sustainability</u>   |  |  |
| Core             | Standard Disclosure | GRI 102-40<br>List of stakeholder groups and partners                 | 2019 Sustainability Report, <u>Our Approach to Sustainability</u>   |  |  |
| Core             | Standard Disclosure | GRI 102-41<br>Collective bargaining agreements                        | 2019 Management's Discussion and Analysis, Hydro One Work Force   |  |  |
| Core             | Standard Disclosure | GRI 102-42<br>Identifying and selecting stakeholders                  | 2019 Sustainability Report, Our Approach to Sustainability  |  |  |
| Core             | Standard Disclosure | GRI 102-43<br>Approach to stakeholder engagement                      | 2019 Sustainability Report, <u>Be a Trusted Partner</u>   |  |  |
| Core             | Standard Disclosure | GRI 102-44<br>Key topics and concerns raised                          | 2019 Sustainability Report, <u>Be a Trusted Partner</u>   |  |  |
| Core             | Standard Disclosure | GRI 102-45 Entities included in the consolidated financial statements | 2019 Sustainability Report, <u>About This Report</u>  |  |  |
| Core             | Standard Disclosure | GRI 102-46 Defining report content and topic Boundaries               | 2019 Sustainability Report, <u>About This Report</u>  |  |  |
| Core             | Standard Disclosure | GRI 102-47<br>List of material topics                                 | 2019 Sustainability Report, Our Approach to Sustainability  |  |  |
| Core             | Standard Disclosure | GRI 102-48<br>Restatements of information                             | There are no restatements of information given in previous reports  |  |  |
| Core             | Standard Disclosure | GRI 102-49<br>Changes in reporting                                    | New to 2019, the information contained within this report is for Hydro One<br>Limited. In instances where data is only available for Hydro One Networks Inc.<br>(Hydro One Networks), it will be noted with an asterisk |  |  |

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|                  |                     | Key Impacts, risk and opportunities                        | 2019 ESG Performance Table   |
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| Core             | Standard Disclosure | GRI 102-40   | 2019 Sustainability Report, Our Approach to Sustainability                     |
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|                  |                     | Approach to stakeholder engagement                         |  |
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|----------------------|---------------------|---|---|------------------------------|-----------|------------|-----------|
| Core                 | Standard Disclosure | GRI 102-50  | 2019 Sustainability Report, About This Report   |                              |           |            |           |
|                      |                     | Reporting period  |   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-51  | August 2019   |                              |           |            |           |
|                      |                     | Date of most recent report  | -   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-52  | 2019 Sustainability Report, About This Report   |                              |           |            |           |
|                      |                     | Reporting cycle   |   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-53  | 2019 Sustainability Report, Connect with Us   |                              |           |            |           |
|                      |                     | Contact point for questions regarding the report  |   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-54  | 2019 Sustainability Report, About This Report   |                              |           |            |           |
|                      |                     | Claims of reporting in accordance with the GRI Standards  |   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-55  | This table is available as a stand-alone docum  | ent on our                   | website   |            |           |
|                      |                     | GRI content index   |   |                              |           |            |           |
| Core                 | Standard Disclosure | GRI 102-56  | GHD Ltd. verified Hydro One's GHG Emission  | report for the compliance pe |           |            | period    |
|                      |                     | External assurance  | of January 1 to December 31, 2019   | '                            |           | '          |           |
| Core                 | Standard Disclosure | 103-1   | 2019 Sustainability Report, About This Report of  | ınd Our Ap                   | proach    | to Sustain | ability   |
|                      |                     | Explanation of the material topic and its Boundary  | ,   |                              |           |            |           |
| Core                 | Standard Disclosure | 103-2   | 2019 Sustainability Report, within the approach section of each materia                                 |                              | naterial  |            |           |
|                      |                     | The management approach and its components  | ,   |                              |           |            |           |
| People and Potential | Talent              | GRI 405-1   | 2019 Sustainability Report, People and Potential and Diversity ar                                       |                              |           | d Inclusio | <u>on</u> |
|                      |                     | Discussion on Management Approach   |   |                              |           |            |           |
| People and Potential | Talent              | GRI 405-1   | 2019 Sustainability Report, People and Potenti  | al and Co                    | rporate ( | Governan   | nce       |
|                      |                     | Diversity of governance bodies and employees  |   |                              |           |            |           |
| People and Potential | Talent              | alent GRI EU15  Number of employees eligible to retire within 5 years, 10 years (% of workforce, by job category) | Number of employees eligible to retire within 5 years, 10 (% of workforce, by region, by job category)* | years                        |           |            |           |
|                      |                     |   |   |                              | 20        | 019        |           |
|                      |                     |   |   | % of W                       | orkforce  | % of NO    | OC group  |
|                      |                     |   | Job Category  | 5 years                      |           | -          | 10 years  |
|                      |                     |   | Electrical power line and cable workers   | 3%                           | 4%        | 18%        | 23%       |
|                      |                     |   | Electrical and electronics engineers  | 2%                           | 3%        | 18%        | 28%       |
|                      |                     |   | Electrical and electronics engineering technologists and technicians                                    | 2%                           | 3%        | 18%        | 29%       |
|                      |                     |   | Silviculture and forestry workers   | 1%                           | 1%        | 9%         | 18%       |
|                      |                     |   | Other customer and information services representatives   | 1%                           | 2%        | 20%        | 42%       |
|                      |                     |   | Professional occupations in business management consulting  | 1%                           | 2%        | 30%        | 42%       |
|                      |                     |   | Contractors and supervisors, electrical trades and telecommunications occupations                       | 2%                           | 2%        | 54%        | 66%       |
|                      |                     |   | Power system electricians   | 1%                           | 1%        | 22%        | 34%       |
|                      |                     |   | General office support workers  | 1%                           | 2%        | 30%        | 52%       |
|                      |                     |   | Note: Ontario is the Region   |                              |           |            |           |

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| CATEGORY/SECTION      | TOPIC                  | GRI DISCLOSURE   | 2019  |  |
|-----------------------|------------------------|--|---|--|
| Build a Grid for      | Climate Change         | GRI 305-1  | 2019 Sustainability Report, Plan, Design and Build a Grid for the Future and            |  |
| the Future            | -                      | Discussion on Management Approach                      | Climate Change  |  |
| Build a Grid for      | Climate Change         | GRI 305-1  | 2019 Sustainability Report, <u>Plan, Design and Build a Grid for the Future</u>         |  |
| the Future            | •                      | Direct Scope 1 GHG Emissions                           |   |  |
| Build a Grid for      | Climate Change         | GRI 305-2  | 2019 Sustainability Report, Plan, Design and Build a Grid for the Future                |  |
| the Future            | •                      | Energy indirect (Scope 2) GHG emissions                |   |  |
| Build a Grid for      | Environmental          | GRI 307-1  | 2019 Sustainability Report, Plan, Design and Build a Grid for the Future                |  |
| the Future            | Management             | Non-compliance with environmental laws and regulations |   |  |
| Build a Grid for      | Infrastructure Renewal | GRI 203-1  | 2019 Sustainability Report, Plan, Design and Build a Grid for the Future and            |  |
| the Future            | and Modernization      | Discussion on Management Approach                      | Grid Resiliency and Modernization   |  |
| Build a Grid for      | Infrastructure Renewal | GRI 203-1  | 2019 ESG Performance Table  |  |
| the Future            | and Modernization      | Indirect Economic Impacts                              |   |  |
| Be the Safest Utility | Health and Safety      | GRI 403-1  | 2019 Sustainability Report, Be the Safest and Most Efficient Utility and                |  |
|                       |                        | Discussion on Management Approach                      | Health and Safety   |  |
| Be the Safest Utility | Health and Safety      | GRI 403-1  | 2019 Sustainability Report, Be the Safest and Most Efficient Utility                    |  |
|                       |                        | Occupational health and safety management system       |   |  |
| Be the Safest Utility | Health and Safety      | GRI 403-8  | 2019 Sustainability Report, Be the Safest and Most Efficient Utility                    |  |
|                       |                        | Workers covered by occupational health and safety      |   |  |
|                       |                        | management system                                      |   |  |
| Be the Safest Utility | Health and Safety      | GRI 403-9  | 2019 Sustainability Report, Be the Safest and Most Efficient Utility                    |  |
|                       |                        | Work-related injuries                                  |   |  |
| Be a Trusted Partner  | Indigenous Relations   | GRI 411-1  | 2019 Sustainability Report, <u>Be a Trusted Partner</u> and <u>Indigenous Relations</u> |  |
|                       |                        | Discussion on Management Approach                      |   |  |
| Be a Trusted Partner  | Economic Performance   | GRI 201-1  | 2019 Sustainability Report, <u>Be a Trusted Partner</u>                                 |  |
|                       |                        | Economic value generated and distributed               |   |  |
| Be a Trusted Partner  | Procurement Practices  | GRI 204-1  | 2019 Sustainability Report, <u>Be a Trusted Partner</u>                                 |  |
|                       |                        | Proportion of spending on local suppliers              |   |  |
| Advocate for Our      | Customer Service       | GRI EU3  | 2019 Sustainability Report, Advocate for Our Customers and Customer Service             |  |
| Customers             |                        | Discussion on Management Approach                      |   |  |
| Advocate for Our      | Customer Service       | GRI EU3  | 2019 SASB Table   |  |
| Customers             |                        | Number of residential, industrial, institutional, and  |   |  |
|                       |                        | commercial customer accounts                           |   |  |
| Advocate for Our      | Accessibility          | GRI 203-2  | 2019 Sustainability Report, Advocate for Our Customers and Accessibility                |  |
| Customers             | and Affordability      | Discussion on Management Approach                      | and Affordability   |  |
| Advocate for Our      | Accessibility          | GRI 203-2  | 2019 Sustainability Report, Advocate for Our Customers, Accessibility                   |  |
| Customers             | and Affordability      | Indirect Economic Impacts                              | and Affordability and 2019 SASB Table   |  |

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|-----------------------------------|---------------------------------|---|---|--|--|
| Advocate for Our<br>Customers     | Accessibility and Affordability | GRI EU4 Length of above and underground transmission and distribution lines by regulatory regime              | 2019 Sustainability Report, <u>Hydro One At-A-Glance</u>  |  |  |
| Advocate for Our<br>Customers     | Reliability                     | Discussion on Management Approach   | 2019 Sustainability Report, <u>Advocate for Our Customers</u> and <u>Reliability</u>  |  |  |
| Advocate for Our<br>Customers     | Reliability                     | GRI EU28 Average Power Outage Frequency (Transmission SAIFI) (# of interruptions per delivery point per year) | 2019 Sustainability Report, Advocate for Our Customers  |  |  |
| Advocate for Our<br>Customers     | Reliability                     | GRI EU28 Average Power Outage Frequency (Distribution SAIFI) (# of interruptions per customer per year)       | 2019 Sustainability Report, Advocate for Our Customers  |  |  |
| Advocate for Our<br>Customers     | Reliability                     | GRI EU29 Average Power Outage Duration (Transmission SAIDI) (# of hours per delivery point per year)          | 2019 Sustainability Report, <u>Advocate for Our Customers</u>   |  |  |
| Advocate for Our<br>Customers     | Reliability                     | GRI EU29 Average Power Outage Frequency (Distribution SAIDI) (# of hours per customer per year)               | 2019 Sustainability Report, <u>Advocate for Our Customers</u>   |  |  |
| Innovate and Grow<br>the Business | Business Model<br>Pressures     | Discussion on Management Approach   | 2019 Sustainability Report, <u>Innovate and Grow the Business</u>   |  |  |
|                                   | Business Model<br>Pressures     | GRI EU2<br>Net Energy Output – Transmission and Distribution<br>(%) (input)                                   | Hydro One does not determine the energy mix for the Province of Ontario; this is a key responsibility of the <u>Independent Electricity System Operator (IESO)</u> .  |  |  |
| Our Approach to<br>Sustainability | Governance                      | GRI 205-1<br>Discussion on Management Approach  | 2019 Sustainability Report, <u>Our Approach to Sustainability</u> , <u>Management Approach and Governance</u>   |  |  |
| Our Approach to<br>Sustainability | Governance                      | GRI 205-1<br>Operation assessed for risks related to corruption   | Code of Business Conduct  |  |  |
| Our Approach to<br>Sustainability | Governance                      | GRI 205-2 Communications and training about anti-corruption policies and procedures                           | <ul> <li>All board of directors signed a Code of Business Compliance Form and are subject to our Code of Business Conduct.</li> <li>Employees receive annual communication through our Annual Code of Business Conduct Refresher.</li> <li>Business partners are subject to our Code of Business Conduct and/or the Supplier Code of Conduct.</li> <li>Board of Directors must abide by our Code of Business Conduct.</li> <li>As of Dec 31, 2019 7,507 employees completed the 2019 Code of Business Conduct Refresher in 2019 which includes information on our Anti-Fraud and Anti-Corruption policies.</li> </ul> |  |  |