

2020 Environmental, Social and Governance Report

We are pleased to present Toronto Hydro's 2020 report on Environmental, Social and Governance (ESG). The 2020 year was challenging as we dealt with the significant impacts of the global COVID-19 pandemic. The challenges were compounded by the first fatality Toronto Hydro has experienced since 1992. This loss affected all of us deeply and we are committed to continuing to investigate and implement opportunities to prevent such tragedies in the future. We are incredibly proud of how Toronto Hydro's employees have handled these challenges throughout the year while continuing to deliver outstanding results.

The following ESG report highlights Toronto Hydro's 2020 performance. It is the fifth report that Toronto Hydro has issued on its ESG performance in accordance with requirements from the Global Reporting Initiative (GRI) Standards.

Toronto Hydro's 2020 ESG highlights include:

- Successfully implemented measures to avoid transmission of COVID-19 in our workplace
- Successfully implemented our rates decision, which will provide us with nearly \$3.8 billion in capital and operations funding over 2020-2024 while also decreasing residential distribution rates by 17 percent in 2020 over 2019
- Invested more than \$610 million primarily in the distribution system, including customer connections and infrastructure renewal
- Provided support to customers experiencing economic stress during this unprecedented time, including extending the suspensions of
 disconnections, working directly with customers to offer greater flexibility on payment options, and providing additional support
 through financial assistance programs (including the provincial COVID-19 Energy Assistance Programs)
- Ranked first among utilities worldwide by Corporate Knights and honoured as one of its best 50 Corporate Citizens in Canada
- Paid dividends totalling over \$92 million to our shareholder, the City of Toronto, which can be used to fund essential City services for the benefit of Toronto residents
- Raised approximately \$560,000 for the Ross Tilley Burn Centre (Sunnybrook Hospital) and the United Way

- Decreased waste sent to landfill by 19% compared to 2019
- Decreased energy use (electricity, natural gas, diesel and gasoline) by 8% compared to 2019
- Achieved third-party assurance towards two internationally recognized Safety and Environmental Management System standards

Toronto Hydro has continued its efforts to build a distribution grid that is more resilient and able to withstand extreme weather events resulting from climate change. We have also continued to facilitate the connection of renewable generation throughout the city, and advanced innovative technologies such as combined solar and battery energy storage systems. A combined solar and energy storage project at a Toronto Paramedic Services station generated more than 50% of the station's electricity needs in 2020. This and other similar innovations will help drive the decarbonization of the distribution grid in Toronto.

We are also proud to be leaders in the electrification of transportation. In 2020, we embarked on a pilot project with the City of Toronto to provide on-street electric vehicle charging in areas where residents of Toronto don't have driveways or garages to allow for at-home charging. This will increase access to charging facilities and eliminate one of the barriers to the adoption of electric vehicles. We have also committed that, where available, all purchased Toronto Hydro light-duty passenger vehicles will be hybrid or fully electric.

Toronto Hydro's overall performance demonstrates a strong commitment to ESG and how it facilitates success in all areas of the corporation. For seven years, we have aligned our business practices with the ISO 26000 Guidance on Social Responsibility, which has resulted in more efficient use of natural resources, greater productivity and the integration of sustainability throughout our supply chain.

Anthony Haines
President and CEO

Ave Lethbridge EVP and Chief Human Resources and Safety Officer

Toronto Hydro has integrated ESG reporting throughout many of its externally published reports. The following index report highlights the GRI disclosures required for Toronto Hydro and provides links to where these disclosures have been externally reported. If the disclosure has not been externally reported previously, this report includes the relevant discussion.

GRI Indicator or Disclosure of Management Approach (DMA)	Reference or Information				
General Standard Disclosures					
Organizational Profile					
102-1 – Name of organization	Toronto Hydro Corporation				
102-2 – Activities, brands, products and services	2020 Annual Information Form - pages 14-15				
102-3 – Location of headquarters	Toronto Hydro's registered office is located at 14 Carlton Street, Toronto, Ontario, Canada, M5B 1K5				
102-4 – Location of operations	Toronto, O	Toronto, Ontario, Canada			
102-5 – Ownership and legal form	2020 Annual Information Form - page 13				
102-6 – Markets served	City of Toronto				
102-7 – Scale of the organization	Toronto Hydro delivers electricity to approximately 781,000 customers located in the City of Toronto.				
102-8 – Information on employees and	Toronto Hydro employed 1,302 employees as of December 31, 2020. The breakdown of employees is as				
other workers	follows:				
		Permanent	Contract	Part-time	
	Male	933	20	0	
	Female	331	15	3	
102-9 – Supply chain	Toronto Hydro extends the sustainability program to its vendors and contractors through the consideration of sustainability measures during the vendor selection process and ongoing monitoring throughout the life of the contracts. A dedicated team is responsible for facilitating the timely and cost-effective procurement of services, materials and equipment. This team is also responsible for maintaining the inventory to support uninterrupted work and managing material handling costs. In 2020, Toronto Hydro procured, warehoused and distributed approximately \$113 million in assets, and executed approximately 250 contracts for the supply of goods and services.				
102-10 – Significant changes to the organization and its supply chain	None				
102-11 – Precautionary principle or approach	Toronto Hydro has policies and has implemented standards and practices that serve to protect the natural environment, aligned with the precautionary principle (i.e. where there are threats of				

	serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing				
	cost-effective measures to prevent environmental degradation ¹).				
102-12 – External initiatives	Toronto Hydro maintains the following external certifications:				
	 International Organization for Standardization (ISO) 14001:2015 Environmental Management Systems 				
	2. ISO 45001:2018 Occupational Health and Safety Management System				
	3. BOMA BEST Certification for two out of four work centres:				
	a. The Williams Centre (71 Rexdale Blvd) - BOMA BEST Gold				
	b. 715 Milner Ave BOMA BEST Gold				
	4. Canadian Electricity Association's (CEA) Sustainable Electricity Company brand designation				
	Since 2018, Toronto Hydro has been a signatory to Electricity Human Resources Canada's Leadership				
	Accord on Gender Diversity to affirm the organization's commitment to advance governance, education				
	and practices that support women to both understand the opportunities available in the electricity				
	industry as well as achieve equal opportunities for growth and development.				
	Since 2020, Toronto Hydro has also been a supporter of Catalyst, a global non-profit working to build workplaces that work for women. Supporters of Catalyst are organizations committed to accelerating progress for women through workplace inclusion.				
	Through collaborations with the CEA and local colleges and universities, the focus of Toronto Hydro's continuous efforts has been on the promotion and mentorship of women to pursue educational programs in electrical engineering fields of study, to avail a gender diverse talent pipeline to fulfill short and long-term workforce staffing and succession management requirements.				
102-13 – Membership of associations	Toronto Hydro maintains an active role in a number of associations, including: Association of Electrical Utility Safety Professionals, Board of Canadian Registered Safety Professionals, Canadian Electricity Association, Canadian Standards Association and Infrastructure Health and Safety Association.				
102-14 – Message from the Chair and	Pages 1 and 2 of this report				
President and CEO	rages I and 2 of this report				
Ethics and Integrity					
102-16 – Values, principles, standards	Toronto Hydro is committed to delivering safe and reliable electricity to its customers in an				
and norms of behaviour	environmentally responsible manner at optimal costs.				

¹ Principle 15 of *The Rio Declaration on Environment and Development*

	Additionally, an internal definition of sustainability has been created which guides the approach to		
	sustainability. Toronto Hydro defines sustainability as "the elimination of waste." Specifically, this		
	includes the elimination of wasted natural resources, human potential and economic resources.		
	Toronto Hydro has four corporate pillars: People, Financial Strength, Operations and Customer Service These pillars are at the core of the business strategy and are linked to the material sustainability issues for Toronto Hydro. Through these pillars, Toronto Hydro has engrained sustainability into all aspects of the business.		
Governance			
102-18 – Governance structure	2020 Annual Information Form - page 45-47		
	torontohydro.com - About Us		
	A number of Toronto Hydro's material sustainability issues have been incorporated in corporate performance objectives, including: service reliability, occupational health and safety, and employee engagement. Executive officers are eligible for performance-based incentive compensation when the company achieves its corporate performance objectives. Each of these performance objectives are reasonably difficult to attain, and serve to encourage success and continual improvement in both the executive officers' performance and Toronto Hydro's overall results.		
Electric Utility Sector Disclosures			
G4-EU3 – Number of customer accounts	2020 Annual Information Form - page 17		
G4-EU4 – Length of distribution lines	2020 Annual Information Form - page 15		
Stakeholder Engagement			
102-40 – List of stakeholder groups	Toronto Hydro's stakeholders include: customers (residential and commercial); key accounts such as hospitals; colleges and universities; employees and contractors; financial markets; government bodies; industry associations, regulators, and the City of Toronto (Toronto Hydro's sole shareholder).		
102-41 – Collective bargaining	56% of permanent employees are covered by collective bargaining units. Labour unions are The Power		
agreements	Workers' Union (PWU) and The Society of United Professionals.		
102-42 – Identifying and selecting	Toronto Hydro selects the stakeholders with whom to engage on sustainability issues based on their		
stakeholders	influence, impact and responsibility.		
102-43 – Approach to stakeholder	Communication with stakeholders is completed through a variety of methods, including surveys,		
engagement	participation in working groups, internal and external newsletters, leadership engagement and the key accounts program.		
102-44 – Key topics and concerns raised	The key topics and concerns raised are included in the list of material topics (refer to disclosure 102-47).		

Reporting Practice			
102-45 – Entities included in the	2020 Annual Financial Report - page 6		
consolidated financial statements			
102-46 – Defining report content and	The content for Toronto Hydro's sustainability communications and this summary report were		
topic boundaries	determined through extensive discussions with various stakeholders (further information is provided in		
	the materiality assessment section of this report). While developing sustainability content, Toronto		
	Hydro also applied the four reporting principles from the GRI Standards: Stakeholder Inclusiveness,		
	Sustainability Context, Materiality and Completeness.		
102-47 – List of material topics	Toronto Hydro's material topics are:		
	Service Reliability, Grid Investment, Public Health and Safety, Occupational Health, Safety and Wellness,		
	Emergency Preparedness and Response.		
	Other sustainability topics raised by Toronto Hydro's stakeholders include:		
	Air Emissions, Climate Change, Conservation and Demand Management, Economic Performance,		
	Employee Attraction and Retention, Waste and Spills Management, Materials Selection and Usage,		
	Responsible Communication and Education, Strategic Community Sponsorship, and Training and		
	Education.		
102-48 – Restatements of information	Toronto Hydro's process for calculating the annual recycling rate was changed in 2020 to include the		
	waste identified in O. Reg. 103/94 Industrial, Commercial and Institutional Source Separation Programs		
	as well as some electric utility-specific waste such as concrete and wood utility poles. Previously, the		
	utility-specific waste was not included in the calculation. The updated process provides a more accurate		
	representation of Toronto Hydro's recycling performance. The waste generated and waste recycled in		
	the Environmental, Social and Governance Metrics document have been restated for 2018 and 2019 to		
	align with the change.		
102-49 – Changes in reporting	None		
102-50 – Reporting period	The calendar year ending December 31, 2020.		
102-51 – Date of most recent report	Toronto Hydro's latest report was for the 2019 calendar year. The report was released on April 23, 2020.		
102-52 – Reporting cycle	Annual		
102-53 – Contact point for questions	Accountability for the production of the ESG Report lies with the Toronto Hydro Sustainability and		
regarding the report	Training Department.		
	Input from the public about this report is welcomed. Please send feedback to		
	sustainability@torontohydro.com.		
	Inquiries can also be directed to:		
	Executive Vice-President and Chief Human Resources & Safety Officer		

	Toronto Hydro		
	14 Carlton Street		
	Toronto, ON M5B 1K5		
102-54 – Claims of reporting in	This summary report was prepared in accordance with the GRI Standards: Core option, and includes		
accordance with the GRI Standards	additional disclosures required by the G4 Electric Utilities Sector Disclosures document.		
102-55 – GRI content index			
102-56 – External assurance	Toronto Hydro's GRI content index is this table.		
102-36 – External assurance	Toronto Hydro has numerous controls and systems in place which ensure accurate information is collected and reported. Examples of these controls and systems include:		
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	 Periodic data verification as part of the Canadian Electricity Association's Sustainable Electricity Program 		
	Annual audits of the environmental and occupational health and safety management systems to		
	verify conformance with ISO 14001:2015 and ISO 45001:2018		
	 Annual Electrical Safety Authority audit to verify compliance with the Electrical Distribution 		
	Safety requirements set out in <i>Ontario Regulation 22/04</i>		
	Annual external audit of consolidated financial statements		
	Biennial environmental and occupational health and safety audits to verify conformance with		
	applicable legislation		
Topics			
Economic			
Topic: Economic Performance			
GRI 201 Economic performance	2020 Annual Financial Report - page 53		
management approach			
201-1 – Direct economic value generated	2020 Annual Financial Report - page 9		
and distributed			
Topic: Availability and Reliability			
G4-DMA	2020 Environmental Performance Report - pages 16-19		
G4-EU10 – Planned capacity against	As defined in the GRI G4 Electric Utilities Sector Disclosures document, capacity is the maximum amount		
projected electricity demand over the	of power that an entity can produce. This indicator has been omitted as Toronto Hydro is not an		
long term	electricity generation company.		
Topic: Demand-Side Management			
G4-DMA	2020 Annual Financial Report - pages 53-54		
Topic: Research and Development			
G4-DMA	2020 Environmental Performance Report - pages 15-16		

Environmental			
Topic: Emissions			
GRI 305 Emissions – Management approach	The Environmental Policy at Toronto Hydro requires the development of objectives, procedures and other actions to protect the environment, including minimizing the release of greenhouse gas (GHG) emissions. In respect of the Environmental Policy, Toronto Hydro sets targets for the reduction of GHGs and monitors the performance against the targets on a monthly basis. Toronto Hydro's GHG emissions are below the reporting threshold for Environment Canada's National Pollutant Release Inventory (NPRI). The NPRI represents public disclosure of Toronto Hydro's carbon footprint.		
305-1 – Direct (Scope 1) GHG emissions	Environmental, Social and Governance Metrics 2020		
305-2 – Energy indirect (Scope 2) GHG	Environmental, Social and Governance Metrics 2020		
emissions			
Topic: Effluents and Waste			
GRI 306 Effluents and Waste –	Toronto Hydro has made a commitment to consider the environment in business practices. This		
Management approach	commitment is core to the Environmental Policy at Toronto Hydro and requires the effective		
	 management of all environmental aspects of the organization. Toronto Hydro has developed a list of significant environmental aspects as required by ISO 14001:2015. Three significant environmental aspects have been identified for effluents and waste: 1. Handling and disposal of liquid hazardous and non-hazardous waste from field operations and work centres. 2. Handling and disposal of solid hazardous and non-hazardous waste from field operations and work centres. 3. Spills of oil, specifically containing PCBs with a concentration of greater than two parts per million (ppm). 		
306-3 – Significant spills	System-wide measures have been put in place to address and effectively manage these significant environmental aspects. These measures include comprehensive spill response and reporting procedures, and hazardous and non-hazardous waste management programs. Environmental, Social and Governance Metrics 2020		
Topic: Compliance			
GRI 307 Environmental Compliance –	2020 Annual Information Form - pages 21-22		
Management approach			

307-1 – Non-compliance with	Toronto Hydro did not receive any fines or non-monetary sanctions for non-compliance with
environmental laws and regulations	environmental laws and regulations in 2020.
Topic: Supplier Environmental Assessment	
GRI 308 Supplier Environmental Assessment – Management approach	A competitive bidding process for the selection and screening of vendors is an integral part of the Toronto Hydro Procurement Policy and central to improving environmental performance in Toronto Hydro's supply chain. In accordance with ISO 26000:2010, Toronto Hydro's request for proposal (RFP) process includes the consideration of a potential vendor's recycling programs, sustainability programs, and environmentally-friendly products and packaging.
	Supplier scorecards, key performance indicators and regular interval meetings are used to manage vendors delivering goods and services. Environmental performance of suppliers is monitored through internal groups or external contractors hired to perform quality audits of the services rendered.
308-1 – New suppliers screened using environmental criteria	All new competitively bid suppliers are screened using the above environmental criteria. New products purchased by Toronto Hydro are also reviewed to ensure they do not contain chemicals included in the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade or Stockholm Convention on Persistent Organic Pollutants (POPs). If the products contain chemicals listed in these conventions, which have not been banned in Canada, alternatives must be considered and used if practicable.
Social	·
Topic: Employment	
GRI 401 Employment – Management	2020 Annual Information Form - page 24-25
approach	
401-1 – New employee hires and	Environmental, Social and Governance Metrics 2020
employee turnover	
Topic: Occupational Health and Safety	
GRI 403 Occupational Health and Safety – Management approach	2020 Annual Information Form - page 25
403-2 Types of injury and rates of injury,	Environmental, Social and Governance Metrics 2020
occupational diseases, lost days and	
absenteeism and number of work-related	
fatalities	
Topic: Training and Education	
GRI 404 Training and Education –	Toronto Hydro provides employees with the necessary tools to perform their jobs competently while
Management approach	protecting themselves, co-workers and the public. In order to provide reliable power while ensuring
	employee safety, it is critical to provide employees with the skills, equipment, materials, knowledge and
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leadership required to safely and efficiently perform their jobs. As such, Toronto Hydro provides ongoing education and training to ensure employee competencies are kept up-to-date. Leadership courses, technical training, apprentice training and development opportunities are offered, tailored to individual job requirements. The key performance indicators used to monitor Toronto Hydro's training program are as follows: 1. Training Compliance – percentage of employees in compliance with required training. 2. Training Days – average training days per employee. 3. Training Delivery – the percentage of employees registered versus the actual attendance. Toronto Hydro reports completion of training through dashboards that report the percentage of employees in compliance with each training program. Employee feedback is measured on training programs using a high-impact evaluation process. Enhancements to training programs are continually considered, evaluated and implemented where possible. Employee development and performance is measured through a formal performance management process. Employee performance expectations are linked to key performance indicators and Toronto Hydro's corporate scorecard. Managers establish performance expectations through contracts with employees, and monitor and evaluate performance throughout the year. A robust individual performance management system has been established that values goal-setting, continual feedback, technical and behavioural competency assessments, and development planning. Formal opportunities for managers to discuss performance with employees occur throughout the year. This process is designed to ensure employees receive guidance and feedback to reach their maximum potential. 404-1 – Average hours of training per In 2020, Toronto Hydro employees completed over 56,042 hours of training. A total of 141 different training courses were offered to employees. The breakdown of average training hours is as follows: year, per employee Senior Management 9 hours Supervisor 36 hours **Designated & Technical Professional** 14 hours **Certified & Skilled Trades** 92 hours 13 hours Administrative & Support

404-3 – Percentage of employees					
receiving regular performance and career	Employee Category	Gender	2020 Performance		
development reviews			Contract/Appraisal Completion Rate		
·	Management	Female	100%		
	Management	Male	100%		
	Society of United Professionals	Female	100%		
	Society of United Professionals	Male	100%		
	Power Workers' Union	Female	100%		
	Power Workers' Union	Male	100%		
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Topic: Supplier Assessment for Labour Pra	ctices				
GRI 414 Supplier Social Assessment –	In accordance with ISO 26000:2010, Toronto Hydro's RFP process includes the consideration of a				
Management approach	potential vendor's human rights policies, governance and rules concerning conflict of interest and non-collusion. The bidding process evaluates health and safety compliance and ability to adhere to Toronto				
	Hydro's workplace policies and procedures. To help ensure that suppliers are following responsible				
	labour practices, Toronto Hydro evaluates their corporate policies and procedures, and often performs				
	more detailed assessments with regard to the supplier's location or in absence of requested				
	documentation.				
414-1 – New suppliers that were	All new competitively bid suppliers are screened using the above social criteria.				
screened using social criteria	, and the same of				
Topic: Disaster/Emergency Planning and F	Response (Electric Utilities	Sector Discl	osures)		
G4-DMA	2020 Environmental Perf	ormance Re	port - pages 19 - 22		
Topic: Customer Health and Safety					
GRI 416 Customer Health and Safety –	2020 Annual Information Form - page 37				
Management approach					
416-2 – Incidents of non-compliance	Toronto Hydro must comply with the Electrical Distribution Safety requirements set out in <i>Ontario</i>				
concerning the health and safety impacts	Regulation 22/04. The regulation establishes safety requirements for the design, construction and				
of products and services	maintenance of electrical distribution systems. An annual compliance audit is conducted by a third party				
	approved by the Electrical Safety Authority. In 2020, Toronto Hydro successfully completed the audit and				
	· ·	•	nth consecutive year (without any finding	s of non-compliance or	
	areas in need of improve	ment).			

Topic: Access (Electric Utilities Sector Disclosures)			
G4-EU28 – Average power outage	Environmental, Social and Governance Metrics 2020		
frequency			
G4-EU29 – Average power outage	Environmental, Social and Governance Metrics 2020		
duration			
Topic: Provision of Information			
G4-DMA	Toronto Hydro provides information in various languages and formats to ensure the information is accessible to people of a wide range of cultures and abilities. Additionally, hazard warning signs posted on electrical equipment throughout the city have pictograms to help ensure the warning can be understood by all.		
	Toronto Hydro has translated an Emergency Preparedness Kit into Chinese, Spanish, Somali, Tamil and Urdu to help educate a broader range of the customer base about the importance of emergency planning. An outage site has also been created at torontohydro.com/outage-map . The site consolidates the information provided throughout major outages and emergencies in one accessible location.		
	Call Centre agents at Toronto Hydro also have access to an interpreter service to assist customers with language barriers.		
	Toronto Hydro is committed to complying with the <i>Accessibility for Ontarians with Disabilities Act</i> and has implemented a variety of tools to better serve customers with accessibility needs. Toronto Hydro recognizes that there will always be opportunities to improve the accessibility of customer service offerings, and are continually making enhancements to this effect.		

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