

Partnering for a brighter future

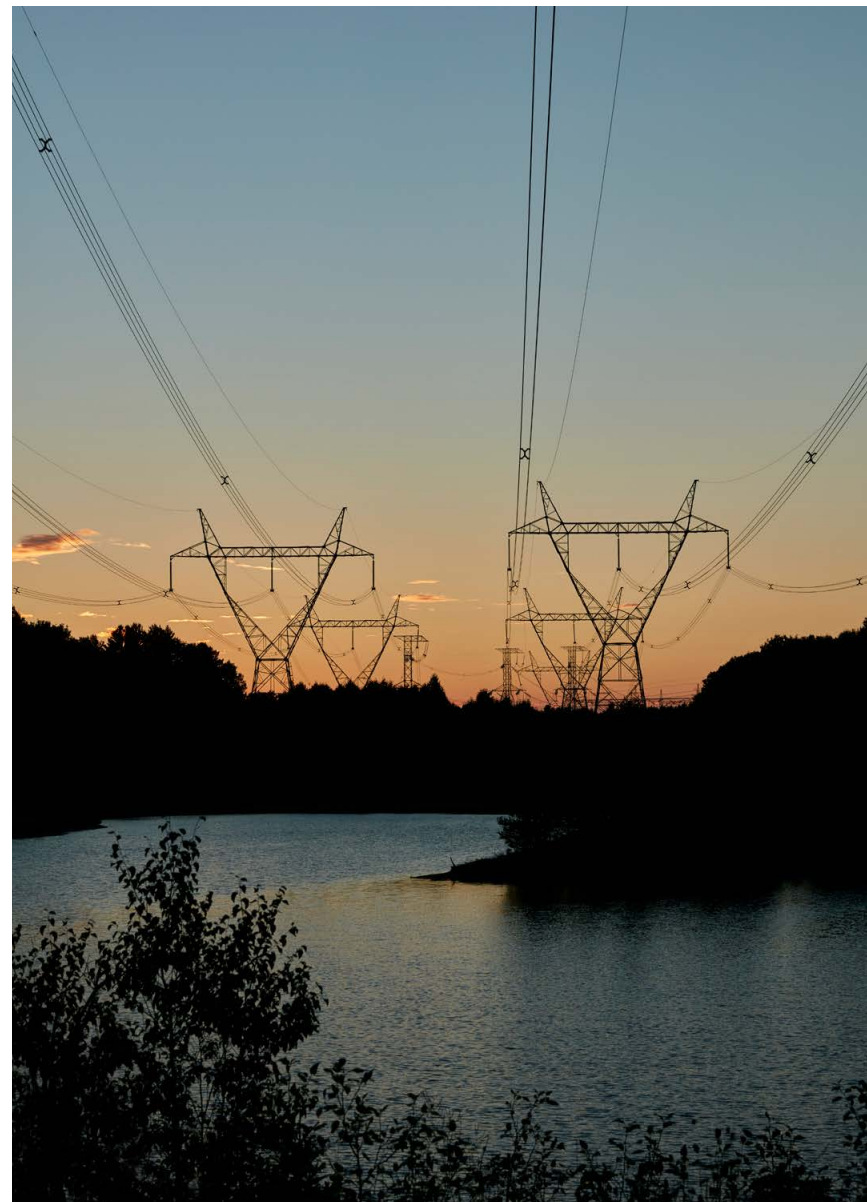




Hydro One is working to address the sustainability issues that matter most to its customers, employees, communities and shareholders. Our 2018 Sustainability Report aims to provide a balanced view of our key successes and challenges in advancing our sustainability performance throughout the year.

Our report is organized around five key areas: Customers Come First, Environmental Management, People and Potential, Supporting Stronger Communities and Building a Grid for the Future. Hydro One's reporting is guided by our 2018 materiality analysis, the Canadian Electricity Association's Sustainable Electricity Company™¹ designation and the Global Reporting Initiative's Sustainability Reporting Standards.²

This report reflects our performance from January 1 to December 31, 2018. The information contained within is for Hydro One Limited (referred to as "Hydro One" throughout this report) and excludes Hydro One Remote Communities Inc. and Hydro One Telecom Inc., unless otherwise noted.³ All dollar amounts are in Canadian dollars.



- 1 The Sustainable Electricity Company™ brand is a designation established by the Canadian Electricity Association, based primarily on ISO 26000 Guidance on Social Responsibility.
- 2 The GRI Sustainability Reporting Standards are global standards for sustainability reporting.
- 3 Data points which include both Hydro One Remote Communities Inc. and Hydro One Telecom Inc. will be denoted with a '**' symbol. Data points which include Hydro One Remote Communities Inc. will be denoted with a '***' symbol.



This report may contain “forward-looking information” within the meaning of applicable securities laws. Forward-looking information in this report is based on current expectations, estimates, forecasts and projections about Hydro One’s business and the industry in which Hydro One operates and includes beliefs of and assumptions made by management. Such statements include, but are not limited to, statements related to: Hydro One’s vision and strategy; delivering value; our sustainability strategy and program; the Ombudsman; customer service; expected impacts of new legislation replacing the Fair Hydro Plan; continuing and anticipated conservation programs; our rate applications, and resulting outcomes and impacts; expected actions to support customer accessibility and affordability; ongoing and planned projects and initiatives, including expected investments, results and timing; expected future capital expenditures, including anticipated timing, results and impacts; plans for renewal and modernization of infrastructure, and other actions to support reliability; environmental matters and management of such; Hydro One’s anticipated environmental and remediation plans; climate change and anticipated related risks; plans relating to GHG reporting; Hydro One’s expected plans relating to management and/or mitigation of climate risks and adaptation to change; environmental stewardship; planned and ongoing land and biodiversity initiatives and resource management programs; health and safety initiatives and commitments; diversity and inclusion at Hydro One; talent management and succession planning; collective agreements; innovation; expectations related to work force demographics; Hydro One’s community relations approach and its relationships with communities; Hydro One’s relationships with Indigenous Peoples and communities; Indigenous procurement; charitable giving, sponsorships and community partnerships; supply chain, procurement and economic contributions; anticipated changes to the electricity sector and expected impacts of such changes, including to Hydro One’s business; new legislation, regulatory initiatives and policy relating to the electricity industry and the expected impacts of such; Hydro One’s plans to adopt new technologies and make other investments to support reliability, increased demand, customer service, business efficiencies and transformation within the electricity sector; the Distributed Energy Resource Management System; implications of energy decentralization; expectations regarding load growth; actions to improve preparation and response to significant weather events; and expectations regarding the manner in which Hydro One will operate.

Words such as “expect,” “anticipate,” “intend,” “attempt,” “may,” “plan,” “will,” “can,” “believe,” “seek,” “estimate,” and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance or actions and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Some of the factors that could cause actual results or outcomes to differ materially from the results expressed, implied or forecasted by such forward-looking information, including some of the assumptions used in making such statements, are discussed more fully in Hydro One’s filings with the securities regulatory authorities in Canada, which are available on SEDAR at www.sedar.com. Hydro One does not intend, and it disclaims any obligation, to update any forward-looking information, except as required by law.



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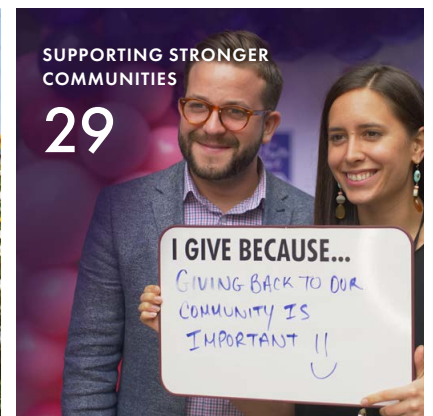
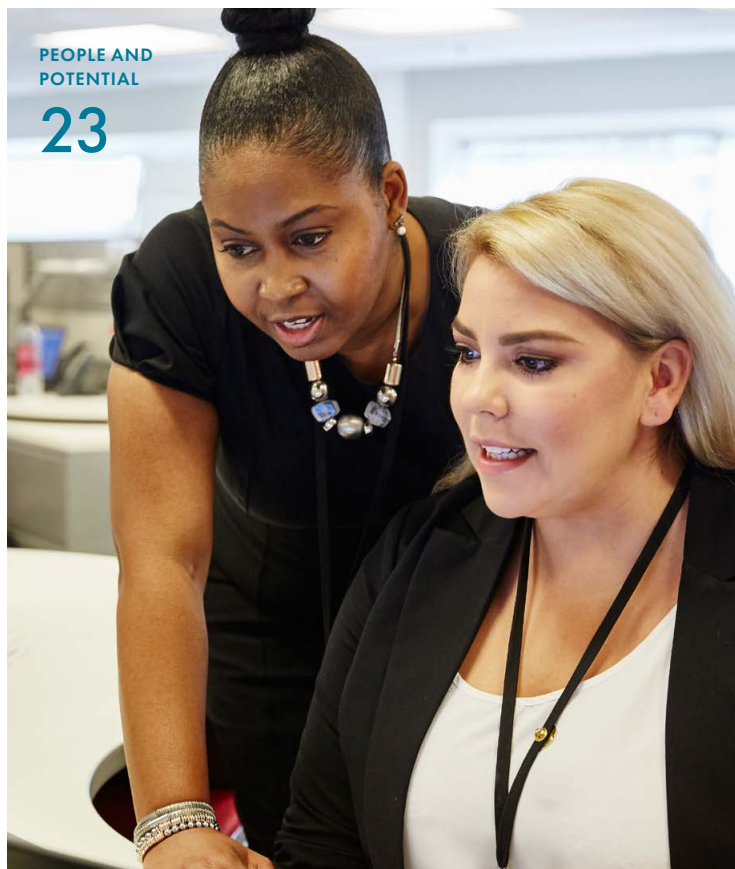
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A MESSAGE FROM OUR PRESIDENT AND CEO MARK POWESKA

Sustainability at Hydro One

In my first three months as President and CEO of Hydro One, I was immediately struck by the strength and resilience of the people who work at Hydro One. In the face of leadership transition, multiple storms and evolving customer expectations, Hydro One employees focused on safely delivering exceptional customer service to homes, businesses and communities across Ontario.

Through their efforts, Hydro One delivered safe and reliable power to the great satisfaction of our customers. During an unprecedented year of severe weather, our crews worked tirelessly to quickly and safely turn the lights back on, improving our power restoration times by one-third over a similar storm event five years earlier.

In 2018, Hydro One strengthened our ability to manage our carbon footprint and adapt to the changing environmental and climate conditions we are experiencing in our daily lives. We also strengthened our ties with Indigenous leaders, businesses and communities across the province, increasing our procurement spending to \$39.4 million with Indigenous businesses. Our efforts

to streamline our operations and improve our overall efficiency delivered \$135.5 million in productivity savings in 2018.

It was, however, a challenging year for Hydro One in many respects. While we met our safety performance targets, employees are still dealing with the emotional aftermath of fatalities in 2017 and early 2019. We are resolved to build a stronger safety culture and deliver world-class safety performance. I will work closely with our new Management/Union Oversight Committee to ensure the safety of our employees is Hydro One's top priority.

We heard directly from employees that while they are proud of our workplace diversity, there is room for improvement in how

we treat one another. Like many large organizations, we must continuously challenge old ways of thinking – long-held stigmas and stereotypes – to ensure we continue to attract the best and brightest people to our organization.

As we look forward, we will continue to invest in Ontario's economy far beyond the towers and wires people see today. Our pursuit of new technology and leading-edge partnerships is important to modernizing Ontario's electricity grid and to supporting the growing communities, manufacturing facilities and industrial companies that are vital to the economic health and sustainability of our province. Our investments also create valuable jobs, procurement opportunities, community



development projects and sponsorships. Last year alone, Hydro One injected \$1.3 billion into Ontario's economy through purchases of local goods and services.

I know our long-term performance depends on us incorporating sustainability into all aspects of our business and it is my honour to lead Hydro One into the next chapter of our journey toward sustainable growth.

Mark Poweska
President and CEO



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Hydro One At-a-Glance



We are Ontario's largest electricity transmission and distribution provider with almost 1.4 million* valued customers, nearly \$25.7 billion* in assets and 2018 annual revenues of almost \$6.2 billion*.

Our team of approximately 8,600* skilled and dedicated employees proudly build and maintain a safe and reliable electricity system, which is essential to supporting strong and successful communities. In 2018, Hydro One invested almost \$1.6 billion* in its 30,000 circuit kilometres of high voltage transmission and 123,000 circuit kilometres of

primary distribution networks, and injected approximately \$1.3 billion* into the economy by buying goods and services in Ontario. We are committed to the communities where we live and work through community investment, sustainability and diversity initiatives.

Hydro One is one of only six utility companies in Canada to achieve the Sustainable Electricity Company designation from the Canadian Electricity Association.

\$1.69B

revenues for
Transmission

\$1.52B

revenues (net of
purchased power)
for Distribution

Hydro One's Strategic Approach

We aim to continue strengthening our core business in order to deliver greater value for our customers, employees, communities and shareholders. We will build on this approach and develop a clear vision and strategy with the goal of ensuring a strong, stable and successful Hydro One now and into the future.

STRATEGIC PILLARS:

Customers First: Exceeding our customers' needs and expectations is at the core of everything we do. We are focused on improving our customers' experience through fast, flexible and convenient service.

Cost Efficiency: We are committed to investing carefully, reducing costs and stretching every dollar we spend to deliver value to shareholders.

Operational Excellence: A continuous drive to improve safety and our transmission and distribution networks means we are constantly raising performance and standards.

Investing in our Future: We are investing in innovation to improve service reliability, the efficiency of our business and the long-term viability of the company. We will invest in our aging infrastructure, expand our rate base, pursue organic growth and innovate for the benefit of stakeholders.

Sustainability: We understand that improving our performance depends on incorporating sustainability into all aspects of our business.



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HYDRO ONE AT-A-GLANCE

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Business Description*

Transmission

Our transmission system transmits high-voltage electricity from nuclear, hydroelectric, natural gas, wind and solar sources across Ontario to industrial customers and local electricity utilities, including our own distribution company. Hydro One owns and operates approximately 30,000 circuit kilometres of high-voltage transmission lines.

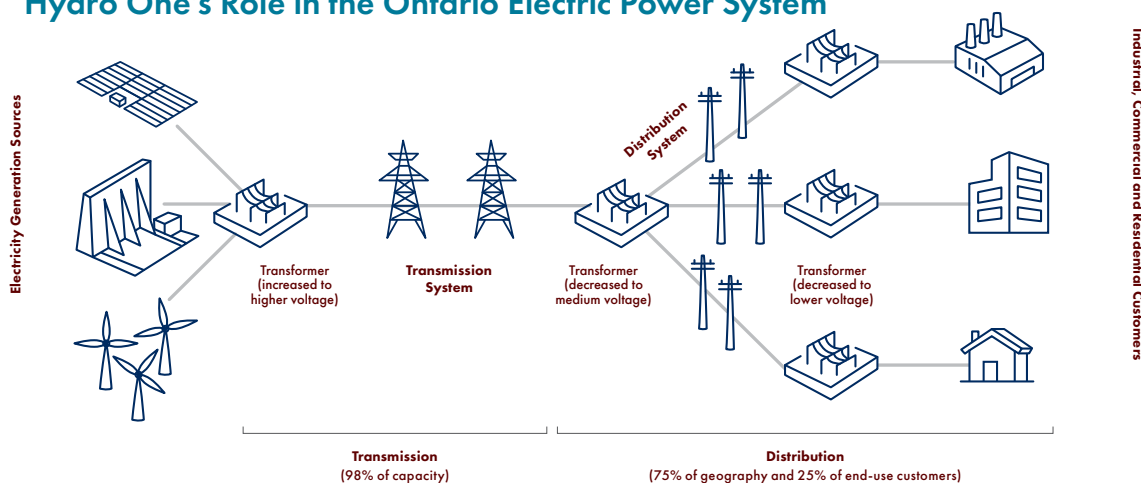
Distribution

The Hydro One distribution system is the largest in Ontario. It consists of approximately 123,000 circuit kilometres of primary low-voltage power lines serving almost 1.4 million customers. As well, Hydro One Remote Communities serves customers in one grid-connected and 21 off-grid communities in Ontario's far north.

Customer Segments

- Large directly connected industrial customers
- Local distribution companies
- Large generators
- Residential and business customers
- Municipal utility customers
- Small or micro generators

Hydro One's Role in the Ontario Electric Power System



Our transmission and distribution systems safely and reliably serve communities throughout Ontario. Our customers are suburban, rural and remote homes and businesses across the province. We own and operate nearly \$25.7 billion* in assets and have annual revenues of almost \$6.2 billion.* Our communities are proudly and safely serviced by a team of skilled and dedicated employees.

2018 Connecting Communities, Powering Economies

\$1.6 billion*

capital investments to renew
and modernize infrastructure

\$1.3 billion*

injected into the Ontario
economy through purchases
of goods and services

\$39.4 million**

total procurement spending
with Indigenous businesses

88

Indigenous communities served

\$2.6 million

in sponsorships and donations
in communities where we live
and work

\$1.3 million*

donated by our employees
and pensioners to charitable
organizations

Hydro One does not determine the energy mix for the Province of Ontario; this is a key responsibility of the Independent Electricity System Operator (IESO).



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2018 Sustainability Performance Overview

MATERIAL ISSUE	INDICATOR TITLE	2016	2017	2018
Customers Come First				
Customer Service	Transmission customer satisfaction (%)	78	88	90
	Residential and small business customer satisfaction (%)	66	71	76
Accessibility and Affordability	Bill savings for customers (\$ millions)	\$47.0	\$53.8	\$40.8
	Bill savings through the business retrofit program (\$ millions)	\$26.5	\$15.3	\$17.6
Reliability	Transmission System Average Interruption Duration Index (SAIDI) (hours per delivery point per year)	1.4	0.7	1.2
	Distribution System Average Interruption Duration Index (SAIDI) (hours per delivery point per year)	7.8	7.9	6.8

Environmental Management

Climate Change	Scope 1 GHG emissions (tCO ₂ e)	Establish 2018 as baseline year		119,455
	Scope 2 GHG emissions (tCO ₂ e)	Establish 2018 as baseline year		98,631
	Scope 3 GHG emissions (tCO ₂ e)	Data collection began in 2018		1,020

People and Potential

Health and Safety*	Total annual recordable injury rate (# recordable injuries per 200,000 hours worked)		1.1	1.2	1.1
	Lost Time Injury Severity Rate (Calendar Days Lost per 200,000 hours)		2.1	8.6	2.2
Employees and Workplace*	Number of employees eligible to retire within 5 years and 10 years (% of workforce)	(5 year)	33.0%	27.0%	24.0%
		(10 year)	39.0%	37.0%	35.0%
	Executive diversity (% of executive management, VP and above)	(Women)	33.3%	37.1%	36.4%
		(Men)	66.7%	62.9%	63.6%
		(Visible minorities)	3.0%	11.4%	15.6%
	Employee diversity (% of employees)	(Women)	22.3%	22.8%	24.6%
		(Visible minorities)	11.7%	12.0%	12.9%
		(Indigenous)	2.3%	2.4%	2.4%
		(People with a disability)	1.8%	1.5%	1.6%

Supporting Stronger Communities

Indigenous Partnerships*	Indigenous procurement spend (\$ millions)	\$16.5	\$24.1	\$39.4
Community Partnerships*	Community investment donations and sponsorships (\$ millions)	\$1.8	\$2.2	\$2.6
	Employee and pensioners donations (\$ millions)	\$0.89	\$1.2	\$1.3
Powering Economies*	Ontario goods and services purchased (\$ billions)	n/a	\$1.3	\$1.3

Building a Grid for the Future

Infrastructure Renewal and Modernization	Capital investments (\$ billions)	\$1.7	\$1.6	\$1.6
Business Model Pressures**	Investment in research and development (\$ millions)	Not recorded	\$5.0	\$5.2



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Our Approach to Sustainability

At Hydro One we recognize the vital role we play in helping Ontario communities grow and thrive – now and in the future. For us, sustainability means that we are committed to operating safely in an environmentally and socially responsible manner and to partnering with our customers and community stakeholders to build a brighter future for all.

We understand that our long-term performance depends on incorporating sustainability into all aspects of our business.

We are committed to doing business in a way that positively impacts the world around us. With the publication of our first Sustainability Report in 2016 (formerly our Corporate Social Responsibility report), we began taking a more formal approach to sustainability.

In 2018, we focused on developing the groundwork to build a successful sustainability program through the completion of a detailed materiality assessment (see page 9). Building on this foundation, we are now embarking on the next phase of our journey – developing a corporate wide sustainability vision and strategy that will guide our purpose, decisions and actions.

This year's report summarizes our progress in 2018 and we will continue to provide updates on our sustainability journey and our commitment to build a robust sustainability program.



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Management Approach and Governance

Core Values and Code of Business Conduct

Our core values have been essential to meeting the evolving needs and expectations of the customers, employees, communities and shareholders we serve across Ontario.

These values are reflected in our Code of Business Conduct ("the Code") and guide the decisions and actions of Hydro One's employees, officers and directors. The Code applies to Hydro One's Board members and employees as well as our agents, suppliers, consultants, contractors and business partners to the extent feasible. If employees do not comply with the Code, they will be subject to disciplinary procedures, up to and including dismissal. The Code of Business Conduct can be downloaded at www.HydroOne.com/careers/code-of-conduct

In November 2018, Hydro One implemented a Supplier Code of Conduct that supports our efforts to be a supply chain leader that protects people, manages impacts on the environment, respects Indigenous relationships and promotes energy efficiency. The Supplier Code of Conduct sets out Hydro One's expectations and we expect that our Suppliers conduct business with the same ethical standards that Hydro One maintains.

Our Core Values

We strive to conduct ourselves with unfailing honesty and integrity and to uphold each of our core values:

Safety Comes First: Nothing is more important than the health and safety of our employees, our customers and the public. We make the world a safer place by setting a high bar that others aspire to.

Stand for People: We foster an open, collaborative work environment. We work to build relationships internally and externally based on trust and mutual respect. We believe in equality and view diversity as a source of our strength.

Empowered to Act: We recognize our power to improve people's lives. We are ready to act in any situation. We capitalize on opportunities. We make the impossible, possible.

Optimism Charges Us: Optimism creates potential in everything we do. We think creatively and innovatively, turning challenges into opportunities.

Win as One: Winning is about doing well while also doing good. It means working together as one company to deliver strong results for our customers, communities, employees and shareholders.





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Management Approach and Governance

Our Whistleblower Policy and Fraud Risk Management Policy and Program

The Whistleblower Policy is the companion policy to the Code. It sets out the procedures for reporting actual, potential or suspected violations of the Code, applicable laws, applicable audit practices and accounting standards and practices, as well as other matters.

Under our Code, all employees who know or suspect a violation of the Code are responsible for reporting it in good faith as soon as possible. Employees can report to: their supervisor; the Corporate Ethics Office; or report anonymously through a third-party hotline. All complaints and enquiries, both anonymous and non-anonymous, are responded to and investigated, if appropriate.

Over the past three years, we have seen an increase in cases received. Hydro One welcomes this, as we believe it points to the effectiveness of our training program and our employees' comfort in reporting.

The Fraud Risk Management Policy and Program reinforce the expectation that all Hydro One employees must take steps to detect and report fraud and corruption. The majority of our employees completed training in 2018 on the Fraud Risk Management Policy.

Board-level Sustainability Oversight

Board-level oversight of the sustainability strategy resides with the Governance Committee of the Board of Directors. The Chief Corporate Affairs and Customer Care Officer provides quarterly status updates to the Governance Committee, which oversees management's implementation of Hydro One's sustainability strategy, framework, reporting and communications.

Management-level Sustainability Oversight

Oversight and accountability at the management level resides with the Chief Corporate Affairs and Customer Care Officer, while leadership is provided by the executives responsible for key functional areas. Early in 2019, we established a sustainability committee, composed of senior leaders, which provides strategic guidance and perspectives on current, emerging and material sustainability issues.

Hydro One's Disclosure Committee reviews and approves the accurate disclosure and reporting of our sustainability practices and performance, as well as the timely, accurate and complete disclosure of developments that have a significant and material impact on the company.

Hydro One is guided in its approach and management of sustainability issues by the expertise of its key industry associations. Hydro One is a member of the Electrical Power Research Institute, Ontario Energy Network, Ontario Energy Association, CEA, North American Transmission Forum and Edison Electric Institute.

WHISTLEBLOWER POLICY AND FRAUD RISK MANAGEMENT POLICY AND PROGRAM

Number of Cases Received

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Ombudsman

The Office of the Hydro One Ombudsman provides a confidential, impartial and independent review of complaints that could not otherwise be resolved by the company. Sophie Petrillo was appointed Ombudsman in August 2017 and reports directly to the Board (through its Governance Committee) to ensure independence. By working with both complainants and Hydro One, she aims to help Hydro One deliver just, fair and equitable services that benefit customers and members of the public. The Office of the Ombudsman's services are free and confidential.

In 2018, the Ombudsman reported that complaints fell by 55%, with the greatest decline in complaints about general affordability from customers who were behind in paying their bills. This was attributed to government policies and programs that reduced prices.

The Ombudsman reports can be found at www.HydroOneOmbudsman.com

Our Corporate Policies and Management Systems

Our commitment to developing respectful long-term relationships with our customers, employees, shareholders, Indigenous Peoples and communities in which we serve, is supported by several corporate policies and management systems:

- Environmental Policy
- Health and Safety Policy
- Public Safety Policy
- Indigenous Relations Policy
- Code of Business Conduct
- Whistleblower Policy
- Corporate Disclosure Policy
- Workplace Human Rights and Anti-Harassment Policy
- Corporate Diversity and Inclusiveness Policy
- Fraud and Risk Management Policy
- Health, Safety and Environmental Management System¹

Hydro One also adheres to other industry-leading management programs and is designated as a CEA Sustainable Electricity Company™.



¹ Hydro One has an integrated Health, Safety and Environmental Management System (HSEMS), aligned with the International Organization for Standardization 14001 Environmental Management Systems and the Occupational Health and Safety Assessment Series 18001 internationally recognized standards. Our HSEMS is supported by various operational policies and related guidance documents as well as operational procedures and controls.



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OUR APPROACH TO SUSTAINABILITY

Materiality Approach

In 2018, Hydro One conducted a formal materiality assessment to identify the sustainability issues that matter most to our business, stakeholders and partners. We expect the results to guide our sustainability strategy and our disclosure approach.

This assessment included inputs from customers, employees, local communities, Indigenous communities, industry partners, government, our regulator, investors and non-governmental organizations.

The process included identifying possible material issues facing Hydro One and then conducting research and/or a series of interviews with internal and external stakeholders to determine business impact and stakeholder interest. Finally, the results of the analysis and priorities were verified through a workshop with Hydro One's senior team.

Through the assessment, ten priority issues were identified as material to Hydro One's business and appear in the upper right corner of the matrix to the right. These material issues form the basis for our sustainability disclosures and are reflected in this report.

A Matrix of Hydro One's Material Issues





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Stakeholder Engagement

Understanding and responding to stakeholder concerns is vital to the success of our business. We seek to be a strong partner and advocate for our customers and communities. The table below describes some of the ways that we work with our stakeholders and partners.

SOME OF OUR KEY STAKEHOLDERS	HOW WE ENGAGE WITH THEM
Customers	• Regular satisfaction surveys and focus groups • Energy-saving tips and advice • High usage and outage alerts • Toll-free numbers and direct mail • Sponsorship and attendance at annual events
Investors	• Press releases, quarterly reports, quarterly calls with investors and financial media, annual reports • Annual general meetings of shareholders • Investor events • The Board Chair, including Directors as appropriate, engage with shareholders
Regulators and Government	• Advocacy on behalf of low-income customers • Advocacy on behalf of business customers • Advocacy on behalf of Indigenous communities • Regular interactions with all levels of government, including local Members of Provincial Parliament and municipally elected officials • Industry conferences
Employees	• Internal newsletters and bulletins • Regular Health and Safety Divisional meetings • Employee town hall events • Employee engagement surveys • Quarterly President's webcast
Unions	• Joint committees for key initiatives • Regular executive-level and local meetings • Collective bargaining • Mature dispute resolution mechanisms • General consultations on an issue-by-issue basis
Non-Governmental Organizations	• Sustainability reports • Industry association conferences and events • Personal interaction



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Stakeholder Engagement

SOME OF OUR KEY STAKEHOLDERS

HOW WE ENGAGE WITH THEM

Industry Associations	• Regular meetings and conferences • Participation on committees • Joint representations to regulators • Collaboration on advocacy initiatives
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SOME OF OUR KEY PARTNERS

HOW WE ENGAGE WITH THEM

Communities	• Dedicated Community Relations team • Public events focusing on safety and information • Advocacy for community and local economic development electricity needs • Community information centres related to proposed infrastructure development plans • Visits and presentations by Hydro One staff at town halls and council meetings • Community-specific outreach • Robust consultation plans with multiple touch points and opportunities for community feedback at all stages of a project • Community investment, sponsorship and participation at local events • Project-specific information tours • Representation at post-secondary schools, training and employment centres and job fairs • Ontario Energy Board community meetings
Indigenous Peoples	• Dedicated Indigenous Relations department • Engagement by staff and senior leaders in Indigenous communities • Public information sessions related to proposed infrastructure development plans • Representation at Indigenous post-secondary schools, training and employment centres and job fairs • Indigenous procurement workshops and networking sessions with contractors • Recruitment of community members to act as liaisons between local communities and Hydro One • Community investment, sponsorship and participation at local events



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- › Accessibility and Affordability
- › Reliability

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Customers Come First

Our customer service goal is simple – we aim to provide an exceptional experience every time. While we are focused on providing fast, flexible and convenient options, we continually strive to identify new opportunities to serve our customers better. We are working hard to keep Ontario's electricity system safe and reliable by modernizing aging infrastructure in communities across the province.





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Customer Service

Approach

Hydro One is working with every customer group we serve to support their unique needs- for their homes and businesses, and growing communities. We employ technology to improve our customer interactions and to reduce costs. We continuously strive to reach more customers, accommodate more demand, reduce outage times and pursue innovative options to improve all customer experiences. Our Customers Come First approach is detailed in our [customer service commitments](#).

Performance

In 2018, our customer satisfaction levels improved for both our distribution and transmission businesses.

Residential and small business customer satisfaction was the highest in five years at 76%, driven by better customer service, price and reliability performance scores.

Transmission customer satisfaction reached an all-time high of 90%, reflecting our new approach to large and industrial customer service, including dedicated account executives who act as a single point of contact for customers and a new geographic service model that places key account managers closer to their clients.

Key Programs and Future Initiatives

We continuously seek to learn what is important to our customers and to act on their behalf. We in-sourced 400 employees in our Customer Contact Centre, allowing us to provide better service, reduce costs and harness customer insights to drive business improvements. Through direct contact with our customers, for example, our Contact Centre agents increased enrolment in Hydro One's digital notification and service alert channels by approximately 450%, enhancing customer convenience and improving operational efficiencies.

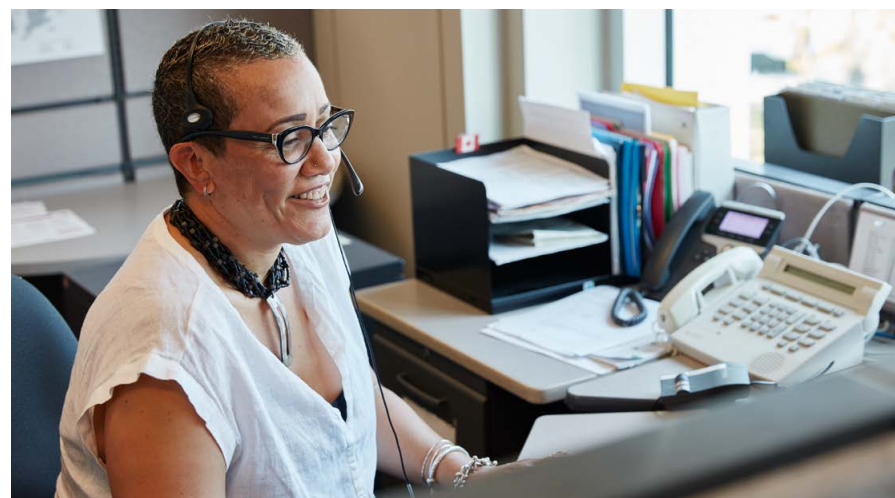
We also renewed our commitment to customer service for our large transmission and distribution customers. We are working to be more responsive to their needs and to partner with them to improve reliability and manage their costs.

Our overarching goal is to enhance the customer journey by making it easier for all customers to do business with Hydro One. Our actions to support this goal in 2019 are expected to include:

- providing our customers with the energy solutions and services to support their needs; and
- facilitating economic development by identifying ways we can grow and strengthen local economies.

RESPONDING TO CUSTOMER NEEDS

Our Contact Centre agents responded to over a million customers calls in 2018, with 87% of issues resolved during the first call, a record high. This improved performance is reflected in the 93% customer satisfaction score achieved by our Contact Centre agents, another record high.



CUSTOMER SERVICE HIGHLIGHTS

Residential and Small Business 76%

Residential and small business customer satisfaction was the highest in five years

2018	76%
2017	71%
2016	66%

Transmission 90%

Transmission customer satisfaction reached an all-time high, reflecting our new approach to large and industrial customer service

2018	90%
2017	88%
2016	78%

93%
customer
satisfaction
score achieved
by our Contact
Centre agents



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Accessibility and Affordability

Approach

Our Customer Comes First approach means that we are committed to advocating for our customers. We remain sensitive to the needs of our low-income customers and work to provide advice and guidance on programs that will help them reduce their electricity use. We have also remained focused on how we can become more efficient, embedding significant productivity savings projections into our rate filing applications, which has enabled us to pass on savings to our customers.

Performance

In 2018, we helped save our customers over approximately \$40 million on their electricity bills through various energy conservation programs. While this figure is less than in previous years, it reflects the success of government programs that are designed to provide bill relief.¹



We also completed more business energy retrofit projects, reflecting the impact of increased outreach to this customer segment on how to save energy and manage their costs.

Key Programs and Future Initiatives

We work to promote a culture of energy conservation and to act as our customers' energy advisor. Over the past two years, through Hydro One's advocacy work, the average residential customers have seen an average reduction of 31% on their monthly bills as a result of government initiatives. This translates into an annual savings of approximately \$600.³ While there have been recent changes in government policies and programs, we will continue to advocate on behalf of our customers.⁴

We administered the delivery of the province's Affordability Fund,

which provides customers not eligible for low-income energy conservation programs with access to energy-efficient home improvements.

We also introduced new programs to increase our overall efficiency. Productivity savings of \$135.5 million* in 2018 brings the total saved since 2015 to \$249.9 million*.

Our actions to support customer accessibility and affordability in 2019 are expected to include:

- addressing barriers to connecting to our system as we pursue new ways for businesses to grow and thrive;
- continuing to develop and implement programs that reduce our costs and increase our efficiency; and
- harnessing the power of new technology to offer products and services that help meet our customers' energy needs.

BILL SAVINGS

For Customers

\$40.8 million

in savings on their electricity bills through various energy conservation programs



Business Retrofit Program

\$17.6 million

in bill savings through the business retrofit programs



¹ In 2019, the Ontario Government introduced new legislation replacing the Fair Hydro Plan that will hold residential electricity bills to the rate of inflation.

² Bill savings for 2016 have been adjusted to reflect Retrofit bill savings achieved under the 2011–2015 and the 2016–2020 frameworks.

³ Based on our medium density residential local distribution end customer at 750 kWh a month.

⁴ As of April 1, 2019, the IESO is delivering certain conservation programs directly to residential and business customers, while other programs have ended. Targeted programs for on-reserve First Nations communities will continue to be available and the IESO is working with stakeholders to transition to a new framework.



- Customer Service
- Accessibility and Affordability
- Reliability



Reliability

Approach

Hydro One is committed to maintaining a reliable electricity system. We do this by focusing on the reliability of the grid and replacing, repairing and upgrading equipment to keep the public safe and to reduce the number of power outages. We have also started to deploy the latest technology to anticipate and respond to system outages so that we can meet our customers' expectations.

In addition, we collaborate with the IESO and our customers to actively manage the grid to ensure our infrastructure investment plan meets the capacity needs of customers, communities and a growing economy.

Performance

We measure our distribution and transmission reliability performance based on our system average interruption frequency index (SAIFI) and system average interruption duration index (SAIDI) numbers.

Distribution

Through three key initiatives, we reduced the frequency of distribution interruptions last year:

- new vegetation management program which helps to reduce power interruptions caused by trees coming into contact with power lines. By focusing on trimming problem trees and

vegetation more often, every three years vs. every 10 years, our forestry crews have improved the system's reliability and safety, while completing nearly three times the work they did in 2017;

- ongoing grid modernization and system renewal to address deteriorated and aging infrastructure. This involves deploying new automation and monitoring technologies that allow us to remotely monitor and restore power to minimize the impact of outages and improve restoration times; and
- continuous improvement on restoration time which includes reducing planned outages, storm restoration coordination and more system oversight.

Transmission

While transmission SAIFI and SAIDI performance declined, mainly due to major equipment failures and severe weather, crews worked tirelessly to quickly and safely restore power. We experienced significant events at our Gerrard, Minden and Finch transformer stations and our Merivale station was destroyed by a tornado in late September. While services at the Merivale station were restored within 48 hours with a temporary solution, the facility required 12 weeks of extensive work to rebuild.

Improved restoration time by 33%

DISTRIBUTION¹

Interruptions

SAIFI (per customer per year)

2018	2.2
2017	2.3
2016	2.5

Hours

SAIDI (per customer per year)

2018	6.8
2017	7.9
2016	7.8

IMPROVED RESTORATION TIME BY 33%

For Customers

1/3 reduction

We have reduced the time customers are without power following a storm by one-third since a similar-sized event five years ago



TRANSMISSION²

Interruptions

SAIFI (per delivery point per year)

2018	1.3
2017	1.1
2016	0.8

Hours

SAIDI (per delivery point per year)

2018	1.2
2017	0.7
2016	1.4

¹ These SAIFI and SAIDI numbers do not include the five force majeure incidents related to severe weather that we experienced last year. We define a force majeure to have occurred when electricity service to 10% or more of our distribution customers has been interrupted by an event.

² These SAIFI and SAIDI numbers do not include any events with more than 10,000 MW*minutes unsupplied energy, initiated by uncontrollable causes, such as weather, environment, or foreign interference. The Ottawa area tornado event, which damaged Merivale TS, is an example of an event that would be excluded from these measures.



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Reliability

We continued to maintain and improve our transmission reliability performance by advancing four key initiatives:

- system renewal to address deteriorated and aging infrastructure. By upgrading the transmission system to align with current design standards and the Northeast Power Coordinating Council requirements, we are continuing to enhance our safety, environment, security and reliability performance;
- post-event investigations and corrective action planning to better understand the root causes of significant system outages, identify and implement corrective actions and drive continuous improvement;
- employing advanced analytics and new technologies for online monitoring of critical transmission assets. This allows us to identify any maintenance needs or assets at risk of failure in order to minimize the impact of outages, as well as identify outage fault locations and to allow for quick outage restoration; and
- improving performance by addressing “outlier” reliability issues through our strategic investments.

Key Programs and Future Initiatives

We are advancing several initiatives to improve the overall reliability of our networks.

As part of our Distribution Modernization Program, we are installing new devices and updating existing ones. These devices will allow us to better determine the location of a fault on the distribution system and quickly dispatch a crew to repair it as well as to remotely isolate the problem and restore power in some cases. By 2025, we plan to install approximately 4,000 of these devices as we build a smarter electricity grid.

We are also improving our storm preparedness and response capabilities. Our new storm prediction tool allows us to take a proactive approach to preparing for bad weather by positioning our crews and equipment in areas expected to be the most affected by storms. This is significantly improving our recovery efforts: for example, a force majeure event that would normally take seven to nine days to restore power, has been brought down by a third in comparison to a similar storm event.

Our actions to support improving the reliability of Ontario’s power supply in 2019 are expected to include:

- reducing the duration of distribution interruptions by another hour to an average of six hours per customer per year;
- continuing to optimize our new vegetation management program;
- continuing to renew the grid and replace aging equipment; and
- continuing to roll out our Distribution Modernization Program to install devices that enable remote monitoring of the system to determine when and where outages have happened and remotely take action to restore power.

PILOTING BATTERY STORAGE SOLUTIONS WITH FIRST NATIONS

Hydro One and Anwaatin have agreed to pilot a project that will test Hydro One’s first battery storage solution for reliability at Aroland First Nation. We expect to complete the pilot during the last quarter of 2019. If successful, we hope that this solution will improve the reliability of electricity in this First Nation community by more than 60%.





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Environmental Management

Hydro One is improving our long-term performance by limiting the environmental impact of our activities while simultaneously increasing the resiliency of our assets to better withstand the impact of climate change and extreme weather.





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Environmental Management

Approach

We manage our environmental programs through our combined Health, Safety and Environmental Management System (HSEMS). This system provides a framework to meet our compliance obligations and set performance targets and initiatives to manage our environmental risks. Our HSEMS aligns with industry-leading management and standards, including the ISO 14001:2015 International Standard.

To complement our HSEMS, we also have an Environmental Policy that we recently updated to better align with Hydro One's purpose-driven Core Values.

Finally our approach is guided by our internal risk analysis, audit findings, regulatory changes and input from our Environment Committee. We currently have four targeted plans to address our top environmental risks:

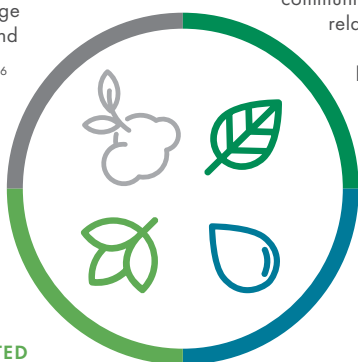
OUR ENVIRONMENTAL MANAGEMENT PLANS AND COMPONENTS

CLIMATE CHANGE MANAGEMENT PLAN

Climate change adaptation and mitigation; SF₆ management

BIODIVERSITY MANAGEMENT PLAN

Environmental planning; community and Indigenous relations; biodiversity enhancement; land management



CONTAMINATED LAND MANAGEMENT PLAN

Spills and land assessment and remediation (LAR)

RESOURCE MANAGEMENT PLAN

Air, water and waste management; chemical management and PCBs; heritage resources

Performance

2018 Environmental Management Program Scorecard

The following scorecard provides a summary of our progress against our stated 2018 goals:

MATERIAL ISSUE & PROGRESS	RESULT
Climate Change	
More clearly define accountabilities for climate change, create policy and strategy that identifies key actions to adapt/mitigate climate change	✓
Enhance disclosure reporting of climate change with a goal of continuous improvement	✓
Strengthen methodologies for gathering baseline data and measuring emissions to create emissions benchmark/identify emerging risks	✓

Resource Management

Create draft process to identify and evaluate heritage assets	✓
Establish Internal Heritage Management Committee	✓

Contaminated Lands

Complete Audit Recommendations for LAR program and complete assessment and remediation plan (assess 15 sites; remediate 5)	✓
Complete Audit Recommendations for PCB Management	✓
Maintain Spill Response Program; implement at least one improvement (enhanced our corporate response and engagement with the general public related to spills and other potential impacts)	✓

Land and Biodiversity

Develop and finalize Avian Protection Plan (deferred to 2019)	✗
Continue osprey nest box program for all requests in 2018 and conduct at least two summer banding efforts	✓
Create 45 hectares of pollinator plots; complete habitat restoration along the Trans Canada Trail following the construction of the Leamington Transmission Station (partially complete)	⊖
Establish partnerships with two external organizations and define the program scope	✓
Complete awareness sessions on "Environmental Field Considerations" for all field staff from operational lines of business by end of Q2	✓

✓ Fully Met	⊖ Partially Met	✗ Not Met
-------------	-----------------	-----------



Climate Change

Approach

Climate change, including extreme weather, continues to impact our operations. Hydro One is strengthening our oversight and management of climate change issues to be more resilient and adaptable to change, as well as to mitigate climate risks.

In 2018, we introduced a new climate change policy, which outlines our commitment to:

- increasing the resiliency of our assets to better withstand climate change and extreme weather; and
- managing our carbon footprint.

Our new policy and strategy have clearly defined accountabilities and actions to adapt to and mitigate the effects of climate change.

As we refine our approach, we are continuing to integrate climate change into Hydro One's Enterprise Risk Management (ERM) frameworks, with a goal to better identify, assess and manage climate change risks and to minimize negative outcomes.

Climate change impacts for Hydro One include the potential for shifting weather patterns to increase the severity and frequency of extreme weather events and natural disasters.

We will continue to address climate change risks through an integrated multi-disciplinary management approach. Our actions are expected to include:

- preparing our grid for volatile weather conditions;
- working with communities, customers and organizations to collectively reduce our energy consumption; and
- investing in research to drive innovation.

Please see the Infrastructure Renewal and Modernization section of this report for additional information on our approach.

Performance

Hydro One reports Scope 1, Scope 2 and Scope 3 GHG emissions.

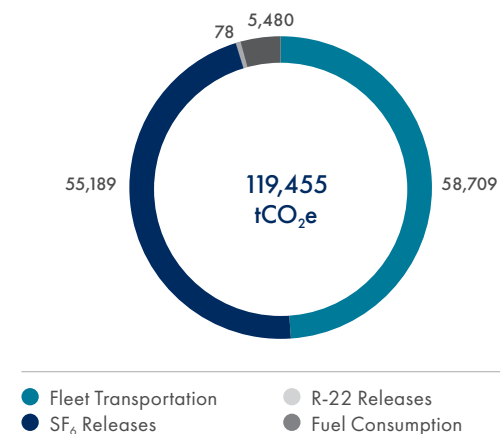
- **Scope 1** are direct GHG emissions from sources owned or controlled by Hydro One (e.g. from the fossil fuels from our owned and operated fleet vehicles).
- **Scope 2** are indirect GHG emissions from the generation of acquired and consumed electricity, steam, heat, or cooling from sources owned or controlled by an external organization (e.g. from energy purchased for our facilities and line losses).
- **Scope 3** are indirect GHG emissions (e.g. from air business travel).

We improved our data collection and reporting systems during the year and updated the emissions factors and global warming potential values used in our calculations to align with the Canadian National Inventory Report (1990-2017), and the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (2014). With this change in methodology, we have established 2018 as our baseline year for reporting of GHG Scope 1, 2 and 3 emissions moving forward. For 2018, our Scope 1 and Scope 2 GHG emissions have been verified by a third party.¹

Total GHG Emissions: Overall, Hydro One's total reported GHG emissions² in 2018 are estimated to be 219,106 tonnes of carbon dioxide equivalents (tCO₂e).³

Total Direct GHG Emissions (Scope 1): Hydro One's primary sources of Scope 1 emissions are our vehicle fleet, fuel consumption⁴ and Sulfur Hexafluoride (SF₆)⁵ releases. In 2018, we continued to promote an in-field anti-idling campaign and the use of GPS, which enabled more efficient vehicle deployment.

Total Scope 1 Emissions (tCO₂e)



- 1 GHD Ltd. verified Hydro One's GHG Emission report for the compliance period of January 1 to December 31, 2018.
- 2 Hydro One's GHG Inventory is aligned with the GHG Protocol Corporate Accounting and Reporting Standard; ISO 14064-1:2018; Greenhouse Gas Emissions: Quantification, Reporting and Verification Regulation (O.Reg. 390/18). Emission Factors are from Canada's National Inventory Report 1990-2017 and Global Warming Potential (GWP) from the IPCC Fifth Assessment Report, 2014 (AR5). While management estimates that the uncertainty range for Scope 1 emissions is less than 5% which is consistent with Ontario Regulation 143/16: Quantification, Reporting and Verification of Greenhouse Gas Emissions, Hydro One continues to improve its GHG emissions estimation procedures and training for staff inputting data.
- 3 The decrease in Scope 1 and Scope 2 emissions from 2017 to 2018 can be attributed to a change in calculation methodology from the Ontario Global Warming Potential to the International Global Warming Potential and changes to emission factors from the National Inventory Report 1990-2017.
- 4 Fuel consumption includes: natural gas, propane and diesel.
- 5 SF₆ is used to insulate high-voltage circuit breakers and gas-insulated switchgear.



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Climate Change

Total Indirect GHG Emissions (Scope 2)

Hydro One's primary sources of Scope 2 emissions¹ come from line losses — when electricity is delivered through a power line, a small amount of power is consumed or lost as heat.

Total Indirect Emissions (Scope 3)

Our Scope 3 emissions encompass employee business travel, including accommodations, use of personal vehicles and air travel. We continued to enhance our GHG Scope 3 data collection and inventory reporting throughout the year. We are currently working to embed the [GHG Global Protocol Corporate Value Chain](#) (Scope 3) Accounting and Reporting Standard for enhanced reporting in future years.

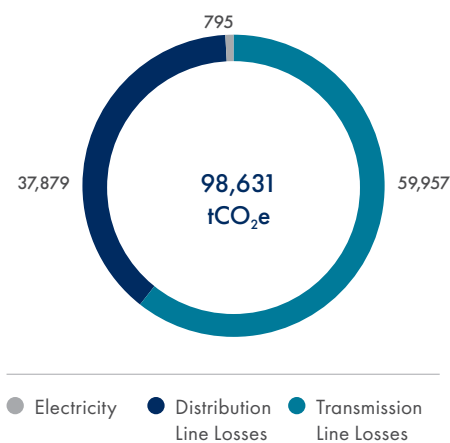
We are also working to enhance our collection and disclosure of carbon and GHG-related information, which has resulted in an improved score from "D" to "C" in 2018 on the [Carbon Disclosure Project \(CDP\)](#).

Key Programs and Future Initiatives

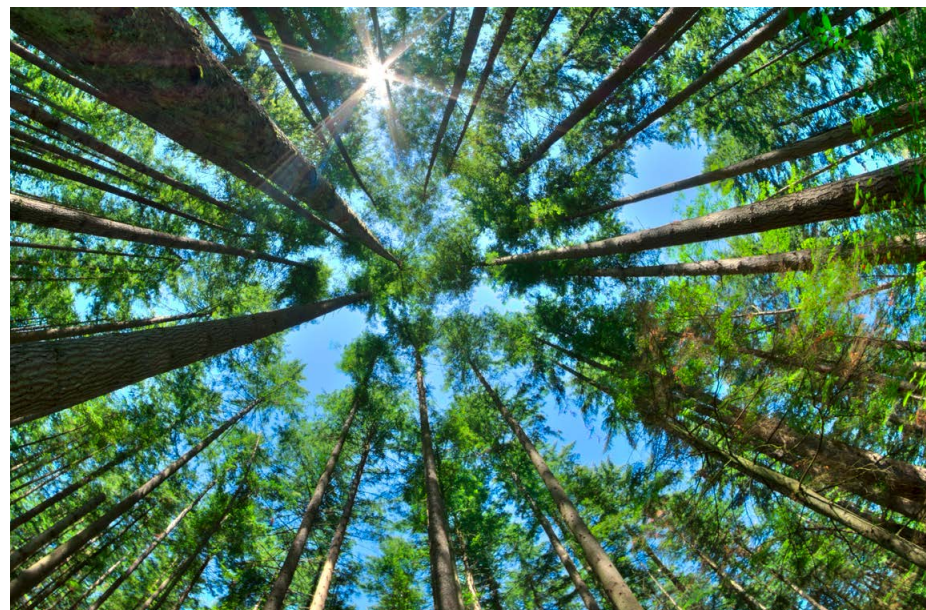
Our actions to better mitigate climate risks and adapt to change in 2019 are expected to include:

- completing a corporate ERM risk assessment workshop on Climate Change Adaptation and Mitigation;
- executing recommendations from ERM climate change risk assessment workshop beginning in 2019 and ongoing year over year;
- developing a Climate Change Adaptation and Mitigation plan reflective of the [CEA and NRCan Guidelines](#); and
- developing SF₆ reduction strategy and targets.

Total Scope 2 Emissions (tCO₂e)



Total Scope 3 Emissions (tCO₂e) (Employee Business Travel)



¹ Scope 2 emissions are not directly controlled by Hydro One and are subject to the [composition of energy generated and dispatched](#) through the Ontario grid for consumption.



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Environmental Stewardship

Ensuring the sustainability of resources in our care is a priority for Hydro One. We seek to avoid or minimize our impacts on the environment and to protect and conserve the ecosystems and biological diversity that surround our sites.

Contaminated Lands

Hydro One has well-established processes regarding the management of contaminated lands, including a Land Assessment & Remediation (LAR) program, management of PCBs and spill response. We have a team of specially-trained responders who are on-call 24/7 and who are supported by external environmental spill response contractors. When responding to spills, our goal is to mitigate any potential effects on the environment and to minimize customer service interruptions. In 2018, we recorded 415 spills (337 spills in 2017) and achieved a 94% spill recovery rate.

Hydrocarbon spill volumes increased from 44,000 L in 2017 to 215,000 L in 2018. This was the result of a significant spill from a power transformer at Longwood Transformer Station. However because the transformer is equipped with engineered containment, 100% of the spill was recovered.



The increase in spill incidents last year likely occurred because of the increase in extreme weather events.

We plan to take the following actions to advance our key contaminated lands programs in 2019:

- completing clean-up of 22 contaminated sites;
- meeting liquid oil spill recovery target of 90%; and
- reviewing spill causes to create draft recommendations for prevention.

Land and Biodiversity

Our Biodiversity Management Plan directs the planning of large capital projects to minimize our effect on natural habitats and ecosystems. We also have in place a Biodiversity Advisory Committee (BAC) that develops, reviews and recommends leading practices for biodiversity.

Last year, we conducted 59 awareness training sessions with Hydro One teams across the province on Environmental Field Considerations, including biodiversity management planning and Species at Risk practices and requirements.

SPILL RECOVERY

Spill Recovery Rate (%)

94%

In 2018, we recorded 415 spills and achieved a 94% spill recovery rate

2018	94
2017	88
2016	94.5

59

awareness training sessions
conducted with Hydro One
teams across the province on
Environmental Field Considerations

QUICK SPILL RESPONSE

We experienced one significant environmental incident in 2018 due to a fire at our Finch Transformer Station on July 28 that resulted in a catastrophic failure of equipment, with one transformer catching fire and rupturing. Approximately 71,000 L of insulating mineral oil were released to the storm sewer and nearby watercourses during the incident. Hydro One Environmental staff responded with emergency spill contractors and environmental consultants to manage the spill response activities, liaise with regulatory officials and assist with restoration and remediation efforts.



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Environmental Stewardship

We also continue to introduce pollinator-friendly plants across the province to contribute to the ongoing efforts of our community and environmental partners. In 2018, we planted 10 hectares of pollinator-friendly plants. We were not able to meet our stated 2018 target of 45 hectares or complete the planned habitat restoration, due to delays in construction at our Leamington Transformer Station. We expect these initiatives to be completed during the 2019 planting season.

In addition, we established approximately three hectares of new pollinator planting in Ottawa, partnering with the Canadian Wildlife Federation. We also partnered with Ganaraska Region Conservation Authority and Ontario Power Generation on watershed habitat restoration and biological monitoring work in Wesleyville Creek.

We plan to take the following actions to advance our key land and biodiversity programs in 2019:

- executing 2018 Protection of Species at Risk and Migratory Birds Audit action items;
- completing risk ranking of Species at Risk to identify priority management species;
- creating 45 hectares of pollinator habitat; and
- developing a process to identify biodiversity opportunities.

Resource Management

Resource management includes our management of water, waste and PCBs. Hydro One has well established programs for management of matters relating to water and waste and is continuing to phase out PCB containing equipment at our sites. In 2018, a risk evaluation identified this phase out as a potential risk to the organization.

Our actions to advance our key resource management programs in 2019 are expected to include:

- PCB management and the safe removal of all equipment with PCB content greater than or equal to 50 parts per million (ppm) by December 31, 2025;
- completing the 2019 Network Initiative PCB Phase Out Action Items, including employee training, data management and sampling; and
- completing the planned disposal of 101 PCB storage sites.



POLLINATOR FRIENDLY PLANTS

Area Planted with Pollinator-Friendly Plants (HA)

~10 HA

Although we were not able to meet our stated 2018 targets due to delays in construction, we expect these initiatives to be completed during the 2019 planting season





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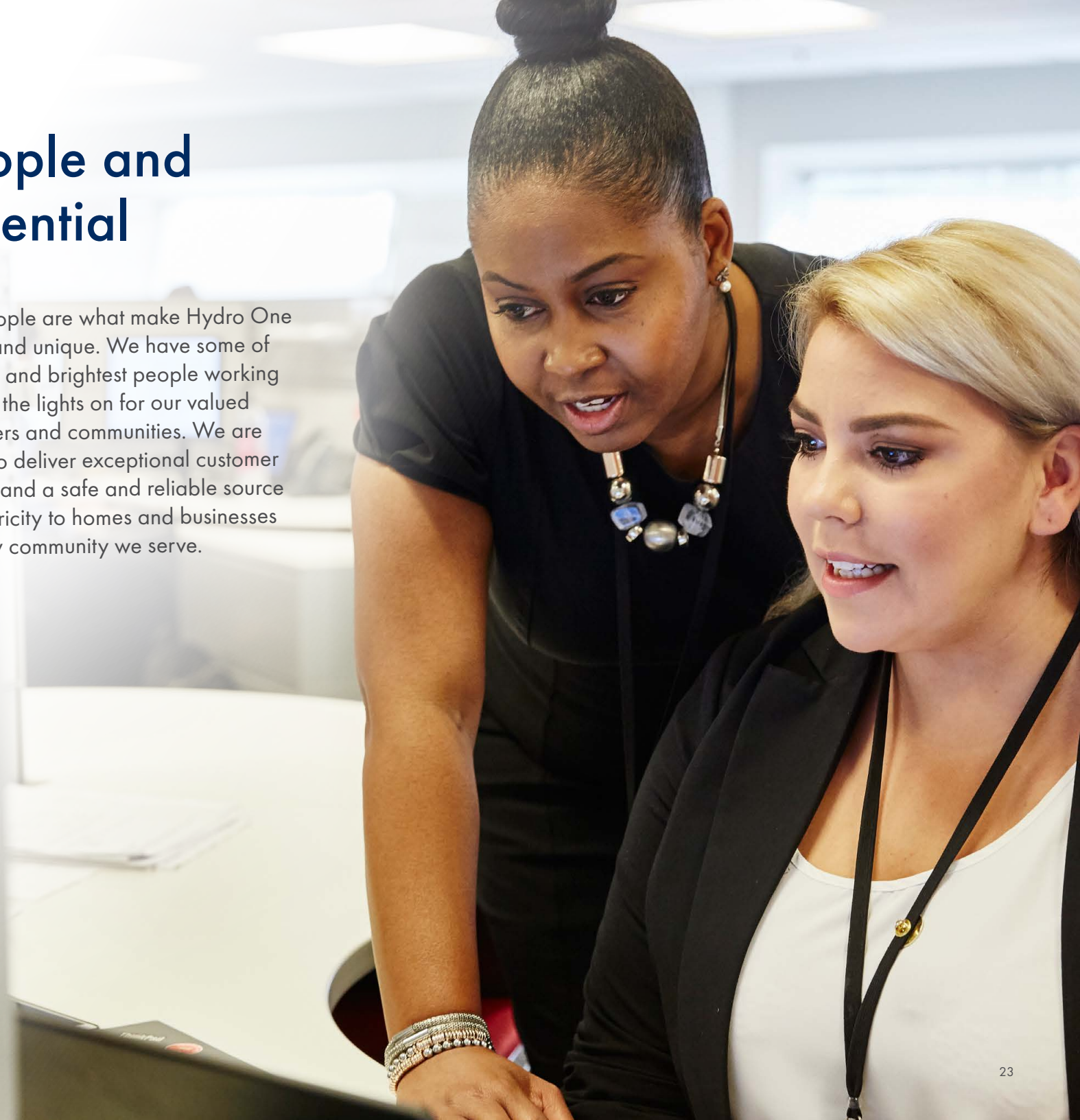
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People and Potential

Our people are what make Hydro One strong and unique. We have some of the best and brightest people working to keep the lights on for our valued customers and communities. We are proud to deliver exceptional customer service and a safe and reliable source of electricity to homes and businesses in every community we serve.





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Health and Safety

Approach

We are determined to build a strong safety culture and achieve world-class health and safety performance. We are committed to sending our employees home safe to their families, every single day. We provide our employees with the tools and training they need to deliver improved results. We remain vigilant in prioritizing the safety and well-being of our people.

Our HSEMS drives the identification of health and safety risks and the setting of targets to improve our overall performance. It is aligned with the internationally-recognized standards of the OHSAS 18001, and applies to all Hydro One activities, products and services, as well as to our contractors.

Performance

In 2018, we achieved our total annual recordable injury rate performance target of 1.1* per 200,000 hours worked. The number of recordable injuries and the severity of these injuries also decreased slightly between 2017 and 2018.

Our lost time injury severity rate also decreased last year, reflecting the significant effect of four fatalities (related to a helicopter accident in December 2017) on our prior year performance rate.

In March 2019, we experienced a tragic loss when a Hydro One employee sustained a fatal injury during a forestry incident in the Minden area. Three crew members also sustained injuries in the same incident. We are conducting our own investigation and cooperating fully with the Ministry of Labour in their investigation. The memory of our lost colleague will only strengthen our commitment to an injury-free workplace.

We closely track incidents that have a high potential for harm, known as High Maximum Reasonable Potential for Harm (HMRPH), in order to take corrective actions to prevent similar incidents from recurring. We experienced 19 HMRPH** incidents in 2018, with three resulting in recordable injuries. Corrective actions are now in place to address those incidents.

Hydro One's health and safety values extend to protecting the communities in which we operate. In 2018, we conducted extensive emergency response drills – including 152 fire drills, 10 emergency preparedness drills and 70 business continuity drills – to ensure we are ready to respond in the event of a community or business crisis.



ELECTRICAL SAFETY EDUCATION

The Hazard Hamlet program promotes and encourages the safe use of electricity. Our field staff regularly visit elementary schools, community fairs and local events to discuss electrical safety and how to avoid electrical hazards at home and in the community. We visited 95 elementary schools in 45 communities in 2018. This year, we plan to visit approximately 100 elementary schools across the province to engage with students on electrical safety.

INCIDENTS AND LOST TIME

Total Annual Recordable Injury Rate*

(# Recordable Injuries per 200,000 Hours Worked)

1.1

2018	1.1
2017	1.2
2016	1.1

Lost Time Injury Severity Rate*

(Calendar Days Lost per 200,000 Hours)

2.2

2018	2.2
2017	8.6
2016	2.1



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Health and Safety



MENTAL HEALTH FIRST AID

"If I sprain my ankle, chances are you will know what to do. If I have a panic attack, chances are you will not."

That sentiment captures the growing need for first aid training in today's workplace for better mental health and resilience. Hydro One is addressing that need by offering a two-day course on Mental Health First Aid (a program of the Mental Health Commission of Canada) to employees. The goal is to change attitudes around mental health in the workplace, provide employees with the tools they need to recognize stress and refer their colleagues to professional support, should the need arise. Last year, over 600 employees attended this course; and since it was introduced in 2015, over 2,200 Hydro One employees have received this training.

Key Programs & Future Initiatives

We implemented three key initiatives in 2018 to help ensure everyone goes home safely at the end of the day:

- HMRPH Review Board to enhance our oversight of health and safety incidents and ensure effective recommendations and corrective actions are put in place to prevent similar incidents from recurring;
- Management/Union Oversight Committee to discuss opportunities to strengthen our safety culture and improve our safety performance; and
- Perfect Day Challenge, which highlights every day our team works without any recordable incidents, significant environmental events or preventable motor vehicle collisions. Launched during the third quarter of 2018, our teams recorded 35 perfect days out of 64. The Perfect Day Challenge will continue throughout 2019.

Our actions to build a stronger safety culture at Hydro One in 2019 are expected to include:

- launching a new safety culture campaign that will introduce a stronger, more personal approach to safety management and will unify our health and safety communications in a way that makes a deeper connection to why our employees choose to work safely;
- introducing the Human Success Program to identify error-likely situations and use tools and habits to minimize the likelihood of errors that may result in workplace injury, customer interruptions or damage to assets; and
- selecting monthly Safety Communication topics focused on high-risk practices and providing tools and guidance to raise awareness and eliminate our highest risk activities.

2,200

Hydro One employees have received Mental Health First Aid training since 2015

Five Principles for Improving Safety Behaviour

Our Human Success Program will deliver ongoing training, education and communications that reinforce the five Human Success principles for improving safety behaviours:

Job planning: conducting a daily review of all risks and critical job tasks;

Procedural use: ensuring everyone is following administrative controls;

Pause and think: ensuring every individual feels comfortable in pointing out a questionable situation;

Questioning attitude: ensuring everyone has the right equipment and approach to working safely, and speaking out if they do not; and

Post job review: taking time, daily, weekly or at the end of a job, to review how things went and what procedures could be improved.

Human  Success



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➤ Health and Safety

➤ Employees and
Workplace

Supporting Stronger
Communities

Building a Grid
for the Future

Connect with Us



Employees and Workplace

Approach

We understand that the success and strength of our business rests with our people. When we develop their skills, we are investing in both their success and ours. We seek to create a workforce that reflects the diverse populations of the communities where we live and work and to create a culture based on safety, innovation and inclusiveness.

Our people strategy is designed to build human capacity and support Hydro One's Workplace Human Rights and Anti-Harassment Policy, and our Corporate Diversity and Inclusiveness Policy and Plan.

Performance

Diversity and Inclusion

Hydro One values diversity at all levels of our organization. Our ambition is to become an industry leader, recognized for a culture of inclusion. While representation of women in executive positions¹ decreased slightly to 36.4%* during the year, the representation of visible minorities in executive positions increased to 15.6%* from 11.4%*.

We are advancing our Indigenous hiring plans, achieving our goal of 2.4%* of our regular workforce who self-identified as Indigenous. We are also meeting our goal for summer student hiring, with 15%* of positions filled by Indigenous students. We continue to implement our multi-year Indigenous hiring plan to enhance future performance.

Our commitment to diversity extends to ensuring a gender-diverse Board of Directors. The current composition of our Board is 60% men and 40% women. As a signatory to the Catalyst Accord,² we remain committed to maintaining at least 30% female board members and 30% female executives.

Talent

The percentage of employees eligible to retire over the next five years has continued to decline, relieving some pressure on our workforce planning. On average in 2018, Hydro One had 8,600* skilled and dedicated regular and non-regular employees (approximate).³

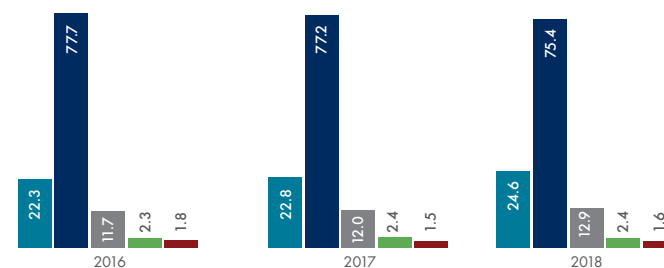
¹ Defined as Vice President and above roles.

² The Catalyst Accord is a global non-profit organization dedicated to gender parity in the workplace.

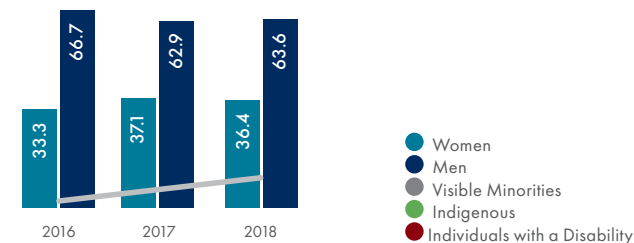
³ In 2018, Hydro One changed its counting methodology for full-time regular and non-regular employees. Prior year figures referenced employment as at year-end December 31 and the methodology changed to reflect the average employment number throughout the year.

DIVERSITY

Employee Diversity* (% of Regular Employees)



Executive Diversity* (% of Executive Management)

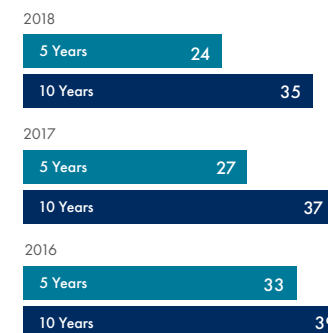


RETIREMENT

Employees Eligible to Retire Within Five Years/ Ten Years* (% of Workforce)

24%/35%

The percentage of employees eligible to retire over the next five years has continued to decline, relieving some pressure on our workforce planning





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Employees and Workplace

Key Programs & Future Initiatives

Diversity and Inclusion

We benefit from a collaborative and inclusive culture sustained and complemented by the strength of different perspectives, ideas and insights. We continue to inspire young women to consider a career in engineering through Hydro One's Women in Engineering University Partnership with Ryerson University, Ontario Tech University, University of Waterloo and Western University. This long-standing partnership provides personal and professional development, mentorship and work opportunities for women.

In 2018, we celebrated Pride Month for the first time by flying rainbow flags at locations across the province, distributing 'I Stand for Inclusion' stickers and creating our "PrideOne Employee Resource Group" for LGBTQ2+ employees and their allies.

We also conducted a corporate-wide diversity survey, hosting focus group discussions with employees and conducting one-on-one interviews with our executive team. The overall score for inclusiveness at Hydro One was 68.4. Women scored the company lower on all-inclusiveness factors than men, which is consistent with other organizations similar to Hydro One and influenced by factors like location, job and line of business.

Our actions to create an inclusive work environment in 2019 are expected to include:

- continuing to educate and bring awareness to sensitive diversity and inclusion issues at senior levels and throughout our business to address any outstanding gaps; and
- piloting our "Step Up" initiative which focuses on creating awareness around acceptable workplace behaviour and empowering employees to act (or Step Up) when they see inappropriate, disrespectful or non-inclusive conduct in the workplace.



LEAVING OLD STEREOTYPES BEHIND

Hydro One pursues a culture of inclusion because it makes us stronger, more innovative and helps ensure we have the right skill sets and perspectives to succeed in the future. We are working to break down barriers that hinder us from being as diverse and inclusive as we need to ensure our success in the future.

We are determined to move beyond old stigmas and stereotypes by addressing issues around:

- the need for more civility and respect in the workplace;
- reducing any bias in our hiring practices;
- ensuring field roles are more welcoming and attractive to women;
- reducing the stigma around parental leave for both women and men; and
- providing more leadership on diversity and inclusion issues, as well as hiring and promoting more visibly diverse leaders.

We will continue to create a more diverse and inclusive corporate culture by pursuing strategic priorities on governance, cultural integration, education, development and talent planning.



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TURNING ON THE POWER OF POSSIBILITY

Hydro One's Innovation Challenge has unlocked the creativity of our employees, helping us become a more innovative organization. We received nearly 400 ideas from employees in 2018, and the top five ideas were selected for implementation. One of the winning projects was the Digital Pen, which digitizes the link between engineering design and construction.

For decades, our Engineering team has manually 'marked-up' and printed thousands of design drawings of installed equipment for planning and maintenance work. Now, with the Digital Pen, they can markup hard copy drawings and instantaneously digitize them. The pen contains an optical lens, memory for storing data and Bluetooth connectivity, allowing staff to turn the drawing into a PDF and automatically transmit it to Hydro One's record system.

This employee-led innovation will enhance our data integrity, operational effectiveness and productivity savings, while eliminating the time and costs associated with document printing, storing, scanning and shipping. In 2019, we expect our staff to test the Digital Pen in a major field project as a step towards fully integrating this innovation into our daily activities.



Talent

We take a proactive approach to identifying and recruiting talent and to building the skills and capacity of our team. We have updated our employee recruitment campaign to enhance our reputation as an employer of choice within the competitive utilities field.

Year-over-year, our annual talent review and succession planning program continues to mature. We have extended the scope of succession planning to an additional leadership level, i.e. to Directors and above. We are now using our succession plans to fill leadership vacancies.

We successfully renewed a mutually-beneficial two-year collective agreement with the Power Workers' Union. The new agreement covers approximately 4,000 employees in critical front-line roles and remains in effect until March 31, 2020.



We were honoured to recently be recognized by Forbes in its list of Canada's Best Employers for 2019. Our performance demonstrates our efforts to create an engaged workforce and positive working environment. This recognition is based on a survey of over 8,000 people working at Canadian businesses with over 500 employees.

Our actions to build the talent and capacity of our team in 2019 are expected to include:

- rolling out our succession planning program to the Manager level and extending the program scope;
- planning for and tracking accelerated development of high-potential employees and successor nominees;

- continuing to advance our Workforce Planning Initiative, employing our improved data analytics and smarter reporting platform to better anticipate upcoming hiring, recruitment and succession planning needs; and
- maintaining labour stability by achieving renewal collective agreements with the Society of United Professionals and Power Workers' Union (Customer Service Organization) that recognize the significant contributions of our employees while balancing the company's interests in productivity and flexibility.



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Supporting Stronger Communities

Through our Community Relations approach, we strive to be the partner of choice for communities across the province. Through our work, we create jobs, economic development and prosperity in the cities and towns we serve. We work with our Indigenous and community partners to grow the economy and contribute to the lives of Ontarians.

I GIVE BECAUSE...

GIVING BACK TO OUR
COMMUNITY IS
IMPORTANT !!
😊



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Indigenous Partnerships

Approach

Hydro One's priority is to advance reconciliation and work proactively to build relationships with Indigenous Peoples and communities based on understanding, respect and mutual trust. Hydro One's updated Indigenous Relations Policy states our intention to increase Indigenous representation at all levels of our workforce, increase our community investments to advance positive and lasting socio-economic outcomes and increase procurement opportunities for Indigenous businesses to support their aspirations for self-sustainability.

Our approach to Indigenous partnerships is also informed by our membership in the Canadian Council for Aboriginal Business (CCAB) and our Bronze Certification under CCAB's Progressive Aboriginal Relations Program.



Performance

Hydro One provides distribution services to 88 First Nations communities and manages transmission assets on 23 First Nations reserves. Last year, we made extensive progress on strengthening our relations with these Indigenous communities.

One of our focus areas was supporting Indigenous businesses in the province. We are proud that we spent approximately \$39.4** million last year – Hydro One's highest Indigenous spend ever. This represents a 63% increase in Indigenous procurement spending from 2017.

We attribute much of this success to the extensive work done to educate the company on ways to build trust within Indigenous communities and businesses. Our proactive outreach now includes:

- **Indigenous procurement workshops:** We host workshops to register Indigenous businesses in our database and provide a forum where suppliers can make connections and award contracts to local Indigenous businesses. We held eight of these sessions in 2018.
- **set aside procedures:** We offer portions of contracts directly to Indigenous businesses, targeted mainly to capital projects.

- **targeted communication:** We post all Hydro One Pre-Request for Proposals and Notifications on NationTalk and share them directly with Indigenous businesses, First Nation Economic Development Officers and Métis Councils.

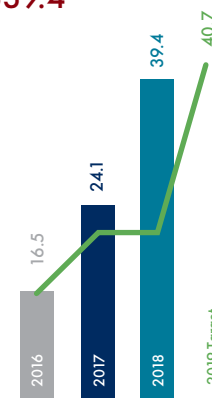
In recognition of our work, Hydro One was selected by the CCAB as an Indigenous Procurement Champion. This further solidifies Hydro One's reputation as a company that provides procurement opportunities to qualified Indigenous businesses.

We also worked to strengthen our customer relationships with the Indigenous communities we serve. Our teams visited 66 communities and held 712 one-on-one sessions with First Nations customers. These visits are instrumental in ensuring our customers understand and know how to access all programs that are available to them.

COMMUNITY PARTNERS

Indigenous Procurement Spend
(\$ million)

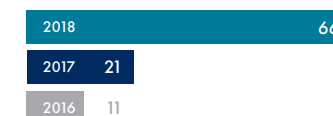
\$39.4



FIRST NATIONS COMMUNITIES VISITED

First Nations Customer Program
results (# of communities visited)

66





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Indigenous Partnerships

Key Programs and Future Initiatives

Hydro One is creating a culture of inclusion within our workplace where Indigenous Peoples feel valued and have a greater sense of belonging. In June, we launched the Indigenous Network Circle – a gathering of Indigenous employees to create awareness and educate, give support to and advocate for change through a learning environment.

Following community-led consultations, we signed several important agreements with Indigenous communities, including:

- an equity-sharing agreement with Six Nations of the Grand River Development Corporation and the Mississauga of the Credit First Nation on the Niagara Reinforcement Project. These First Nations will jointly invest over \$23 million; and

- a settlement agreement with Anwaatin Inc., which includes Hydro One investing in a battery storage solution for Aroland First Nation to measurably improve service reliability.

Our actions to strengthen our Indigenous partnerships in 2019 are expected to include:

- hiring new Indigenous employees to increase Indigenous representation to 2.48% of Hydro One's regular workforce;
- purchasing \$40.7 million worth of Indigenous goods and services; and
- increasing our donations and sponsorships in Indigenous communities.

712

one-on-one
sessions held
in 2018 with
First Nation
customers

SHOWCASING INDIGENOUS BUSINESSES, SUPPLIERS AND PRODUCTS

Duffy Simon is a proud member of the Aamjiwnaang First Nation near Sarnia, Ontario and the owner of Planet Stitch, a supplier of promotional products and apparel that opened in 2006. It is important for him that his company supports the community by hiring local staff and summer students, as well as promote healthy living through exercise and mentoring in their community.

Last summer, Duffy attended a Hydro One Indigenous Procurement Workshop in Southwestern Ontario to learn more about becoming one of our preferred suppliers and to promote Planet Stitch to other firms in our supply chain network. During the session, Hydro One invited Duffy down to Toronto to pitch the firm's products and services and to establish a working relationship with the procurement team.

"Hydro One welcomed me and gathered a room full of purchasers for my presentation. It was an amazing opportunity for Planet Stitch and has led to the working relationship that we were striving for," said Duffy. "Today we are an approved promotional provider for Hydro One thanks to the procurement workshop I attended."

According to Duffy, contracts like this allow Planet Stitch to support Aamjiwnaang First Nation members. "We pride ourselves on providing jobs for our community members and summer student programs."





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Community Partnerships

Approach

Hydro One's Community Relations approach is dedicated to building meaningful relationships with the communities we serve. We employ best-in-class engagement practices in our outreach efforts including proactive community engagement during each stage of a project; sharing the benefits of our community and socio-economic development initiatives; building consensus; and investing in our communities.

Performance

In 2018, Hydro One conducted more than 60 in-person briefings with elected officials across the province in support of Hydro One's capital and forestry projects. We also held more than 40 Community Information Centres, meetings and workshops with a number of communities in support of key projects.

We invested approximately \$2.6 million in community initiatives during 2018, providing support to more than 100 communities across Ontario. The Hydro One Employees' and Pensioners' Charity Trust raised approximately \$1.3 million in 2018 to help fund causes that matter to our employees and pensioners.

Key Programs and Future Initiatives

We strive to engage early with communities and to always remain accessible to them, continuously seeking their feedback as we develop our regional plans. Our Community Relations team provided strategic counsel to more than 80 capital and forestry projects during the year – including support to the Leaside to Main refurbishment project in Toronto.

While some of these projects are disruptive from a community perspective, our Community Relations team remains highly visible and accessible to project stakeholders, working quickly to respond to their questions or concerns about traffic disruptions and road closures related to ongoing project work. This proactive approach has garnered positive comments from community members and balanced media coverage,

despite causing significant disruptions in some cases.

We were pleased to receive industry and peer recognition for our comprehensive consultation work, with the Canadian Public Relations Society honouring us with two awards – one for *Issues Management Campaign of the Year* and the other for *Community Relations Campaign of the Year*.

We are enhancing our employee and pensioner charitable giving program, known as *The Power to Give*. In 2018, we seamlessly rolled out a new online platform to support employee volunteer efforts and community contributions. We continue to execute key sponsorships, working cross-functionally to activate and organize employee volunteer and engagement opportunities, supporting over 100 communities through our donations and sponsorships.

OUR BEST PRACTICES FOR ENGAGEMENT



Know our neighbours: stakeholder mapping



Customize our engagement



Engage early to ensure a no-surprises approach



Build a continuous feedback loop



Be accessible – create a local presence



Seek feedback: course correct, remain flexible, create opportunities for input

BEST IN CLASS COMMUNITY ENGAGEMENT – POWER WEST TORONTO

To meet the demands of a growing city, Hydro One needed to make important infrastructure upgrades along a 10 km transmission corridor in west Toronto. The project area crossed through dense residential areas, public spaces and vital community green space and required substantial closures to four busy commuter parking lots, which have a combined capacity of 2,000 vehicles.

Our team developed a fully-integrated campaign to continuously inform Torontonians about our work and to encourage community participation. By building trusting relationships – while highlighting the long-term benefits to the city and minimizing community disruptions – we were able to complete the project on time and on budget. The success of the Power West Toronto project provides a benchmark for Hydro One's future community engagement activities.

DONATIONS

Community Investment Donations and Sponsorships (\$ Millions)

\$2.6

2018	\$2.6
2017	\$2.2
2016	\$1.8

Employee and Pensioners Donations (\$ Millions)*

\$1.3

2018	\$1.3
2017	\$1.2
2016	\$0.89



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Community Partnerships



INDSPIRE PARTNERSHIP

We continue to expand our partnership with Indspire, a national Indigenous registered charity that invests in the education of Indigenous Peoples for the long-term benefit of these individuals, their families and communities and Canada. We are proud to have signed a four-year agreement with Indspire to expand and administer Hydro One's Leonard S. (Tony) Mandamin Scholarship. Through a matching program that Indspire offers, we have been able to double the value of the scholarship offered and provide them to approximately 20 students a year. As part of these scholarships, we offer a potential paid work experience at Hydro One.

Our actions to build and invest in our community partnerships in 2019 are expected to include:

- integrating Community Relations considerations into early project initiation and planning;
- hosting ongoing engagement training sessions for our internal partners, highlighting best practices for community engagement;
- implementing our new Community Investment Strategy for building safe communities; and
- implementing a corporate matching program to make employee volunteer hours go further.

Finally, we are supporting the work of our signature partners in 2019, including The Act Foundation, Parachute/Safe Kids Week, Scouts Canada, and Little Native Hockey League. These partnerships will help us build safe communities across Ontario, achieving our goal to ensure young people know how to play safely and how to save a life.

HELPING OUR NEIGHBOURS

When the power goes out, people are affected in many ways; that is why we work around the clock to keep the lights on. And when we can, we jump in to help our neighbouring communities.

The November 2018, wildfires in Paradise, California burned over 153,000 acres and destroyed nearly 20,000 buildings. It was the deadliest and most destructive fire in California's history with nearly 100 lives lost. As a member of the North Atlantic Mutual Assistance Group,¹ Hydro One sent two teams of forestry technicians to Chico, California to support electrical system restoration efforts. Over 24 days, some 40 employees provided 16,000 hours of support to their colleagues, helping to assess and mitigate the risks posed by vegetation in the area.

"The fire damage sustained in Paradise was devastating to see, but it was a real motivator for our crews. We knew we were helping those who needed it most," says Jake Zink, Zone Superintendent, Forestry Services. With these emotional working conditions, crews ensured the highest standards in safety and vegetation management. "It's rare for a utility to have its own in-house forestry department, so we bring a unique skill set and expertise to restoration efforts," adds Jake.

With the occurrence, frequency and behaviour of wildfires changing, Hydro One's forestry team is providing important insight and expertise to our risk analysis and understanding of ways to prevent and prepare for the possibility of similar incidents in Ontario.

¹ The North Atlantic Mutual Assistance Group encompasses all of the U.S. northeast, as well as Canadian utilities in Ontario, Quebec, New Brunswick and Nova Scotia. It is one of seven regional electricity mutual assistance groups that operate in North America. The power system is an interconnected network and restoring service to the grid goes faster when utilities can share resources to make necessary repairs. Utilities address these resource constraints by using mutual assistance programs that allow companies to pool resources to meet their shared needs during emergency events.



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Powering Economies

Approach

Hydro One maximizes the value it brings to Ontario communities through its economic contributions. The economic contributions we make include taxes paid, employee wages and benefits, procurement spending and community investment. We power the economy by ensuring that industry has access to the power it needs when it is needed, so they can keep Ontario's economy running.

We recognize that a strong, diverse supplier community is essential to the province's economic vitality. As a partner in the province's economic development, regional suppliers play a large role in supporting our work programs and projects.

Performance

We support Ontario by buying goods and services from businesses across the province. In 2018, Hydro One injected approximately \$1.3 billion* into the Ontario economy through purchases of local goods and services. Of the total procurement spend last year, approximately 85%* was spent with Ontario suppliers.

We also support Ontario by directly employing approximately 8,600* people across our sites. Another significant economic contribution that we make is through payments to government, paying approximately \$915 million* in income tax in 2018.

Key Programs and Future Initiatives

Our new online supplier tool, Ariba, is allowing us to collaborate more easily with our suppliers, while helping to reduce costs and improve efficiencies.

We will continue to transform our supply chain, making it easier for others to do business with us and developing stronger communities across the province.

Our actions to add value to our supply chain and power local economies in 2019 are expected to include:

- launching a Supplier Performance Management program to develop closer ties to our supplier base and create value through improved coordination and cooperation; and
- educating our field staff on proactively engaging with Indigenous businesses on procurement opportunities.



85%

Of the total
procurement
spend last year
was spent with
Ontario suppliers,
supporting local
goods and services

HOLDING OUR SUPPLIERS TO A HIGHER STANDARD

Hydro One holds our employees and representatives accountable to a Code of Business Conduct, which defines Hydro One's values and principles for those who act on our behalf. All employees are required to review and confirm compliance with the Code.

In 2018, we introduced a new Supplier Code of Conduct to ensure suppliers to Hydro One are living up to the same principles and values. The Supplier Code is posted publicly on our website and all companies must agree to abide by it before being awarded a contract.

We expect our suppliers to uphold high standards and key principles of sustainability, including:

- **prioritizing workplace health and safety** to align with Hydro One's goal of zero work-related injuries and illnesses;
- **conducting business with honesty and ethical integrity** by not participating in inside trading or tipping; or providing personal gifts, benefits or kickbacks; or participating in any fraudulent activity;
- **complying with labour laws** within their own jurisdictions as well as within those jurisdictions where Hydro One conducts business;
- **being good stewards of the environment** by complying with all environmental laws, rules and regulations and by using resources efficiently, preventing pollution and reducing their overall environmental impact; and
- **building proactive relationships with Indigenous Peoples based on understanding, respect and mutual trust.**



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- Business Model Pressures
- Infrastructure Renewal and Modernization

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Building a Grid for the Future

At Hydro One, we make prudent investments to improve service reliability, support our customers and increase the efficiency of our business by continually looking for ways to increase productivity. We will continue to deploy new technology for the benefit of our customers, communities and shareholders across Ontario.





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Business Model Pressures

Approach

Technological advances and the growth in distributed energy sources are creating rapid change within our industry, bringing opportunities to deliver new energy products and services to our customers. At the same time, regulatory reform and energy policy continues to evolve in the province in response to changing demand and supply conditions. We strive to meet our obligations to the people of Ontario and continue to adapt our business model to balance these opportunities with the risks inherent in the utilities business.

As the grid becomes more digitized and decentralized, we face sustainability-related pressures on our business model. These pressures include:

- natural and unexpected occurrences such as severe weather conditions and natural disasters;
- new health, safety and environmental regulations;
- aging infrastructure;
- emerging technologies; and
- workforce demographics and labour relations.

We proactively manage these pressures to ensure the resiliency, reliability, and security of the transmission and distribution electricity system in Ontario.



Performance

In 2018, Hydro One invested approximately \$5.2 million in research and development activities to help us stay ahead of leading-edge technologies and practices. We made significant investments with key industry organizations to support transformation within our sector and we are exploring strategies for non-wires alternative technologies to improve reliability and the customer experience.

In addition, we also invested approximately \$20 million in emerging technologies and distributed energy resources, including \$13.4 million on grid modernization; and \$6.7 million toward enabling connection of distributed energy resources.

\$20M

Invested in
emerging
technologies
and distributed
energy resources

Key Programs and Future Initiatives

In 2018, we began building our Distributed Energy Resource Management System, which is a technology that enables real-time control of generation and load on the system. This will potentially allow for more generation to be connected across the province and enable us to connect customers faster where infrastructure upgrades are required.

We are also actively considering the implications of further energy decentralization – what happens if energy is generated or stored closer to the customer – and what this means for the role of distribution utilities.

Our actions to address the business model pressures and technical demands we face in 2019 are expected to include:

- working with industry and community partners to enable the communities we serve to connect more easily to the grid and power their local economies;
- modernizing the grid to enable customer choice for new technologies and energy resources to supply reliable energy outside of the traditional grid, which will require progressive thinking about market trends and new business streams; and
- pursuing opportunities to collaborate with our major customers and potential customers on key projects that will reduce roadblocks to their economic investments in the province.



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Infrastructure Renewal and Modernization

Approach

We continue to maintain the health of our system by making strategic and prudent investments to upgrade and replace our aging infrastructure. These investments will help ensure we have a grid that is more reliable, resilient to fluctuations in weather, minimizes the risk of environmental impacts and can meet the demands of emerging and future industries in the province. This approach supports our mandate to make wise investment decisions on behalf of our customers, communities and shareholders in Ontario.

Performance

We made capital investments of approximately \$1.6 billion to renew and modernize Ontario's electricity system. This figure includes approximately

\$985 million to sustain and develop transmission infrastructure; and approximately \$577 million to sustain and develop distribution infrastructure.

Key Programs and Future Initiatives

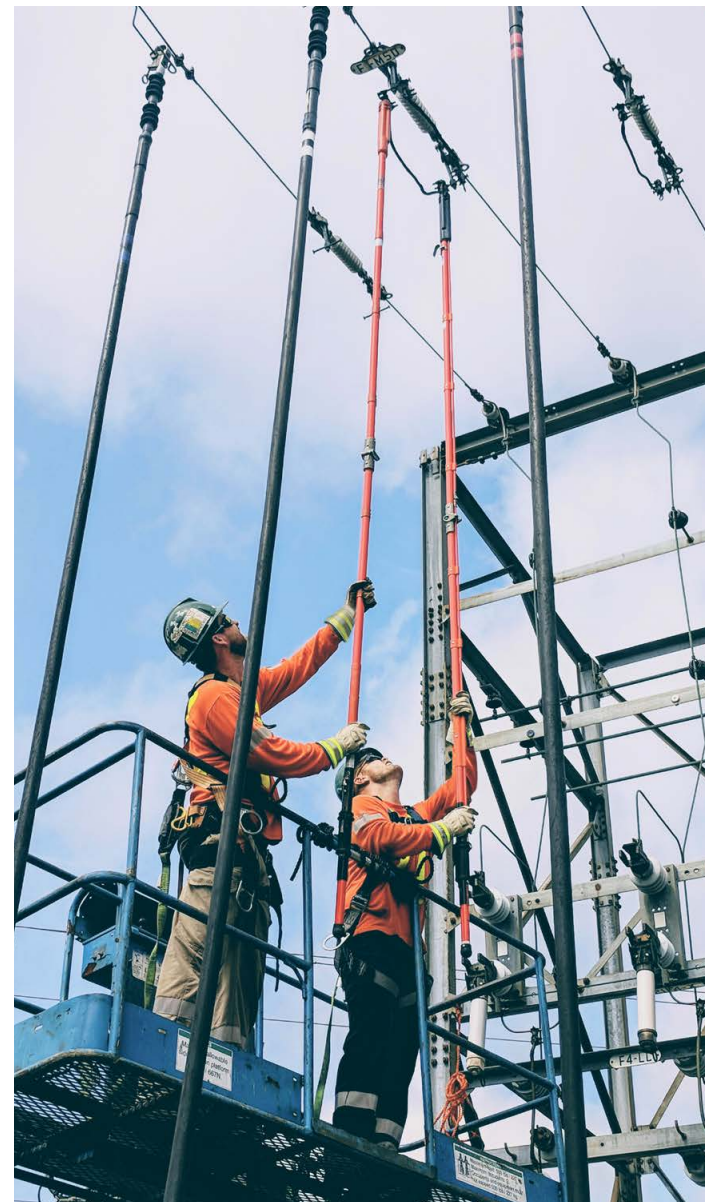
We invest in infrastructure renewal, grid modernization and new technologies to ensure our business evolves and grows to meet the needs and preferences of our customers. In 2018, we completed one of the largest-ever station builds in company history, bringing the flagship Clarington Station into service on-time and under budget. We are supporting economic development in the Leamington area with a new transmission station to meet increasing demand from the greenhouse sector.

\$1.6B

Invested to renew
and modernize
Ontario's electricity
system

PROTECTING OUR EQUIPMENT FROM SOLAR STORMS

The monitoring of weather events in space has become critical in the electric utility business. Solar storms can result in damage to equipment and a reduction in reliability. Hydro One is installing magnetometers at selected locations throughout the province as a "leading class" solution for monitoring these events. These magnetometers allow our operators to act, isolating affected equipment to reduce the likelihood of long-term damage to equipment and reductions in reliability. Additionally, we have co-led the drafting of a Canadian-specific NERC standard that will address the Transmission System Planned Performance for Geomagnetic Disturbance Events.





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Infrastructure Renewal and Modernization

We continue to improve our ability to prepare and respond to significant weather events through:

- our proactive storm preparation and emergency response processes;
- improved vegetation management program;
- capital upgrades to our spill containment infrastructure; and
- the relocation of equipment from basements when required.

We are also ensuring that our design standards consider the impact of climate change on our infrastructure. For example, we are updating lightning protection standards for our stations to ensure that personnel safety, the preservation of our assets and the safe operation of the grid are maintained under adverse lightning activity.

Our actions to renew and modernize our infrastructure in 2019 are expected to include:

- building a second station and high voltage switch station in Leamington to support economic growth and increase load in the region, as well as developing plans for a third and fourth station and building a new transmission line;
- investing in technology to expand our SMART grid modernization program, adding additional communication sensors, devices and storage capacity to service our customers' needs; and
- replacing end-of-life transmission station infrastructure across the province so that our downstream customers and distributors continue to receive a safe and reliable supply of electricity.



ADDRESSING ONTARIO'S AGING POWER INFRASTRUCTURE

A safe and reliable high-voltage transmission system is essential to supporting strong and successful communities. It is also necessary to run and grow the large industrial companies, mines and manufacturing facilities that create job opportunities in Ontario. However, much of our system was built in the 1950s. One in four transformers are at the end of their expected service life, and nearly 10,000 of our steel towers are over 80 years old. To keep the public safe and reduce the number of power outages that can impact the economy and our customers' lives, we must invest in replacing, repairing and upgrading equipment in almost every community that we serve.

We know every dollar we invest comes at a cost to our customers and the people of Ontario, which is why we are driving efficiencies to cut costs and focusing on only the most essential investments to keep the system safe, the power on and costs as low as possible. We will invest each dollar in a way that will have the greatest benefit to customers, communities and shareholders.

POWERING UP FOR THE FUTURE IN 3D VIRTUAL REALITY

Hydro One uses 3D technology to develop our engineering designs and scan our existing stations to capture and render them in three-dimensional models. In 2018, our team successfully tested new 3D engineering applications, which will result in more accurate design drawings and fewer project execution errors.

Engineers will use terrestrial 3D laser scans and models to create video animations showing virtual views of a current station or a new design build. They will then be able to widely share that content with others for site reference, scope development, training, design clarity, construction execution review, public affairs and customer communications.



Sustainability
at Hydro One

Hydro One
At-a-Glance

2018 Sustainability
Performance
Overview

Our Approach
to Sustainability

Customers
Come First

Environmental
Management

People and Potential

Supporting Stronger
Communities

Building a Grid
for the Future

Connect with Us



Connect with Us

Your feedback is a key element of our reporting process because it helps us to address the issues that matter most to our stakeholders. For more information, please email us at: Sustainability@HydroOne.com

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www.HydroOne.com/about/sustainability

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