



Enabling Ontario's Clean Energy Future

2022 Sustainability Report

hydroOne





About This Report

Hydro One Limited (referred to as Hydro One or the Company) is committed to energizing life for people, the planet and communities across Ontario.

Report Scope: This Sustainability Report provides a balanced account of our performance across a range of sustainability measures from January 1 to December 31, 2022. The information contained in this year’s report is for Hydro One Limited. In instances where data is available only for our operating subsidiary Hydro One Networks Inc. (Hydro One Networks), it will be noted with an asterisk (*). All financial figures are reported in Canadian dollars. All figures in this document are approximate figures that are rounded to the nearest decimal place.

Report Process and Frameworks: Hydro One’s Board of Directors (Board), the Company’s Disclosure Committee, and senior management, review and approve our annual Sustainability Report. We are guided in our reporting by our most recent materiality assessment, the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations (UN) Sustainable Development Goals (SDGs). Our disclosure can be accessed here:

- [GRI Content Index](#)
- [SASB Table](#)
- [Recommendations from the TCFD](#)
- [UN SDGs Chart](#)

External Assurance: KPMG LLP (KPMG) was engaged to provide a limited assurance conclusion over indicators identified with this † as at and for the period ended December 31, 2022. See [page 58](#) for KPMG’s Independent Practitioner’s Limited Assurance Report. In addition, our greenhouse gas (GHG) emissions data was verified by external auditors GHD Limited (GHD), and identified by ‡.

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Connect With Us

If you would like to connect with Hydro One with feedback, you can reach us at:

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Investor Relations:
Investor.Relations@HydroOne.com

Twitter: [@HydroOne](https://twitter.com/HydroOne)

Facebook: [@HydroOneOfficial](https://www.facebook.com/HydroOneOfficial)

Instagram: [@HydroOneOfficial](https://www.instagram.com/HydroOneOfficial)

LinkedIn: [/company/hydro-one](https://www.linkedin.com/company/hydro-one)

Hydro One website: www.HydroOne.com

Hydro One sustainability page:
www.HydroOne.com/about/sustainability

Corporate Office:
483 Bay Street, Toronto, ON M5G 2P5

A Message from

Our Chair



Timothy Hodgson
Chair

To build a sustainable company and achieve our vision of a better and brighter future for all, we must make meaningful progress on our Reconciliation journey. As we embark on the largest expansion of Ontario’s electricity system in decades, we recognize that Indigenous communities have so often borne the impacts of infrastructure development without seeing the benefits. Reconciliation is about action, not words, and as a part of corporate Canada, we have a duty to act.

That is why, in 2022, Hydro One announced an industry-leading Equity Partnership Model that offers First Nations a 50 per cent equity stake in all new, future large-scale capital transmission line projects with a value exceeding \$100 million. Already, Hydro One and nine First Nations partners have entered into agreements which provide them with the opportunity to invest in the Waasigan Transmission Line, under development for northwest Ontario. We are developing five more new transmission lines using the new Equity Partnership Model with First Nations communities to power industry and job creation. We remain committed to true partnership, and to increasing the goods and services we purchase from Indigenous businesses.

Earlier this year, we made history as the first public company to host its annual general meeting of shareholders in the northwestern Ontario city of Thunder Bay. We continue to enhance Board diversity, with two Indigenous members as Directors, underscoring our commitment to act at all levels of our organization to advance meaningful Reconciliation.

While in Thunder Bay, the entire Board of Directors furthered our own Reconciliation journey by listening to and learning from local First Nations and the Elders in their communities about the true history of Canada and our industry.

As a sign of our commitment, we wish to open this report – as we do for all significant internal and external occasions and events – by acknowledging the ancestry of the land on which we live.

Together, we will build a future that’s better and brighter for everyone.

A handwritten signature in dark ink, appearing to read 'Hodgson', with a stylized flourish at the end.

Timothy Hodgson
Chair

WE ACKNOWLEDGE: Hydro One understands that Indigenous nations have been the caretakers of Turtle Island since time immemorial. We also understand that our Nation’s history was not reflective of the friendship we strive for today. We are all Treaty People, and as Treaty people we must honour our obligations to work with First Nations, Métis and Inuit communities to achieve Reconciliation. With a commitment to friendship and our pursuit of Reconciliation, perhaps we can improve on our past and energize our combined futures. We recognize these lands as being home to many First Nations, Métis and Inuit people, and we are thankful to be welcomed on these lands as partners in our shared future among the diverse Indigenous people who call these lands home today.



A Message from Our
President & CEO



David Lebeter
President & Chief Executive Officer

It is a truly exciting time to be part of Ontario’s energy sector. The global shift in the way we generate, use and manage energy will see electricity transmission and a more intelligent distribution grid playing critical roles in our ability to meet our collective net-zero GHG targets.

By putting people, planet and communities first – by thinking boldly and collaborating with industry, government and our partners – Hydro One is uniquely positioned to enable a clean energy future that will drive economic growth and create jobs.

In the past year, we saw several significant milestones in the energy transition, including the approval of our 2023-2027 Investment Plan by the Ontario Energy Board; becoming the first utility in Canada to publish a Sustainable Financing Framework; and our considerable investments in powering growth in Ontario’s clean energy value chain from mining in the North to electric vehicle (EV) battery manufacturers and the booming agri-food industry in the southwest.

Informed by feedback from almost 50,000 Ontarians, our Investment Plan is expected to reduce the impacts of power outages, renew and replace critical infrastructure, and help prepare for climate change. It supports advancements in battery storage, smart devices and more intelligent infrastructure to enable choice for customers and make our system more efficient and resilient.

Using our Sustainable Financing Framework, we’ve issued \$1.05 billion of sustainable bonds that will fund electricity transmission and distribution infrastructure, clean transportation, biodiversity conservation and Indigenous procurement as we enable the decarbonization of Ontario’s grid.

We are making meaningful progress in the development and construction of major capital transmission line projects in northwest and southwest Ontario. I am proud and honoured to say that this work is being done in true partnership with First Nations and in collaboration with all stakeholders.

As a trusted partner to industry and government, we continue to collaborate on and advocate for sustainable, customer-centric energy policy reform in support of the energy transition. We are seeing positive policy and regulatory decisions to help meet the rapidly growing need for clean electricity across the province.

I want to thank all 9,300 Hydro One team members whose passion, dedication and hard work continue to inspire and energize life for the people and communities across this great province. I am pleased to report that in 2022, we achieved the best safety record in Hydro One’s history. While we have made significant progress in preventing life-altering injuries and fatalities – there is nothing more important than ensuring that our people return home safely, and we recognize there is more work to do to achieve a workplace free of life-altering injuries and fatalities. We continue to invest in our people and make progress in ensuring employees feel safe, valued and a sense of belonging.

Together, as we enable Ontario’s clean energy transition, we are proudly building a better and brighter future for all.

A stylized, handwritten signature in black ink.

David Lebeter
President & Chief Executive Officer



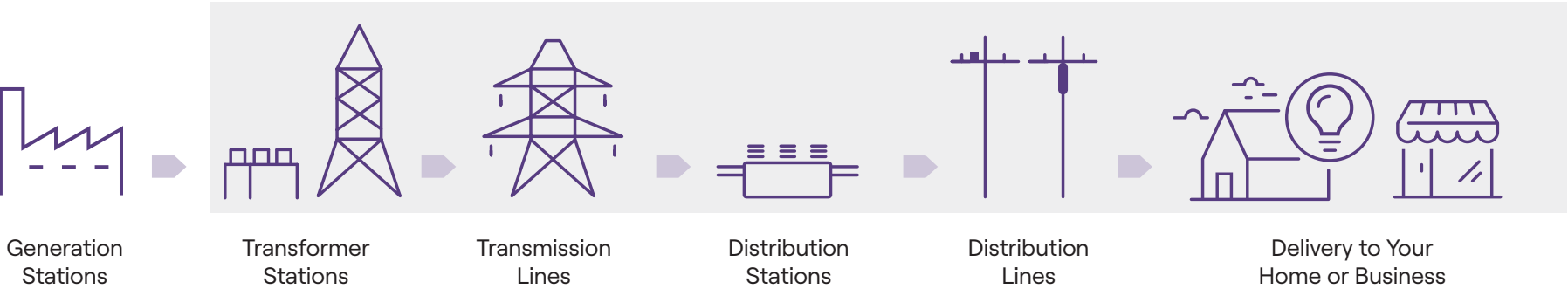
Hydro One

Who We Are

Hydro One Limited, through its wholly owned subsidiaries, is Ontario’s largest electricity transmission and distribution provider. We are committed to the communities where we live and work, through community investment, sustainability and diversity initiatives. We are designated as a Sustainable Electricity Company by Electricity Canada.

Rate-Regulated Business ¹			Other Business	
Transmission 	Owens and operates a transmission system that accounts for 92% ² of Ontario’s transmission capacity with 30,000 circuit kilometres of high-voltage transmission lines.	Distribution 	Largest distributor in Ontario , with 125,000 circuit kilometres of primary low-voltage power lines.	 Acronym Solutions Inc. (Acronym) offers a comprehensive suite of information and communications technology.
	Owens and operates 25 cross-border interconnections with neighbouring provinces and the U.S.		Serves 1.5 million customers , mostly in rural areas.	 Ivy Charging Network™ (Ivy) , a joint venture between Hydro One and Ontario Power Generation, provides EV charging network services.
	Includes an ownership interest in Hydro One Sault Ste. Marie LP, B2M LP (66%) and Niagara Reinforcement LP (55%) .		Hydro One Remote Communities Inc. serves customers in three grid-connected communities and 19 off-grid communities in Ontario’s far north.	 AUX Energy Inc. provides energy solutions to commercial and industrial clients.

Hydro One’s role in the Ontario electricity system³



¹ Numbers related to transmission capacity, length of transmission, distribution lines and customers are approximate.

² Based on the network component of the revenue requirement approved by the Ontario Energy Board (OEB). Hydro One owns and operates 95% of the transmission system in Ontario when based on the total OEB approved revenue requirement.

³ A mix of private companies and government-owned entities generate power for all of Ontario and the sources of power are managed by the province’s Independent Electricity System Operator (IESO).

Our Approach

Materiality: We updated our materiality assessment to identify the sustainability topics that matter most to our stakeholders, our partners and our business. Through this assessment, ten priority topics were identified as important to Hydro One’s business – energy transition emerging as the most important – and appear in the shaded area of the matrix.^{4,5} These topics form the basis for our sustainability disclosures and are reflected in this report.

Stakeholder and Indigenous Community Engagement: Throughout the year, we engage with our key stakeholders and partners – investors or local communities and Indigenous communities – to enhance our mutual understanding of interests, concerns and objectives. These engagements also help strengthen our relationships and drive positive change for all Ontarians. Additional information on our engagements in 2022 can be accessed here: [How We Listen to Stakeholders and Indigenous Communities](#).

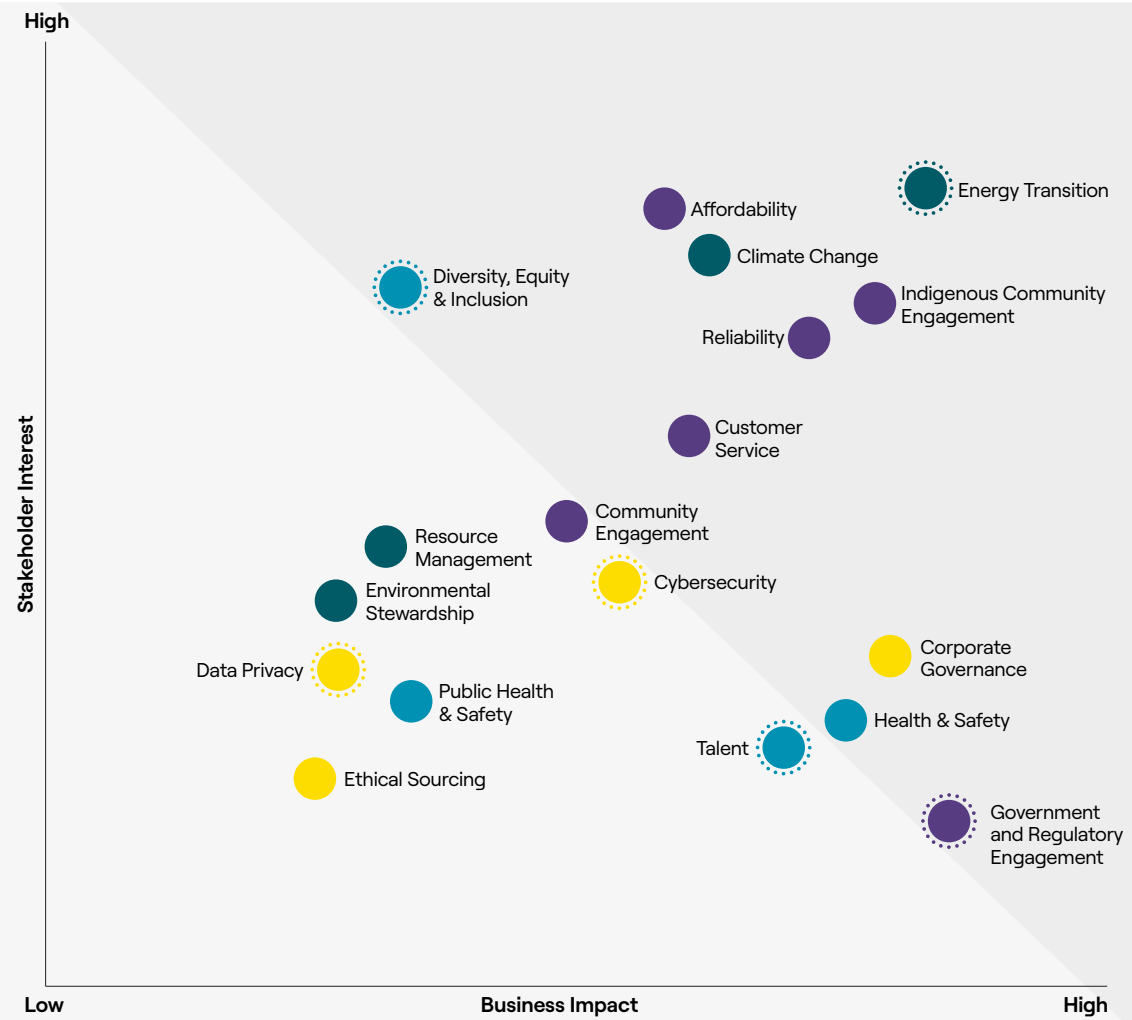
Sustainability Approach: With the identification of our key sustainability topics through our updated materiality assessment, and through our stakeholder and Indigenous community engagement, we understand what matters most to our business, stakeholders, customers, Indigenous communities, and community partners. We are committed to transmitting and distributing electricity in a safe, environmentally and socially responsible manner to meet the needs of Ontarians. And we are focused on executing the sustainability priorities of our corporate strategy where we believe we can make the greatest impact. We plan to annually review our priority areas and publicly report our progress on achieving these goals in our future sustainability reports.

⁴ The topics with the circle of dots around them are topics that moved substantially from our 2018 analysis or are newly defined. In the **2018 assessment**, energy transition was a combination of business model pressures and infrastructure renewal and modernization, and government and regulatory engagement was a subset of business model pressures. In addition, in our current assessment, diversity, equity and inclusion (DEI) and talent are two separate topics, reflecting the growing importance of DEI (previously, DEI was included in talent). Finally, when we conducted the assessment in 2018, cybersecurity and data privacy were not topics we discussed during the materiality assessment, although the Company has always considered them to be important.

⁵ The energy transition is a broad societal shift away from the use of fossil fuels to a more sustainable energy landscape; decarbonization is anticipated to play an important role in this shift, through broader EV adoption and rapid industrial electrification. We are preparing for the electrification and the energy transition through grid investment plans that are intended to leverage flexibility and new technologies to meet the needs of customers into the future.

Hydro One is committed to being an industry leader in sustainability, guided by our vision of a better and brighter future for all and our mission to energize life for people and communities. We believe that our long-term success depends on incorporating sustainability into all aspects of our business.

Materiality Matrix



Our Approach

Our Approach to Energy Transition: Hydro One’s close relationship with customers of all sizes provides us with deep, direct insight into the importance and potential of electricity to power everyday life. We are uniquely positioned to enable the energy transition in Ontario to strengthen the fabric of our society.

The energy transition is expected to be driven by our customers – industrial, commercial and residential – who are looking to lower their carbon footprint, reduce their costs and adopt innovative technologies. We expect to see a significant increase in grid connections and electricity demand due to large-scale investments in the EV supply chain, growing decarbonization efforts, rapid expansion of housing and customer investments in battery storage, EV charging and new and evolving technologies.

Hydro One is investing in expansion and optimization of the grid as our first step in enabling the energy transition. Our investments are intended to unlock decarbonization and economic growth and ensure that intergenerational benefits will flow to all Ontarians. The energy transition also requires a workforce with the right skill set. We already have a skilled internal workforce, however, we continue to prepare for the future by ensuring that we have a pipeline of skilled and diverse talent with the requisite training and tools.

The scale of investments required to decarbonize the electricity supply is unprecedented and requires a conducive regulatory environment and partnerships, as well as deepening engagement with partners and stakeholders, including the IESO, OEB and government-sponsored initiatives such as the Electrification and Energy Transition Panel. Together, we are working to realize the opportunities presented by the energy transition and enable Ontario’s clean energy future.



Our 2022

ESG Highlights and Scorecard

Guided by our greater purpose of energizing life, we feel a responsibility to put people, the planet and communities first. Energizing life means so much more than keeping the lights on: it represents our commitment to contribute to a better quality of life for all Ontarians. In 2022, we made good progress on advancing our performance in our priority areas of people, planet and community.

People	Planet	Community
Highlights - Achieved the best safety record in our history, delivering a recordable injury rate of 0.62, per 200,000 hours worked. - Continued to build a diverse pipeline of talent across our skilled trades workforce. An Inclusion Index score of 73% across our workforce, emphasizes our commitment to DEI.⁶  Goals - Have 30% female executives and Board members. - Have 3.5% Black executives and Board members, and 5% Black students by 2025. Performance⁸ - Our annual average of executives and Board members identifying as female: 32.5%[†] of executives 40.0% of Board members 3% Black students and no Black executives in our workforce.	Highlights - Received two Emergency Response Awards from the Edison Electric Institute for storm recovery efforts, bringing our total to 13. - Won Electricity Distributors Association’s (EDA) 2022 Environmental Excellence Award for the Wetland Habitat Program.  Goals - Achieve net-zero GHG emissions by 2050, with a target of 30% GHG reduction by 2030.⁷ - Convert 50% of our fleet of sedans and SUVs to EVs or hybrids by 2025 and 100% by 2030. Performance⁸ - Reduced our GHG emissions by 7%[†]. 17%[†] of our fleet of sedans and SUVs are EVs or hybrids.	Highlights - Launched our new Equity Partnership Model, through which First Nations communities can invest in 50% of equity in new, future large-scale capital transmission line projects (> \$100 million). - Positively impacted 715,000+ individuals through our community investment program.  Goals - Increase our Indigenous procurement spend to 5% of Company’s purchase of materials and services by 2026. - Commit 20% of our corporate donations and sponsorships to support Indigenous communities. Performance⁸ \$95.9 million or 5.2%[†] of our total sourceable spend was with Indigenous businesses, our highest to date. - Allocated 23% of our corporate donations and sponsorships to support Indigenous communities.

⁶ The Inclusion Index, introduced in the 2022 myExperience survey, examines current employee sentiment around inclusion.
⁷ Compared to the 2018 baseline.
⁸ Unless otherwise noted, performance is for the year end 2022.

Governance

ESG Corner

- Code of Business Conduct
 - Supplier Code of Conduct
 - Management Information Circular
 - Whistleblower Policy
- Ombudsman Report
 - Privacy Code
 - IPSO Committee
 - HRC
 - GRC
 - Audit Committee

Strong governance and oversight are key to monitoring environmental, social and governance (ESG) policies and progress to help drive improved sustainability performance.

Governance Structure:

Hydro One has adopted a sustainability oversight and management structure to ensure accountability at all levels of the Company.

Board Oversight: Hydro One’s Board, through its four standing committees – the Audit Committee, Indigenous Peoples, Safety & Operations (IPSO) Committee, Governance and Regulatory Committee (GRC), and Human Resources Committee (HRC) – oversees sustainability. The Board reviews and approves the Company’s sustainability priorities, its program and its annual sustainability report, and receives regular updates on sustainability-related topics. Updates included presentations and education sessions on supply chain risks, sustainability reporting readiness, and DEI.

Management Oversight: Hydro One’s ESG approach, program and strategy are overseen at an executive level by the Executive Vice President (EVP), Strategy, Energy Transition and Human Resources, supported by the extended executive team with accountability in the key areas of people, planet and community. In addition, a Vice President-level sustainability committee provides strategic advice and perspectives on current, emerging and key sustainability issues. Underscoring the importance of sustainability, we directly link a variety of sustainability measures, including safety, reliability and customer measures, to compensation outcomes. For additional details, please see the [Management Information Circular](#).

Ethical Business Conduct:

Hydro One promotes ethical principles to foster integrity, respect, excellence and social responsibility through a written [Code of Business Conduct](#) (the Code) that applies to all employees, directors and business partners.¹⁰ The Code refers to our core values and establishes standards of behaviour for employees, directors and business partners. The Board and employees¹¹ receive annual communication about the Code. The Board monitors compliance with the Code through the HRC. In 2022, the HRC received a Code of Business Conduct and Ethics Council report at each quarterly meeting. Any actual, potential or suspected violation of the Code can be reported anonymously directly to our Corporate Ethics Office or through a confidential, independent third-party ethics reporting service.

Ombudsman: For our customers, the Office of the Hydro One Ombudsman – which reports directly to the Board – provides a confidential, impartial and independent review of complaints. For additional details, please see the [Ombudsman website](#).

99%⁹
Employees who completed the 2022 Code of Business Conduct annual refresher



⁹ While all employees are required to complete the Code of Business Conduct annual refresher training, employees on leave of absence and/or those whose employment status may have changed during the course of the year may have been unable to complete the refresher.
¹⁰ Along with business partners, this includes contractors, suppliers, consultants and agents.
¹¹ Employees also receive annual communication on Anti-Fraud and Anti-Corruption policies through the Code of Business Conduct annual refresher.

Governance

Risk Management:



Effective risk management is essential to supporting the successful execution of our strategy, enabling Hydro One to energize life for people and communities, help create a better and brighter future for all and deliver upon the expectations of our stakeholders.

Hydro One understands the importance of effective Enterprise Risk Management (ERM) and has a mature ERM program that:

- aligns with the strategic priorities and enablers outlined in Hydro One Corporate Strategy, and
- provides stakeholder visibility into Hydro One’s risk environment and the key risk management activities.

Hydro One’s ERM program continues to monitor, consider and, where appropriate, implement guidance from established frameworks (including the ISO¹² 31000 Risk Management and COSO¹³ ERM Frameworks) and industry best practices to support the Company’s ability to assess, communicate and effectively respond to a rapidly changing risk environment.

The Board retains responsibility for the oversight of ESG risks within the Corporate Risk profile. It delegates components of these risks to its standing committees in alignment with their mandates. Updates on Hydro One’s most critical risks (which include ESG-related risks) are included within the quarterly ERM report provided to the Board.

Ethical Sourcing:



Hydro One strives to be a supply chain leader through programs and technologies that protect people, manage impacts on the environment and promote energy efficiency. We proactively seek opportunities to create strategic partnerships with suppliers who share our vision of sustainability and safety. Our [Supplier Code of Conduct](#) establishes standards of behaviour for all our suppliers. We regularly assess and conduct due diligence on human rights issues across our supply chain and monitor our major vendor portfolio to alert us of any major changes in supplier status and conditions.

Supply Chain Risks in 2022: Hydro One faced global headwinds related to supply chain risks. In 2022, the global supply chain crisis, which began with the COVID-19 pandemic, was further exacerbated by major storms and inflationary risks due to rising prices worldwide for fuel, energy and commodities. To mitigate risks, we have a robust governance structure that includes a Supply Chain Risk Council, supported by the implementation of a new Supply Chain Operating Model, which meets quarterly to discuss emerging and ongoing risks from operations.

In 2022, to proactively ensure the security of our supply and manage inflation risk:

- We created a Supplier Risk Framework to ensure there is transparency about external risks with suppliers.
- We used a cross-functional Supplier Risk Taskforce to develop strategies to manage the global supply chain risk and implement and monitor risk mitigation plans.
- We deployed various procurement strategies, including advance ordering, securing production slots, diversifying our supplier base, increasing inventory levels for critical items and approving alternative specifications and sources of supply.

- We developed an inflation impact model, part of an overall inflation risk mitigation plan, to forecast the impact of inflation on Hydro One by monitoring procurement spending monthly and analyzing past spending for major categories compared with relevant market indices.
- We managed the impact of market volatility on the price we pay for materials and services by including price adjustment mechanisms in contracts.

Cybersecurity:



At Hydro One, ensuring the safety and security of our people, assets and reputation is a top priority. We have deployed robust and comprehensive cyber and physical security measures to achieve this. The cybersecurity threat landscape is constantly evolving, with new threats emerging daily. As such, we maintain a proactive and vigilant approach to identifying and mitigating emerging risks/threats. Recognizing the significant impacts to our business should a cyber event be realized, we have implemented standardized protocols to protect our business from these threats and regularly test our security to ensure effectiveness. Hydro One has a robust Business Continuity Program. Each line of business annually maintains their continuity plan and strategies to support the program requirements. In the event of an incident, we have an incident response plan to ensure a swift and effective resolution.

Our security program is predicated on continuous evolution and improvement. As such, we continually enhance and evolve our security roadmap to ensure alignment with best-in-class cybersecurity framework(s) and industry-leading practices. Hydro One is dedicated to fostering a culture of security awareness; to achieve this, we have implemented a cybersecurity awareness and training program designed to reduce human risk factors and facilitate lasting behavioural and cultural change.



¹² International Organization for Standardization.
¹³ Committee of Sponsoring Organizations of the Treadway Commission.

Governance



Our Commitment to Privacy

Hydro One is committed to protecting the privacy of all individuals, including its customers. It is a standard by which we conduct business. As the largest electricity distribution company in Ontario, the collection, use and disclosure of our customers’ personal information is part of our day-to-day business operations. We strive to provide our customers with the best customer service and do so in compliance with our privacy obligations under the federal *Personal Information Protection and Electronic Documents Act*. In our [Privacy Code](#), we inform customers of our practices and procedures related to the collection, usage and disclosure of their personal information.

Public Policy and Engagement:

Hydro One’s approach to public policy is aligned with our corporate strategy and focuses on advocating for our customers and all Ontarians. We are proud of the role we play in enabling economic growth through investments, supporting local jobs, and helping rapidly growing domestic industries.

The opportunities and challenges associated with the energy transition are accelerating and require faster regulatory responses from utilities. Hydro One is actively advocating and informing policy/regulatory reform to enable proactive electricity system investments to support the energy transition and economic development in a sustainable manner. In 2022, our engagements included the following:

- **Electrification and Energy Transition Panel:** The Province of Ontario established this panel to provide advice on preparing the Ontario economy for electrification and strengthen the long-term energy planning process. The Hydro One leadership team met with the panel and provided input, while highlighting our role as an enabler of the energy transition.
- **OEB Regulatory Framework Workshops:** Hydro One provided feedback on how the OEB could enable energy transition-related investments while protecting customer interests and delivering on the government’s vision.

- **IESO’s Pathways to Decarbonization (P2D) Report:** As requested by the Ministry of Energy, we provided feedback on the findings of the P2D study, with a particular focus on the “no-regret” recommendations, which we support.¹⁴
 - **Industry Collaboration:** We are collaborating with industry forums and associations such as Electricity Canada, the North American Electric Reliability Corporation and the North American Transmission Forum to develop standards and practices to improve the resiliency of the grid.
- Looking forward, Hydro One plans to monitor the evolving policy and regulatory landscape and the changes required to enable energy innovation, and continue to proactively engage, and work in partnership with governments, Indigenous communities, customers, and industry peers and partners.

¹⁴ Additional information on the P2D report and our engagement can be found on [page 25](#) of this report.

Sustainable Finance at Hydro One

A Q&A with Chris Lopez, Hydro One’s EVP, Chief Financial and Regulatory Officer and Megan Telford, Hydro One’s EVP, Strategy, Energy Transition and Human Resources.

In January 2023, Hydro One became the first utility in Canada to publish a sustainable financing framework (framework) to allow Hydro One and its subsidiaries to issue sustainable and green bonds and allocate net proceeds to eligible social and green investments. In January 2023, we priced an inaugural \$1.05 billion sustainable bond under our new framework.

Where does the framework sit within Hydro One’s overall sustainability program?

Megan: The framework is part of our sustainability journey to ensure that our approach to sustainability is rooted in actions, not just words. After introducing our sustainability goals for people, planet and community in 2021, we amended our syndicated lines of credit to include a pricing adjustment that can increase or decrease our cost of funding based on our performance in these three priority areas. Our new framework and entry into the sustainable bond market spotlight the recognition that Hydro One’s investments have a positive environmental and social impact. The framework underscores our commitment and determination to be an industry leader in sustainability.

With energy transition being top of mind for Hydro One, how will the framework and issuances help?

Chris: Ontario is already home to one of the lowest-carbon-emitting electricity grids in North America, with the large majority of the electricity generated in Ontario coming from non-emitting sources. Hydro One is uniquely positioned to enable the energy transition to achieve the shift to low-carbon consumption across our entire economy. Our focus is on minimizing the impact on ecosystems and strengthening beneficial outcomes. The investments we make through sustainable and green bond issuances will enable the continued decarbonization of Ontario’s grid.

How does the framework support the achievement of the UN SDGs?

Chris: Under the framework, we will finance projects that drive both environmental and social impact. Beyond our investments in transmission and distribution, we plan to invest in expanding access to low-emission grid power and other related grid connections where access does not yet exist. We plan on investing in categories aligned with our sustainable strategy, including fleet electrification, climate change adaptation, and the socio-economic advancement of Indigenous communities.

How does Hydro One intend to influence sustainable finance in Canada?

Chris: Through the framework, Hydro One is not only demonstrating our commitment to sustainability but leading the way for other utilities in Canada. In being the first Canadian utility to align our funding strategy with our sustainability goals, the Company looks to play a key role in fostering sustainable finance markets in Canada while advancing the well-being of the people, planet and communities we serve.

How will Hydro One work to ensure that everyone benefits in the energy transition?

Megan: We recognize that in the past certain communities, First Nations communities in particular, felt the burden of development activities without seeing the benefit. Our new Equity Partnership Model aims to change this. For our collective success and as we move toward the net-zero economy, we must continue to push existing boundaries and commit to meaningful action.



Chris Lopez
EVP, Chief Financial and
Regulatory Officer



Megan Telford
EVP, Strategy, Energy Transition
and Human Resources

People

It is an exciting time to be in the energy business. We are adapting to meet the demands of the energy transition, which is transforming the skills requirements of our industry. We are taking a “think big” approach to encourage more people to consider a career in the energy sector, including the skilled trades, to help build a grid for the future.

To enable our corporate strategy and meet our ambitious work program, our people-focused initiatives ensure our teammates are:

- Safe, well and ready to perform
- Heard, valued and belong
- Supported and equipped to win
- Ready for our future

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We are safe, well and ready to perform



ESG Corner

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- Public Safety Policy
- Safety Absolutes
- HSEMS

Approach

To achieve our goal of zero life-altering injuries and fatalities, we are relentless in building a world-class safety culture and program. Our Safety Improvement Plan recognizes that our employees work in an unforgiving environment and is holistic, purposeful and ever evolving. Our approach expressly recognizes the direct link between physical, emotional and psychological well-being, and provides the programming and leadership support to assist all employees toward greater wellness.



Hydro One’s Health, Safety and Environmental Management System (HSEMS) governs and shapes our approach to safety. We have streamlined our system to drive continual improvement by leveraging our core safety programs. These include:

- **Safety Absolutes** – Eight guiding principles to drive clarity and employee commitment to safety.
- **Human Success** – A program through which we control serious injury and fatality risks by implementing tools to minimize errors by addressing their root causes.

- **Job Planning** – A key risk management process to identify critical hazards and plan effective barriers to working safely.

Our HSEMS is holistic, purposeful and ever evolving. It aims not to blame but to create trust and encourage a culture of reporting, so that everyone takes accountability for improved safety performance.

In addition, Hydro One introduced a dedicated Incident Investigations team, significantly improving the consistency of our investigative practices, as well as the insights and analysis of causes and trends. To ensure our corrective actions from previous investigations are effective, this team conducts effectiveness reviews as part of continual learning and feedback in our model.

2022 Performance

Our goal is to eliminate life-altering injuries and fatalities by 2024. In 2022, we achieved our best safety results on record.

- Hydro One delivered a recordable injury rate of 0.62 per 200,000 hours worked, a 16% improvement over our 2021 performance and the best in our history.
- Our long-term injury rate trends indicate that our employees need less time to recover from their injuries.
- One employee sustained a high-energy serious injury. Our high-energy serious injury and fatality rate metric, introduced in 2022, aligns what we learn from high-energy incidents with controlling the systemic and operational factors that have the greatest potential to result in life-altering injuries and fatalities. Hydro One is one of the first North American utilities to implement this methodology as a best practice.
- We experienced the highest level of employee participation in our Near Miss and Safety Catch Reporting – reflecting our employees’ willingness to report events when they occur – since its implementation in 2018.

We are safe, well and ready to perform

Health and Safety at Hydro One

Indicators	2020	2021	2022
Total annual recordable injury rate (number of recordable injuries per 200,000 hours worked)	0.87	0.74	0.62
Lost-time injury frequency rate (days lost per 200,000 hours worked) ¹⁵	22.7	23.6	8.8
High-energy serious injury and fatality rate (introduced in 2022)	n/a	n/a	0.01
Near miss and safety catches (#) ¹⁶	n/a	7,113	9,340

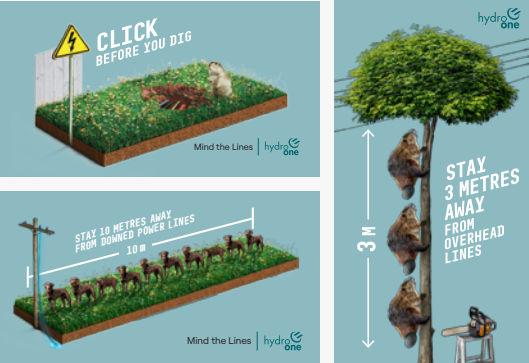


Safety Recognition

Hydro One’s outstanding safety performance won us an Electricity Canada President’s Award of Excellence – Transmission for top quartile performance for both “All Injury and Illness Frequency” and “Lost-Time Injury Severity Rates” in the category of utilities with over 1,500 employees.

SPOTLIGHT – Keeping Ontarians Safe

Our Mind the Lines public safety campaign aims to ensure Ontarians are knowledgeable about safety issues. In 2022, our campaign used radio, social media and the internet, using a playful media twist – “Call or Click Before You Dig” – to educate the public about getting too close to overhead, underground and downed power lines. Through specific ads and videos we ran through the campaign, we garnered 2.2 million interactions, which included video views, reactions, comments, saves, link clicks and shares. In our survey of Ontarians,¹⁷ Hydro One’s overall safety awareness score of 81%, up slightly from 2020, indicated that there is greater awareness about maintaining a safe distance from overhead or downed power lines.



Safety Perception Index¹⁸

87%



North American partnerships: At the industry level, we are conducting pioneering research and proactively partnering with major North American institutions – including Electricity Canada, the North American Transmission Forum, the Construction Safety Research Alliance, and the Edison Electric Institute (EEI) – to create new and innovative safety metrics for the utilities industry. Currently, we are actively participating in EEI’s initiative to develop Future Safety Metrics and a high-energy hazard guide and have implemented the EEI’s safety classification and learning model for rating incidents. We will continue to develop and innovate through partnerships with industry organizations.

We plan to take the following actions in 2023 to help our people be safe, well and ready to perform:

- Advance key initiatives of the Safety Improvement Plan, maintaining overall momentum.
- Upgrade our incident management system with new technology to streamline our overall reporting process and ensure that data can be used to make data-driven decisions.
- Drive operational discipline and support Hydro One’s people to do the right thing, the right way, every time through simplification of rules, processes and documentation.
- Optimize the training function and streamline training requirements across the Company.

¹⁵ Hydro One calculates the lost-time injury frequency rate by attributing days lost to injury to the year in which the injury occurred. The 2020 and 2021 values have been updated accordingly.
¹⁶ Data available starting 2021.
¹⁷ Required by the OEB to gauge public’s awareness of our electrical safety campaign.
¹⁸ The Safety Perception Index measures employee sentiment around Hydro One’s focus on safety as a core organizational priority (2022 myExperience survey). In 2021, our score was 84%.

We are heard, valued and belong



ESG Corner

- [DEI Commitment Statement](#)
- Diversity, Equity and Inclusion Council

Approach

Our approach is to break down silos and nurture a diverse, equitable and inclusive work environment where we want every voice to matter and every contribution to count. We aspire to create an environment where our employees, customers, partners and the communities we serve feel heard and valued and experience a sense of belonging. Our new Workplace DEI Commitment statement expresses who we are as a team, and how we are working to align our initiatives with our corporate strategy. And we remain committed to maintaining a welcoming, barrier-free workplace for everyone.

2022 Performance

We completed a systemic barriers and bias review of our talent management life cycle, including processes and practices related to recruitment, development, promotion and retention. We took an intersectional look at diversity dimensions, including gender, race, ability and immigrant professional status, paying particular attention to our Indigenous employees. In response to the review findings, we developed a comprehensive action plan, with recommendations aimed at addressing identified gaps and barriers and determining appropriate DEI targets.

Diversity at Hydro One

	Board ¹⁹ (% of full Board)	Executive ²⁰ (% of executive management)	Employees ²⁰ (% of regular employees)
Women	40.0	32.5 [†]	25.1
Men	60.0	67.5	74.9
Indigenous	20.0	2.2	2.9
Black	0.0	0.0	1.7
People of Colour	0.0	20.3	10.6
Individuals with a Disability	0.0	9.9	3.1
2SLGBTQIA+ ²¹	0.0	0.0	1.3



¹⁹ Based on self-identification. On December 31, 2022, the full Board comprised 10 members because Board member Bill Sheffield was serving as Interim President & CEO.

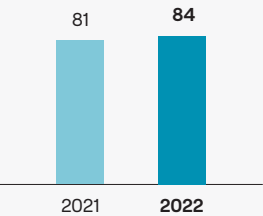
²⁰ Refer to footnote 52 in the Appendix: 2022 ESG Performance Overview section on [page 43](#).

²¹ 2SLGBTQIA+ stands for two-spirit, lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual and additional sexual orientations and gender identities.

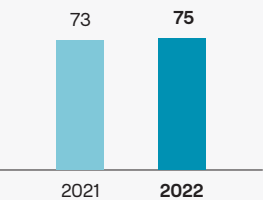
We are heard, valued and belong

Employee Engagement Survey Results
(Selected)

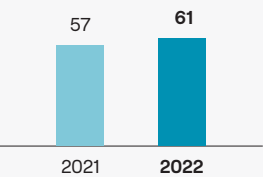
% employees who feel proud to work for Hydro One



% employees who would recommend Hydro One as a great place to work



% employees who are inspired to do their best work



Improving the Employee Experience: Listening to our employees is foundational to building a culture of safety and trust, and core to creating a sense of belonging. In fall 2022, we launched year two of our digital myExperience survey and had a 65% response rate, slightly below the 2021 response rate of 69%. This survey asked in-depth questions regarding employee engagement, job enablement and manager effectiveness. In 2022, we also asked employees about inclusion and whether they felt their opinions are valued and they can bring their authentic self to work.

We achieved year-over-year improvements in a majority of the measured indices in the 2022 survey, confirming that our initiatives are having a positive impact on our workplace and the right steps are being taken to ensure Hydro One employees feel they are heard, valued and belong. And we will continue to focus our efforts on improving our response rate and inspiring our employees to do their best work so that we remain the employer of choice for our workforce.

DEI remains a source of our strength and a competitive advantage. To help promote a culture of belonging across Hydro One and to ensure DEI is reflected in our practices, in 2022 we conducted DEI training directed at all levels of the organization:

- Eight anti-Black racism education sessions attended by 250+ people, including close to 90 senior leaders.
- DEI foundational training (e-training) for all employees.
- Virtual Education Panel on Indigenous Relations, attended by 1,200+ employees.
- First hybrid DEI Symposium on Destigmatizing Visible and Invisible Disabilities in the Workplace, attended by 350+ employees in person and 150+ virtually.

²² The gender data is sourced from SAP. The data for other categories was from the 2022 myExperience survey (overall response rate of 65%), with a 55%+ response rate for new apprentice hires



SPOTLIGHT – Diversifying and Strengthening the In-Field Experience

In 2022, we made thoughtful and noticeable improvements to enhance the employee experience for our Operations workforce.

We established a cross-functional Operations DEI Council led by executives from across Hydro One, who are each charged with ensuring that diverse field employees are safe and have a great employee experience. We are delivering a new DEI training initiative to capture the experience of our field employees and create a deeper sense of belonging, employing a train-the-trainer approach headed by influential leaders who are familiar with our field staff. This will be the first program of its kind to be rolled out to our entire Operations team.

We are also working to create safe environments across our Operations teams across Hydro One. This is a particular focus for our apprentices. Encouraging our young workers to speak out against risk is an important component of training the next generation of safe employees.

At the apprentice level, we continued to build a diverse pipeline of talent and promote diversity in our hiring practices and programs. Continuing along our journey to improving diversity among apprentices, in 2022, 15% of our new apprentice hires were women. Of the new apprentice hires who completed the myExperience survey and responded, 26% identified as Indigenous and 3% identified as Black and People of Colour.²² We aim to hire the best apprentice talent and are continuing to remove bias and barriers in our hiring and selection processes.

We are supported and equipped to win



Approach

We recognize that our future depends on our collective readiness to adapt and innovate to meet the energy transition and evolving customer expectations. We are creating a workplace culture that supports our people in performing at their best and which equips them to win. We provide programs, rewards and performance systems that enable our employees to be effective in their roles. And we strive to provide an efficient and optimized workplace, where employees are equipped with the right knowledge and tools to do their best work and take ownership of their work.

2022 Performance

- We continued to invest in talent and encourage employees’ overall growth and development.
- We embarked on a review of our Tuition Assistance Policy and procedures to ensure our training programs align with leading practices across North America.
 - We launched our People Leader Development program aimed at our middle managers, recognizing the importance they play in translating our values and setting the cultural tone for our colleagues. The program builds core leadership capabilities for middle managers in the field, while emphasizing our unrelenting focus on safety.
 - We created a reverse mentoring program to raise awareness of DEI by pairing senior leaders with employees from marginalized communities.

SPOTLIGHT – The Future of Work Is Flexible

Our world was turned upside down during the pandemic, forcing us all to work differently. In 2022, we advanced our Future of Work hybrid pilot, returning our office-based colleagues back into the workplace in person for the first time since early 2020.

We chose a hybrid model, allowing eligible employees to work remotely up to three days a week, recognizing our employees’ desire for flexibility and the value of in-person collaboration. We are already noticing benefits, with hybrid employees being the most engaged segment of our workforce. The results from a survey we ran in June 2022 (with a response rate of 51%) indicate that of the respondents:

80%+
leaders felt hybrid work has benefited their teams

70%+
employees were satisfied or neutral with the model

Hydro One also paid significant attention to the cultural shift of moving our head office into a “free address” format – a flexible seating arrangement where generally no one person has assigned seats or desks. We adapted our offices to better support hybrid work – prioritizing collaboration space and ergonomics, optimizing seating, and reducing our workplace footprint.



Creating an Equitable Workplace: To support Hydro One’s goal of creating and sustaining an inclusive and equitable culture and workplace, we redesigned our benefits program for non-represented employees. This program offers benefits that are competitive relative to those of other internal employee groups and external markets, and places greater emphasis on well-being, flexibility and choice for all employees. In addition, this program offers enhanced support for mental health and parental leave, to ensure that our diverse employee population feels supported and is equipped to be safe and well at work.

75%
Job Enablement Index²³



²³ The Job Enablement Index measures employee sentiment around the degree to which Hydro One enables employees to be effective in their roles (2022 myExperience survey). In 2021, the index value was 72%.

We are ready for our future



ESG Corner

- Code of Business Conduct
- Workplace Violence, Human Rights and Anti-Harassment Procedure

Approach

We aspire to create a culture that is future-focused. We are committed to retaining, developing and motivating the next generation of leaders at every level and to building the internal capabilities needed to succeed in the energy transition. Our workforce continues to remain stable and our approach acknowledges that we need highly specialized skills and leadership at all levels to achieve our aspirations safely and effectively.

Workforce at Hydro One

Workforce	2020	2021	2022
Average number of employees ²⁴	8,700	9,300	9,300
Employees eligible to retire within 5 years (% of workforce)	21	18	17
Employees eligible to retire within 10 years (% of workforce)	34	33	31



Inclusion Index²⁵

73%

2022 Performance

- To transform the way we identify and develop leaders and nurture talent as we prepare for our future:
- We identified the core competencies and critical experiences that our workforce needs and plan to share these profiles with leaders at all levels and individual contributors. We will also integrate them into key aspects of Hydro One’s talent management life cycle.
 - We embarked on a program to ‘Bring Top and Emerging Talent to the Board’, as part of a comprehensive plan to provide top and emerging leaders the much-needed exposure and critical opportunities to grow, succeed and be ready for our future.
- We expressly recognize the highly specialized skills and leadership at all levels that are required to achieve our aspirations safely and effectively.

²⁴ This approximate number includes regular and non-regular employees.
²⁵ This Inclusion Index, introduced in the 2022 myExperience survey, examines current employee sentiment around inclusion.

We are ready for our future

SPOTLIGHT – Mentorship Programs

Hydro One is fortunate to have a steady and large internal workforce of skilled tradespeople. We believe we will be well positioned when the demand for tradespeople rises during the energy transition. We support our tradespeople through our eight [employee resource groups \(ERGs\)](#) and through specifically developed mentorship programs.

In 2022, the Women in Trades, Technology and Engineering (WTTE) ERG’s Forestry chapter, enlisting active support from managers to support women, delivered sessions to field and office members. The chapter aims to remove barriers to growth for women in Forestry.

Through the mentorship programs described below, we are supporting and valuing women and diverse workers and playing a crucial role in developing the next generation of safety-minded, skilled tradespeople.

- A six-month mentoring pilot for women in the trades was developed in partnership with the WTTE ERG. The pilot matched 10 Hydro One mentors with mentees and focused on retention to produce meaningful and lasting change for women.
- The Trades Mentorship Program was successfully introduced to Stations and Lines apprentices. Over 300 mentors and over 245 apprentices are currently registered and actively participating in the program.



- We plan to take the following actions in 2023 to help our people and drive success:**
- Establish new Indigenous employment targets.
 - Roll out the Step-Up Program on Inclusion, Psychological Safety and Respect in the Workplace to empower and inspire employees to take action when they see disrespectful and non-inclusive behaviour.
 - Combine detailed myExperience survey insights with on-the-ground observations to improve employee experience and prioritize various initiatives.
 - Embark on the next phase of the Tuition Assistance Policy review aimed at significantly expanding policy provisions to cater to more development options.
 - Hire and nurture new and recent graduates through the revitalized two-year New Grad Training and Development program.
 - Continue to develop mentorship programs to create concrete strategies for career growth and network development:
 - Introduce the Trades Mentorship program to all field groups with apprentices.
 - Launch a pilot mentoring program for Black-identifying employees with our partner, the Black Professionals in Tech Network.

Planet

As the province’s largest electricity transmitter, Hydro One plays a pivotal role in enabling Ontario’s transition to a clean energy future. We work to build, operate and maintain a grid that is resilient and can reliably serve the needs of Ontarians today and for generations to come. This grid must be one that is environmentally sustainable and can mitigate future, worsening climate change impacts.

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- 28 Environmental Management



Energy Transition, Climate Change and Reliability

ESG Corner

- Environmental Policy
- Climate Change Policy
- Climate Change Adaptation Program
- Climate Change Mitigation Program
- Grid Resiliency Strategy
- HSEMS

Approach

As the global economy shifts towards electrification, we are excited to embrace the challenges that lie ahead for our company and our industry. Higher future demand for electricity and the need to support Ontario’s decarbonization plans, combined with current and future changes to our climate, will test our infrastructure capacity. As electrification technology and consumer behaviour rapidly change, we too will need to adapt to effectively service our customers’ needs; understand and effectively manage the impacts of climate change on our business and on Ontario; and minimize the potential impacts of our business on climate. Considering this, we are focused on:

- Enabling the energy transition by supporting Ontario and our customers.
- Implementing a Climate Change Mitigation Plan to do our part to decarbonize.
- Developing a comprehensive Climate Change Adaptation Plan to manage future impacts of climate change and weather.
- Investing in smarter, more flexible system infrastructure.

Enabling the Energy Transition

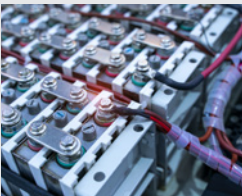
Hydro One powers Ontario’s economy. We are proud to serve not only our customers, but all Ontarians. Our investments in the expansion and optimization of the transmission and distribution system is our first step in enabling the energy transition for all customers – residential, commercial and industrial.

In 2022, Hydro One supported Ontario and our customers with initiatives to electrify technologies and industries, increase battery storage, and power EVs. We are partnering with a broad range of stakeholders to establish a path toward a healthy and affordable energy transition. One example is our investment in Energy Impact Partners (EIP), a green tech venture capital company. EIP provides us with access to leading/emerging climate-related startups in North America and Europe that are innovating in the energy sector.

Train Transit: We are in the planning stages to support the electrification of commuter train service in Canada’s largest metropolitan area. In 2022, Hydro One worked collaboratively with Metrolinx to assess the feasibility of connecting new electric traction power substations to our existing infrastructure, to electrify the Metrolinx-owned core rail lines, which is expected to lead to reduced greenhouse gases and fuel consumption.

To advance the clean energy transition in 2022, Hydro One:

Enabled the connection of **17 battery energy storage systems** to the Ontario grid.



Through Ivy, one of Ontario’s largest and most connected EV networks, we offered drivers **55 fast-charger Charge & Go locations**, with **140 fast-chargers** at 18 ONroute locations along highways 401 and 400.²⁶



Avoided **over 2,900 tCO₂e** due to renewable energy technology, conservation programs, expansion of Ivy, and increase in paperless billing (equivalent to one year’s exhaust from **890** passenger vehicles).²⁷

Built **2 battery storage projects** that deliver battery solutions to commercial and industrial customers through our wholly owned subsidiary AUX Energy, and in partnership with PowerFlex (EDF Renewables).



Installed **8 EV charging stations** at our operations centres.



²⁶ As of December 31, 2022.
²⁷ Calculated from <https://oee.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm>.

Energy Transition, Climate Change and Reliability

Battery Energy Storage Pilot: We implemented a battery energy storage system (BESS)²⁸ pilot for customers experiencing a high number of outages.²⁹ The 39 customers enrolled in this innovative, non-wires alternative pilot collectively saw a 72% reduction in total outage duration, and at a cost lower than traditional solutions. As part of the pilot deployment, Hydro One applied for and received funding from the IESO Grid Innovation Fund. For this initiative, Hydro One also received the 2022 Ontario Energy Association (OEA) Energy Award for Innovation.

Home Solar: We expanded our capacity to accommodate rooftop solar projects by using smart inverter technology, enabling participation in net metering programs. In 2021, we undertook a few trial projects and in 2022, we established a standardized process that allows customers to safely use smart inverter technology. By encouraging our customers to use smart inverters, we can safely accommodate an increased rooftop solar load while maintaining the safety and reliability of the grid and supporting Ontario's emission reduction goals.

²⁸ BESS refers to a battery system that is used to store electrical energy at one part of the day, so that it can be released to the grid at another part of the day. It is typically used for systems that are large enough to partially supply the needs of a residential home, or larger, up to utility scale.

²⁹ With permission from the OEB.

³⁰ 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 1990-2021 and Global Warming Potential (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, 2014 (AR5).

³¹ Compared to the 2018 baseline.

³² In the 2021 Sustainability Report, we stated that the GHG reduction (compared to the 2018 baseline) was 9%. This reduction was calculated with emission factors taken from Canada's National Inventory Report 1990-2020 and Global Warming Potential (GWP) from the IPCC Fourth Assessment Report, 2012 (AR4). In 2023, Hydro One recalculated 2018-2021 emissions because the Environment and Climate Change Canada (ECCC) and the Ministry of the Environment, Conservation and Parks mandated that the 2022 reporting numbers be calculated using the IPCC Fifth Assessment Report, 2014 (AR5) values. Since 2018 is the baseline year, it was important to recalculate to accurately compare years within the target timeline. In addition, the 2021 values were updated using the most recent Canada National Inventory Report 1990-2021 because the electricity generation emission factor change resulted in a material difference for line losses. The methodology used to update the emissions has not changed. With the change to AR5 and the updated emission factors, the recalculation for 2021 emissions resulted in a 4% reduction from 2018, compared to the 9% reported in 2022.

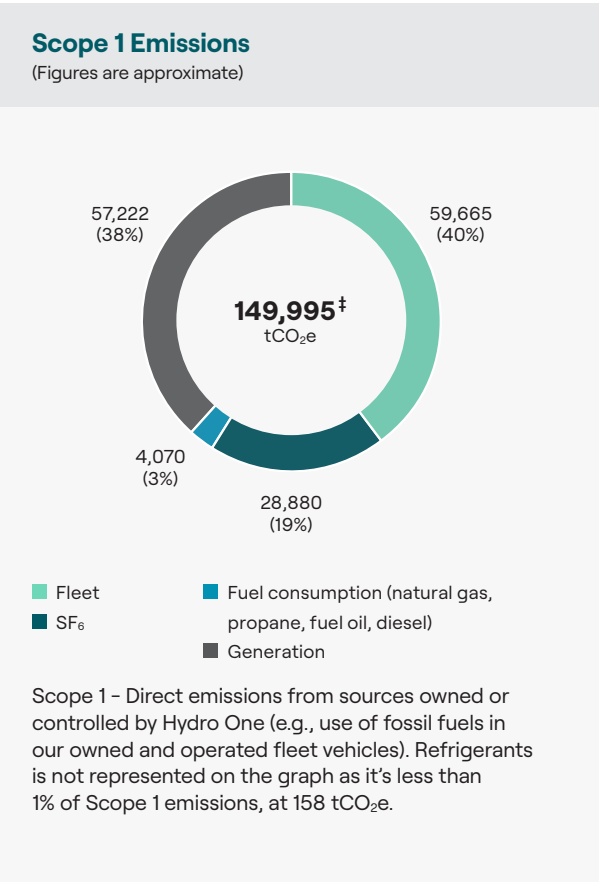
Shaping the Future of Energy

Hydro One was honoured to receive a Tech Transfer Award for Innovation from the Electric Power Research Institute (EPRI). This award recognizes the industry-leading study we conducted with Duke Energy, DTE Energy, Puget Sound Energy and Celsia that applied EPRI research to microgrid viability analysis. This applied technology initiative is considered a large step forward in moving microgrids from R&D to a commercially viable approach for several utility applications.

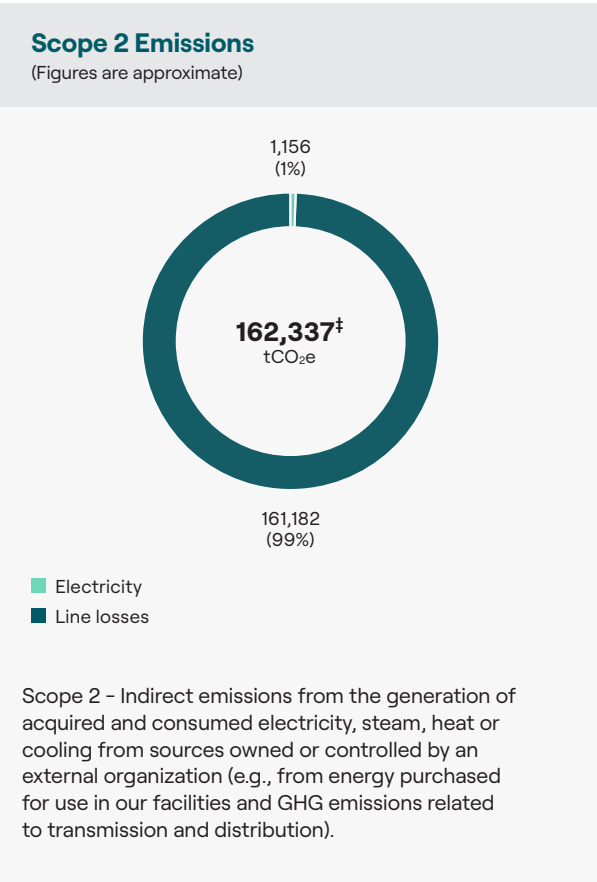
Mitigation Accomplishments and Strategy

Hydro One remains committed to mitigating the impacts of climate change within the complex business and regulatory environment in which we operate. At the end of 2022, we completed our first full year of reporting against our goal of reducing our GHG emissions³⁰ by 30% by 2030.³¹ Our total reported GHG emissions in 2022 are approximately 312,332[‡] metric tonnes of carbon dioxide equivalents (tCO₂e) and we achieved a 7%[‡] reduction in carbon emissions over our 2018 baseline year.³² The reduction correlates primarily to improvement in sulphur hexafluoride (SF₆)³³ management.

Low-Carbon Energy Mix: Ontario has one of the lowest-carbon-emitting electricity grids in North America. Ontario's electricity sources are largely carbon-free – Hydro One transmits and distributes electricity that is over 90%³⁴ carbon-emission-free³⁵ and our GHG emissions are estimated to account for 0.20% of Ontario's total GHG emissions.³⁶



Scope 1 - Direct emissions from sources owned or controlled by Hydro One (e.g., use of fossil fuels in our owned and operated fleet vehicles). Refrigerants is not represented on the graph as it's less than 1% of Scope 1 emissions, at 158 tCO₂e.



Scope 2 - Indirect 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 use in our facilities and GHG emissions related to transmission and distribution).

³³ SF₆ is used to insulate high-voltage circuit breakers and gas-insulated switchgear.

³⁴ <https://www.ieso.ca/-/media/Files/IESO/Document-Library/gas-phase-out/Pathways-to-Decarbonization.ashx>

³⁵ The average Ontario system grid emissions five-year average is 24.6 gCO₂e/kWh (2017-21). Source of data: Canada's National Inventory Report, 1990-2021, Part 3, Annex 13, Table A13-7: Electricity Generation and GHG Emissions Details for Ontario.

³⁶ All data is from the ECCC's National Inventory Report 1990-2021: Greenhouse Gas Sources and Sinks in Canada, Part 3. Hydro One's emissions are those that directly relate to the electricity sector.

Energy Transition, Climate Change and Reliability

Mitigation Strategies

Hydro One is committed to achieving net-zero GHG emissions by 2050, with an interim emissions reduction target of 30% by 2030.³⁷ We have developed workplans, budgets and targets to reduce emissions for the major sources of carbon emissions by 2030. These include:

- **SF₆ management:** Hydro One is proactively working to minimize operational releases of SF₆ from in-service assets, and we are striving to reduce the use of SF₆ across the Company. We are exploring research on the availability of SF₆ alternative breakers and considering viable options to minimize the installation of new SF₆ assets. We continue to meet with other utilities and benchmark industry best practices related to SF₆ reductions.
- **Electrification of our fleet:** We have committed to converting 50% of our fleet of sedans and SUVs to electric or hybrid vehicles by 2025. In 2022, we purchased 12 plug-in hybrid electric SUVs, keeping us on track to achieve our fleet conversion goals despite manufacturing and supply chain delays. We are planning to enhance our anti-idling driving program.
- **Electrification of the remote community energy supply:** Hydro One is expected to help reduce diesel electricity generation within remote communities in the coming years. In 2022, we facilitated the connection of two remote communities to the provincial electricity grid.
- **Management of our facilities:** The Remote Command Centre program (RCC), operated by our Facilities and Real Estate team, is designed to optimize performance, improve occupant comfort and reduce energy, GHG emissions and operating costs within the 20 buildings connected to the RCC. This solution, which includes the use of sensors, controllers, fault detection and real-time monitoring of HVAC and electrical systems has resulted in energy savings

of 16% and 272 tCO₂e. In addition to maximizing our existing footprint from an accommodation perspective, we replaced inefficient equipment, donated surplus furniture to Indigenous charities and deployed surplus appliances and office equipment to other Hydro One locations.

We continually review and assess additional mitigation strategies that will help us achieve our GHG reduction and net-zero commitments.

Facilitating EV Infrastructure to Enable the EV Revolution: Hydro One is studying the impact of EVs on our distribution system and analyzing information on the behaviour of EV owners. We have developed a strategic approach to manage the additional impacts of EVs by determining the locations of residential EV chargers within Hydro One’s system. We are also planning for new connections and service upgrades related to future EV adoption. We also continue to participate in stakeholder groups associated with the energy transition, including initiatives led by the OEB and the IESO.

Adaptation Accomplishments and Strategies

Hydro One has been working to adapt our business to the impacts and risks of climate change and future-proof our growth. Over the past seven years, we have joined with the global community to understand the latest climate science and the actions necessary to manage projected climate change risks.

In 2022, we began consolidating our previous work and the latest climate change science research into a cohesive preliminary Climate Change Adaptation Plan, which is expected to be completed by year-end 2023. With the support of external experts, we are focusing on the potential for impacts on our current infrastructure and demands. In 2022, the study:



- Identified climate change hazards – temperature increase, floods and heavy precipitation, winter precipitation, wildfire and wind – for Hydro One operational area.
- Completed an analysis to understand projected climate changes that could be anticipated in Ontario’s northern and southern regions by 2050 and the impact such changes may have on Hydro One infrastructure, operations and customer service.
- Began the process of studying and understanding sensitivities to climate projections by assets and operation type.

- Commenced an assessment to understand where residual risks may exist and where future investments into adaptation actions may be needed, which aligns with our existing ERM and investment/project planning approaches.

The ongoing climate adaptation work is a natural extension of the climate scenario analysis conducted in 2021, in which we assessed the financial risks and opportunities anticipated under various future climate change scenarios.³⁸

³⁷ Compared to the 2018 baseline.
³⁸ More information about the 2021 study can be found in our TCFD disclosure found on [page 49](#) of this report.

Energy Transition, Climate Change and Reliability



Pathways to Decarbonization Report

This milestone IESO report, released in December 2022, explores pathways to a zero-emission electricity grid in Ontario by 2050. Hydro One, along with other industry leaders, actively participated and contributed our electrification and decarbonization expertise in developing this report.

In the report, the IESO analyzes the risks and potential opportunities related to decarbonizing the electricity grid in Ontario. It is explicitly understood that significant investment in infrastructure is required to remove emissions from the grid and meet the growing demands

for electricity. While Ontario is well positioned to decarbonize, there are risks related to the time needed to build capital projects, relationships with communities, including Indigenous communities, regulatory process requirements, costs to customers and technology.

Hydro One also provided feedback, at the request of the Ministry of Energy, on the published report, where we expressed our support for the findings; in particular, the “no-regret” recommendations that require investments in the short, medium and long term.

Adaptation Strategies

We are acting now to adapt to the changing climate, with the goal to be the partner of choice in expanding Ontario’s electricity infrastructure as we move along the pathway to decarbonization. We are looking forward to working with our partners, including the IESO, to identify and develop clean energy solutions to meet the rising demand for electricity.

To understand future demand and the impact of the energy transition, and to accommodate new technologies, in 2022:

- We conducted studies on quantifying the impact of the energy transition and electrification on our distribution system.
- We developed work plans to connect new battery storage projects and utilize storage as a Hydro One asset for mitigating equipment or system needs in the future.
- We actively engaged with organizations including the OEB and the Association of Municipalities of Ontario to advance regional planning studies and scenario analysis. These analyses will help us understand, manage and forecast future municipal load requirements and provisions necessary to support the future system. Together, we developed industry guidance about using a new load-forecasting tool and issued a new industry bulletin on cost allocation.

Building and Operating a Reliable Grid

Hydro One invested \$2.1 billion in 2022 to expand and build the electricity grid of the future and to renew and modernize existing infrastructure. We aim to continually improve the reliability performance for our transmission and distribution systems.

2022 Performance

The May Derecho and other extreme weather events made 2022 a challenging year for Hydro One and other utilities. Our reliability performance was affected, and these storms resulted in a substantial number of extended customer interruptions. Severe weather reminds us that climate change is here and that previously once-in-a-lifetime storms are now happening much more frequently.

Emergency Management: Hydro One has initiated innovative programs using advanced forecasting techniques to improve our emergency management program and weather event response performance to manage the increasing frequency and severity of weather events. We have:

- Adopted and implemented a standardized Incident Management System across the Company, one which provides a consistent and effective approach to emergency management.
- Upgraded and modernized our storm response performance to incorporate storm tracking, damage prediction, proactive crews and optimized equipment placement.
- Improved the quality of our outage communication with our customers throughout the storm.

Modernizing the Grid: In November 2022, the OEB approved our 2023–27 Hydro One Networks **Joint Rate Application (JRAP)**. Our OEB-approved capital investment plan of approximately \$12 billion prioritizes increased levels of system renewal investments to address the aging fleet, in addition to grid modernization investments that aim to improve overall customer restoration times.

Energy Transition, Climate Change and Reliability

SPOTLIGHT –
Hydro One Storm Responders Step Up

Our emergency and storm response crews worked tirelessly throughout the year to support their fellow Ontarians. The Ontario storms (in April, May and December), particularly the May Derecho, caused significant damage to local infrastructure across the province, including downed power lines, thousands of broken poles and fallen trees on lines. Thousands of power workers, including resources from out-of-province utilities and contractors, worked around the clock to restore power to customers affected by the storms.

We received our 13th Emergency Response Award from the EEI for our storm recovery efforts.



Ontario’s Derecho: On May 21, 2022, a historic severe weather system known as a Derecho, which is a downburst storm characterized by lines of intense, widespread and fast-moving systems swept across Ontario with torrential rainfalls, hail, frequent lightning, tornados and wind gusts of up to 130km/h that downed a large volume of trees and caused significant damage to both Hydro One’s transmission and distribution assets.

Ontario’s grid requires a continued focus on and investments in efficient, smart and flexible system infrastructure. Hydro One’s grid needs to connect new technologies, referred to as distributed energy resources (DERs),³⁹ that support local facilities for electricity generation, control and storage. Smarter and reinforced infrastructure is expected to play an important role in integrating additional renewable electricity generating capacity, managing interconnections, and ensuring the security of supply and a resilient grid.

Building More Intelligence into the Grid: The energy transition is expected to result in a significant demand on Ontario’s electricity system. By investing in the grid modernization, we intend to build more intelligence into the grid to improve reliability. Installing the next generation of meters and associated infrastructure – foundational components of an optimized distribution network – will enable future flexibility, choice and cost savings.

Our approved 5-year JRAP includes investments to address the resiliency and reliability of our transmission and distribution infrastructure and prepare for the energy transition. Over the next five years, we plan to:

- Deploy DERs, including BESS to provide backup power to customers affected by outages due to extreme weather events.
- Further adopt smart devices – smart switches, communicating sensors and storage systems – to enable remote monitoring and control of the distribution grid to allow for faster outage response and remote restoration of power.

- Renew and enhance critical infrastructure that enables an interconnected and flexible transmission grid with our neighbouring jurisdictions.
- Evaluate and revise existing transmission and distribution line and station design standards so that we can meet the challenges of climate change. For example, we are incorporating the 2022 CSA Group Climate Change Amendments into our distribution line design standards to improve pole-line resiliency to extreme weather events.

Smart, Reliable Service



1,125+
Smart devices installed

18M

customer minutes
(approximate) of power
outages avoided



³⁹ DERs are small-scale electricity generation and storage devices that are generally connected to a distribution power grid.



890,000
customers affected

5

transmission towers
damaged



2,000

poles broken



500

transformers damaged

Energy Transition, Climate Change and Reliability

Strengthening and Expanding the Grid: Transmission helps to encourage investment and growth and uniquely positions us to power Ontario homes and businesses as well as customers who connect directly to the grid. Continuing to attract economic investment in Ontario is not possible without early investments in critical infrastructure by Hydro One. By investing in, expanding, and optimizing our system, we can enable the energy transition for all. Our efforts include an active portfolio of approximately 140 transmission projects that intend to renew and expand the grid. From this representative list of projects, we are highlighting the following:

- Refurbishment of transmission line sections between Alexander Generating Station and Lakehead Transformer Station (TS) in northwestern Ontario that contain end-of-life assets that pose an increased risk to safety and reliability. This project will help ensure a safe and reliable supply of electricity to the City of Thunder Bay and surrounding areas and reduce line losses.
- Construction of new stations to accommodate increasing demand, particularly from the growing greenhouse sector. In the town of Lakeshore in southwestern Ontario, we completed a new greenfield switching station to improve transmission reliability, increase area supply capacity and accommodate future connections. In the Leamington-Kingsville region, we are investing in a new transformer station to support customer connections and meet demand.
- Fulfilment of forecast electricity demand growth in high density regions through the Horner TS and South Nepean transmission projects, respectively. Hydro One is scheduled to install new equipment at Horner TS to increase capacity and accommodate the forecast demand in southwest Toronto, particularly during peak conditions in the summer. Hydro One is also constructing a new municipal transformer station in the Ottawa region to meet their growing electricity demands.

- Investments at Hanmer TS, located in northern Ontario, to replace end-of-life assets to meet compliance standards and eliminate safety concerns. By completing the replacement work, Hydro One aims to improve transmission capacity, reliability and security between northern and southern Ontario.
- Connection of hydro generator units at Beck station to the IESO controlled grid. With this project, Hydro One plans to upgrade existing equipment required to accommodate the additional power generation and contribute to strengthening and expanding the grid.

Forestry and Reliability: Hydro One operates within the diverse wildlife, tree species and terrain of Ontario. We are the largest utility in North America with a dedicated, in-house forestry team that trims trees and maintains vegetation around our lines to improve the overall safety and reliability of the system. We plan and prioritize our vegetation control programs to have the greatest impact on reliability improvement.

Our vegetation management program, introduced in 2017, involves a shorter tree clearing and trimming cycle where we focus on defects along our vast distribution network every three to five years rather than every eight to 10 years. Year over year, we reduced the contribution of trees to distribution system average interruption duration index (SAIDI) experienced by our customers by 9%, and since 2017, we reduced this value by 30%. Through our corrective maintenance program, we are focusing on line-sections that contribute to the highest number of tree-related outages experienced by our customers. We also conduct detailed investigations on tree-related outages to understand what trees cause outages and why. In 2022, we trimmed or removed over 600,000 vegetation-related defects adjacent to our distribution system.

We will continue to adjust our vegetation maintenance programs and plan to adapt to the changing climate.



Building a Grid for the Future for Our Customers

In 2022, we introduced a cheaper, faster way to provide customers with additional capacity by using our existing grid-connected assets more efficiently. Our project connects new customers using a distributed energy resource management system (DERMS) as an alternative to the traditional option of poles and wires. This project was selected as one of the most innovative projects in Ontario by the IESO Grid Innovation Fund.

We plan to take the following action in 2023 to mitigate carbon emissions, adapt to climate change, maintain the reliability of our systems and support the energy transition:

- Continue to implement our Climate Change Mitigation Plan and complete our first Climate Change Adaptation Plan.
- Conduct more detailed assessments to identify aspects of operations and infrastructure that will be most affected by climate change and establish preliminary operational and infrastructure recommendations.
- Deploy more grid-scale BESS and enter more third-party BESS partnerships; complete detailed design and cost estimates for two new sites.
- Continue to reduce the percentage contribution of vegetation to corporate outage statistics.
- Be an enabler of electrification by providing expertise in design and execution of capital projects.

Environmental Management

ESG Corner

- **Environmental Policy**
 - Environment Stewardship Plan
 - Resource Management Plan
 - Contaminated Land Management Plan
 - Spill Response Program
- Land Assessment and Remediation Program
 - Avian Protection Plan
 - Invasive Species Guidance Documents
 - HSEMS
 - Environment Committee

Approach

We believe that maintaining a sustainable environmental management system (EMS) to protect people, wildlife and the planet is integral to providing clean, cost-effective electricity to the people of Ontario. Our EMS, modelled after the ISO 14001 EMS standards, is designed to meet the needs of our continually changing business and infrastructure. Our EMS is also integrated seamlessly into all aspects of our business using the ISO standard’s Plan, Do, Check, Act approach:

These systems help us comply with the extensive federal, provincial and municipal laws and regulations we are subject to and meet the environmental needs of our customers, communities, investors and stakeholders.

Investment, Asset, Program Planning

- Consider environmental compliance and protection requirements, health and safety and reliability requirements.
- Assess environmental protection and community needs and concerns.
- Ensure all environmental permits and approvals are received.
- Design efficient and effective environmental controls to facilitate operations.

Infrastructure Operations

- Plan, implement and monitor capital projects to protect environmental and community interests.
- Document environmental controls and integrate processes into daily operations.
- Optimize operations to prevent/minimize environmental damage and community disruption.

Asset End of Life

- Optimize, reuse and recycle to the extent possible.
- Remove and dispose of assets as required.
- Manage and report disposal as legally required.

2022 Environmental Management Performance

5

inspections/ investigations by the Ministry of Environment, Conservation and Parks



420+

capital transmission projects and programs for which we conducted environmental work⁴⁰



\$47M+

financial investment in environmental protection, including prevention, management and remediation



0

critical environmental actions (charges/fines)



125+

environmental protection plans (EPPs)⁴¹ prepared



2022 Performance

Hydro One’s environmental compliance obligations are broad ranging and stem from federal, provincial and municipal legal requirements; commitments to our communities and customers; industry and investor expectations; and Hydro One’s own policies.

Conserving Ontario’s Biodiversity

Hydro One is committed to conserving Ontario’s biodiversity and to working closely with our community and environmental partners to identify critical habitats and species that need to be protected.

⁴⁰ Environmental work includes environmental assessments, environmental approvals and permits, environmental studies, stakeholder consultation, community and Indigenous consultation, geo-environmental investigation, construction support, remediation, waste management and monitoring.

⁴¹ EPPs document measures to mitigate identified environmental impacts of projects and may include measures to protect or minimize impacts to natural habitats, water courses, built heritage assets and archaeological features and may consider contaminated materials such as soil, groundwater or building materials in execution of the project.

Environmental Management



Supporting the United Nations and Canada’s Commitment to Preserve Biodiversity

In December 2022, at the **COP 15 Biodiversity Summit** in Montreal, the United Nations established an accord to preserve 30% of the world’s natural biodiversity by 2030. Canada has signed on to this accord. Hydro One was honoured to be selected as the only Canadian utility to present our biodiversity program at the Summit’s Technical Forum. Our program aligns with the standards presented by other international forum participants, and we are well positioned to support Canada’s accord commitments for 2030.



Our goal is to support the sustainability of local ecosystems and our province’s agricultural and horticultural economies. In 2022:

- We received the Biodiversity Award from the OEA for installing and maintaining pollinator meadows on our corridor lands.
- We developed methods to assess the impact of climate change through our environmental assessment procedures and mitigate these impacts using nature-based solutions to maintain Ontario’s biodiversity.
- We partnered with the National Capital Commission to plant 600 trees and shrubs in Pinhey Forest after the May Derecho destroyed nearly 70% of its tree canopy.

Enhancing Wetlands – Kleinburg Training Facility

Hydro One has received the Environmental Excellence Award from the EDA for the creation of a wetland habitat adjacent to Kleinburg Transformer Station. We partnered with the Toronto and Region Conservation Authority to create a wetland that connects to a piece of land that borders bodies of water and wetlands, including the authority’s Nashville Conservation Reserve. This project strengthens existing wetland habitats, reduces runoff from our property, enriches aquifers and creates safer open corridor lands while moving waters away from our assets.

Resource Management: We have well-established programs in place for matters relating to paper, water and waste management and we continue our journey to phase out polychlorinated biphenyls (PCB)-containing electrical equipment at our sites by December 31, 2025, as required by law.

- **Paper Waste:** While Hydro One generates domestic waste from our office and station operations, we recycle a portion of this waste through our facility management contractor.
- **Water:** In 2022, we worked with facilities and facility operations service contractors to optimize management of well-water treatment systems and wastewater collection and drainage systems at our major transmission sites.
- **Liquid, Non-Hazardous and Metal Waste:** Hydro One’s liquid and non-hazardous waste management programs recycle metal and oil from the disposal of oil-filled electrical equipment.

53% distribution customers signed up for paperless billing



Waste, Recycling and Savings Data*

10,250+ tonnes recycled
2.3M+ litres of oil recycled
\$6M+ in rebates (due to recycling)
\$40M+ in savings from material recycling



Environmental Management

Contaminated Land Management: Our plans for the management of contaminated land include spill response and land assessment and remediation programs. Our team of trained responders, supported by external environment contractors, provides around-the-clock spill management services.

Spills Data*

490+ spills (including 230+ spills resulting from extreme weather)

95% recovery rate for liquid spills

3 sites remediated/assessed that were contaminated in the past



We plan to take the following actions in 2023 to advance our key environmental programs:

- Continue to phase out the remaining PCB-containing electrical equipment and improve PCB-containing equipment testing and removal efficiencies.
- Continue to prepare EPPs for all capital transmission projects where a potential environmental impact or environmental approvals or permits, are anticipated.
- Maintain our spill response program and enhance proactive measures to identify and reduce preventable spills.
- Plant native wetland species to cover affected lands in the second phase of the Kleinburg wetland project.



12 hectares
of pollinator
meadows installed

Community

We are committed to supporting Hydro One customers and communities, striving to help all Ontarians achieve a cleaner, more equitable and more inclusive future. As we move toward the net-zero economy, we want everyone to take part and benefit in the energy transition.

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- 39 Energizing Life for Customers



Indigenous Relations

ESG Corner

- Indigenous Relations Strategy
- Indigenous Relations Policy
- 2022 Indigenous Procurement Report

We aim to be the trusted partner of choice for Ontario Indigenous communities, to advance meaningful economic Reconciliation, and to attract, retain and learn from Indigenous employees. Our Indigenous Relations approach supports this vision through four pillars: **Working With Integrity, Excelling at Engagement, Breaking Barriers and Holding Ourselves Accountable**. As we continue working toward our aim of being a trusted partner of choice, our team employs dedicated single points of contact for Indigenous communities and businesses, along with dedicated project and program teams.

Working with integrity



Approach

We continue to mature our framework for providing meaningful economic Reconciliation with Indigenous communities by using clear, consistent principles in our approach to equity partnerships. Our new, industry-leading Equity Partnership Model will transform the way First Nations participate in and benefit from critical infrastructure development in Ontario. We have also set aggressive targets to increase project and corporate Indigenous procurement – to 5% of our total spend by 2026.

2022 Performance

In 2022, we undertook a significant step toward meaningful economic Reconciliation by announcing our new Equity Partnership Model. On new, future large-scale capital transmission line projects with a project value exceeding \$100 million, proximate First Nations communities can invest in 50% of the equity.

2022 Indigenous Procurement Performance

Our progressive procurement model is precedent-setting, helping us establish a new record for purchases with Indigenous businesses for materials and services – \$95.9 million. For major projects, we require suppliers to procure from Indigenous businesses, and we encourage our major contractors and vendors to increase their Indigenous procurement and provide their Indigenous subcontractors with meaningful business opportunities.

We established an Indigenous Procurement Working Group, a cross-functional team focused on identifying opportunities and addressing barriers to growing our Indigenous procurement program. And we updated our Indigenous Procurement Policy

SPOTLIGHT – Journey of Reconciliation

Our new Equity Partnership Model is a significant milestone on our journey of Reconciliation – one that builds a renewed relationship with Indigenous people, based on partnership, respect and recognition of their unique rights. We believe this Equity Partnership Model and collaborative approach to working with First Nations will transform the benefits of infrastructure development for First Nations communities for generations to come.

For too long, First Nations have borne the impacts of infrastructure development in their traditional territories without seeing the benefits. We recognize that we did not always get it right, and this Equity Partnership Model signals a significant shift in how Hydro One will work with First Nations.

We have applied this new and innovative model to the development of the Waasigan Transmission Line in northwestern Ontario. In 2022, we signed equity agreements in principle with Gwayakocchigewin Limited Partnership (GLP, representing eight First Nations)⁴² and Lac des Mille Lacs First Nation, for the Waasigan Transmission Line, confirming that once the line is built, it will be jointly owned by Hydro One and these nine First Nations.

The line, which traverses the traditional territories of these First Nations, will bolster capacity and support economic growth in the region, while providing revenues for their communities and for future generations.



Landmark Equity Agreement with First Nations

“Hydro One’s new Equity Partnership Model is a significant milestone in the journey of reconciliation and rebuilding economic prosperity for the Lac des Mille Lacs First Nation. Our Nation is committed to working collaboratively with Hydro One, and other partners, to develop sustainable energy projects that balance our First Nation’s economic, environmental and social values. We congratulate everyone who has worked on this new model which offers significant benefits to the First Nations in the form of shared decision-making with respect for our cultural protocols and traditional lands.”

Chief Whitecloud, Lac des Mille Lacs First Nation

⁴² GLP represents the following eight First Nations: Eagle Lake First Nation, Fort William First Nation, Seine River First Nation, Nigigoonsiminikaaning First Nation, Wabigoon Lake Ojibway Nation, Lac La Croix First Nation, Lac Seul First Nation and the Ojibway Nation of Saugeen.

Indigenous Relations

to broaden our definition of what qualifies as an Indigenous business beyond 51% ownership – recognizing that Indigenous governments have the authority to identify other Indigenous businesses. We also embedded Indigenous spending commitment requirements in some of our key engineering, procurement and construction (EPC) contracts.

We continue to build on existing relationships with Indigenous suppliers through key programs and initiatives, including our newly launched Retain & Grow program.



90

Indigenous-owned companies from which we purchased materials and services



7

of our EPC vendors spent \$13M+ with Indigenous businesses, workers and communities on Hydro One projects.⁴³



Retaining and Growing Indigenous Procurement

In 2022, we launched Hydro One’s Retain & Grow program to improve internal cultural alignment around Indigenous procurement, and to build upon existing relationships with Indigenous suppliers through:

- Connection-based mentoring and networking.
- Performance evaluations and feedback.
- Tracking and monitoring of collaboration.

This program is designed to turn high-performing Indigenous suppliers into leading suppliers for Hydro One, while at the same time providing Hydro One stakeholders with an important opportunity to learn more about the Indigenous communities and Peoples they serve. **Nbisiing Power** was selected as our inaugural supplier and partner. Together we will focus on gaining executive alignment and the mutual exchange of knowledge and business insights to help drive business growth between our two companies.

Excelling at engagement



Approach

We are advancing long-term relationship agreements with Indigenous communities to help guide our engagement and establish a regional approach to our work. This will let us plan, understand community priorities, help build and fund capacity, and work together for the life cycle of our assets in those communities – from projects through to operations. We also apply land valuation principles that recognize the unique character and function of Indigenous reserve lands when we negotiate permits. Our model of early engagement with communities on transmission construction projects helps ensure that the input, feedback and preferences of Indigenous communities shape project initiation, planning, construction and operations.

2022 Performance

Indigenous communities will need capacity to participate on multiple fronts during the energy transition, especially for the construction of major projects that have an impact on Indigenous communities. In 2022, Hydro One took steps internally to help support our Indigenous partners by restructuring our Indigenous Relations team to provide dedicated support and developing processes that allow us to be more proactive and responsive to the needs of each community.

We believe that early and proactive engagement with Indigenous communities is vital to understanding and addressing key issues and avoiding grievances. This approach was critical to the success of our new Equity Partnership agreements with GLP and Lac des Mille Lacs First Nation for the Waasigan Transmission Line.

Valuation of Reserve Lands: Hydro One implemented a new methodology, referred to as the corridor factor, within our valuation of reserve lands in acknowledgement of the unique character and function of these lands and the impact of Hydro One’s transmission infrastructure on reserves. Compensation for the use of reserve lands is a long-standing issue among Indigenous communities because they have rightly asserted that the value of their lands is distinct and does not lend itself to valuation based on non-reserve lands. Introducing additional enhancements to our standard appraisal terms of reference – that consider the mixed uses and intrinsic value of reserve lands, which are justifiable under existing appraisal practice – allows Hydro One to be consistent and transparent, responsive to the feedback from Indigenous communities, and recognized as a first mover in solving a long-standing issue.

Benefiting in a Just Energy Transition: It is imperative that as the energy transition accelerates, we embed justice by ensuring universal energy access, affordability and reliability for all communities. Indigenous communities will play a key role in the energy transition. We recognize that in the past Indigenous communities have felt the burden of development activities but have rarely seen the benefit. Our new Equity Partnership Model aims to change this. Critical energy infrastructure, such as transmission lines, is being built through Indigenous territory: there is no path to net-zero without the participation of Indigenous communities.

We continue to meet with Indigenous communities and address concerns regarding reliability, affordability, connection processes and securing business and procurement opportunities.

⁴³ This spend in 2022 is in part a result of Hydro One’s efforts to emphasize the importance of Indigenous participation with our EPC vendors.

Indigenous Relations

Key Concerns	Actions Taken in 2022 to Address Issues
Electrical reliability and energy capacity constraints.	• Worked in collaboration with First Nation communities through targeted distribution investments (BESS) as per OEB-approved investment plan. • BESS became operational at Aroland First Nation, supplying the community with power during an interruption and reducing outage duration. Work to increase utilization continues and we plan to implement learnings for future projects. • Began rolling out communicating faulted circuit indicators to help locate faults when power outages occur. • Connected several communities, including Nigigoonsiminikaaning, Mitaanjigamiing and Beausoleil First Nations, to 3-phase power connections and actively engaged with others on this issue.
Infrastructure	• Connected new water treatment plants for Chippewas of Nawash Unceded First Nation and Shoal Lake 40 First Nation. • Advanced work on other water treatment plant connections (anticipated in-service date of 2023). • Collaborated with the Canada Infrastructure Bank to approve an application by Pic Mobert First Nation to connect a new 50-unit subdivision, playing a key role in advancing the cost estimate to support the funding request.
Green infrastructure access	• Worked with and advocated for communities about their goals for green infrastructure. For example, we installed solar net metering in Taykwa Tagamou Nation, leading to a decrease in the community’s energy bills.
Connection process and timelines	• Streamlined connection process and timelines and provided additional support to Indigenous communities by presenting an overview of the 3-phase power connection processes. • Established an internal working group to enhance new connection process for critical infrastructure on reserve lands e.g., water treatment plants.
Affordability	• Offered support programs for residential customers and for small businesses/registered charities with overdue amounts owing from one or more previous electricity bills incurred since the start of the pandemic.

SPOTLIGHT – Supporting Indigenous Entrepreneurs

The **Hydro One Indigenous Entrepreneurship Grant**, developed in partnership with the Canadian Council for Aboriginal Business, invests in the success of Ontario-based Indigenous-owned businesses to foster Indigenous prosperity. In 2022, 28 businesses received grants, including a wide range of businesses such as food suppliers, advertising and marketing specialists, wellness services and environmental services.

One of the recipients was **Maamigin Environmental & Relations**, a small 100% Indigenous-owned and certified environmental services and management company. The grant will help Maamigin Environmental & Relations continue to provide Indigenous communities with environmental services such as sampling services, baseline studies and environmental assessments and to expand its footprint.



“We want to be the leading environmental management company in Northwestern Ontario. This support from Hydro One and the Canadian Council for Aboriginal Business signifies a massive step towards realizing that goal. As an Indigenous-owned and operated company, we are so thrilled to have been selected as a recipient of the Hydro One Indigenous Entrepreneurship Grant. We will use the grant to expand our marketing and begin to scale our business throughout Northwestern Ontario and beyond.”

Brian Ludwigsen, CEO & Founder, Maamigin Environmental & Relations Inc.



Indigenous Relations

Breaking barriers



Approach

We aim to be an employer of choice for Indigenous people by addressing barriers to Indigenous employment and supporting recruitment, growth and retention of Indigenous employees. We have established expectations with our contractors and vendors that they support, measure, report and increase Indigenous employment and training. We are transforming and making Indigenous relations part of our corporate fabric to inform our goals and priorities. We are creating a culture of respect that informs our interactions in the field, through customer care and in our engagement and negotiations with Indigenous communities.



2022 Performance

We retained Indigenous Works, a third-party subject matter expert, to review Indigenous employment at Hydro One. During the review, the consultant engaged with Hydro One employees and management, union partners, and the Indigenous Network Circle, an ERG for Indigenous employees at Hydro One. Input was also sought from Indigenous vendors and community representatives and contacts. The findings of the review identified key barriers and proposed recommendations, including setting targets, to enhance Indigenous employment at Hydro One.

We developed new mandatory foundational Indigenous cultural awareness training for Hydro One employees in 2022 that we plan to introduce to all employees in 2023. We enhanced employee Indigenous cultural awareness through training sessions, educational learning resources and various cultural events throughout the year – including observing the National Day for Truth and Reconciliation and National Indigenous Peoples Day, on which some of our executives attended a ribbon-cutting ceremony at Beausoleil First Nation to mark the start of the construction to provide 3-phase power to the community. We also hosted a big drum gathering event at our Toronto headquarters, attended by 300+ employees.

In support of the Indigenous Relations strategy, we identified Indigenous communities that focus on language and cultural preservation, to support our broader goal of Reconciliation. As part of our public commitments, we allocated 23% of our community investment donations and sponsorships to support Indigenous communities and initiatives, exceeding our 20% target.

Holding ourselves accountable



As a declared supporter of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), we hold ourselves accountable for past treatment of Indigenous people.

Approach

A key element of working with integrity is holding ourselves accountable for past wrongs and unfair treatment of Indigenous people. As we transition to a clean energy future, we strive to work with Indigenous communities for mutual benefit with the goal of obtaining their free, prior and informed consent on development projects. We will work with Indigenous communities throughout the life cycle of development projects as we build and maintain critical infrastructure. We believe this approach creates predictability, consistency and more opportunities for our partners.

2022 Performance

In 2022, we implemented processes to address key issues and grievances from Indigenous communities, such as lack of electricity capacity. Throughout the year, we continued to improve our internal processes to better support the needs of Indigenous communities, particularly to address their connection and 3-phase power concerns.

Addressing Long-Standing Issues: To support Indigenous communities, we established a designated point of contact instead of a toll-free customer connections number. In parallel, we streamlined our internal process to prioritize and expedite connection requests for critical infrastructure, such

as access to 3-phase power, water treatment and sewage treatment facilities. These proactive approaches have helped us resolve long-standing issues and improve relationships with Indigenous communities by doing the following:

- Completing necessary maintenance work after engaging with the **Cat Lake First Nation**. Past issues and a lack of consensus on the approach to the maintenance work had delayed the work on a line adjacent to the First Nation.
- Constructing a new line with the approval of the **Wiikwemkoong First Nation** and alleviating reliability concerns that had been raised for several years by the First Nation.
- Restarting long-pending forestry work, by collaborating with the **Wahta First Nation** and awarding them a brushing contract.

We plan to take the following actions in 2023 to support Reconciliation with Indigenous communities, and become the trusted partner for Indigenous communities in Ontario throughout the energy transition:

- Achieve an Indigenous business procurement target of 3.7% of our total sourceable spend.
- Establish new Indigenous employment targets.
- Get recertified through the Canadian Council for Aboriginal Business Progressive Aboriginal Relations program.
- Continue to support Hydro One’s community investment target – 20% of donations and sponsorships to support Indigenous communities and Indigenous-led organizations.
- Roll out new mandatory Indigenous cultural awareness training for all employees.
- Work in collaboration with First Nation communities on installing BESS to improve reliability on reserve lands.

Energizing Economies and Communities

ESG Corner

- [Supplier Code of Conduct](#)
- [Supply Chain Policy](#)
- [2022 Indigenous Procurement Report](#)
- [Community Investment Policy](#)

Approach

As we build new transmission infrastructure to power growth and enable the energy transition, we are also committed to energizing local economies and communities.

We energize local economies by buying goods and services from local sources, making critical capital investments, enabling the expansion of broadband into rural communities and offering community support agreements. We continue to build a sustainable supply chain, understanding that is a key engine of growth and economic development across the province.

Hydro One proudly supports local organizations that are working to build, strengthen and energize life in communities across Ontario. In 2022, we began a review of our community investments to support an update of our community investment strategy in 2023. Our goal is to deepen our impact with the intention that no one is left behind in the energy transition.

Energizing Economies – 2022 Performance

To attract new businesses, create jobs and help communities grow, we invested \$2.1 billion in capital to expand the electricity grid and renew and modernize existing infrastructure. The OEB approved the settlement agreement for our 2023–27 investment plan for Hydro One’s transmission and distribution systems.

As part of our commitment to create jobs for a diverse workforce, we are working to diversify our supplier and procurement programs in support of our DEI commitments. Our Supply Chain team is identifying opportunities to expand our Indigenous procurement program into a broader Supplier Diversity program, aiming to increase our procurement spend with historically underrepresented demographics such as minority-owned, women-owned, veteran-owned, 2SLGBTQIA+-owned and small businesses.

Enabling Rural Broadband: The past three years have underscored how important internet connectivity is to economic productivity and Ontarians’ access to work, education, health and other critical services. That is why Hydro One, in collaboration with the Government of Ontario and internet service providers (ISPs), continues to invest in, develop and expand broadband-enabling infrastructure into rural communities. Our five-year 2023–27 investment plan includes investments in taller and stronger poles, which make it possible for ISPs to use our infrastructure to expand rural broadband.

In March 2022, we launched a new pilot project that is expected to enable cost-effective access to broadband in Brighton and surrounding areas. The pilot will use the reach of our existing electrical infrastructure, Acronym’s existing telecommunication network, and a new network of fibre cables to make high-speed internet available for nearly 1,450 homes and businesses in the area.

Energizing Economies



⁴⁴ We define Ontario goods and services as those purchased by the vendor address.
⁴⁵ Economic value distributed as defined by [GRI disclosure 201-1](#). This is not a financial reporting indicator and should not be confused with our year-end financial statements. The figure is approximate. For additional details on this disclosure, please see [page 53](#).



SPOTLIGHT – Energizing Life in Southwestern Ontario

As we build new transmission infrastructure to power growth, we are also committed to building safe, resilient and thriving communities.

In September 2022, we signed a 10-year \$10 million Community Support Agreement with the Municipality of Chatham-Kent, ensuring the region remains an attractive place to invest, live and work. The agreement will make it possible for Chatham-Kent to share in the benefits of critical infrastructure by funding community-based cultural and recreational priorities that will directly benefit residents, businesses and visitors to the region. The community will also receive an additional \$300,000 to allocate toward charitable organizations that work to build safe and resilient communities.

Hydro One is supporting economic prosperity in southwestern Ontario through significant investment in five critical transmission lines to meet the needs of new and growing industries and help attract future jobs to the region. As we prepare for the energy transition, we intend to apply this community-support model to future agreements, in recognition that as communities grow, additional resources are needed to energize important local initiatives.

Energizing Economies and Communities

Energizing Communities – 2022 Performance

In 2022, we had a positive impact on the lives of 715,000+ individuals, exceeding our community impact goal of 600,000. Through the community investment programs detailed on this page, we supported several organizations across Ontario.



Building Safe Communities is one of our signature investment programs. It is dedicated to teaching young people to play safely and to save a life in the communities where we live, work and play. Through the program, we:

- Increased our financial support to the Advanced Coronary Treatment Foundation to expand its new Opioid Overdose Response Training to 80% of Ontario high schools over the next three years.
- Supported Jack.org in breaking down barriers to mental health resources and education, sponsoring the Ontario Jack Talks program to deliver virtual mental health talks to high school and university students across the province.
- Funded 70 Ontario Scout troops to embark on safe once-in-a-lifetime outdoor adventures that build confidence and resilience.



Hydro One’s Energizing Life Community Fund, launched in 2021, supports initiatives that promote community safety and well-being, providing grants of \$25,000 in financial support. In 2022, the fund supported 24 charitable organizations, Indigenous communities and municipalities that provide critical services and drive positive change in their communities, including the following:

- Hope Haven Therapeutic Riding Centre provides elementary and high school students with disabilities and unique needs with free, therapeutic equestrian programming through the Saddle Up for Success program.



- Autism Dog Services fosters the integration of children and youth with autism by training, placing and supporting service dogs that offer safety, companionship and independence.
- The Helping Hand Food Bank diversifies the types of food available to residents, offering halal food to meet the needs of the rapidly growing Muslim community in Ontario.
- The Welcome Friend Association hosts Rainbow Camp – a safe space that honours creativity, individual choice and social justice and teaches life-saving skills such as water safety.

Energizing Economies and Communities

The Gift of Volunteering

Our employees make a world of difference in their communities, volunteering their time, skills and knowledge to help others. As part of National Volunteer Week, we piloted a volunteer engagement program to increase Hydro One’s presence in communities, coordinating volunteer opportunities across the province. In Sudbury, the Forestry team donated their skills and time to a local hospice, where residents weren’t able to see the lake due to tree growth. When the team learned the facility lacked the resources to solve the problem, our Forestry crew volunteered their time to maintain the trees and left the area spotless, putting a smile on the residents’ faces and restoring their scenic view.



Power to Give
Employee giving campaign

\$2.2M raised
including \$55K for Indigenous communities
and Indigenous-led organizations



\$1.8M
pensioner and
employee donations



900+
organizations

150+
fundraising events



7,475+
volunteer hours



We plan to take the following actions in 2023 to help communities and businesses across Ontario thrive through the energy transition:

- Strengthen our supplier monitoring program by implementing the Supplier Illumination Tool to assess risk relating to finance, compliance, cybersecurity, ESG, geopolitics and operations.
- Continue to invest in infrastructure to power growth in southwestern and northwestern Ontario and to support the expansion of broadband to remote communities across the province.
- Refresh our community investment strategy and maintain the momentum of our Power to Give employee program.

Energizing Life for Customers

ESG Corner

• Customer Commitments

Our Approach

Hydro One is committed to meeting customer needs and expectations. We welcome customer feedback and measure the customer experience using customer surveys and digital listening and by tracking customer complaints. We integrate this feedback into our practices, with a goal of improving the customer experience. Our customer-driven strategy also aims to support Hydro One customers through the energy transition, helping them participate in the energy future and build more energy resilience and independence. We continually work to address our customers’ needs for an affordable, reliable and equitable energy future.

2022 Performance

After reaching record-high customer satisfaction results in 2021, customers across all segments continue to be very satisfied with the service they receive from Hydro One. Our overall customer satisfaction among residential and small business customers remained at a high level and above target at 87%, while large customer satisfaction stood at 88%.

Customer Satisfaction at Hydro One*

Customer Category	Distribution – residential and small business	Distribution – commercial and industrial ⁴⁶	Transmission ⁴⁷
2022	87%	74%	88%
Drivers	Reliability, affordability, customer-centric aspects (ease of doing business, understanding customer needs etc.)	Reliability, speed of power restoration in case of outage, quality of customer service	Quality of customer service, relationship with account executives, reliable service, minimal outages and outage planning procedures

Best Practices in Customer Care

In 2022, Our Customer Care team won the Chartwell Gold Best Practices Award in the Customer Service category for their Level UP program. As part of the program, in early 2021, the Customer Care team identified key impacts and challenges to customer service resulting from the global pandemic and the unfamiliar shift to a remote environment. The team moved quickly to develop Level UP, a continuous improvement initiative that enhanced the customer experience, boosted staff morale and enhanced Hydro One’s brand.



Hydro One launched an artificial-intelligence-driven voice analytics solution in our Customer Care Centre to empower business intelligence decision-making to create the next generation of customer experience. This project uses speech analytics software to identify and assess why customers are calling us, the sentiments underlying different types of calls, and how content and sentiment fluctuate over time. The insights gained from thousands of customer interactions will allow us to make improvements to the call experience and our training programs, as well as develop new service offerings. It is now being rolled out across all customer channels.

The May Derecho created hazardous working conditions resulting in customers experiencing long-duration power outages. Customer Care used its text broadcast message service for the first time to send out over 475,000 text messages, proactively sharing the efforts underway to restore power across the province, which was favourably received and reduced the number of calls to the contact centre. Since then, the Customer Care team has proactively alerted customers of potential outages due to approaching storms. We are developing a process to align all areas of our business to improve response times to rising complaints related to the increase in major weather and storm events.

⁴⁶ This includes the customer group over 50 kilowatts.
⁴⁷ This indicator measures customer satisfaction for our large transmission customers.

Energizing Life for Customers

Energy Transition and Our Customers

To meet our customers’ energy needs and provide them with choices that support a greener Ontario, we offer personalized insights and recommendations on electricity savings and carbon footprint through the myEnergyInsights dashboard. In 2022, we launched the **EnergyHub** to engage customers in the energy transition and provide advice on energy saving resources. It is critical to educate customers on energy costs and what electrification means for them to help customers navigate the transition affordably.

Supporting the rapid growth of the EV industry is a high priority for Ontario and for Hydro One, and critical for the energy transition. Throughout the year, our Customer Service team worked with various utilities, municipalities and the Government of Ontario to attract EV battery manufacturing facilities to Ontario, with two large projects announced, one of them locating near Windsor and the other near Kingston. The team is also working directly with large customers who want to electrify their fleets, helping them plan proactively. At the Customer Care Centre, we are preparing to roll out an EV training program for our customer service representatives.

Affordability

The lingering impact of the COVID-19 pandemic, combined with the higher cost of living, has increased customer balances by 30%* since 2020 for customers in arrears. In 2022, about 10%* of our customers were in arrears. This burden has left many of our customers worried and reluctant to interact with Hydro One, including responding to our multiple attempts to connect with them and provide support – whether through phone calls, media outreach, emails or bill inserts-messaging.

While our attempts to reach customers who are experiencing financial difficulty can be challenging, we remain sensitive to their needs and continue to promote our regulated rate mitigation measures that significantly address affordability

concerns. We continue to work with the OEB to offer several programs to help customers pay their bills, providing them specific support through the:

- **Winter Relief Fund** – Offers customized payment plans and other services to help families stay connected to safe and reliable power and keep costs down.
- **Low-income Energy Assistance Program (LEAP)** – Pays up to \$1,000 of the amount owing on their bill and up to \$1,200 if their home is electrically heated.⁴⁸

In addition to financial support, Hydro One offers a range of services to help customers manage their electricity account, including:

- Choosing their own billing date and pricing plan (time-of-use or tiered).
- Signing up for high-usage notifications to monitor electricity consumption.
- Budget billing to flatten spikes in electricity usage often associated with heating and cooling.
- Connecting customers with appropriate low-income programs.
- Offering payment flexibility, such as customized payment plans.

We plan to take the following actions in 2023 to support our customers through the energy transition:

- Implement Ultra Low Overnight pricing to enable greater customer choice.
- Continue to use customer interaction analytics to improve customer insights and sentiment analysis.
- Reduce the number of customers in arrears and lower their outstanding balances through collection activities.

⁴⁸ This grant is offered to residential customers of Hydro One who are behind on their electricity bill and have a family income below a certain limit.



More Savings:

Every dollar we invest in our transmission and distribution business comes at a cost to our customers and the people of Ontario.



9% increase
in productivity savings
from 2021 to 2022
(approximate)



\$1.5B
in productivity savings
since 2015

Appendices

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How We Listen to Stakeholders and Indigenous Communities

The following tables provide a snapshot of how we engaged with, and the topics we discussed with, stakeholders, partners and Indigenous communities throughout the year.

Stakeholders	How We Engage	Topics of Engagement
Employees 	- Quarterly employee calls - Regular hybrid town halls - Annual employee experience survey - Annual DEI symposium - Focus groups - Employee resource groups	- DEI - DEI training - Benefits - Career growth - Systemic barrier review of talent management cycle - Commitment to meeting external pledges - Safety and wellness
Customers 	- Information campaigns - Media campaigns - Regular satisfaction surveys and focus groups - Ongoing exchanges with account executives and customer service representatives - Customer education - Contact Centre interactions	- Choice and pricing options - Support with bill payments - Elimination of seasonal rate class - Customer review of change in seasonal property to permanent residence use - Advice on EV chargers - Energy efficiency programs - Demand response
Communities 	- Dedicated Community Relations team - Flexible engagement opportunities (virtually and in person)	- Input on proposed infrastructure development plans - Community investment and sponsorship opportunities
Investors 	- Press releases, quarterly reports, quarterly investor and financial media calls, Annual Report - Virtual annual general shareholders' meeting - Virtual investor events - Directors, including the Board Chair, as appropriate engage virtually with shareholders	- Corporate earnings - Corporate strategy - CEO search - Equity Partnership Model - Joint Rate Application - Business updates - Growth - Sustainability - Community engagement - Storm response

Stakeholders	How We Engage	Topics of Engagement
Regulators & Governments 	- Interaction with all levels of government, IESO and our main regulator, the OEB - Advocacy on behalf of customers - Advocacy on policy related to our corporate priorities	- Relief for customers during pandemic - Updating regulatory framework to facilitate investment and operation of DERs without compromising safe, reliable power - Modernizing environmental assessment process - Identifying areas of growth across the province - Advocating for critical infrastructure investments - Expanding broadband impact
Unions 	- Joint committees for key initiatives - Collective bargaining - Regular calls with the three largest unions	- Impact of the COVID-19 pandemic on the workforce - Bargaining details - Key initiatives - Operational concerns - Health, safety and wellness
NGOs & Industry Associations 	- Participation in industry association conferences and events, councils, committees and working groups - Partnerships with industry associations	- Shared research - Advocacy activities
Indigenous Communities	How We Engage	Topics of Engagement
Indigenous Communities 	- Indigenous Relations team with dedicated staff focused on engaging with communities at the grassroots level - In-person, virtual and hybrid meetings - Partnering/collaborating with Indigenous communities - Community-specific engagement plans - Proactive outreach to Indigenous-owned business - Indepth, early and transparent engagement with communities	- Planning Hydro One activities and projects - Community initiatives and programming - Connecting critical infrastructure on reserve lands 3-phase power connection requests - Power reliability - Resolving past grievances - Capacity funding agreements - Indigenous procurement - Information on upcoming projects - Environmental assessment - Indigenous knowledge - Community energy needs

2022 ESG Performance Overview

All information is for Hydro One Limited unless there is an asterisk (*), in which case the information is just for Hydro One Networks.

Indicator	2020	2021	2022
People			
Total recordable injury rate per 200,000 hours worked	0.87	0.74	0.62
Lost time injury frequency rate per 200,000 hours worked ⁴⁹	22.7	23.6	8.8
High-energy serious injury and fatality (HSIF) rate (introduced in 2022)	n/a	n/a	0.01
Fatalities from work-related incidents (number)	1	1	0
Average number of learning and development per employee (hours)	34.0	45.9	49.1
Unionized employees (%)	89.7	90.0	88.7
Employee volunteer hours	3,870	4,315	7,482
Employee turnover rate (%) ⁵⁰	4.0	5.3	6.1
Employee diversity (%) ^{51, 52}			
Women	24.0	24.4	25.1
Men	76.0	75.6	74.9
Indigenous	n/a	2.7	2.9
Black	n/a	1.6	1.7
People of Colour	n/a	10.6	10.6
Disability	n/a	2.9	3.1
2SLGBTQIA+	n/a	1.3	1.3
Executive diversity (%) ⁵²			
Women	25.8	30.6	32.5 [†]
Men	74.2	69.4	67.5
Indigenous	n/a	0.0	2.2
Black	n/a	0.0	0.0
People of Colour	n/a	23.7	20.3
Disability	n/a	2.6	9.9
2SLGBTQIA+	n/a	0.0	0.0
Number of unresolved well-founded ⁵³ privacy complaints as determined by the Privacy Commissioner of Canada	0	0	0
Number of cases received by our Corporate Ethics Office ⁵⁴	293	296	389

Indicator	2020	2021	2022
Planet ⁵⁵			
Scope 1 GHG emissions (tCO ₂ e) ⁵⁶	184,956	169,199	149,995 [†]
Scope 2 GHG emissions (tCO ₂ e) ⁵⁶	134,928	153,605	162,337 [†]
VOC emissions (tonnes) ⁵⁷	29.9	30.4	31.6
NO _x emissions (tonnes) ⁵⁷	1,075.2	1,084.4	1,130.9
SO _x emissions (tonnes) ^{57, 58}	35.4	35.8	37.3
Total particulate matter emissions (tonnes) ⁵⁷	23.1	19.4	20.1
Fleet electrification (%) ⁵⁹		14	17 [†]
Electricity use (kWh)		42,856,242	40,601,996
Energy use (GJ)		234,967	218,076
Spill recovery rate (%) [*]	98	97	95
Total solid waste produced (tonnes) [*]	154,000	128,000	137,000
Total solid waste recycled (tonnes) [*]	11,000	8,767	10,297
Pollinator habitat established (Ha) [*]	20	20	12

⁴⁹ Hydro One calculates the lost-time injury frequency rate by attributing days lost to injury in any given year to the year in which the injury occurred. As a result, the 2020 and 2021 values do not reflect the data previously reported.

⁵⁰ The rate is calculated based on voluntary, involuntary, retirement and other departures as a percentage of the average annual number of permanent employees.

⁵¹ In the 2021 Sustainability Report, we reported Hydro One's % of Black and People of Colour collectively for regular employees in 2021 as 12.4%. The actual percentage in 2021 was 12.2%.

⁵² Executive management and regular employee diversity by gender is calculated as the monthly average headcount over the fiscal year based on sex at birth or self-declaration. All other categories are reported as a yearly average from our myExperience survey. The myExperience survey was first introduced in 2021 and therefore the data excluding gender are comparable only across 2021 and 2022. We define executives as VP and above.

⁵³ The term "well-founded" is used by the Office of the Privacy Commissioner of Canada when the commissioner has found that an organization has failed to respect a provision of the Personal Information Protection and Electronic Documents Act.

⁵⁴ 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.

⁵⁵ Figures are approximate.

⁵⁶ The Scope 1 and 2 emissions for 2020 and 2021 were recalculated. Please refer to footnote #32 on [page 23](#) for additional details.

⁵⁷ Hydro One Remote Communities Inc. only.

⁵⁸ We report our SO_x emissions as SO₂ which is a subset of SO_x emissions and required for reporting under Canadian law.

⁵⁹ Fleet electrification is the percentage of Hydro One's light-duty vehicle fleet (sedans and SUVs) that are electric or hybrid vehicles at the end of the fiscal year.

⁶⁰ The increase in the R&D expenditures was driven by the projects undertaken to respond to business priorities, including those related to demand response, asset analytics and resiliency initiatives.

Indicator	2020	2021	2022
Community			
Capital Investments (\$ millions)	1,878	2,125	2,132
Investment in R&D (\$ millions)	4.7	6.0	15.8 ⁶⁰
Indigenous procurement spend (\$ millions)	42.0	58.3	95.9
% Indigenous procurement spend to total spend (%) ⁶¹		3.4	5.2 [†]
Community investment donations and sponsorships (\$ millions)	3.1	3.3	4.0
Transmission customer satisfaction (%) [*]	83	92	88
Commercial and industrial satisfaction (%) [*]	86	80	74
Residential and small business customer satisfaction (%) [*]	87	89	87
Productivity savings (\$ millions)	286.0	343.9	373.6
Transmission System Average Interruption Duration Index (SAIDI) ^{*62} (per delivery point per year) (minutes)	4.6	4.2	8.8
Transmission System Average Interruption Frequency Index (SAIFI) ^{*63} (per delivery point per year)	0.2	0.3	0.3
Distribution SAIDI ^{*64} (per customer per year) (hours)	7.3	6.5	6.9
Distribution SAIFI ^{*65} (per customer per year)	2.5	2.4	2.5
Customer Average Interruption Duration Index (CAIDI) (per customer per year) (hours)	2.9	2.8	2.8

⁶¹ Indigenous procurement spend (%) is the ratio of total sourceable Indigenous procurement spend to total sourceable procurement spend for the fiscal year then ended.

⁶² We report the transmission SAIDI for multi-circuit supplied delivery points. The Transmission 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 object interference.

⁶³ We report the transmission SAIFI for multi-circuit supplied delivery points. The Transmission SAIFI 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 object interference.

⁶⁴ The Distribution SAIDI numbers do not include any force majeure events. We define a force majeure event to have occurred when electricity service to 10% or more of our distribution customers has been interrupted by an event.

⁶⁵ The Distribution SAIFI numbers do not include any force majeure events. We define a force majeure event to have occurred when electricity service to 10% or more of our distribution customers has been interrupted by an event.

2022 SASB Table

As an electricity transmission and distribution company, we report according to the SASB framework for the electric utilities and power generation industry. We address all indicators in the standard that we consider to be material for our business and are legally able to report on as an Ontario-based utility.

All information is for Hydro One Limited unless there is an asterisk (*), in which case the information is just for Hydro One Networks.

SASB Topic	Indicator	2020	2021	2022
Energy Affordability	Average retail electric rate (\$/kWh)	0.16 residential 0.21 commercial 0.15 industrial	0.16 residential 0.19 commercial 0.14 industrial	0.17 residential 0.20 commercial 0.15 industrial
	Typical monthly electric bill for residential customers for 500 and 1,000 kWh of electricity delivered per month (\$)	94.57 for 500 kWh 158.50 for 1,000 kWh	98.27 for 500 kWh 161.32 for 1,000 kWh	103.35 for 500 kWh 165.87 for 1,000 kWh
	Residential customer electric disconnections for non-payment, percentage reconnected within 30 days	There were zero disconnections ⁶⁶	71% reconnected within 30 days	70% reconnected within 30 days
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Our customers continue to benefit from regulated rate mitigation measures that significantly address affordability concerns. At the same time, Hydro One remains sensitive to the needs of our low-income customers and customers who continue to feel the impact of COVID-19 and the higher cost of living. We continue to support them using a variety of measures, including the Low-income Energy Assistance Program (LEAP) and our Winter Relief Fund.		
Workforce H&S	Total recordable incident rate	See ESG Performance Overview in the 2022 Sustainability Report		
	Total fatality rate	0.01	0.01	0.00
	Near-miss frequency rate	19.4	17.7	21.1
End-Use Efficiency and Demand	Percentage of electricity utility revenues from rate structures that are decoupled ⁶⁷	• 57% revenue from fixed charges • 43% revenue from volumetric charges	• 62% revenue from fixed charges • 38% revenue from volumetric charges	• 65% revenue from fixed charges • 35% revenue from volumetric charges
	Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM) ⁶⁸	0.68%	0.03%	0.62%
	Percentage of electric load served by smart grid technology (%) ⁶⁹	95.3	94.9	94.9
	Customer electricity savings from efficiency measures, by market (MWh) ⁷⁰	183,189	93,773	5,929

⁶⁶ In 2020, there were zero disconnections because the Winter Disconnection Moratorium, a ban on disconnections, was extended throughout 2020 to assist customers who were struggling financially as a result of the COVID-19 pandemic.

⁶⁷ Calculated for our Distribution business.

⁶⁸ We have updated 2020 and 2021 data based on LRAM amounts approved by the OEB which have been recognized as revenues in the reporting fiscal year.

⁶⁹ To calculate the percentage of electric load delivered by smart grid technology, we calculated the total amount of electrical energy delivered to our customers with (or by) an active smart meter.

⁷⁰ This indicator reports energy savings from projects initiated under the Conservation and Demand Management Framework. The framework, which began in 2015, was revoked in March 2019 and replaced by an interim framework to allow participants to meet in-service deadlines. In 2022, the savings reported are from projects that were committed prior to March 2019.

2022 SASB Table

SASB Topic	Indicator	2020	2021	2022
Grid Resiliency	Number of incidents of non-compliance with physical and cybersecurity standards or regulations	Hydro One is unable to disclose this information as it is subject to the confidentiality provisions of the IESO market rules		
	(1) SAIDI (2) SAIFI and (3) CAIDI, inclusive of major event days ⁷¹	See ESG Performance Overview in the 2022 Sustainability Report		
	Distribution: Number of residential, commercial, industrial and other retail customers served ⁷²	1,242,291, residential 113,412, commercial 8,305, industrial 33,552, other retail	1,300,698, residential 118,710, commercial 9,033, industrial 48,044, other retail	1,315,860, residential 120,516, commercial 8,024, industrial 33,511, other retail
	Transmission: Number of customers served ⁷³	690	688	689
	Distribution: Total electricity delivered to residential, commercial, industrial, all other retail customers and wholesale distribution customers (MWh) ⁷⁴	13,502,663, residential 2,997,600, commercial 8,981,474, industrial 157,966, other retail 10,420,732, wholesale distribution	13,991,403, residential 3,179,223, commercial 9,867,063, industrial 159,204, other retail 10,151,816, wholesale distribution	14,357,227, residential 3,467,391, commercial 9,851,337, industrial 160,837, other retail 9,732,461, wholesale distribution
	Total electricity delivered to our Transmission system (MWh) ⁷⁵	229,877	231,917	229,346
	Length of transmission and distribution lines (km)*	2020 Sustainability Report, Hydro One At-A-Glance	2021 Sustainability Report, Hydro One At-A-Glance	2022 Sustainability Report, Who We Are
	Total wholesale electricity purchased (MWh*)	28,379,018	29,965,814	30,803,116

⁷¹ System average interruption duration index (SAIDI), system average interruption frequency index (SAIFI) and customer average interruption duration index (CAIDI).

⁷² Numbers as of December 31, 2022. Other retail customers include local distribution companies connected to Hydro One's distribution system, distributed generators, street lights, sentinel lights and unmetered scattered load.

⁷³ Numbers as of December 31, 2022. The number of customers our transmission system serves includes transmission delivery points of local distribution companies, transmission business customers and generators, as defined by the IESO.

⁷⁴ Other retail customers include distributed generators, street lights, sentinel lights and unmarried scattered load; and wholesale customers include local distribution companies connected to Hydro One's distribution system.

⁷⁵ This includes electricity delivered to local distribution companies, generators, transmission business customers and transmission delivered points as defined by the IESO and is calculated as the sum of 12 monthly peak demands from all transmission delivery points.

2022 UN SDGs Chart

Hydro One aligns with the following United Nations Sustainable Development Goals (UN SDGs).

In 2015, the UN developed 17 SDGs as a universal call for action to end poverty, protect the planet and ensure all people enjoy peace and prosperity. At Hydro One we are supportive of the SDGs and have identified eight SDGs that are aligned with our business and sustainability objectives and where we can make a positive impact.

UN SDGs	Alignment or Progress on the SDGs
5 GENDER EQUALITY 	- Exceeded our Catalyst Accord commitment by having women as 40.0% of Directors and 32.5%[†] as executives. - Continued to build a diverse pipeline of talent and promote diversity at the apprentice level. - For more information, please refer to our People section in the 2022 Sustainability Report.
7 AFFORDABLE AND CLEAN ENERGY 	- Invested \$15.8M in research and development. - Worked with the Ontario Energy Board (OEB) to offer several programs to help customers pay their bills, specifically through the Winter Relief Fund and Low-income Energy Assistance Program. - Transmitted clean energy that was more than 90%⁷⁶ GHG-emission-free.⁷⁷ - For more information, please refer to the Planet and Energizing Life for Customers (Affordability) sections in the 2022 Sustainability Report.
8 DECENT WORK AND ECONOMIC GROWTH 	- Signed a 10-year \$10M Community Support Agreement with the Municipality of Chatham-Kent, ensuring the region remains an attractive place to invest, live and work. The community will also receive an additional \$300,000 to allocate to charitable organizations that work to build safe and resilient communities. - Generated direct economic value by buying locally and investing in our communities. Contributions in 2022 include: \$1.4B – Purchases from Ontario suppliers \$8,727M⁷⁸ – Economic value distributed across Canada \$95.9M – Indigenous spend 9,300⁷⁸ – Average number of employees - At Hydro One we offer a comprehensive and market competitive rewards program comprised of compensation, employee benefits and support programs, pension, and employee share ownership plans. - For more information, please refer to our People and Community sections in the 2022 Sustainability Report.

UN SDGs	Alignment or Progress on the SDGs
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	- Implemented the Battery Energy Storage System pilot with 39 customers who enrolled in this non-wires alternative pilot program and collectively saw a 72% reduction in total outage duration. - Invested in Energy Impact Partners, a greentech venture capital company, which provides us with access to leading/emerging climate-related startups in North America and Europe that are innovating in the energy sector. - Supported businesses by offering innovative energy solutions through AUX Energy. - For more information, please refer to our Planet section in the 2022 Sustainability Report.
10 REDUCED INEQUALITIES 	- Diversifying our talent across our workforce and creating an equitable and inclusive environment. 5.2%[†] of our total sourceable spend was with Indigenous businesses, our highest to date. - For more information, please refer to our People and Community sections in the 2022 Sustainability Report.
11 SUSTAINABLE CITIES AND COMMUNITIES 	- We signed equity agreements in principle with Gwayakocchigewin Limited Partnership (GLP, representing eight First Nations) and Lac des Mille Lacs First Nation, for the Waasigan Transmission Line, confirming that once the line is built it will be jointly owned by Hydro One and these nine First Nations. This will bolster capacity and support economic growth in the region. - For more information, please refer to the Community section in the 2022 Sustainability Report.
13 CLIMATE ACTION 	- Achieved a 7%[†] reduction in GHG emissions compared to the 2018 baseline, contributing to the public commitment of being net-zero by 2050. - As at December 31, 2022, 17%[†] of our fleet of sedans and SUVs are electric vehicles or hybrids. - For more information, please refer to the Planet section in the 2022 Sustainability Report.
15 LIFE ON LAND 	- Selected as the only Canadian utility to present our biodiversity program at the Technical Forum of the COP 15 Biodiversity Summit. - Planted 600 trees and shrubs in partnership with the National Capital Commission in Pinhey Forest after 70% of its canopy was destroyed by the May Derecho. - For more information, please refer to the Environmental Management section in the 2022 Sustainability Report.

⁷⁶ <https://www.ieso.ca/-/media/Files/IESO/DocumentLibrary/gas-phase-out/Pathways-to-Decarbonization>.

⁷⁷ The average Ontario system grid emissions five-year average is 24.6 gCO₂e/kWh (2017-21). Source of data: Canada's National Inventory Report, 1990 - 2021, Part 3, Annex 13, Table A13-7: Electricity Generation and GHG Emissions Details for Ontario.

⁷⁸ Figures are approximate.

2022 Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) was established to improve and increase reporting of consistent and comparable climate-related financial risk disclosures in the private sector. Hydro One is committed to understanding the risks and opportunities posed by climate change on our business and providing transparent disclosures of our progress year over year.

We started our journey reporting in alignment with the TCFD recommendations in 2021 (in the 2020 Sustainability Report) and are committed to the sustained improvement of our TCFD reporting. In 2022, we continued to expand our analysis to better understand the future impact of climate change on our business by conducting a climate exposure analysis and preliminary vulnerability screening, that will inform our climate adaptation strategy in the future.

A summary of our alignment with the TCFD recommendations is as follows:

Summary of Alignment With TCFD Recommendations	Location
Governance – Hydro One’s Board of Directors (the Board) and management acknowledge the importance of good governance practices in management of climate-related issues. Hydro One has strong governance and management structures in place to oversee and manage climate-related risks and opportunities. Board Oversight - Hydro One’s Board, through its committees, including the Indigenous Peoples, Safety and Operations (IPSO) Committee, oversees sustainability at Hydro One. - The IPSO Committee reviews our approach to sustainability-related issues, including the environment, operations and grid reliability and efficiency. Further, the IPSO Committee reviews material climate and environment events or developments. - The IPSO Committee also assesses the Company’s programs and approaches related to sustainability objectives, including the standards against which the Company reports about areas such as climate change. - The enterprise risk management (ERM) function facilitates the development of the annual risk profile. Both environmental, social and governance (ESG) and climate risks are considered within the corporate risk profile. Management Oversight - Hydro One’s ESG approach, program and strategy are overseen at an executive level by the Executive Vice President, Strategy, Energy Transition and Human Resources and supported by a Vice President (VP)-level Sustainability Committee. The Committee provides strategic advice and perspectives on current, emerging, and key sustainability issues, including climate change, and provides directional oversight for all other ESG-related committees at the Company. - Hydro One established a Director-level Climate Change Committee to oversee all matters related to climate change. This cross-functional team meets regularly to focus on strategies and approaches to mitigate and adapt to climate change.	Governance section of the 2022 Sustainability Report Board of Directors Mandate IPSO Committee Mandate Management Information Circular

Task Force on Climate-related Financial Disclosures

Summary of Alignment With TCFD Recommendations	Location
Strategy – Hydro One is committed to the ongoing assessment and understanding of climate change risks and opportunities and the impacts on Hydro One’s strategies and business operations.	
• Climate-related risks and opportunities have historically been and continue to be assessed annually through our routine project and operating, maintenance and administration planning processes across Hydro One’s business. Material risks and opportunities are integrated within Hydro One’s long-term business planning and strategy. • Hydro One’s corporate strategy considers the risks of climate change as an integral element of our “Plan, Design and Build a Grid for the Future” strategic priority. We are pursuing various strategic initiatives to build a grid for our customers that is reliable, resilient and flexible while balancing our environmental responsibility.	• Planet section of the 2022 Sustainability Report • Energizing Life for Customers section of the 2022 Sustainability Report • 2022 Annual Report • 2021 TCFD Report
Identifying Climate-Related Risks	
• In 2020, Hydro One conducted an enterprise-level assessment to identify climate-related risks and opportunities, led by our ERM team with input from internal cross-functional subject matter experts. • In 2021, Hydro One conducted climate change scenario analyses to identify the possible financial implications of climate change (positive and negative). High, intermediate and low projections of future climate change scenarios were evaluated – to perform a high-level, top-down quantitative analysis. • The results of the 2021 scenario analysis indicated that forecast acute impacts of climate change have the potential to affect Hydro One infrastructure and operations through increased frequency of extreme weather, flooding and wildfire occurrences and potential increases in freezing rain. The analysis found that weather-related changes could affect Hydro One in all scenarios while physical impacts to infrastructure were anticipated to be highest in the high-warming scenario. • In 2022, we conducted a detailed climate study to characterize and map the changes in climate and weather that are forecast in Ontario to 2080. The locations of Hydro One’s assets were overlaid on the weather mapping to identify assets that could be affected by climate changes forecast for the intermediate and high scenarios used in the 2021 assessment. • The preliminary results of the climate study indicate that by 2050: • Maximum summer temperatures in Hydro One’s southern Ontario service area could approach or exceed the hottest observed temperature in Ontario (≥42.2°C). • Extreme precipitation is projected to increase most significantly in southeastern Ontario to the east of Lake Huron and Georgian Bay; northwestern Ontario could experience increases in longer-duration five-day precipitation events, but less exposure to shorter-duration one-day events. • The potential for asset icing across Hydro One’s entire service territory may increase due to the potential atmospheric temperature fluctuations around 0°C. • Northern Ontario will see an increase in wildfire risk due to drought and increasing temperatures. • In 2023, we plan to dive deeper into the potential for Hydro One’s infrastructure and assets to be adversely or materially affected by these projected climate changes in light of current design, operation and maintenance processes in place to establish a preliminary corporate climate adaptation plan by year-end. • Our material climate-related risks are detailed in our annual and interim management’s discussion and analysis. Hydro One’s corporate strategy considers these risks, through our “Plan, Design and Build a Grid for the Future” strategic priority.	

Task Force on Climate-related Financial Disclosures

Summary of Alignment With TCFD Recommendations	Location
• Physical: Significant climate-related impacts to Hydro One’s business are physical risks to our assets. Our facilities are exposed to the effects of severe weather conditions and natural disasters. The Company recognizes the risks associated with potential climate change and has developed plans to respond as appropriate. Climate change may have the effect of shifting weather patterns and increasing the severity and frequency of extreme weather events and natural disasters, which could impact Hydro One’s business. The Company’s facilities may not withstand occurrences of these types in all circumstances. Notwithstanding Hydro One’s efforts to adapt and increase grid resilience, the Company’s facilities are exposed to risks which may have an adverse effect on grid resilience. • The Company could also be subject to claims for damages from events which may be proximately connected with the Company’s assets (for example, forest fires), claims for damages caused by its failure to transmit or distribute electricity or costs related to ensuring its continued ability to transmit or distribute electricity. The Company does not have insurance for damage to its transmission and distribution wires, poles and towers located outside its transmission and distribution stations resulting from these or other events. Where insurance is available for the Company’s other assets and for damage claims, such insurance coverage may have deductibles, limits and/or exclusions that may still expose the Company to material losses.	
• Policy: We regularly monitor climate change policy developments and assess their potential impact on our business. While we are not a large emitter of GHG, we do seek to minimize our greenhouse gases emissions as part of our strategy to limit our environmental impact. We have developed internal programs to monitor and mitigate, to the extent reasonable, the impacts of GHG emissions, including emissions from SF₆ leaks, and operational fuel use. In addition, we engage in proactive policy development to support greater electrification in Ontario. Policy risks and opportunities are managed by our Regulatory and Policy teams. • Regulatory: Our efforts to build a grid for the future, enable the energy transition, and enhance the resilience of the Ontario grid exist within a regulated context. We continually assess and, where appropriate, advocate changes in the regulatory environment that have an impact on our ability to implement our strategy, and we seek to identify regulatory barriers and/or changes needed for the energy transition, electrification, and to enhance the grid’s resilience. We also regularly review and support development standards, including our specifications, to account for changes in national standards to ensure we are hardening our infrastructure to withstand climate-related hazards. • Market: Hydro One aims to increase the resilience of the grid and support Ontario in unlocking the electrification potential of our economy to mitigate climate change. To realize the electrification and decarbonization potential of the grid, while also ensuring electricity security, Ontario’s grid requires significant investments in efficient, smart and flexible system infrastructure.	• 2021 TCFD Report
Identification of Climate-Related Opportunities • There is opportunity for growth in electricity demand as Ontario increases the electrification and decarbonization of transportation, buildings and industry to mitigate climate change. For Hydro One this opportunity includes, but is not limited to, providing an expanded set of services such as greener solutions and products to manage energy efficiency and usage. • We provide new products and services to customers to help mitigate climate change impacts. – We have invested in the Ivy Charging Network™ (“Ivy”), one of Ontario’s largest, most connected EV fast-charger networks which connects the north to the south and the east to the west. – Ivy has launched Ivy Home to provide turnkey, finance home charging and Level 2 charging through an innovative charging as-a-service business model. – Our wholly owned subsidiary AUX Energy deploys financed, turnkey electrification solutions including battery energy storage, and fleet electrification design, deployment and operations solutions. • We introduce new innovations through our grid resiliency strategy and through our “Innovate and Grow” strategic priority. These are intended to address the impacts of climate change, improve grid reliability, and potentially reduce costs. • The climate scenario analysis conducted in 2021 also illustrated the opportunities in a low-carbon transition by providing greater clarity as to the scale of electricity demand under different scenarios. There is high potential for significant demand increase in all scenarios, but particularly in the low and intermediate warming scenarios. To capitalize on this expected increase in demand, Hydro One will need to continue to invest in the grid. • Hydro One’s strategic priority to “Plan, Design and Build a Grid for the Future” aligns with the risks and opportunities posed by climate change. Through our adaptation program, we are continually investing in grid resilience.	

Task Force on Climate-related Financial Disclosures

Summary of Alignment With TCFD Recommendations	Location
Risk Management – Hydro One has an ERM process to identify, assess and manage risks across the business, including climate-related risks and opportunities. • The Board and its committees are responsible for oversight of the critical enterprise risks of the business, which include ESG. The Board ensures that management has an effective risk management framework, programs and risk mitigation strategies in place, with a view to achieving an appropriate balance between the risks incurred as well as the potential returns and the long-term sustainability of the Company. • The Board oversees and assesses the adequacy and effectiveness of programs and processes for identifying, assessing, and managing or mitigating the Company’s principal risks and ensuring that primary oversight responsibility for each of the key risks identified in the ERM framework is assigned to the Board or one of its committees. • The ERM team provides an annual corporate risk profile report and quarterly updates on the Company’s risk profile to the Board and its committees, consistent with the risk management oversight accountabilities of their mandates and as allocated by the Board. These reports chronicle the most “critical” risks to the achievement of the corporate strategy. • The identification, assessment and management of climate-related risks are integrated within management’s risk accountabilities and Hydro One’s ERM process. The ERM process enables Hydro One to proactively consider the critical and emerging enterprise risks essential to the achievement of our strategic objectives in an integrated, systematic and transparent manner. • Climate-related risks and opportunities are identified and assessed through multiple channels within the organization, including the Sustainability and Environmental teams, and considered part of both the ERM and internal audit planning process.	• Management Information Circular
Metrics and Targets – Hydro One reports year-over-year performance across many areas, including GHG emissions, capital investments and reliability. • As an electricity transmission and distribution company, Hydro One is not considered a “high emitter” of GHG under Canadian law. Accordingly, we are not required to report on GHG emissions (other than SF₆). However, we recognize that GHG emissions are important to many of our stakeholders, and we disclose our annual GHG emissions. • Hydro One has committed to achieving net-zero GHG emissions by 2050. We have established a target to achieve a 30% GHG reduction by 2030, compared to the 2018 baseline. • We measure and report annually on reliability indicators including system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) for our distribution and transmission business. • A key metric of our corporate scorecard for all our management team is reliability, which is impacted by climate-related events.	• Planet section of the 2022 Sustainability Report • GHD Letter of Assurance • 2022 ESG Performance Summary

GRI Content Index

Statement of Use: Hydro One has reported with reference to the GRI Standards for the period from January 1 – December 31, 2022.

GRI 1 used: GRI 1: Foundation 2021

GRI Disclosure	Location or Direct Response
GRI Standards: General Disclosures	
GRI 2-1 – Organizational details	About This Report, Who We Are
GRI 2-2 – Entities included in organization’s sustainability reporting	About This Report
GRI 2-3 – Reporting period, frequency and contact point	About This Report
GRI 2-4 – Restatements of information	There are no restatements of information in this report.
GRI 2-5 – External Assurance	KPMG LLP performed an assurance on a select few metrics related to our public commitments. In addition, our greenhouse gas emissions data was verified by external auditors GHD Limited. About This Report, Appendices – Letters of Assurance
GRI 2-6 – Activities, value chain and other business relationships	Who We Are, Governance
GRI 2-7 – Employees	People
GRI 2-9 – Governance, structure, and compensation	Governance (Governance Structure)
GRI 2-10 – Nomination and selection of highest governance body	Management Information Circular (Nomination of Directors, p. 34-35)
GRI 2-11 – Chair of the highest governance body	Mr. Timothy Hodgson is an independent director and serves as the Chair of the Board.
GRI 2-12 – Role of the highest governance body in overseeing the management of impacts	Governance, Management Information Circular (Environmental, Social & Governance (ESG), p. 40-41; Stakeholder Engagement, p. 52)
GRI 2-13 – Delegation of responsibility for managing impacts	Governance
GRI 2-14 – Role of the highest governance body in sustainability reporting	About This Report, Governance

GRI Content Index

GRI Disclosure	Location or Direct Response
GRI Standards: General Disclosures (continued)	
GRI 2-19 – Remuneration Policies	Management Information Circular Director Compensation, p. 24; Compensation Discussion and Analysis, p. 67-71; Compensation Governance, p. 71-73.
GRI 2-20 – Process to determine remuneration	Management Information Circular Director Compensation, p. 24; Executive Compensation Decision-making Process, p. 74-75.
GRI 2-22 – Statement on sustainable development strategy	Message from Our Chair, Message from Our President and CEO
GRI 2-23 – Policy Commitments	Governance, Code of Business Conduct
GRI 2-24 – Embedding policy commitments	Governance
GRI 2-26 – Mechanisms for seeking advice and raising concerns	Governance (Ethical Business Conduct) , 2022 ESG Performance Overview , Code of Business Conduct , Whistleblower Policy , Ombudsman
GRI 2-27 – Compliance with laws and regulations	Environmental Management
GRI 2-28 – Membership associations	In 2022, Hydro One was a member of the Canadian Manufacturers and Exporters, Electricity Canada, C.D. Howe Institute, Edison Electric Institute, Electricity Distributors Association, Energy Storage Canada, Institute of Corporate Directors, North American Transmission Forum, Ontario Chamber of Commerce, Ontario Energy Association, Ontario Energy Network, Plug’n Drive, Public Policy Forum, Toronto Region Board of Trade, Western Energy Institute, Young Energy Professionals Network and a supporter of the Ivey Energy Policy and Management Centre.
GRI 2-29 – Approach to stakeholder engagement	Our Approach, Community, How We Listen to Stakeholders and Indigenous Communities
GRI 2-30 – Collective bargaining agreements	2022 Annual Report Hydro One Work Force, p. 30.
Material topics	
GRI 3-1 – Process to determine material topics	Our Approach
GRI 3-2 – List of material topics	Our Approach
GRI 3-3 – Management of material topics	Approach (within material topic of each section)

GRI Content Index

GRI Disclosure	Location or Direct Response																
GRI Standards: Topic-Specific Disclosures																	
Economic Performance																	
GRI 201-1 – Direct economic value generated and distributed	Economic value created for stakeholders as of December 31, 2021. All amounts approximate. In millions of dollars.⁷⁹ <table><tr><td>Economic Value Generated (Revenues)</td><td>\$ 7,819</td></tr><tr><td>Economic Value Distributed</td><td>\$ 8,727</td></tr><tr><td>Payments to Suppliers</td><td>\$ 5,309</td></tr><tr><td>Payments to Employees</td><td>\$ 1,631</td></tr><tr><td>Payments to Providers of Capital</td><td>\$ 1,199</td></tr><tr><td>Payments to Governments</td><td>\$ 488</td></tr><tr><td>Payments to Indigenous Businesses</td><td>\$ 96</td></tr><tr><td>Community Investments</td><td>\$ 4</td></tr></table>	Economic Value Generated (Revenues)	\$ 7,819	Economic Value Distributed	\$ 8,727	Payments to Suppliers	\$ 5,309	Payments to Employees	\$ 1,631	Payments to Providers of Capital	\$ 1,199	Payments to Governments	\$ 488	Payments to Indigenous Businesses	\$ 96	Community Investments	\$ 4
Economic Value Generated (Revenues)	\$ 7,819																
Economic Value Distributed	\$ 8,727																
Payments to Suppliers	\$ 5,309																
Payments to Employees	\$ 1,631																
Payments to Providers of Capital	\$ 1,199																
Payments to Governments	\$ 488																
Payments to Indigenous Businesses	\$ 96																
Community Investments	\$ 4																
Indirect Economic Impacts																	
GRI 3-3 – Management of material topics	Community																
GRI 203-1 – Infrastructure investments and services supported	Community																
Procurement Practices																	
GRI 204-1 – Proportion of spending on local suppliers	Energizing Economies and Communities (Energizing Economies – 2022 Performance)																
Anti-corruption																	
GRI 3-3 – Management of material topics	Our Approach, Governance																
GRI 205-1 – Operations assessed for risks related to corruption	Governance (Ethical Sourcing)																
GRI 205-2 – Communication and training about anti-corruption policies and procedures	Governance (Ethical Business Conduct)																

⁷⁹ Economic value distributed as defined by the [GRI disclosure 201-1](#). This is not a financial reporting indicator and should not be confused with our year-end financial statements.

GRI Content Index

GRI Disclosure	Location or Direct Response		
Emissions			
GRI 3-3 – Management of material topics	Planet		
GRI 305-1 – Direct (Scope 1) GHG emissions	2022 ESG Performance Overview		
GRI 305-2 – Energy indirect (Scope 2) GHG emissions	2022 ESG Performance Overview		
Waste			
GRI 307-1 – Non-compliance with environmental laws and regulations	Environmental Management		
Employment			
GRI 401-1 – Employee hires and turnover ⁸⁰	2022 New Hires		
	New Hire Count and Rate: 264; 4%	% of Total Hires Women: 30% Men: 70%	Ages 20–29: 28.8%
			Ages 30–39: 42.0%
			Ages 40–49: 20.5%
			Ages 50–59: 6.8%
			Ages 60–69: 1.9%
2022 Turnover			
Count and Rate: 398; 6%	% of Total Turnover Women: 30% Men: 70%	Ages 20–29: 5.2%	
		Ages 30–39: 16.1%	
		Ages 40–49: 11.3%	
		Ages 50–59: 34.4%	
		Ages 60–69: 31.2%	
		Ages 70–79: 1.8%	

⁸⁰ Attrition rate is calculated based on voluntary, involuntary, retirement and other departures as a percentage of the average annual number of regular employees.

GRI Content Index

GRI Disclosure	Location or Direct Response
Health and Safety	
GRI 3-3 – Management of material topics	People
GRI 403-1 – Occupational health and safety management system	People
GRI 403-8 – Workers covered by an occupational health and safety management system	People
GRI 403-9 – Work-related injuries	People, 2022 ESG Performance Overview
Diversity and Equal Opportunity	
GRI 3-3 – Management of material topics	People
GRI 405-1 – Diversity of governance bodies and employees	People, 2022 ESG Performance Overview
Rights of Indigenous Peoples	
GRI 3-3 – Management of material topics	Community

GRI Content Index

GRI Disclosure	Location or Direct Response				
General Standard Disclosures for the Electric Utility Sector					
GRI EU2 – Net energy output broken down by primary energy source and by regulatory regime	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). The Ontario system-wide electricity supply mix for 2022 can be accessed at: https://www.hydroone.com/about/regulatory/supply-mix				
GRI EU3 – Number of residential, industrial, institutional and commercial customer accounts	SASB Table				
GRI EU4 – Length of above and underground transmission and distribution lines by regulatory regime	Who We Are				
	TX OVERHEAD 115 kV: 10,324 km 230 kV (including 345 kV): 14,467 km 500 kV: 4,469 km	TX UNDERGROUND 115 kV: 218 km 230 kV: 55 km	DX OVERHEAD 14.4/25.01 kV: 5,494 km 16.0/27.6 kV: 11,351 km 2.4/4.16 kV: 1,476 km 4.8/8.32 kV: 50,664 km 44 kV: 10,045 km 7.2/12.51 kV: 34,829 km 8.0/13.8 kV: 305 km	DX UNDERGROUND 14.4/25.01 kV: 101 km 16.0/27.6 kV: 2,662 km 2.4/4.16 kV: 369 km 4.8/8.32 kV: 2,302 km 44 kV: 61 km 7.2/12.51 kV: 879 km 8.0/13.8 kV: 178 km	DX SUBCABLE 14.4/25.01 kV: 412 km 16.0/27.6 kV: 97 km 2.4/4.16 kV: 13 km 4.8/8.32 kV: 343 km 44 kV: 25 km 7.2/12.51 kV: 3,133 km 8.0/13.8 kV: 0.5 km

GRI Content Index

GRI Disclosure	Location or Direct Response
GRI EU15 – Percentage of employees eligible to retire in the next 5 and 10 years (workforce and job category) ⁸¹	Electrical power line and cable workers: • % of Workforce: 5 Year: 2%, 10 Year: 3% • % of NOC: 5 Year: 9%, 10 Year: 15% Electrical and electronics engineers: • % of Workforce: 5 Year: 2%, 10 Year: 3% • % of NOC: 5 Year: 15%, 10 Year: 29% Electrical and electronics engineering technologists and technicians: • % of Workforce: 5 Year: 1%, 10 Year: 2% • % of NOC: 5 Year: 13%, 10 Year: 24% Silviculture and forestry workers: • % of Workforce: 5 Year: 0.4%, 10 Year: 1% • % of NOC: 5 Year: 7%, 10 Year: 19% Other customer and information services representatives: • % of Workforce: 5 Year: 1%, 10 Year: 2% • % of NOC: 5 Year: 24%, 10 Year: 46% Professional occupations in business management consulting: • % of Workforce: 5 Year: 1%, 10 Year: 2% • % of NOC: 5 Year: 24%, 10 Year: 46% Contractors and supervisors, electrical trades and telecommunications occupations: • % of Workforce: 5 Year: 1%, 10 Year: 2% • % of NOC: 5 Year: 27%, 10 Year: 48% Power system electricians: • % of Workforce: 5 Year: 1%, 10 Year: 1% • % of NOC: 5 Year: 21%, 10 Year: 32% General office support workers: • % of Workforce: 5 Year: 1%, 10 Year: 1% • % of NOC: 5 Year: 29%, 10 Year: 47%
GRI EU28 – Power outage frequency	2022 ESG Performance Overview
GRI EU29 – Average power outage duration	2022 ESG Performance Overview

⁸¹ NOC is the National Occupational Classification and the region for reporting is Canada.

Independent Practitioner’s Limited Assurance Report

To the Management of Hydro One Limited,

We have undertaken a limited assurance engagement on certain sustainability performance measures of Hydro One Limited (the “Entity”) denoted by the symbol † included in the accompanying 2022 Sustainability Report (“the Sustainability Report”) (“subject matter information”), and as described below, for the period from January 1, 2022 to December 31, 2022.

Subject Matter Information	Units	Applicable Criteria
Indigenous procurement spend to total spend	%	Internally developed criteria
Fleet electrification	%	
Executive diversity – Women	%	

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report, and accordingly, we do not express a conclusion on this information.

Management’s responsibilities

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria (the “applicable criteria”).

There are no mandatory external requirements for the preparation or presentation of the subject matter information. As such, the Entity has applied internally developed criteria, which is presented on [page 43](#) of the Sustainability Report. Management is responsible for the development of such criteria.

Management is responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining the Entity’s objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Practitioner’s Responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on

Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether, based on the procedures performed and evidence obtained, any matter has come to our attention that causes us to believe that the subject matter information is materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included: assessing the appropriateness of the subject matter information, the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement and evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of subject matter information and the reasonableness of estimates made by the Entity.

Our engagement included, amongst others, the following procedures: making inquiries, primarily of persons responsible for the preparation of performance information for the subject matter information, and applying analytical and other evidence gathering procedures, as appropriate.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

Practitioner’s Independence and Quality Management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that included in the Sustainability Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read the Entity’s reporting methodology available within the Sustainability Report.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity’s subject matter information for the period from January 1, 2022 to December 31, 2022, is not prepared and presented, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information

The subject matter information has been prepared in accordance with the applicable criteria and as a result may not be suitable for another purpose.

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
August 8, 2023

Letter of Assurance

Dear Ms. Pettigrew:

The purpose of this letter is to clarify matters set out in the Assurance Report. It is not an Assurance Report and is not a substitute for the Assurance Report.

This letter and the verifier’s Assurance Report, including the opinion(s), are addressed to you and are solely for your benefit in accordance with the terms of the contract. We consent to the release of this letter by you for inclusion in your corporate sustainability report.

In accordance with our engagement with you, and for the avoidance of doubt, we confirm that our *Verification Report: 2022 GHG Report* to you dated July 14, 2023 (the “Assurance Report”) incorporated the following matters:

1. Boundaries of the reporting company covered by the Assurance Report and any known exclusions:

Hydro One Limited, through its wholly owned subsidiaries, is Ontario’s largest electricity transmission and distribution provider with approximately 1.4 million valued customers. Emissions from Hydro One Networks Inc. (Networks), Hydro One Remote Communities (Remotes), and Acronym Solutions (Acronym) were included. Verification is completed at the corporate level.

The inventory boundary includes fleet fuel combustion emissions, stationary combustion emissions, electricity generation emissions, fugitive SF6 and refrigerants, emissions from purchased electricity, and electricity transmission/ distribution line losses.

GHG emission avoidance from Hydro One programs and projects that are supporting Ontario decarbonization goals were verified.

2. Emissions data verified – broken down by Scope 1 and Scope 2 categories with figures given; option to include other relevant data that has been verified with figures:

Total Entity-Wide Emissions Verified	
Total Scope 1 Emissions:	149,995.03 tonnes CO ₂ e
Total Scope 2 Emissions:	162,337.10 tonnes CO ₂ e
Avoided Emissions	2,905.78 tonnes CO ₂ e

3. Period covered (e.g., ‘12 months to DD MM YY’):

The reporting period is between 01/01/22 and 31/12/22.

4. Verification standard used:

For the verification of the 2022 GHG Report, GHD has applied ISO 14064–3. The verification was also completed in general accordance with the requirements of the GHG Protocol.

5. Assurance opinion (incl. level of assurance and any qualifications):

Materiality for this verification has been set at 5 percent for Hydro One's direct (Scope 1), indirect (Scope 2), and avoided emissions as per the guidance of the GHG Protocol.

GHD’s assessment of all data provided by Hydro One, has indicated the following net discrepancies:

- Net sum of Scope 1 discrepancies: 0.0064 percent
- Net sum of all Scope 2 discrepancies: 0.0006 percent
- Net sum of all avoided emissions discrepancies: 0 percent

The purpose of this verification was to have an independent third party assess Hydro One’s 2022 GHG Report, calculations and compliance with the requirements of the ISO Standard ISO 14064 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions (ISO 14064–3), the GHG Protocol and associated guidance. The verification was completed to a reasonable level of assurance.

Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements.

6. Verification provider and accreditations (if relevant):

VERIFICATION BODY NAME: GHD Limited

VERIFICATION BODY ADDRESS: 455 Phillip Street, Unit #100A, Waterloo, Ontario, N2L 3X2

VERIFICATION BODY CONTACT: Mr. Gordon Reusing

TITLE: Principal

TELEPHONE: 519–340–4231

EMAIL: Gordon.Reusing@ghd.com

Accreditations: GHD is accredited by the American National Standard Institute (ANSI) under ISO 14065 to provide organizational level verification services.

7. Lead verifier name and relevant accreditations/professional membership (if relevant):

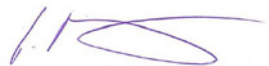
LEAD VERIFIER: Mr. Gordon Reusing

TITLE: Principal

TELEPHONE: 519–340–4231

EMAIL: Gordon.Reusing@ghd.com

8. This letter should be prepared on the verifier's letterhead or include the signature of the lead verifier (or authorized signatory/organization responsible for issuing the Assurance Report/statement) in the box below:



Gordon Reusing
M.A.Sc., P.Eng., PE

Forward-looking Statements

Certain information in this report contains “forward-looking information” within the meaning of applicable Canadian 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, and the regulatory and economic environments in which Hydro One operates and includes beliefs of and assumptions made by management. Such statements include, but are not limited to, the Company’s expectations regarding electrification and energy transition in Ontario, including the Company’s role in facilitating the transition, the transition’s impact on the Company and its stakeholders, the opportunities arising from the transition, related investments and the anticipated impacts of such investments; future energy demands and the impacts of such demands; the Company’s transmission and distribution rate applications including the JRAP and the proposed 2023–27 investment plan, as well as resulting rates, recovery and expected impacts and timing; the Company’s efforts to improve reliability and performance of its transmission and distribution systems; the Company’s ongoing and planned sustainability priorities and commitments, including target dates, as they relate to diversity, equity and inclusion, human resources, environmental programs, climate change mitigation and adaptation, Indigenous, community and business partnerships, customers and other initiatives and related plans and anticipated results; the Company’s goal to have 30% female executives and female board members; the Company’s goal to have 3.5% Black executives and Board members and 5% Black student hires by 2025; the Company’s goal to achieving a target of 30% reduction of GHG emissions by 2030 and net-zero GHG emissions by 2050; the Company’s goal to convert 50% of its fleet of sedans and SUVs EVs or hybrids by 2025 and 100% by 2030; the Company’s goal to phase out PCB containing electrical equipment by 2025; the Company’s goal of Indigenous procurement spend of 5% of the Company’s total procurement spend by 2026; the Company’s commitment to direct 20% of its community investment donations and sponsorships to Indigenous communities and organizations and the Company’s efforts to increase procurement spend with other historically under-represented demographics; the Company’s plans to minimize SF₆ gas releases and the use of SF₆; the Company’s expectations to issue sustainable financing instruments under the Company’s sustainable financing framework and to allocate the net proceeds from offerings in eligible green and social project categories; the Company’s plan to annually review its sustainability priorities and publicly report its progress in future sustainability reports; the Company’s plans for building a stronger safety culture, including its goal to eliminate life-altering injuries and fatalities at Hydro One by 2024 and related plans and actions; the Company’s commitment to develop and innovate through partnerships with industry organizations and work with partners, including relationships with Indigenous suppliers through key programs and initiatives; the Company’s goals of creating and sustaining an inclusive and equitable culture and workplace, including its aim to hire the best apprentice talent and removing bias and barriers in its hiring processes; the Company’s plans related to future EV adoption; the Company’s work on completing its Climate Change Adaptation Plan; adjustments to the Company’s vegetation maintenance program; expectations regarding the potential development opportunities that can be realized from the Company’s Equity Partnership Model; expectation regarding completion of the Waasigan Transmission Line including ownership and anticipated benefits; the timing of water treatment plant connections; updates to the Company’s community investment strategy; investment in and development and expansion of broadband-enabling infrastructure and results of related projects; the Company’s efforts to build a sustainable supply chain and the impacts of such supply chain; and expected future capital investments and expenditures and the nature and timing of these investments and expenditures and anticipated results.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “projects”, “forecast”, “potential”, “strategy”, “intend”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “commitment”, “target”, “can”, “continue” and negative and grammatical variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance 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.

The forward-looking information in this report is based on a variety of factors and assumptions including, but not limited to: the scope of the COVID-19 pandemic and duration thereof as well as the effect and severity of corporate and other mitigation measures on the Company’s operations, supply chain or employees; no unforeseen changes in the legislative and operating framework for Ontario’s electricity market; favourable decisions from the OEB and other regulatory bodies concerning outstanding and future rate and other applications; no unexpected delays in obtaining required regulatory approvals; no unforeseen changes in rate orders or rate setting methodologies for Hydro One’s distribution and transmission businesses; no unfavourable changes in environmental regulation; continued use of U.S. generally accepted accounting principles (GAAP); a stable regulatory environment; no significant changes to the Company’s current credit ratings; no unforeseen impacts of new accounting pronouncements; no changes to expectations regarding electricity consumption; no unforeseen changes to economic and market conditions; recoverability of costs and expenses related to the COVID-19 pandemic, including the costs of customer defaults resulting from the pandemic; completion of operating and capital projects that have been deferred; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to Hydro One, including information obtained from third-party sources. Actual results may differ materially from those predicted by such forward-looking information. While Hydro One does not know what impact any of these differences may have, Hydro One’s business, results of operations, financial condition and credit stability may be materially adversely affected if any such differences occur.

Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in more detail in the sections entitled “Forward-Looking Information” and “Risk Factors” in Hydro One Limited’s most recent annual information form, the sections entitled “Risk Management and Risk Factors” and “Forward-Looking Statements and Information” in Hydro One Limited’s most recent annual management’s discussion and analysis of its financial condition and results of operations and the section entitled “Forward-Looking Statements and Information” in Hydro One Limited’s most recent interim management’s discussion and analysis of its financial condition and results of operations which are filed on SEDAR+ under Hydro One Limited’s profile at www.sedarplus.com. You should review such materials in detail, including the matters referenced therein.

Hydro One does not undertake or assume any obligation to update or revise any forward-looking information for any reason, except as required by applicable securities laws.