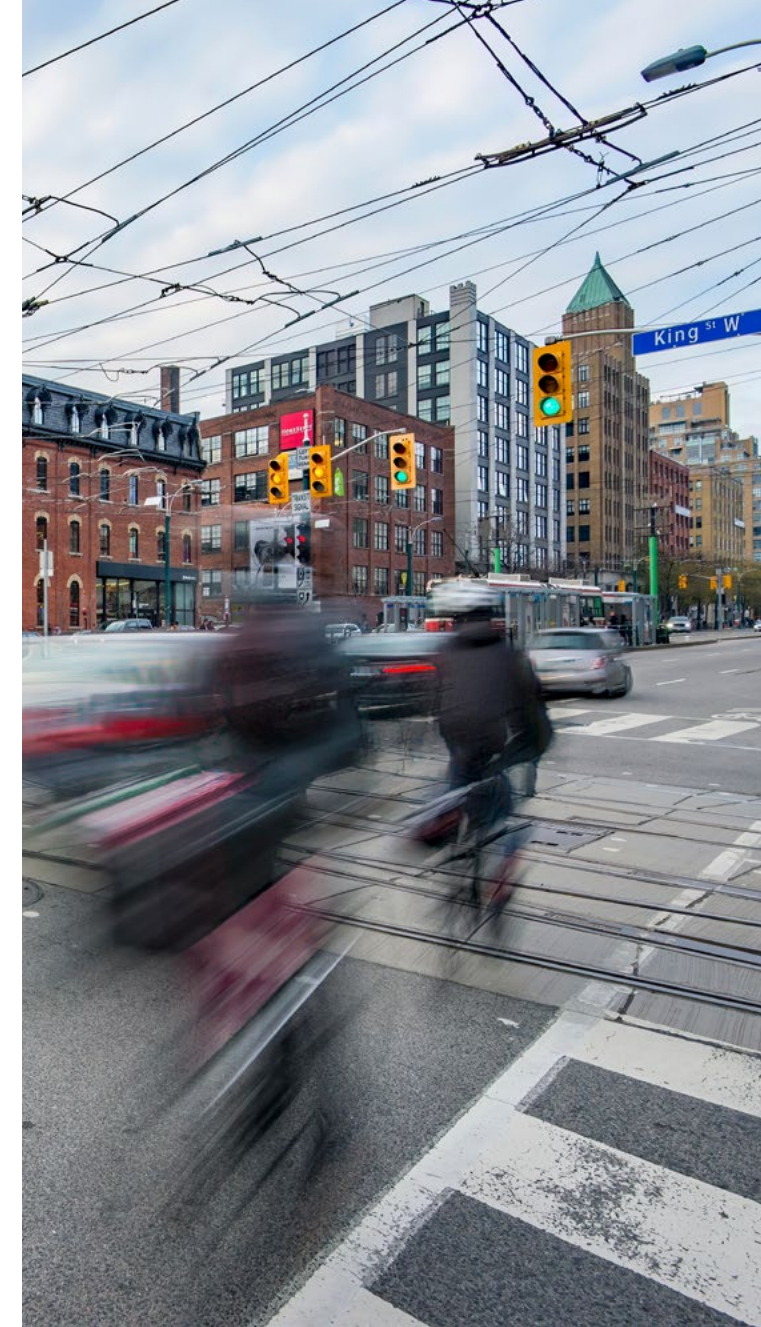


2025

Sustainability report





We acknowledge that the land on which we gather is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinaabe, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples. We also recognize that this land is covered by Treaty 13, signed with the Mississaugas of the Credit.

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A message from our CEO

At Toronto Hydro, our sustainability commitments are grounded in one belief: how we show up for people matters — for our customers, our communities and for the future we're helping to build for our city. Our work is about much more than electricity or infrastructure. It's about the trust families and businesses place in us and the difference our work makes in people's lives.

Our responsibility begins with the people who operate our distribution system every day. As we work to power a growing city, safety remains the foundation of everything we do. While 2025 included meaningful progress, it was also marked by the tragic loss of one of our colleagues. In honouring their legacy, we focused on open conversation and learning, and on examining the conditions, systems and decisions that shape our work safety outcomes. We remain committed to strengthening how we care for our employees and the residents and communities we serve.

Our commitment also extends to how we invest in the electricity system Torontonians rely on. Guided by our **long-term strategy**, we're preparing Toronto's grid to meet rising demand while modernizing it to support evolving customer energy needs and infrastructure resilience, through initiatives such as local demand response and remote monitoring of underground network vaults. In 2025, we invested \$940 million in our distribution system, replacing or installing nearly 3,500 poles and more than 3,500 transformers across the city. These investments support fewer outages, faster restoration and a system better equipped to withstand extreme weather — helping families and businesses stay connected when it matters most.

Our long-term focus extends beyond our network to how energy is used by Torontonians. A key part of our role is to remove barriers to customer energy choices as they transition to active participation in managing and expanding their electricity needs.

By encouraging customers through offering a suite of tools and services, like our energy coaching program, peak demand tool and more, we help make everyday choices more accessible. I'm proud that we've powered more than 500 public electric vehicle chargers across the city, making Toronto home to one of Canada's largest municipally owned charging networks. Looking ahead, we'll continue expanding access to new energy technologies, energy management tools and innovative customer solutions that give residents and businesses greater choice, flexibility and control as Toronto's energy needs evolve.

This progress is possible because of strong connections to the communities we serve. In 2025, we supported initiatives that strengthened neighbourhoods and brought people together. Through our annual employee fundraising campaign, we raised \$215,000 for United Way Greater Toronto, helping fund vital services that support individuals and families across Toronto. We also continued to support local organizations and citywide events that celebrate inclusion, connection and civic pride. Alongside our community involvement, we're continuing our learning journey to deepen our understanding of the histories, rights and cultural practices of Indigenous Peoples, as we work toward meaningful and lasting progress on reconciliation.

As we look to the future, our purpose continues to guide us: electrifying communities today and building a brighter tomorrow. It's a responsibility we carry with humility and pride, knowing that our work touches lives across the city. I'm grateful for the commitment, skill and care our teams bring to that work, and I'm excited about the positive difference we can continue to make for our city.



Jana Mosley

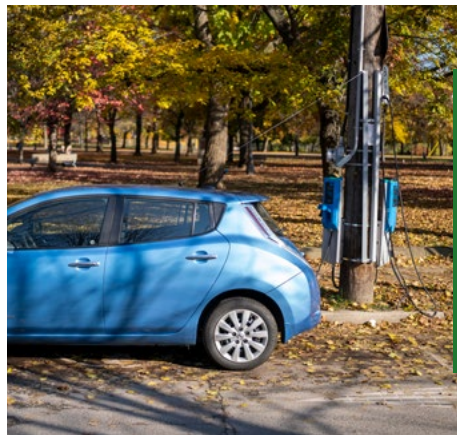
Jana Mosley
President and Chief Executive Officer



2025 sustainability highlights

5,300

customer connections and upgrades completed across the city



264

electric vehicle chargers energized at 44 sites

83%

of the executive management team were women

33%

electric and hybrid vehicles in Toronto Hydro's fleet



~ 3,500

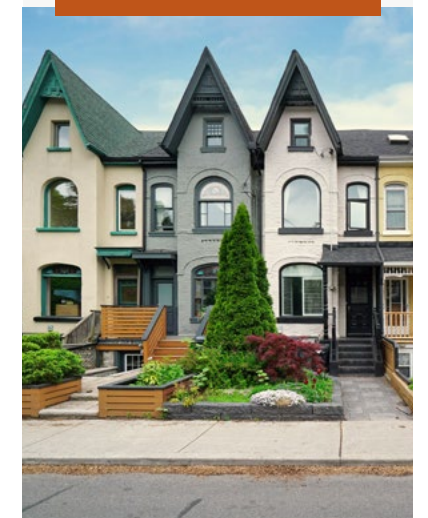
poles and more than 3,500 transformers replaced or installed

>\$940 million

invested in Toronto's distribution system, including completing 471 local projects

>53,000

individual customers supported through assistance programs



Introduction

About Toronto Hydro 06
Our approach to sustainability 08



1,408
employees

14,289
circuit km of
underground wires

FACT | Toronto Hydro has 321 vehicles in its fleet. These vehicles enable crews to conduct inspections and perform repairs and maintenance activities for substations, meters and distribution lines.



About Toronto Hydro

Toronto Hydro powers Canada's largest city through delivering electricity and related energy solutions to more than three million people and businesses, safely, reliably and sustainably.

Toronto Hydro's role in the Ontario electricity system



POWER GENERATION

Electricity is generated at power generation plants across the province. The Ontario grid includes hydro, nuclear, natural gas and renewable generation.

TRANSMISSION LINES

Electricity produced at generating stations is transmitted through transmission lines owned by Hydro One Limited to terminal stations.

Transmission lines are the high-voltage cables and supporting structures that transport large amounts of electricity from power generation plants to substations for further distribution.

OUR FACILITIES

Toronto Hydro owns or leases four operations centres: one is our head office and three are work centres.

Inside our work centres are control centres, which coordinate and monitor the distribution of electricity throughout our distribution assets.

DISTRIBUTION ASSETS

We own and operate distribution assets including:

Terminal stations are the end points of transmission lines and serve to reduce or step down the voltage to distribution-level voltages.

Substations transform high-voltage electricity to lower levels for consumption, while protecting the grid through circuit breakers and switchgear.

Distribution transformers step down the voltage for local use, at which point the voltage is further reduced (or stepped down) for supply to end-use customers.

Distribution level voltages are then distributed across Toronto Hydro's electricity network which includes thousands of kilometres of wires and poles.

OUR CUSTOMERS

We deliver electricity to three million people and businesses across 797,000 metered connection points located within the city of Toronto.





Legal structure

Toronto Hydro Corporation (THC) is a holding company that wholly owns two subsidiaries: Toronto Hydro-Electric System Limited (THESL), which distributes electricity, and Toronto Hydro Energy Services Inc. (TH Energy), which provides street lighting and expressway lighting services in the city of Toronto (collectively, “Toronto Hydro”). The City of Toronto (the City) is the sole shareholder of THC.

Toronto Hydro-Electric System Limited (THESL)

The principal business of Toronto Hydro is the distribution of electricity by THESL as a licensed Local Distribution Company. THESL owns and operates \$7.7 billion of capital assets comprised primarily of an electricity distribution system that delivers electricity and related services to more than three million people and businesses across 797,000 metered connection points located within the city of Toronto.

Toronto Hydro Energy Services Inc. (TH Energy)

TH Energy provides street lighting and expressway lighting services in the city of Toronto. TH Energy owns and operates \$75.7 million of capital assets as of December 31, 2025. TH Energy owns certain street lighting assets located in the city and has an agreement with the City of Toronto to provide street lighting system maintenance and capital improvement services to the City. TH Energy sub-contracts street lighting services to THESL.



Our approach to sustainability

As Toronto's electricity distribution company, Toronto Hydro is committed to providing safe and reliable service to customers in a cost-effective and environmentally responsible manner.

Our business strategy is guided by three strategic corporate pillars (Operational Excellence, Responsible Growth and Enabling the Future) with a focus on safety, customer experience, financial performance and grid modernization to support economic growth, customer empowerment and decarbonization. These pillars help us embed sustainability into all aspects of the business and encompass Toronto Hydro's material sustainability topics. The pillars support our vision of electrifying communities today and building a brighter tomorrow.

Scope of this report

The 2025 Sustainability Report highlights Toronto Hydro's efforts towards enabling the energy transition, reducing our environmental impact and protecting the well-being of our employees and customers.

- The report has been prepared in reference to the Global Reporting Initiative (GRI) Standards
- Data and qualitative information cover the calendar year ended December 31, 2025 in alignment with Toronto Hydro's financial reporting period
- Toronto Hydro's greenhouse gas (GHG) inventory includes Scope 1 and Scope 2 emissions, quantified in accordance with national and provincial GHG reporting requirements as well as the GHG Protocol Corporate Accounting and Reporting Standard
- The organizational boundary of our GHG inventory includes all Toronto Hydro owned and controlled (i.e., leased) facilities, equipment and vehicles. There were no significant changes in 2025 to Toronto Hydro's organizational boundaries
- The emission factors used to calculate GHG emissions are published by Environment and Climate Change Canada and are representative of Ontario's energy supply mix. GHG emissions are measured in tonnes of carbon dioxide equivalent (tonnes CO₂e)

If you have any questions related to this report, please reach out to sustainability@torontohydro.com.

Sustainable Development Goals

Toronto Hydro supports the United Nations Sustainable Development Goals (SDGs) and has highlighted the areas of the report that demonstrate alignment with and contribution to the achievement of these goals. The SDGs are a set of 17 global goals adopted by the United Nations to end poverty, protect the planet, and ensure peace and prosperity for all people by the year 2030. We believe we can make the greatest impact on these five priority SDGs:



Affordable and clean energy

How Toronto Hydro supports this SDG

Advancing access to affordable, reliable and clean electricity through system planning and energy initiatives.



Decent work and economic growth

How Toronto Hydro supports this SDG

Fostering decent work conditions, workforce development and sustainable economic growth.



Gender equality

How Toronto Hydro supports this SDG

Promoting gender equality and empowering women and girls through organizational policies, practices and initiatives.



Climate action

How Toronto Hydro supports this SDG

Increasing organizational capacity to prepare for, respond to and manage climate-related hazards and risks.

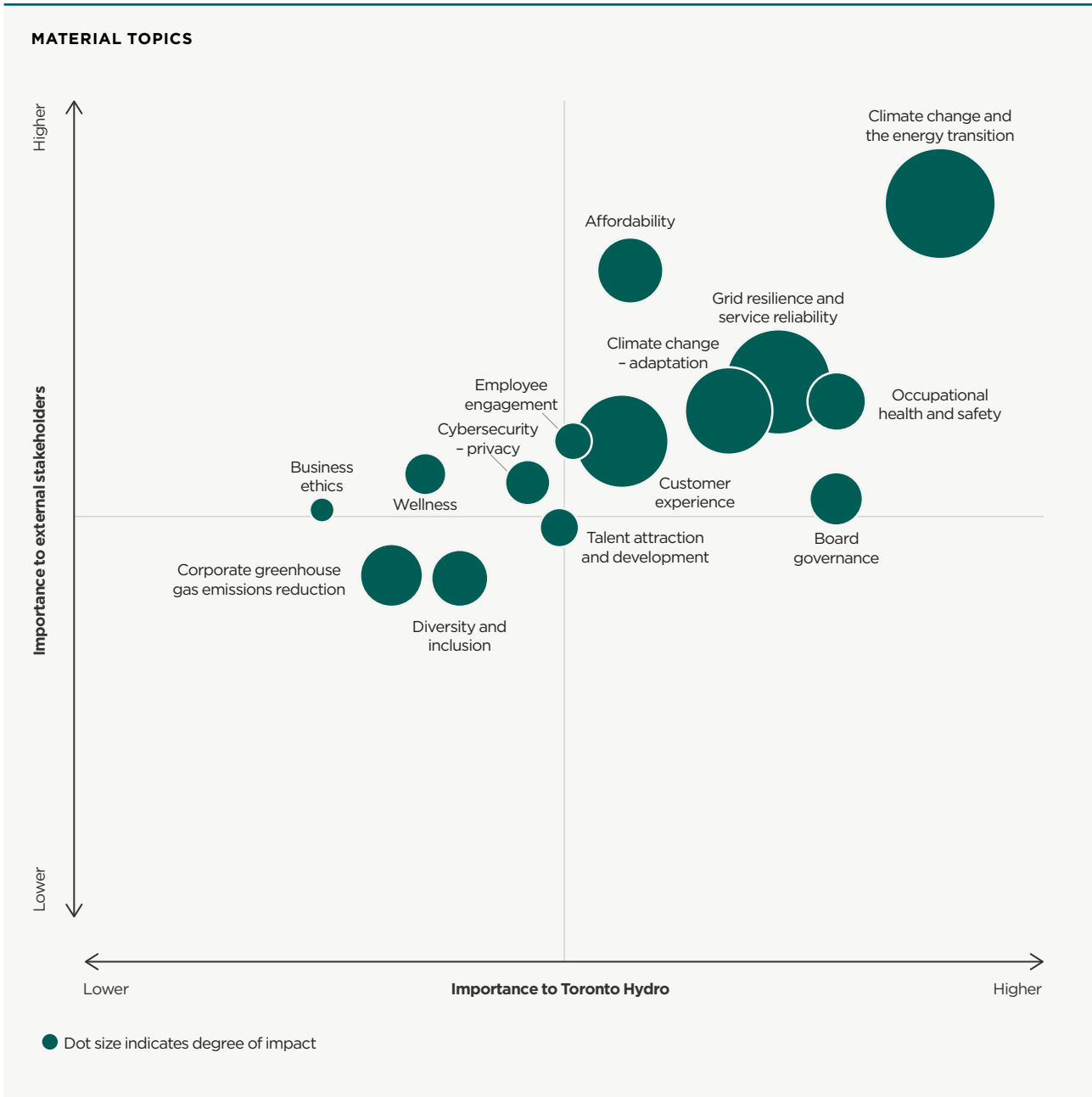


Reduced inequalities

How Toronto Hydro supports this SDG

Reducing inequalities through inclusive practices, equitable access to opportunities and fair treatment across the organization.





Materiality assessment

Toronto Hydro conducted a materiality assessment in 2025 with a third-party consultant. The assessment included input from stakeholders including customers, employees, executives, Board members, community partners, academic institutions, contractors and suppliers. This input was used to identify Toronto Hydro’s material sustainability topics, as illustrated on the materiality matrix to the left.

We assessed topics in three dimensions:

Importance to Toronto Hydro

Board members, executives and senior leaders ranked sustainability topics in order of priority to the business. The results are plotted on the X-axis of the matrix.

Importance to external stakeholders

Through a survey, we asked external stakeholders what sustainability topics they believe Toronto Hydro should prioritize. These results are plotted on the Y-axis.

Impact materiality

For each impact we assessed severity, scale and scope. For potential impacts — those that have not happened yet — we also assessed likelihood. The size of the circle in the materiality matrix denotes the impact score of the potential impact that combines severity, scale, scope and likelihood. This dimension aligns with the GRI’s definition of impact materiality. Internal subject matter experts, the Board and the executive team informed this impact scoring.

Material topics

Toronto Hydro’s material sustainability topics were determined to be:

- Energy transition
- Grid resilience and service reliability
- Climate change adaptation
- Customer experience
- Affordability
- Occupational health and safety

Note

We report employee engagement and talent attraction and development together as “Employee development and engagement,” and occupational health and wellness together as “Health and wellness.”

For information on how we manage cybersecurity, please see our [Annual Information Form \(AIF\)](#).

Environment

Greenhouse gas (GHG) emissions	11
Enabling customer emissions reduction	15
Waste management	24



264

EV charger connections facilitated

2,400

customers provided with decarbonization information and resources

FACT | For residential customers, we launched the free energy coaching service so homeowners can receive personalized advice from an expert on home energy upgrades.



Greenhouse gas (GHG) emissions

We are committed to understanding and seeking to mitigate where possible the environmental impact of our activities and treat it as an integral factor in all our decisions. We actively contribute to the City of Toronto’s climate change goals through the services we provide and by managing our own impacts.

Aligning with Toronto’s Net Zero Strategy

In alignment with the City’s TransformTO Net Zero Strategy, Toronto Hydro has committed to achieving net-zero Scope 1 emissions and minimizing Scope 2 emissions by 2040 through direct operational actions and support for broader decarbonization efforts.

GHG performance

In 2025, Scope 1 emissions decreased by 17 per cent compared to the baseline year (2019).

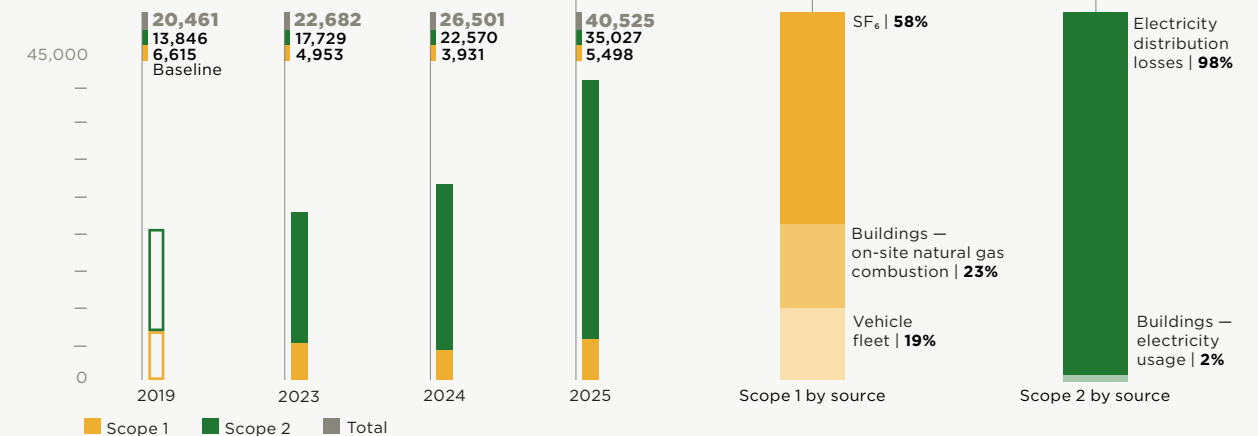
Scope 2 emissions, however, increased by 153 per cent. This rise is primarily driven by an increase in the provincial emission factor for electricity line losses. Read more on the next page.

The chart on the right shows the makeup of Toronto Hydro’s 2025 carbon footprint by scope and by source. The vast majority of emissions are from line losses, followed by SF₆ emissions. Buildings — electricity and natural gas use — and fleet represent only a small portion of our footprint.

The following pages outline our emissions reduction efforts across these sources.



GHG EMISSIONS | tonnes of CO₂e



Line losses

Emissions associated with line losses account for 84 per cent of Toronto Hydro’s total GHG emissions and 98 per cent of Scope 2 emissions. Electric line losses refer to the electrical energy that is converted into waste heat and dissipated as electricity travels from power plants to consumers through transmission and distribution lines. This happens because wires have resistance, which hinders the flow of electricity, turning part of the electricity into heat. These losses are inevitable and increase with the distance the electricity travels and with the amount of current flowing.

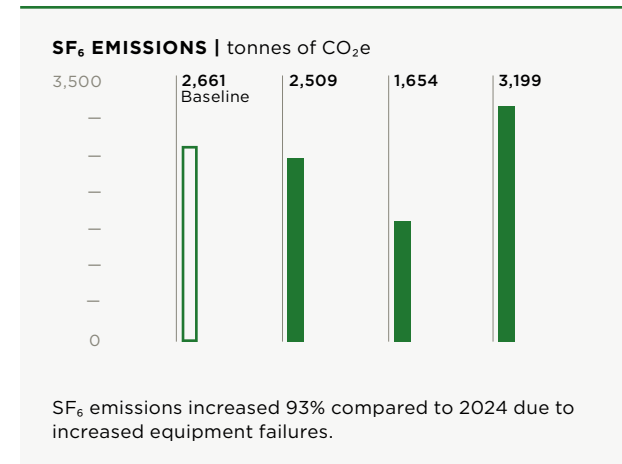
Emissions related to line losses are calculated using the grid emission factor, which is an average of the GHG intensity of the power generated across the Ontario grid. If the emission factor of the grid increases, (e.g., more coal or natural gas is used), the calculated environmental impact of line losses increases, even if the physical energy lost remains the same.

The provincial emission factor¹ has increased and is expected to continue rising in the short term as emissions associated with electricity generation increase. Ontario has relied more heavily on natural gas generation while several nuclear units undergo refurbishment, temporarily increasing the grid average emission intensity.² This shift is tied to major refurbishment programs across the province’s nuclear fleet, which require reactors to be taken offline and replaced with natural gas fired generation to maintain system reliability during construction periods.

SF₆ emissions

Sulfur hexafluoride (SF₆) is a synthetic gas primarily used as an electrical insulator in high-voltage power equipment. It is also a very potent greenhouse gas, with a global warming potential 23,500 times higher than CO₂ over 100 years. SF₆ often leaks from electrical equipment during equipment failures, (e.g., valve malfunction, loose connections or rupture). For Toronto Hydro, SF₆ emissions increased 93 per cent compared to 2024 due to increased equipment failures.

Building on work completed in 2023 and 2024, we advanced our efforts to proactively identify and repair SF₆ leaks across our distribution system. We continued to strengthen our management of SF₆ insulated equipment by analyzing failure trends, improving inspection and response practices, and streamlining corrective actions. In addition, we are assessing lower emission alternatives to SF₆, including the installation of solid dielectric switchgear — which uses solid materials like epoxy resin rather than gas or oil to insulate — to evaluate their operational performance and future suitability.



Pilot: SF₆ detection at indoor vaults

Detecting SF₆ leaks is traditionally performed using gauges, which only confirm whether the pressure remains within an acceptable range. These gauges do not indicate if there is a slow or early-stage leak, meaning minor leaks can go undetected for long periods until they become more severe.

In 2025, we piloted a new SF₆ leak-detection tool that uses sensor-based monitoring during inspections and can detect small leaks before they become severe. We tested the tool in our indoor vaults, where the controlled environment was expected to improve the tool’s detection accuracy.

While the use of this tool did not detect any new leaks, we found it could pinpoint leak sources during and after corrective work to verify that any repairs made had been effective. We plan to use this tool in addition to traditional gauges to help detect SF₆ leaks.

¹ Emission factors published in Environment Canada’s National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada. Table A13-7: Electricity Generation and GHG Emission Details for Ontario Generation Intensity
² Global News - “Ontario officially greenlights \$26.8B Pickering nuclear power station refurbishment.” globalnews.ca/news/11544480/ontario-moves-ahead-pickering-nuclear-refurbishment/



Partnering with the City of Toronto to invest in solar energy

Since 2013, Toronto Hydro and the City of Toronto have jointly invested in solar photovoltaic projects across City-owned facilities.

In 2025, these installations generated 1,376 MWh and avoided approximately 73 tonnes of CO₂e. Toronto Hydro owns 51 per cent of these two installations.

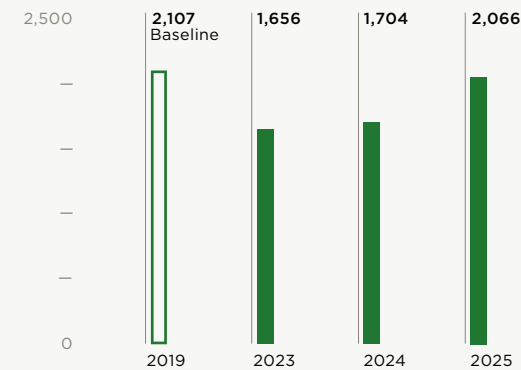
Toronto Hydro previously invested in two other projects (Better Living Centre Solar and 500 Commissioners Solar), which together generated 651 MWh of renewable energy and avoided approximately 35 tonnes CO₂e in 2025.

Building-related emissions

Toronto Hydro owns four operation centres: one is our head office building and three are work centres. Work centres support essential operational activities, including fleet management, equipment storage, and field crew deployment, and typically consist of multiple structures, large vehicle bays and spaces that are currently heated with natural gas.

We have a building electrification and decarbonization roadmap aligned with our net-zero by 2040 commitment. Our roadmap includes planned and active projects to eliminate Scope 1 emissions through fuel switching — from natural gas heating to electricity — and service upgrades and equipment replacement. This roadmap outlines our approach to responsibly investing in upgrading aging equipment, maintaining operational reliability and reducing emissions through electrification and expanded electric vehicle (EV) infrastructure.

BUILDING-RELATED EMISSIONS | tonnes of CO₂e



Our building-related emissions remain relatively unchanged when compared to our baseline.

Building automation and energy consumption visibility

Across our buildings, we continued to expand building automation and energy management systems to improve energy efficiency and reduce emissions. Our 2025 activities include:

- At the Milner, Rexdale and Commissioners work centres, we installed temperature, carbon dioxide and motion sensors to enable real-time monitoring and automated temperature setbacks based on occupancy and air quality
- At the Rexdale work centre, we installed meters to capture both electricity and natural gas consumption data, improving visibility into building energy performance
- At the head office building, we added new control panels for existing chillers integrated into the building automation system, enabling centralized control and more efficient operation
- At the Commissioners work centre, we installed a new makeup air unit with heat pump technology and integrated business automation controls, helping reduce energy use for space conditioning

These upgrades reduce unnecessary heating and cooling loads, enhance comfort and control and provide more accurate data to inform future decarbonization planning decisions.



Fleet electrification

Toronto Hydro has 321 vehicles in its fleet. These vehicles enable crews to conduct inspections and perform repairs and maintenance activities for substations, meters and distribution lines. Our fleet consists of light-duty, heavy-duty vehicles and equipment, including pickup trucks, full-size vans, cube vans and bucket trucks. Although emissions from fleet are not a significant contributor to our emissions, we are working hard to electrify our fleet. We continued to advance fleet electrification as a core component of our energy transition and emissions reduction strategy by investing in:

Electric and hybrid vehicles

By the end of 2025, 33 per cent of our fleet vehicles were battery electric vehicles, plug-in hybrid vehicles or hybrid vehicles. During procurement, we prioritize electric options where operational requirements can be met and where manufacturer availability supports reliable deployment. This approach supports long-term greenhouse gas reduction goals while ensuring crews have dependable vehicles to maintain and upgrade the electricity system for customers.

Electric power take-off units

To conduct maintenance of utility poles, wires and other equipment, we have more than 80 bucket trucks, a type of vehicle equipped with an extendable boom and a person-carrying bucket at the end. Traditionally, the boom is powered by the vehicle engine requiring idling.



Since 2011, we have installed electric power take-off (ePTO) units on 15 bucket truck units improving fuel efficiency during field operations. The ePTO units use lithium-ion batteries to power the hydraulic pump of the boom and reduce or eliminate emissions from idling during on-site operations. In addition to reducing emissions, the ePTO system also decreases noise levels, creating a quieter and safer environment for both workers and nearby communities.

Electric bucket truck

Currently, we have one fully electric bucket truck primarily used in training yards and select demonstration and engagement activities. As additional use cases emerge, this unit is helping us understand how electric bucket trucks can be integrated into our operations as part of our broader fleet electrification strategy.

Electric stringing trailers

We currently have two electric stringing trailers in service across our yards. A stringing trailer is a specialized vehicle designed to transport and lay out cable for utility lines along a right-of-way. These trailers often have hydraulic systems to manage tension and speed during installation and allow for precise placement and pulling of wires. Feedback from operational crews about the electric stringing trailers has been consistently positive. These trailers deliver significant noise reduction compared to conventional equipment, improving communication between crews using radios over long distances. In addition to operational benefits, electric stringing trailers also provide a direct fuel-reduction advantage by eliminating diesel consumption entirely. Their higher energy efficiency compared to diesel-powered units results in lower emissions during stringing operations.

Charging infrastructure

We continue to expand charging infrastructure to support fleet electrification. As of 2025, we operate 70 Level 2 electric vehicle chargers across our facilities. We also installed twelve dedicated electric power take-off charging stations, with four stations located at each main work centre. In addition, we have one Level 3 fast charger to charge electric trucks or provide a fast charge to electric vehicles in emergency events. Charging infrastructure enables the transition of fleet operations away from fossil fuels and reduce Scope 1 emissions associated with mobile equipment.



Enabling customer emissions reductions

Toronto Hydro released its Climate Action Plan in 2021 to strengthen coordination in support of the City of Toronto’s net-zero by 2040 goal. The plan focuses on two priorities:

Facilitating electrification

Toronto Hydro advances electrification by expanding and modernizing the electricity distribution system through grid upgrades, advanced infrastructure and non-wires solutions³ that improve efficiency and reliability.

Driving climate action

Toronto Hydro drives climate action by working with customers, cleantech companies, funders and the City to accelerate the electrification of buildings and transportation.

In 2023, Toronto Hydro received an expanded mandate from the City of Toronto to support its TransformTO Net Zero Strategy. With this mandate in hand, Toronto Hydro is working to make it cheaper, faster and easier for customers to electrify their homes and business.

To help achieve the City’s ambitious net-zero strategy, we are focused on achieving the following three climate action goals:

- Delivering nationally significant greenhouse gas emissions reductions
- Stimulating and supporting the growth of Toronto’s local cleantech economy
- Advancing social equity across the city

Toronto Hydro follows a least-regrets approach,⁴ making near-term investments while preparing the grid for future demand from electric vehicles, major city growth and new industries. Guided by demand forecasts, Toronto Hydro is investing more than \$5 billion over five years to maintain reliable service, support growth and advance the City’s energy transition, while retaining flexibility to respond to changing conditions.

Our investments help ensure that power continues to be readily available as more customers electrify their homes and businesses.

Toronto Hydro focuses on electrifying heating and transportation in Toronto because these areas offer the greatest opportunity to reduce the City’s greenhouse gas emissions.

In 2022, Toronto Hydro established short- and long-term targets for the connection of key clean technologies such as heat pumps, EV chargers and behind the meter solar and battery storage. Toronto Hydro surpassed its 2023–2025 climate action targets (see below).

Our performance against our climate action targets

TECHNOLOGY	2023-2025 TARGET	2023-2025 ACTUAL	2040 TARGET
EV chargers	5,500	15,801	50,000
Heat pumps	80	790	60,000
Solar + Storage (MW)	6.5	25	300

2025 highlights

264

EV charger connections facilitated

6

new customer digital tools launched

500th

EV charger energized for the Toronto Parking Authority

43

contractors onboarded to the Cleantech Services Network

31%

faster than required timelines to provide various EV information and connection reports

98%

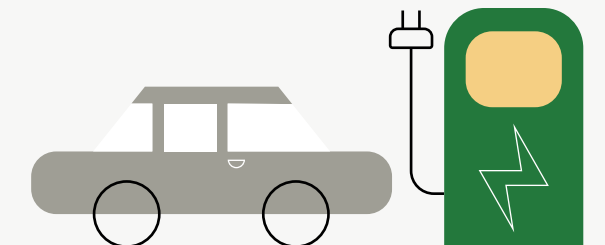
customer and stakeholder satisfaction based on monthly survey of customers assisted

12

Heat Pump Fundamentals courses delivered, with 309 participants

491

heat pumps installed



³ Non-traditional methods — such as energy storage, energy efficiency and distributed generation — that can be used to manage grid load and enhance reliability.

⁴ A decision-making strategy designed to minimize potential negative outcomes when facing uncertainty.





Energizing one of Canada's largest municipally owned charging networks

To improve EV infrastructure within the city, the partnership between Toronto Hydro and the Toronto Parking Authority has now successfully powered more than 500 public EV chargers across the city. This milestone gives Toronto one of Canada's largest municipally owned charging networks and shows real progress in making public charging easy and reliable.

Toronto Hydro designs and completes the electrical connections to energize each site. The Toronto Parking Authority installs, owns and operates the charger.

We will continue working to increase the number of charging stations around the city, removing a key barrier to EV uptake.

2025 achievements: Building the foundation for widespread electrification

In 2025, Toronto Hydro worked closely with the City of Toronto, focusing on establishing a strong base of customer tools, contractor networks and customer services to promote and advance impactful and sustained climate action. The following pages highlight key 2025 initiatives and achievements delivered in support of the City's ambitious net-zero strategy.

Transportation electrification

Deploying EV charging infrastructure represents one of the biggest opportunities for Toronto Hydro to reduce the City's greenhouse gas emissions arising from transportation the near-term. In 2025, we focused on supporting the City of Toronto's EV strategy to accelerate the rollout of public EV chargers. Key highlights included directly supporting the energization of 264 chargers — 208 Level 2 chargers and 56 Level 3 chargers — at 44 sites, adding approximately 7 megawatts of peak electricity demand. An additional 135 chargers at 16 sites are currently in development.

To enable faster installations, we prioritized delivering excellent customer experience for Toronto EV charging providers. In 2025, we delivered the 34 preliminary reports, 32 initial cost estimates and 102 peak load data reports on average 31 per cent faster than required timelines.



Residential and small commercial buildings

Our focus in 2025 was creating new service offerings dedicated to educating customers and providing the resources and information they need to make informed decisions about electrification. These new services include:

- Launched the Your Peak Demand tool — read more on [page 20](#) — which helps customers avoid unnecessary electrical panel upgrades when electrifying their homes
- Launched the free energy coaching service — read more on [page 20](#) — as part of the City’s Furnace Upgrade Program so homeowners can receive personalized advice from an expert on home energy upgrades. The program also helps our customers understand what incentives are available and connects them with pre-qualified contractors, consultants and professionals through our Cleantech Services Directory (read more on [page 19](#))
- Released two residential case studies to encourage people to electrify their homes, refute some common misconceptions about heat pumps and inform customers of our energy coaching services
- Engaged with more than 2,400 customers at 24 community events to provide them with the information, tools and resources they need to decarbonize their homes



98%

Customer Satisfaction rating maintained

Residential and small commercial highlights

81

energy coaching sessions held with interested customers

80

social media posts and web pages updated and/or published

24

community events attended, with 2,424 customers engaged

16

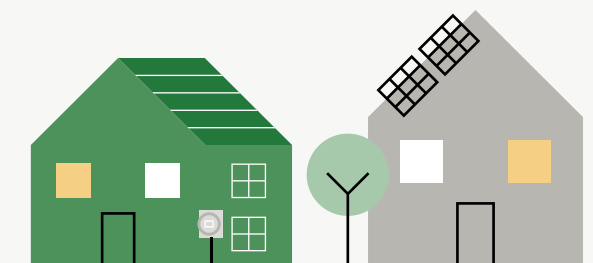
eBlasts, news releases and communications shared with residential customers

2,400

customers provided with decarbonization information and resources

108

energy coaching applications received



Commercial, industrial, institutional and multi-unit residential buildings

The Climate Action team focused on augmenting its existing concierge services by incorporating customer feedback, staying engaged with building partners and adding new service offerings. In 2025, Toronto Hydro launched several new tools, including:

Virtual Decarbonization Planner (VDP) |

Toronto Hydro is offering customers OPEN Technologies' virtual decarbonization planning tool at no cost to help them understand their building's energy performance to make more informed decisions about lowering emissions. Toronto Hydro helps customers gather and input their building data into the tool, which generates a tailored and customizable decarbonization plan with recommended retrofit actions to reduce GHG emissions and energy consumption.

ENERGY STAR® Portfolio Manager |

Toronto Hydro is offering building owners a free automatic data transfer tool to simplify City of Toronto energy reporting requirements. Toronto Hydro now provides personalized support to large building customers to help them use the tool and support accurate and timely energy reporting data.

Toronto Hydro also worked on expanding outreach efforts by using data and research to better target resources, while building stronger partnerships and connecting with customers through events, including:

- An email marketing campaign to remind multi-unit residential building customers of available programs, incentives, rebates and other key information
- Increased participation in customer-facing events to improve awareness of Toronto Hydro's service offerings



Heating Load Estimator (HLE) | This is a valuable resource for customers in the early stages of electrification planning. The tool helps customers determine the potential maximum increase in electrical heating demand, so customers can assess whether their building's existing electrical capacity can support electrification efforts. If a service upgrade is required, Toronto Hydro offers a non-binding estimate of connection costs and timelines at no charge and the output of the HLE can be used as part of this estimate application.

Toronto Hydro also finalized an agreement with the Independent Electricity System Operator (IESO) to support delivery of key Save on Energy programs. These programs provide residential, commercial and industrial customers with valuable incentives to upgrade electrical equipment and reduce energy costs.

Large building highlights

434

meeting with customers and cleantech partners

20

Energy-Saver Portfolio Manager applications supported

430

Heating Load Estimations developed

18

Save On Energy Retrofits facilitated

1.5 GWh

in pre-project savings

160

Data Pulls conducted

78

non-binding estimations submitted



Partnerships and funding initiatives

In 2025, the Climate Action team focused on strengthening new and existing partnerships to support electrification and reinforce Toronto Hydro's role as a key collaborator on the path to net zero. This work included developing a network of electrification professionals, supporting cleantech partners through Toronto Hydro's trusted brand and improving customer access to qualified service providers. We officially launched our Cleantech Services Network and our Cleantech Services Directory. Read more in the sidebar. Toronto Hydro welcomed 43 new contractors through nine onboarding sessions, hosted the first of a series of webinars for Network members and hosted 12 Heat Pump Fundamentals training sessions in 2025. These sessions were held in both online and in-person and were attended by 309 participants.

The team also advanced collaborative research and funding partnerships to support data-informed program development and help reduce financial barriers for customers, including:

- Successfully approved 200 eligible customers for participation in its income-qualified Heat Pump Assistance Program. Read more on the next page
- Signed a data sharing agreement with Carleton University to develop a machine-learning algorithm to analyze electricity consumption and identify opportunities for low-carbon technology adoption
- Conducted a second phase of a heat pump adoption study in collaboration with the Privy Council Office's Impact and Innovation Unit to better understand customer decision-making and behaviour changes and trends compared to the 2024 survey results



Building a pipeline of qualified contractors

In 2025, Toronto Hydro officially launched its Cleantech Services Network and Directory, rapidly expanding its operations and welcoming 43 cleantech contractors and professionals. Through an online searchable database, the Directory connects customers with qualified professionals offering electrification, energy efficiency and low-carbon technology solutions, including solar and battery systems.



To increase contractor comfort and expertise in installing emissions-reducing technology such as heat pumps and EV chargers, Toronto Hydro:

- Held training sessions as part of its contractor onboarding process
- Participated in external Heat Pump training sessions
- Worked with third-party organizations to lead a free, one-day workshop focused on heat pump installations for interested contractors
- Held two half-day sessions dedicated to heat pump training for contractors, working closely with IESO

- Supported the development and delivery of the Heat Pump Fundamentals courses delivered by T2030D, ASHRAE Toronto and the Heating and Heating, Refrigeration and Air Conditioning Institute of Canada

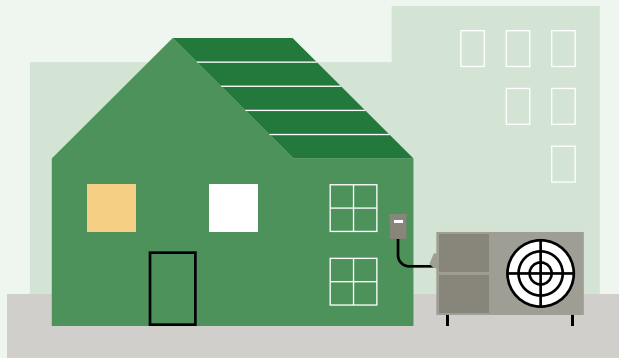
Toronto Hydro will continue to partner with interested parties in developing more contractor-level training to expand the pool of contractors able to install heat pumps.



SPOTLIGHT

Saving customers money and removing barriers to electrification

Toronto Hydro is working to make it cheaper, faster and easier for customers to electrify and decarbonize their homes and buildings. Below are some examples of initiatives launched in 2025 to remove barriers to electrification and save customers money:



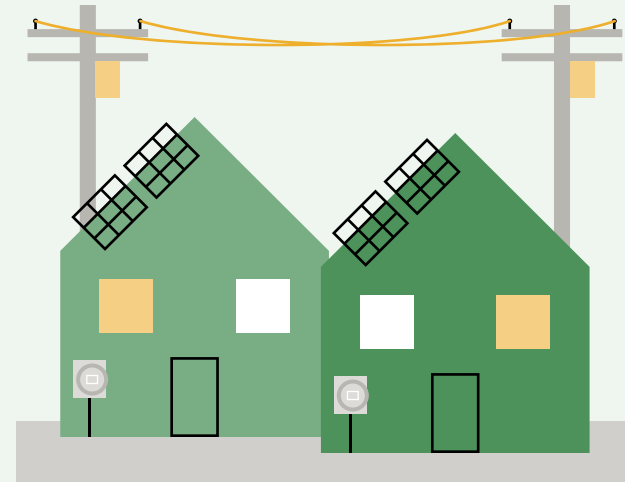
Heat Pump Assistance Program

The Heat Pump Assistance Program allows income-eligible customers access emissions-reduction technology. In August 2025, Toronto Hydro started working towards the goal of providing 200 income-qualified households in Toronto with a free cold-climate air source heat pump and air quality monitor, along with any required electrical upgrades. As of December 2025, 91 heat pumps have been installed, with more heat pumps to be installed in 2026.

The program also supports a research study developed by Toronto Hydro, the University of Ottawa and the University of Calgary, to better understand the cost, emissions, comfort and air quality outcomes of residential electrification.

Solar interconnection cost reduction

We are committed to supporting customers who wish to connect solar and battery systems to the grid. In 2025, Toronto Hydro reduced the micro-solar connection charge by 31 per cent by no longer charging applicants for the cost of a bi-directional meter. These meters are needed to track the flow of electricity to and from the grid in addition to determining bill credits for net metered customers. This is possible by aligning distributed energy resource connection projects with our existing Advanced Metering Infrastructure (AMI) 2.0 Meter Upgrade Program. Read more in the Customer Experience section on [page 45](#).



Your Peak Demand tool

Toronto Hydro introduced its Your Peak Demand tool to help customers avoid unnecessary service upgrades and reduce the costs of electrifying their homes.

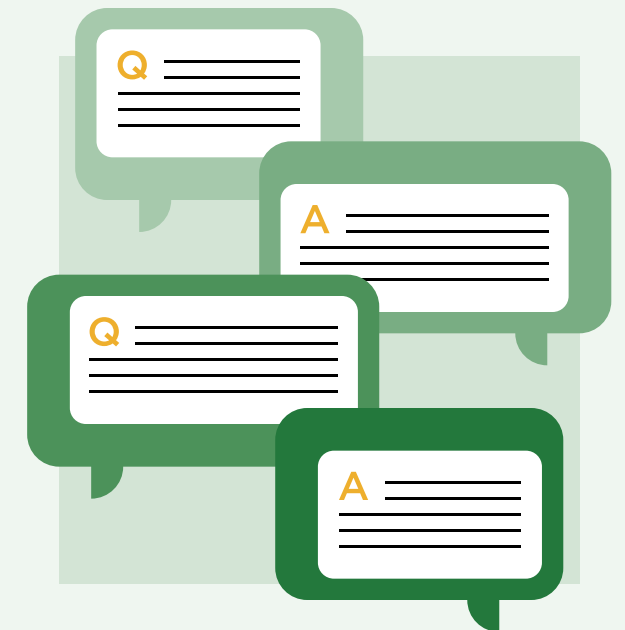
New electrical equipment, like a heat pump, EV charger or electric water heater, can increase a home's electricity demand, which might require an electrical service upgrade.

Before making any changes, customers can log into their account and check their peak demand — the highest amount of electricity their home has used at one time. Knowing their peak demand enables customers and their contractor to evaluate whether they can install their new heat pump or EV charger without upgrading their electrical service. For most customers electrifying their homes, no electrical service upgrade is necessary.

Energy coaching

We understand that information surrounding decarbonization options can be confusing to navigate. That is why Toronto Hydro now offers free, one-on-one, personalized energy coaching services for single family home residents in partnership with the City of Toronto's BetterHomesTO Furnace Upgrade Program. This service connects customers with a seasoned professional for expert advice on energy saving and electrification opportunities, such as heat pumps; points residents towards incentives, rebates and loan programs; and connects customers to vetted contractors, consultants and professionals through our Cleantech Services Directory.

Since its inception, Toronto Hydro has received 108 applications for coaching, has held 81 energy coaching sessions with interested customers and maintained a 98 per cent customer satisfaction rating.



Next steps: Pivoting to address affordability and cost

For the past few years, our climate action efforts were focused on addressing knowledge barriers and improving internal processes. In 2026, Toronto Hydro is refocusing its efforts to address the most significant remaining barrier to electrification: cost. We recognize that the high upfront investment required for heat pumps, EVs or energy-efficiency improvements can discourage many customers from taking climate action, even if there is significant payback over time.

To date, Toronto Hydro has supported customers by providing referrals to available incentives and grants, as well as developing custom tools such as calculators to help customers make informed electrification decisions. These initiatives were designed to help ease financial barriers and improve access to information. As we move into 2026, Toronto Hydro is taking a more direct approach to addressing cost barriers by introducing its own high-impact electrification incentive offerings. These incentives will be targeted at key sectors to help move the heat pump and EV markets forward, save customers money and align with other available opportunities in Ontario, such as the IESO's Save on Energy programs.

Our efforts in 2026 will be focused on the following three areas:

Advisory services

Toronto Hydro supports customers in achieving their climate goals by delivering practical tools, accessible information, contractor recommendations and hands-on advice to guide residents and businesses along their electrification journey.

Toronto Hydro is focused on improving the customer connection experience to make electrification projects faster and more affordable. By updating standards, technical requirements and customer guides, Toronto Hydro will verify that connection processes are clear, consistent and easy to navigate, in order to help customers move from planning to implementation with greater confidence. This includes streamlining of the solar and storage connection processes to enable customers to integrate emissions reducing technology while supporting a more resilient electricity grid.

Energy-efficiency incentives

Toronto Hydro is leveraging a key partnership with the provincial energy-efficiency Save on Energy program to support businesses in reducing electricity costs and promote energy management. Over the next two years, these programs are expected to help customers reduce electricity use while improving affordability and reliability. Incentives are available to help businesses optimize building performance, improve energy efficiency and install solar panels. Toronto Hydro supports customer uptake through targeted outreach and hands-on support, complementing personalized services such as data analysis, virtual decarbonization audits, heating load estimates and non-binding connection cost estimates to help large customers electrify their buildings and operations.



Electrification incentives

Toronto Hydro understands that accelerating the energy transition depends on raising broad customer awareness by making it easier and more affordable for customers to choose clean energy solutions and move towards beneficial electrification.

In 2026, Toronto Hydro will offer targeted, high-impact incentives, programs and services that will amplify customer electrification and emissions reductions. Combined with Toronto Hydro's other initiatives, as well as provincial programs and services, these offerings will help customers take meaningful action today while supporting the City of Toronto's broader climate and sustainability goals.

We are working to address the most significant remaining barrier to electrification: cost



Key priorities in 2026

In this upcoming year, we have outlined our priorities and key actions across four different areas:

01

Transportation initiatives

Priorities

- Deploying electric vehicle charging infrastructure for residential customers, streamlining the connection process and encouraging the adoption of electric vehicles
- Delivering an excellent customer experience for Toronto's EV charging providers and proactively engaging with new leads on our service offerings that support a range of residential, commercial and fleet charging needs

Key activities

- Targeting multi-unit residential buildings and individual residential customers by supporting the delivery of City of Toronto EV charging programs, developing services for retrofitted residential buildings and assisting businesses in accessing vetted charging suppliers.
- Streamlining EV products and services across Toronto Hydro divisions and identifying opportunities to remove barriers for fleet and public charging
- Creating a frictionless EV connection process through faster and more consistent timelines, anticipating customer needs and providing tailored one-on-one support

02

Residential/small buildings

Priorities

- Driving residential and small commercial electrification and heat pump installation through mass marketing, community engagement and one-on-one energy coaching
- Develop and scale programs and self-service tools while continuing to collect data that will provide insights into heat pump trends, affordability and adoption

Key activities

- Continuing to deliver and grow participation in the energy coaching service while expanding self-service options and experiences like Your Peak Demand — read more on [page 20](#)
- Expanding public awareness through social media, customer engagement and in-person outreach through industry and community events to increase awareness and participation in Save on Energy programs
- Working with the City to expand the Furnace Upgrade Program
- Developing a Heat Pump Identifier tool to locate customers who have already adopted heat pumps and better understand the pace and progress of adoption





03

Large buildings

Priorities

- Increasing heat pump installations through targeted outreach, helping customers reduce energy use and improve overall building performance
- Leverage Save On Energy programs to support customers in advancing electrification opportunities, while using the Toronto Hydro Cleantech Directory to ensure quality heat pump installations

Key activities

- Helping customers access Save on Energy incentives to improve building performance, reduce operating costs and identify electrification opportunities
- Engaging with industrial, commercial, institutional and multi-unit residential customers with high energy-savings potential
- Supporting heat pump installations in multi-unit residential buildings, working with pre-qualified cleantech partners to promote high-quality heat pump and solar installations
- Strengthening customer service through better coordination across internal teams and increasing in-person meetings and site visits

04

Partnerships and funding

Priorities

- Fostering strategic relationships and amplifying research to support the path toward net zero.
- Identifying gaps in capacity-building resources and exploring opportunities to improve the offer to Cleantech Services Network Membership and electrification affordability
- Expanding the Cleantech Services Network and Directory

Key activities

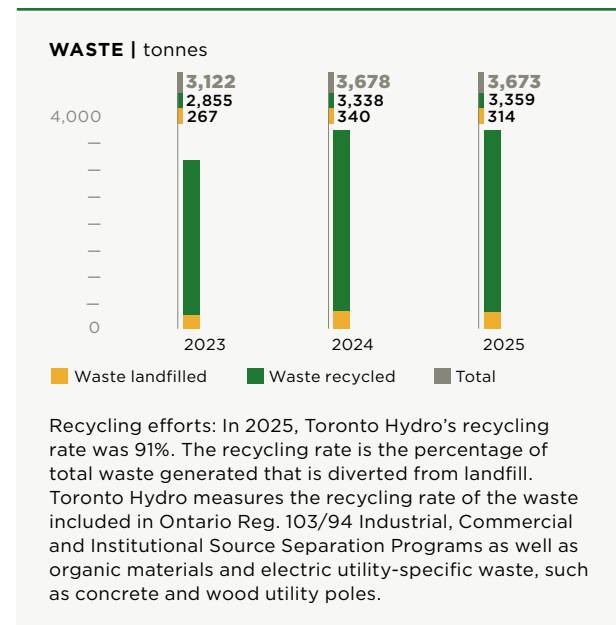
- Collaborating with financial institutions and other stakeholders to explore alternative financing mechanisms and improve access to affordable electrification options
- Leveraging social media, partner networks and events to increase awareness and use of the Cleantech Services Directory and expanding the network through Toronto Hydro and partner-led webinars, workshops and information sessions
- Assessing gaps in available capacity building training resources, expanding heat pump contractor training programs and identifying new research opportunities to inform future programs



Waste management

We are committed to protecting the environment, recycling materials and striving to conserve resources to the extent possible, consistent with sound business operations.

Toronto Hydro generates primarily non-hazardous waste, including construction-related materials such as wood, concrete and metal, as well as recyclable packaging materials and typical office waste streams such as paper, cardboard and organics. Waste is segregated on site where possible, and managed through certified waste management contractors. Much of our waste is sent for recycling, and we continue to implement initiatives aimed at reducing overall waste generation across both field and office operations.



Eliminating hazardous materials

Polychlorinated biphenyls (PCBs) are a group of chemicals once widely used for their stability in electrical equipment, like transformers, but are now banned due to their toxicity and associated health and ecological risks. In 2025, we removed and safely disposed of all known in-service equipment containing PCB concentrations greater than 50 parts per million. This is the culmination of our multi-year PCB removal program, meeting the PCB regulation end-of-use regulatory deadline. Throughout 2025, we continued our systematic approach, which included proactive inspections of equipment suspected of containing PCBs, oil sampling and testing, and the targeted replacement of at-risk equipment through our capital construction and maintenance activities.

In 2025, we shipped approximately 24,960 kg of solid materials and 11,289 litres of liquids containing PCBs for safe destruction. These quantities represent the final phase of our removal efforts, following significant progress made in previous years. By completing this program, we have reduced potential environmental risks and achieved an important milestone in our broader environmental stewardship commitments.

Additionally, we completed the removal of PCB-containing lighting ballasts from 81 substations. All Toronto Hydro-owned sites are now free of PCB ballasts. This initiative eliminates a legacy environmental risk, improves worker safety and supports alignment with regulatory requirements for hazardous materials management.



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530

employees attended our Health and Wellness Expo

30.8%

of our employees are women

FACT | At Toronto Hydro, effective safety performance begins with meaningful worker participation and the recognition that frontline insight is essential to understanding how work is truly performed.



Employee and contractor safety

The work performed at an electrical utility requires a safety system designed to anticipate variability, build capacity and learn from everyday work. We share responsibility for creating a safe and healthy work environment and preventing unsafe conditions, injuries or illnesses. Everyone at Toronto Hydro is expected to come to work fit for duty, stay informed, work safely, and identify, report and address safety hazards and associated risks where appropriate.

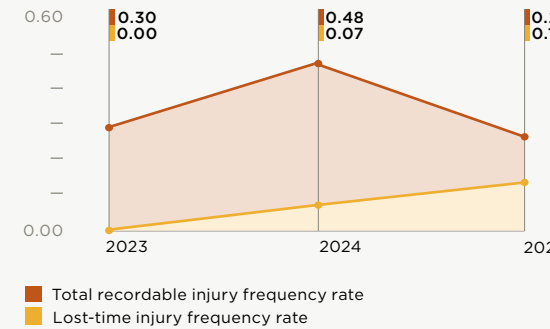
Safety performance

Our injury trends are showing a lower total number of low-consequence injuries but a growing number of serious ones. Therefore, in 2025, Toronto Hydro began a philosophical shift in managing safety, adopting Human and Organizational Performance principles. This new approach will place a larger focus on serious and life-altering injury prevention to prevent catastrophic outcomes. Read more on the next page.

On March 28, 2025, we experienced the tragic loss of a colleague in a workplace incident. As an organization, we remain deeply affected by this event. In response, we undertook a review of contributing factors and developed a structured action plan to address weaknesses in the system and opportunities for improvement.

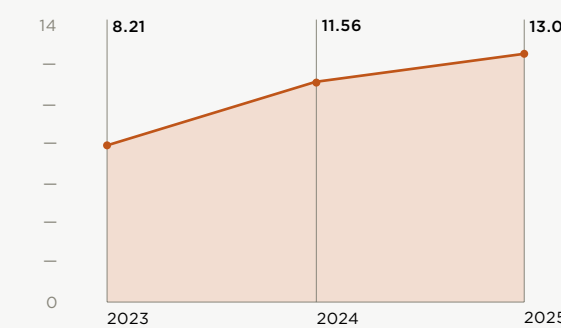
These actions focused on strengthening work methods, enhancing procedural clarity and reinforcing supports for frontline workers, apprentices and leaders across the organization. As a result of our efforts, we had zero recordable injuries for eight consecutive months in 2025.

SAFETY RATES | incidents per 200,000 worked hours



Although our total recordable injury rate has decreased since last year, our lost time injury rate continues to increase.

DAYS AWAY, RESTRICTED OR TRANSFERRED RATE | days per 200,000 worked hours



The number of injuries and illnesses that resulted in days away from work, restricted duty or job transfer has increased over the past three years.

Foundational systems

We use leading frameworks and practices to inform our safety programs and initiatives. These foundational systems guide our approach to managing safety effectively and building a safety culture defined by setting clear expectations, worker engagement and continuous improvement.

Safety management system

In 2025, we successfully maintained our ISO 45001 (Occupational Health and Safety) certification following a maintenance audit. This international standard provides a structured and auditable approach to managing workplace hazards, operational controls and emergency preparedness. Maintaining certification affirms the strength of our governance practices, risk management processes and our commitment to continuous improvement. This marks the 13th consecutive year that Toronto Hydro has been certified by third-party auditors.

13th
consecutive year we have maintained external certification of our Occupational Health and Safety Management System



Our approach to safety

In 2025, we began transitioning toward a Human and Organizational Performance (HOP)-based safety philosophy: an approach that strengthens our ability to build a resilient safety system capable of anticipating, absorbing and adapting to errors without leading to catastrophic outcomes. This shift in perspective is essential to advancing our safety culture and overall performance. By focusing on system capacity, learning and human-centred design, the HOP approach enhances safety and fosters a culture of continuous improvement across the organization. Key achievements this year included:

- Hosted a series of engagements to help employees learn HOP principles, its benefits and how they contribute to advancing our safety systems
- Revised inspection and investigation procedures to align with HOP principles, strengthening learning-oriented approaches and reducing reliance on blame-focused models
- Establishing HOP Champions to lead cultural adaptation
- Initiated frontline worker-driven learning teams to support proactive evaluations of high-risk tasks and post-incident assessments
- Formally integrated HOP principles into the Occupational Health and Safety (OH&S) Policy



Worker participation

At Toronto Hydro, effective safety performance begins with meaningful worker participation and the recognition that frontline insight is essential to understanding how work is truly performed. We view workers not as a problem to control but as a source of expertise, operational awareness and essential learning that strengthens our safety system. Frontline employees are also members of our learning teams whose objectives include understanding how work is actually performed, improving operational learning and analyzing the work context in order to proactively reduce risk and solve problems safely.

Our Joint Health and Safety Committees include both worker and management representatives who collaborate to improve work conditions. Committee members complete monthly inspections and meet at least quarterly to review operational learnings, discuss system pressures and evaluate how work environments may influence safe performance. This shared learning model ensures that recommendations reflect real-world work contexts and support continuous improvement in health and safety.

A shift in perspective

Toronto Hydro is embedding the five principles of Human and Organizational Performance (HOP) into our culture:

1. Error is normal.
2. Blame fixes nothing.
3. Learning and improving is vital.
4. Context drives behaviour.
5. Leadership response matters.

HOP principles represent a foundational shift toward a safety system designed to reduce serious injuries and fatalities by better understanding context, system interactions and real-world work conditions.

A Human and Organizational Performance-based safety philosophy strengthens our ability to build a resilient safety system



Safety processes

Our OH&S Management System is supported by documented policies, procedures, safe work practices, formal risk assessments, hazard reporting tools, learning systems, emergency response protocols and leadership oversight. Some of our formalized safety processes include:

Hazard identification

Job Safety Analysis (JSA) is a systematic process used to separate job steps, identify hazards associated with each step and develop controls for the identified hazards. In 2025, we added approximately 10 new JSAs and integrated JSA content into role specific training. We also refined existing JSAs to better reflect actual field work and reduce ambiguity in hazard controls.

Near-miss and hazard reporting

Reporting hazards and near misses provide early visibility into unsafe conditions and system vulnerabilities. By encouraging employees to report these events, Toronto Hydro can strengthen learning, prevent recurrence of similar incidents and implement corrective actions proactively, ultimately reducing the likelihood of injuries and improving overall safety performance. In 2025, we enhanced near-miss and hazard reporting by streamlining the process to remove administrative burdens.

Operational risks assessment

Toronto Hydro regularly assesses health and safety risks and maintains a risk database that captures operational risks across work groups. This database is reviewed annually by a cross-functional team to validate accuracy, incorporate frontline insights and ensure it remains a meaningful tool for preventing serious injuries and strengthening system resilience.

Setting expectations

All new hires must attend an orientation session, which introduces employees to safety expectations, organizational learning principles and core elements of our OH&S management system. We conduct regular safety meetings — monthly for operational staff and quarterly for office employees — used to review recent safety incidents, discuss emerging trends, share procedure and process updates, and reinforce learning from incidents and near misses.

Training

We provide training that supports safe work practices and builds worker capacity, recognizing that well-designed systems and informed workers form the foundation of strong safety performance. Our training programs help employees understand both the “how” and the “why” behind safety requirements. See full list on [page 35](#).

Reviewing high-risk incidents and tasks

In 2025, we created and initiated frontline worker-driven learning teams who assess high-risk incidents to enable a deeper understanding of how work is performed in practice and recommend design or process improvements to prevent similar incidents. These teams also proactively review high-risk tasks to verify that appropriate controls are in place to prevent incidents from occurring.

Audits

Toronto Hydro has a detailed auditing strategy and plan to assess conformance with its management system, international safety standards and compliance requirements. We conduct both organization-wide and department-specific safety audits. We create action plans to remediate any gaps identified in these audits.



Taking action based on employees' recommendations

Worker-driven recommendations are an essential part of our learning culture. In 2025, three Toronto Hydro employees were recognized by Electricity Canada's Lifesaving Awards for their response to a medical emergency at a Toronto Hydro work centre.

They administered CPR and used an Automated External Defibrillator (AED) until paramedics arrived. These employees led important improvements to emergency response practices, including adding more than 19 Automated External Defibrillators (AEDs) across four work centres and refinements to first aid equipment and instructions. By acknowledging and celebrating this type of proactive leadership, we reinforced that safety is a shared responsibility and that every employee has a valuable role in identifying opportunities for improvement.





We introduced safety incident alerts to keep everyone informed with timely information

Safety recognition

We want to foster a culture where employees feel empowered to speak up, take action and contribute to safer work practices. In 2025, we strengthened our approach to recognizing and celebrating employee-driven safety leadership by introducing a new recognition mechanism to highlight meaningful contributions to health and safety excellence. The President's Award for Safety First acknowledges individuals and teams who demonstrate exceptional commitment to safety, leadership and organizational values.

Communication

Clear, timely and accessible safety communication is an important enabler of a learning-focused culture. Our communication channels are designed to support operational awareness, promote shared understanding of risks and strengthen organizational capacity to respond to variability in work. Key communication and learning mechanisms include:

- **Electronic communication boards** at all work centres, providing employees with easy access to organizational updates, policies, safety incident alerts and lessons learned bulletins, while supporting paper-reduction goals
- **Weekly dashboards** delivered to all leaders, including key leading and lagging indicators such as hazard and near miss reporting, incident trends and closure rates — supporting informed decision making and early identification of system challenges
- **A comprehensive intranet repository** that centralizes policies, procedures, programs, bulletins and training materials, allowing employees to easily access essential safety information
- **EHS bulletins** that provide immediate communication of hazards, near misses, incidents or environmental concerns, supporting rapid learning and timely mitigation
- **Safety incident alerts** introduced in 2025. These alerts are issued for moderate and serious incidents and shared broadly to keep everyone informed with timely information, maintain transparency and awareness while incident assessments are underway
- **Lessons learned bulletins** sharing operational learnings and emerging risks so that they are widely understood across the organization

Contractor safety management

Contractor safety management is a critical component of our safety management system, as a significant portion of our work involves external partners who perform construction, maintenance and professional services on our behalf. Effective contractor safety management verifies that individuals performing work for Toronto Hydro from other companies are held to consistent safety expectations, supported by clear oversight and protected through appropriate controls. We introduced a strengthened contractor monitoring and prequalification process in 2025, including:

- A new risk-based contractor categorization model that increases focus during pre-qualification and monitoring on high- and medium-risk contractors
- Enhanced review of contractor safety programs, policies and legislative compliance to verify that appropriate controls are in place prior to work commencement
- Updated oversight practices to reflect the legal precedent established in recent occupational health and safety case law, further clarifying Toronto Hydro's role and obligations when directing or coordinating contracted work



Occupational health and wellness

We continue to strengthen our commitment to the health, safety and well-being of our employees by advancing programs that support physical health, mental well-being, early intervention and return to-work.

Occupational health

The goal of our occupational health programs is to implement preventive measures and increase awareness to reduce workplace-related illnesses and support employees in returning to work after an injury. Our programs include:

Monitoring exposure to hazardous substances

Our biological monitoring program continued to play an important role in safeguarding employees who may be exposed to hazardous substances such as lead and asbestos. To support effective exposure controls and early detection of potential workplace health risks, this program includes pre-placement assessments, periodic medical surveillance and exit medical examinations. In 2025, our monitoring activities continued to demonstrate strong program performance, reflecting our ongoing efforts to protect employees who work in environments with potential occupational health hazards.

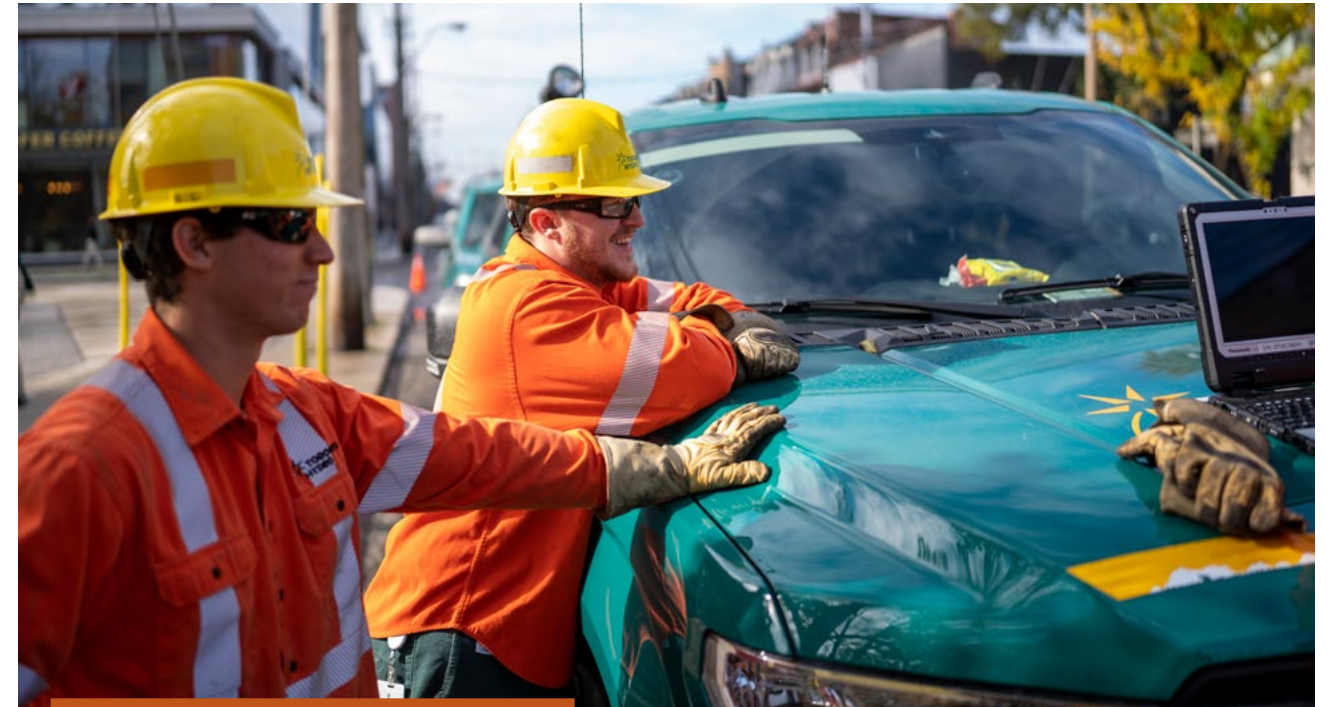
Providing respiratory protection

Our respiratory protection program includes regular fit testing, respiratory training and support to select and use appropriate protective equipment. These efforts help prevent exposure to airborne contaminants and verify compliance with legislative requirements.

Supporting employees in their return to work

We continued to support employees returning from illness or injury through our Early and Safe Return to Work program, which focuses on timely intervention, personalized accommodation and ongoing communication. This work is carried out in collaboration with union representatives to verify that return-to-work plans are appropriate, fair and aligned with collective agreements.

In 2025, we observed meaningful improvements in return to-work outcomes, for example, the percentage of employees who transitioned from short-term disability back to their full-time duties has increased by 7 per cent compared to the previous year. This progress reflects our continued efforts to provide structured support systems that help employees reintegrate safely and successfully into their roles.



Creating a psychologically safe workplace

Psychological health and safety in the workplace means fostering a work environment that supports employees' mental well-being and proactively protects them from psychological harm, valuing mental health just as highly as physical safety. Toronto Hydro continues to prioritize building awareness and strengthening psychological health and safety in the workplace by integrating the **13 workplace psychological factors** developed by The Mental Health Commission of Canada into our initiatives.

In 2025, we included psychological health and safety themes into employee engagement activities such as the wellness expo, health promotion communications and return to work week support. In 2026, we plan to continue awareness initiatives and providing learning opportunities for leaders to strengthen their day-to-day skills, deepen their understanding of mental health, engage in supportive conversations and foster a psychologically safe environment for their teams.





Wellness

Building on the foundational elements of our wellness framework, we enhanced participation across several key initiatives and introduced new opportunities for employees to engage in their own wellness journeys.

Employee and family assistance

Throughout 2025, employees and their families continued to benefit from 24/7 confidential access to our Employee and Family Assistance Program (EFAP). The EFAP remained a cornerstone of our wellness offering, connecting employees with support services including counselling, virtual care, mental health tools and specialized resources related to family, legal and financial well-being.

Wellness awareness

In 2025, our wellness messaging continued to reinforce healthy habits and mental well-being through timely, practical communications delivered across multiple channels. Employees received resources on physical wellness such as recognizing medical emergencies such as stroke, and information related to digestive health, men's health, respiratory illness prevention, managing chronic pain, safe participation in seasonal sports and outdoor activities, hydration and sun safety during warmer months.

Some of our campaigns focus on mental health and wellness including supporting mental health during periods of change, accessing crisis support when needed through our EFAP program, guidance on sleep, grief and maintaining emotional resilience, as well as holiday season mental wellness.

Health and Wellness Expo

Our annual Health and Wellness Expo offers employees the opportunity to connect directly with health experts and external partners. To help employees take charge of their health, experts such as Manulife, Goodlife Fitness, the Canadian Mental Health Association and more were on site at all work centres to teach about physical, mental, social, occupational and financial wellness. Employees could take part in a variety of activities, such as a heart health check, one-on-one counselling with a nutritionist, stretching and breathing classes and many more. Across all four work centres, the 2025 Expo attracted 530 employees, offering access to information and services related to physical and mental health, financial wellness and overall well-being. The strong turnout demonstrates the value employees place on accessing diverse wellness resources and engaging with Toronto Hydro's health and safety partners.

LEFT | 530 employees attended our Health and Wellness expo, and took part in activities to promote physical and mental wellness, such as interacting with emotional support animals (pictured) and listening to presentations on a variety of topics.

Diversity and inclusion

At Toronto Hydro, we strive to create an inclusive work environment where all employees are treated with dignity and respect. Our initiatives reinforce our corporate value of Respect Every Voice.

RELEVANT SDGs



Our approach

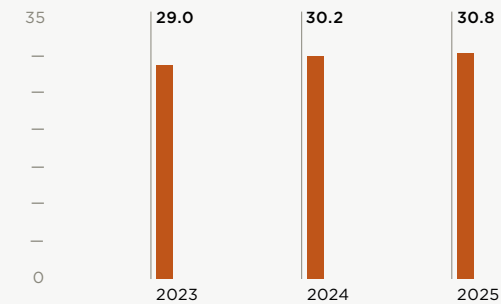
Since 2018, Toronto Hydro has been a signatory to Electricity Human Resources Canada’s Leadership Accord on Diversity, Equity and Inclusion. This partnership affirms the organization’s commitment to advance governance, education and best practices to achieve an equitable and diverse workforce with opportunities for growth and development.

Toronto Hydro developed a comprehensive three-year Diversity & Inclusion (D&I) roadmap, with actionable steps to advance D&I initiatives across the organization. In 2024, the rollout of an interviewing techniques for leaders training program was completed, equipping leaders with the skills to conduct fair and effective interviews while recognizing and mitigating biases through the recruitment process. Leading and creating a culture of inclusivity has also been incorporated into the design of leadership development programs at all levels.

Through collaborations with Electricity Canada, local colleges and universities, and external partnerships with other organizations, Toronto Hydro continues to promote and mentor students with a focus on women pursuing educational programs in electrical engineering. These efforts aim to build a gender-diverse talent pipeline and support both short- and long-term workforce staffing and succession management needs. To further enhance inclusive and equitable hiring practices, Toronto Hydro introduced internal reporting metrics to track and analyze female candidate conversion rate from interview to hire, as well as monitor the diversity of interview panels.



WOMEN IN OUR WORKFORCE | per cent



We aim to increase the representation of women in our workforce through targeted programs such as collaborations with local post-secondary institutions, inclusive hiring practices and our Women of Impact ERG.

We promote and mentor students, with a focus on women pursuing educational programs in electrical engineering



An inclusive culture

In 2025, Toronto Hydro continued its commitment through various initiatives aimed at fostering an inclusive workplace, including:

- We launched the company's first Employee Resource Groups (ERGs). Three ERGs were introduced: Women of Impact, Black Excellence and Unity in Pride. These voluntary, employee-led groups foster belonging, build community through shared lived experiences and strengthen an inclusive workplace culture. In October 2025, the Women of Impact ERG led Toronto Hydro's participation in the CIBC Run for the Cure, raising more than \$12,000 for breast cancer research, and hosted an inspiring keynote speaker who shared a powerful message on resilience
- We launched organization-wide updates to the employee profile, introducing enhanced D&I demographic categories including sex, gender identity, ethnic group, Indigenous status, name pronunciation and pronouns. This initiative advances the use of inclusive language to support respectful interactions
- We proudly participated in the Toronto PRIDE Parade for the first time. As an event sponsor, Toronto Hydro staff marched in the parade, showcasing our electric bucket truck in celebration and support of the 2SLGBTQ+ community
- We made significant upgrades to women's-cut PPE, following a full inventory assessment to provide inclusive and properly fitted options for all employees

LEFT | Toronto Hydro staff marched in the Toronto PRIDE Parade, showcasing our electric bucket truck in celebration and support of the 2SLGBTQ+ community.

Building awareness

Over the past year, our efforts also included the following education initiatives to build awareness around diversity and inclusion and promote an open and welcoming work environment:

- Integrated D&I content into all onboarding sessions, to help every new employee understand Toronto Hydro's commitment to diversity and inclusion from day one
- Elevated D&I storytelling and branding across internal and external channels, highlighting employees and their lived experiences to build awareness, representation and connection
- Delivered a D&I Leadership Lunch & Learn, featuring authentic employee stories that helped leaders better understand diverse perspectives and strengthen inclusive leadership behaviours
- Following the successful rollout of the Interviewing Techniques for Leaders program in 2024, leaders continued to complete the training in 2025, further strengthening fair and equitable hiring practices



Indigenous relations

Toronto Hydro recognizes that the land we operate on is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinaabe, the Haudenosaunee, the Chippewa and the Wendat Peoples. We are committed to advancing reconciliation and building respectful, long-term relationships with First Nations, Inuit and Métis Peoples. We believe in developing relationships grounded in trust, transparency and shared responsibility.

Our approach

Our Sustainable Corporate Governance Committee is responsible for overseeing the company's Indigenous Relations efforts including the development of strategies that involve First Nations, Métis and Inuit engagement, partnership, and actions to progress reconciliation.

At Toronto Hydro, we acknowledge that our organization is at the beginning of our journey, and we look forward to learning from Indigenous Peoples, communities, and organizations along the way. Over the next year, our Reconciliation journey will begin with a focus on a shared understanding of Indigenous history in Canada and will identify ways that Toronto Hydro can respond to the Truth and Reconciliation Commission Calls to Action (#92).

Building awareness

We are working internally to raise awareness and build understanding about the histories, rights and cultural practices of First Nations, Inuit and Métis Peoples. Initiatives we carried out in 2025 included:

- Partnering with an Indigenous community member to bring a cultural performance to our all-employee Town Hall, promoting reconciliation, learning and cultural appreciation
- Embedding land acknowledgments into all major in-person and virtual meetings acknowledging that Indigenous Peoples have stewarded this land since time immemorial



Our reconciliation journey

In 2025, we undertook work to better understand how Toronto Hydro can embed Reconciliation as a corporate priority. To support our approach, we partnered with an Indigenous-led firm, Mamisitotamowin Connections, to guide our Indigenous Relations strategy. The work involved conducting an internal discovery process on existing policies, practices and training related to Indigenous engagement. The process also noted areas where additional expertise may be required.

A key outcome was an internal 2026 action plan to prioritize several near-term actions, including the hiring of specialized knowledge and leadership in this space. The internal action plan is grounded in our corporate values of safety first, own the outcome and respect every voice.

A focus of the internal action plan is to develop and strengthen relationships with Indigenous communities, increase Indigenous cultural awareness at Toronto Hydro employees and co-develop strategic partnerships to advance social and economic priorities for Indigenous Peoples.

As we look ahead to 2026, we are moving forward with clear intention and a focus on meaningfully advancing our reconciliation efforts and embedding them across our organization.



Employee development and engagement

Toronto Hydro's workforce is made up of more than 1,400 full-time employees. We strive to foster a work environment where employees have opportunities for professional development, are treated with dignity and respect and are recognized for their contributions to the company and its customers.

RELEVANT SDG



Training and development

Toronto Hydro offers a wide range of instructor- and self-led web-based training opportunities. Our training content includes role-specific training, legislative requirements, company-specific policies, Toronto Hydro's apprenticeship program, personal development training and leadership development.

As a base requirement, all employees at Toronto Hydro are required to complete safety-related training, including Ergonomics, First Aid, Utility Work Protection Code, Effective Inspections and Investigations, Bucket/Confined Space Rescue, Worksite Setup Book 7 and Working at Heights.

A training risk assessment is completed for each role at Toronto Hydro to determine training requirements. New training opportunities may be identified through audits, hazard risk assessments, legislative change reviews and/or opportunities identified for continual improvement.

Leadership development

In 2025, we continued to offer professional and leadership development programs. These programs aim to develop leadership skills for management and professionals through self-paced learning and interactive sessions. In addition, we have a leadership program for engineers delivered in partnership with the University of Toronto. More than 250 employees participated in one or more of these programs.

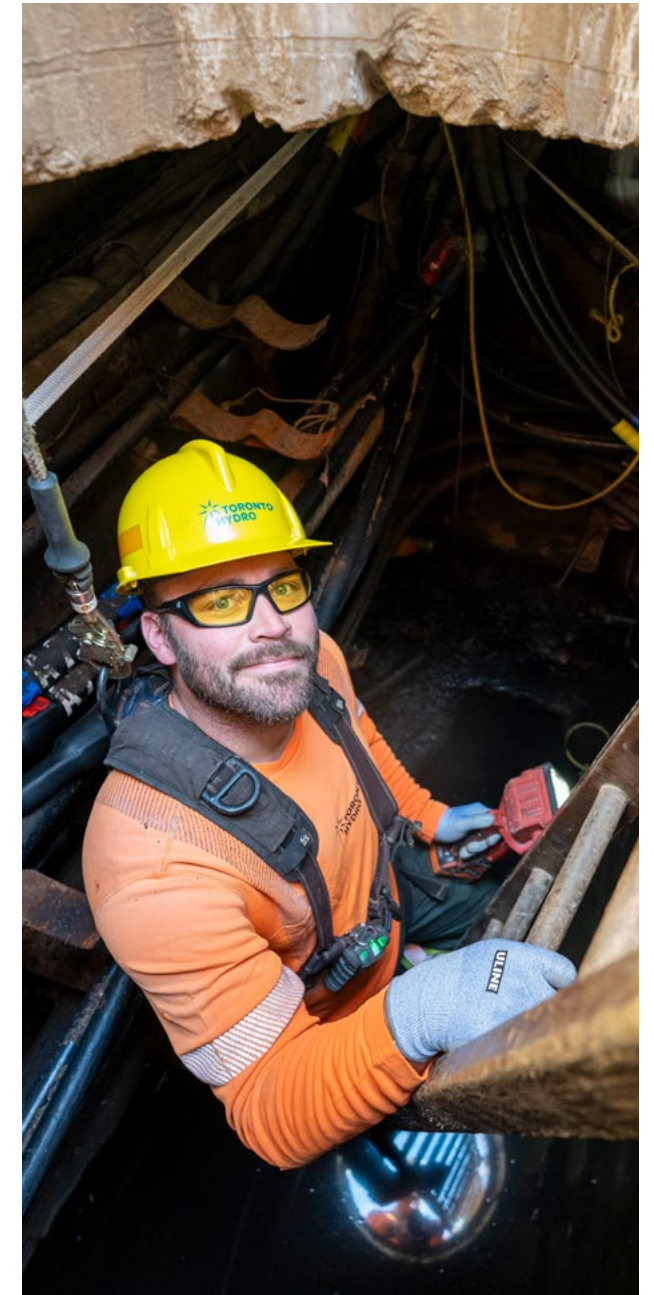
Underground Skills Training Lab

In 2025, Toronto Hydro launched the Underground Skills Training Lab: a learning facility that provides hands-on, simulation-based training in a safe and controlled environment for Toronto Hydro's apprentices who will work on Toronto's complex underground electrical system.

Training programs at the lab are developed with input from union representatives through established forums such as the Joint Apprenticeship Council, ensuring apprenticeship training reflects shared priorities around safety, skill development, and operational readiness.

45,006

hours of training delivered, averaging 4.1 days of training per employee



Employee engagement

To better understand the levels of employee engagement, we launched a new organization-wide engagement survey in 2025 in partnership with Gallup. The survey was designed to give all employees an opportunity to share their perspectives on our workplace experience and to help us better understand what is working well and where we can continue to improve. Our theme, Your Voice, Your Culture, emphasized the importance of open dialogue and collective ownership in shaping a connected, engaged and motivated workforce.

Participation across the organization was strong, with 94 per cent of employees responding. This high level of engagement reflects our employees' dedication to contributing to the evolution of our culture and our commitment to creating an environment where everyone feels supported and empowered.

We used the Gallup Q12 framework to guide our approach, reinforcing our focus on key drivers of engagement such as clarity of expectations, opportunities to learn and grow, recognition, collaboration and feeling valued as part of a team.

We integrated these principles into leadership development, onboarding and team level practices to ensure that leaders are well-equipped to foster meaningful dialogue, build trust and create action plans grounded in employee feedback.

Leaders were responsible for using insights from the survey to help teams identify priority areas and develop action plans that support engagement. Through this process, we aim to maintain a positive and inclusive environment where employees feel heard, connected and invested in our shared success.

Engaging employees in our values

Toronto Hydro refreshed its corporate values through a structured, employee-centred engagement process designed to reflect the organization's shared priorities and future direction. Beginning in early 2025, we conducted focused discussions with senior leaders and enterprise representatives, engaging 78 participants to identify themes and attributes considered most important for the organization's culture and long-term success. This input formed an initial set of value concepts, which were refined through voluntary, in-person engagement sessions with employees across all work centres, involving an additional 238 employees. Insights gathered helped validate and shape a clear set of core values, supported by shared definitions, which guide how employees work together, make decisions and deliver value to customers and communities.

RIGHT | Jana Mosley, our President and CEO, engaging with our employees at an employee appreciation event.





Providing space for connection

On June 24, Toronto Hydro hosted its first in-person town hall at the Enercare Centre. The event opened with an Indigenous Land Acknowledgement and a performance by Friday Creations.

Executive leaders shared updates on the organization's long-term vision, strategy, operational priorities and corporate values.

The keynote speaker, Olympian Hayley Wickenheiser, spoke about resilience, leadership and creating a high-performance culture.

The town hall also featured panel discussions with representation from Capital Projects, Finance, Engineering, Information Technology and other departments. Employees were invited to engage with interactive displays on key initiatives such as GenAI adoption and Climate Action programs.

Looking ahead, Toronto Hydro will continue to leverage town halls and regular executive communications to sustain engagement and reinforce alignment across the organization.

Employee outreach activities

To create a welcoming work environment that fosters connection and engagement, we provide a number of meaningful opportunities for employees.

Employee Appreciation Day

Employee Appreciation Day was held across all work centres in April to recognize the dedication and contributions of employees who support Toronto Hydro's operational success and organizational commitments. Employees were encouraged to take a break from their day, connect with colleagues and enjoy a selection of snacks and beverages, with over 900 employees participating across the organization.

National Day of Mourning

April 28 was the National Day of Mourning, where we take time to remember and honour those who have passed away, been injured or suffered illness in the workplace, as well as their families, friends and colleagues that have been impacted. The day also serves as an opportunity for us to renew our commitment and dedication to a workplace without injury, illness or death. In collaboration with our workplace partners, including the Power Workers' Union and Society of United Professionals, joint ceremonies were held at each of our work centres to commemorate the day.

Toronto Zoo Day

Toronto Hydro partnered with the Toronto Zoo, inviting employees and their families to enjoy a day exploring the zoo and sharing a meal together. The event welcomed 699 employees and their families, for a total of 2,409 attendees, fostering connection beyond the workplace.

National Lineworker Appreciation Day

July 10 is National Lineworker Appreciation Day, recognizing the essential role lineworkers play in maintaining Toronto Hydro's overhead and underground systems and keeping communities powered. To mark the day, employees came together in July to show appreciation for lineworkers. Ice cream trucks were on site, providing an opportunity for colleagues to connect and enjoy refreshments.

Take Our Kids to Work Day

On November 5, Toronto Hydro welcomed 32 grade 9 students into the workplace to learn about the organization and explore potential future career pathways. Students participated in a range of interactive, hands-on activities designed to showcase the diversity of roles across the organization. These activities included a defensive driving and virtual reality simulation of technical field work, a "day in the life of an engineer" experience and activities highlighting the work of powerline technicians.

Holiday Mix & Mingle

Holiday Mix and Mingle events were hosted across work centres to celebrate the winter season and encourage well-being and community among employees. The event provided opportunities to take a break from their day, connect with one another and enjoy a welcoming and festive atmosphere. Employees were invited to reflect and share messages of gratitude on the Warm Wishes Wall, and meet new colleagues through Mix and Mingle bingo, fostering connection and engagement across teams.

Resilience and system reliability

As Toronto’s electricity distribution company, we have a responsibility to deliver electricity reliably and to maintain grid resilience — the ability to withstand and quickly recover from disasters. We are preparing for a future where electricity becomes the primary energy source for many by modernizing our electrical infrastructure and related operations, proactively maintaining our assets, and supporting transit electrification.

RELEVANT SDG



Grid modernization

Toronto Hydro is strategically investing in grid modernization initiatives to support the energy transition and continue delivering safe, reliable power for those who live in Toronto, in alignment with the City’s infrastructure resiliency objective.

Managing peak demand

Our Local Demand Response Program gives customers the opportunity to play an active role in grid reliability. Participants are compensated for reducing electricity use during peak periods, such as by temporarily turning off equipment or using on-site energy resources.

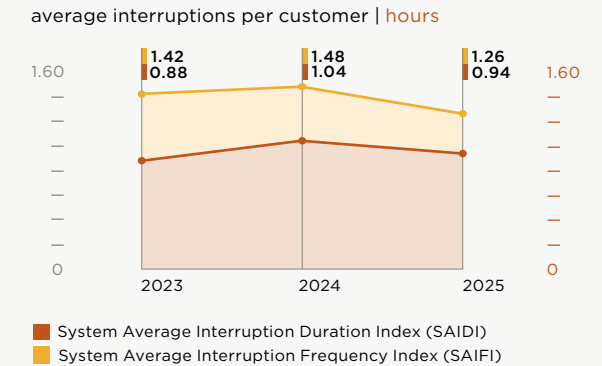
During summer 2025, we were able to reduce peak demand by approximately 6 MW, therefore avoiding the use of gas resources or battery dispatch. We achieved this reduction by working with select customers and City of Toronto pump stations. In October 2025, we launched a new 2025–2029 program cycle, securing approximately 12 MW of capacity from more than 20 commercial, industrial and institutional customers, to help manage demand during the hottest months of the year. The 12 MW represent the largest single-year reductions since the program launched in 2018. This is the equivalent of shifting the energy load of 3,000 homes, 25 large commercial buildings or two major factories without building a single new powerline.



Reducing the impact of outages

We are also enhancing the reliability of the grid by using reclosers — automated switches installed on the distribution system designed to minimize the impact of power outages. Reclosers are smart devices that quickly detect faults — such as those caused by fallen tree branches or lightning strikes — on the power grid and operate to help avoid sustained outages, reducing the number of customers affected and improving overall service reliability. In 2025, we have continued widespread deployment of standard recloser assets and advanced pilots of additional recloser technologies. To date, eight reclosers have been fully commissioned, with approximately twenty additional units partially commissioned.

RELIABILITY METRICS



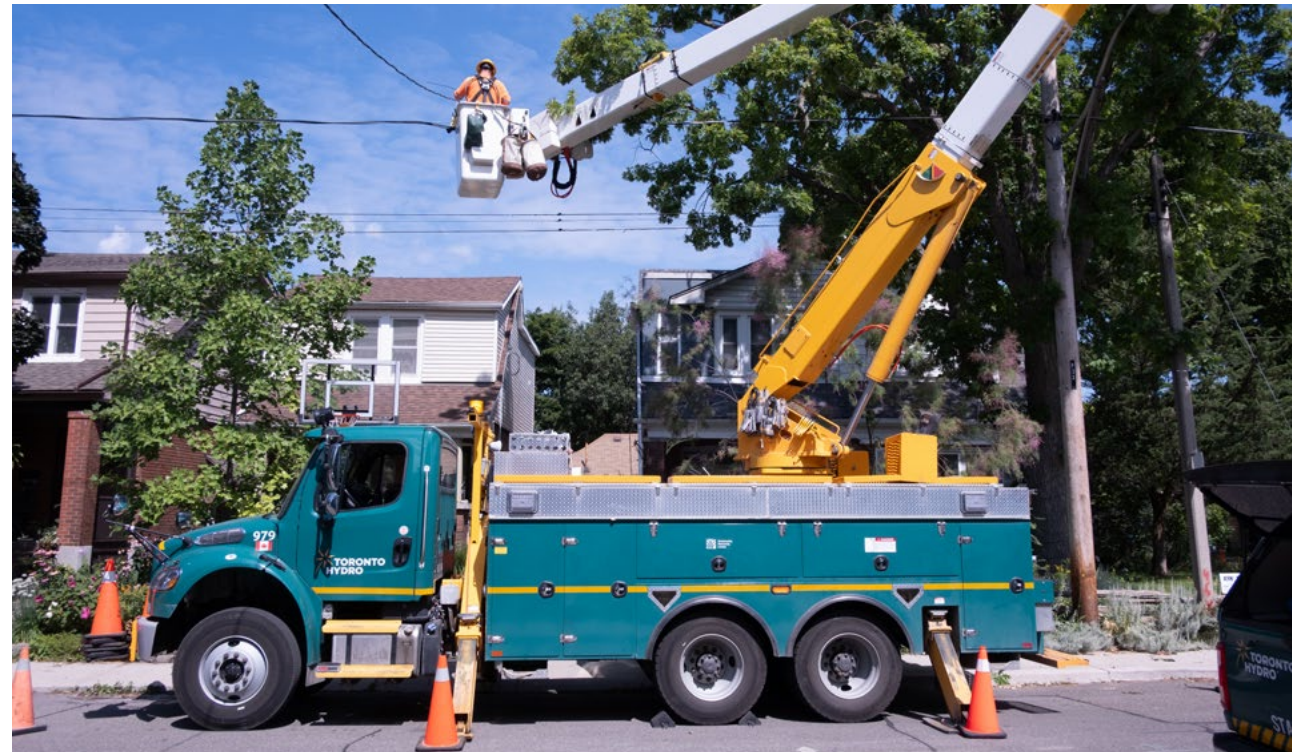
On average, our customers experience approximately one outage per year with an average duration of one hour. We continue working to improve our reliability metrics.

Remote monitoring of underground network vaults

An electric underground vault is a secure below-ground chamber — often concrete — designed to house and provide access to transformers, switchgear and cables. To enhance downtown network resilience, we are investing in monitoring that enables early detection of overheating, flooding and oil or pressure anomalies. This also improves safety by supporting proactive intervention to mitigate fire and oil spill risks. Enhanced monitoring and control capabilities have now been deployed across approximately 700 of 920 underground network vaults, with program completion targeted for the end of 2026. Integration with supervisory control and data acquisition systems enable remote condition checks and control, improving issue detection and reducing response times.

Toronto Hydro's Energy Centre

In 2025, we continued to advance the role of the Energy Centre — a software system and group of internal experts that identify future technologies and improvements to support electrification — as a core enabler of Toronto Hydro's long-term energy transition. We strengthened tools, operational practices and staff capabilities to better coordinate and optimize distributed energy resources across the local grid. Building on prior year experience with local demand response initiatives, we established a stronger foundation for future distributed resource coordination and market participation. The Energy Centre remains a hub for innovation, supporting system reliability while preparing for a more decentralized and customer-enabled electricity system.



Supporting the integration of distributed generation

A major milestone this year was the completion of a Distribution System Operator roadmap. We developed a five-year implementation plan and a 10-year strategic roadmap outlining how Toronto Hydro can evolve toward a Distribution System Operator model. We assessed existing tools, processes and workforce capabilities to identify gaps and define a staged approach for technology investments, operational enhancements and workforce development. The roadmap outlines the steps required to enable bidirectional power flows, integrate distributed generation and flexible services, and support customer participation in local energy programs.

We continued to engage proactively with regulators and industry partners to support alignment with emerging policy and market frameworks. We participated in IESO working groups focused on defining Distribution System Operator roles and requirements. We also coordinated with the Ontario Energy Board and the Ministry of Energy, both of which have indicated interest in Distribution System Operator models as part of Ontario's future electricity system. Internal collaboration ensured alignment with regulatory expectations and positioned the organization for future compliance and readiness.

Improving data and planning analytics

We continued to advance data analytics and solutions to support asset management decisions in 2025, including introducing an Asset Investment Planning system that integrates safety, environmental risk, reliability outcomes, financial impacts and other considerations into distribution grid capital planning. This approach strengthens transparency, consistency and defensibility of investment decisions. The system will be integrated into relevant capital planning processes in 2026.

In addition, we piloted machine learning applications to improve asset data quality and enable predictive planning analytics. For example, one pilot uses computer vision to extract equipment nameplate information from inspection photos and validate it against system records, reducing manual data reviews and improving accuracy. Other pilots included developing machine learning models to detect electric vehicle connections on the distribution system and improve our ability to identify transformers experiencing increased loading due to electrification. These initiatives remain in the development phase, with operational deployment planned in future years. We also developed various dashboards to better visualize data to drive decision making.





Preventative maintenance

A key way we support resilience and system reliability is through our preventative and predictive maintenance program.

Vegetation management

We use vegetation management to help mitigate tree-related interferences and reduce outages. Our vegetation management program employs arboriculture techniques carefully designed to provide proper care for trees. In 2025 we continued to advance the Intelligent Vegetation Management System (IVMS), a satellite-powered tool piloted in Etobicoke and North York. This program uses satellite imagery and analytics-based monitoring to identify vegetation growth risks, improving trimming efficiency and reducing the likelihood of tree-related outages. We are working towards expanding IVMS across our systems as part of a proactive, preventative vegetation management strategy. In 2025, Toronto Hydro pruned approximately 64,100 trees adjacent to distribution lines. Tree pruning is conducted in accordance with the City's Urban Forestry Tree Pruning Guidelines and in a manner that minimizes injury to trees while enhancing system reliability. Vegetation management practices are essential for safeguarding the system against adverse weather conditions, as they involve removing vulnerable sections of the tree canopy that may break during high winds or from the accumulation of ice and snow.

Reducing wildlife-caused outages

We implement measures to protect wildlife and support reliability by reducing outages, equipment damage and environmental hazards associated with wildlife interference. In 2025, we installed 28 animal guards on overhead SCADAMate switches, with more planned for future cycles. These guards are now standard for all new installations and are being deployed to additional sites based on risk prioritization. We also updated our inspections in 2025 to include new requirements for wildlife activity reporting for our substations. Measures to prevent wildlife from coming into contact with our assets, such as installing plexiglass barriers and trimming vegetation to deter wildlife, were installed at select substations. Stations were prioritized using a ranked risk list, and several additional locations have been identified for rollout in 2026.

Reusing equipment

Global supply chain disruptions have created unprecedented challenges in the supply of major equipment (mainly distribution transformers) to Toronto Hydro. To address this disruption, Toronto Hydro introduced its Major Equipment Re-use Program, which assesses major equipment, such as transformers, switches and network protectors, returned from service due to failure or planned replacement. The program also reduces the wasteful disposal of equipment that has yet to reach the end of its operational life. In 2025, 247 units underwent successful repairs and were reintroduced within the system.



Supporting transit electrification

A key way we support resilience and system reliability is by supporting public and transit electrification initiatives across the city. In 2025, we continued to play a critical enabling role in advancing major regional transit projects that support the shift from fossil fuel-based transportation to cleaner electric mobility across the Greater Toronto Area. Through our work with Metrolinx, the City of Toronto and other regional partners, we focused on relocating electrical assets, resolving infrastructure conflicts, providing temporary power solutions during construction and energizing permanent electrical connections needed for long-term transit operation. Key projects in 2025 included the Finch West LRT project, GO Transit electrification, progressing on the Ontario Line, and commissioning of the Eglinton Crosstown Energy Storage Facility. Read more on the next page.

By enabling electrified transit, we supported indirect reductions in GHG emissions and aligned power systems with non-fossil fuel mobility solutions. We also strengthened social outcomes by improving transit accessibility, coordinating closely with city partners and minimizing construction-related disruptions. Additionally, our implementation of battery storage solutions enhances reliability without increasing emissions, providing customers with resilient, grid-supportive infrastructure.

In every project, we continue to demonstrate prudent stewardship of ratepayer funds by coordinating construction activities, minimizing rework and ensuring our enabling work aligns with broader municipal planning priorities. As transit ridership continues to rise and regional electrification accelerates, our work contributes to cleaner, more efficient and more reliable mobility for generations to come.



Finch West

We completed the enabling work for the Finch West Light Rail Transit (LRT) project. Our team relocated assets, provided temporary power during construction and energized permanent connections that positioned the line for opening in December 2025.

This work directly supports the City's decarbonization strategy by enabling a fully electric transit line that improves commuter mobility and reduces emissions.



GO Transit

In 2025, our team remained engaged in planning, asset relocation and preparation for large-scale system conversion. Electrifying GO Transit infrastructure, including trackside power, feeder system and traction power substations is expected to significantly reduce transportation-related emissions within the region.

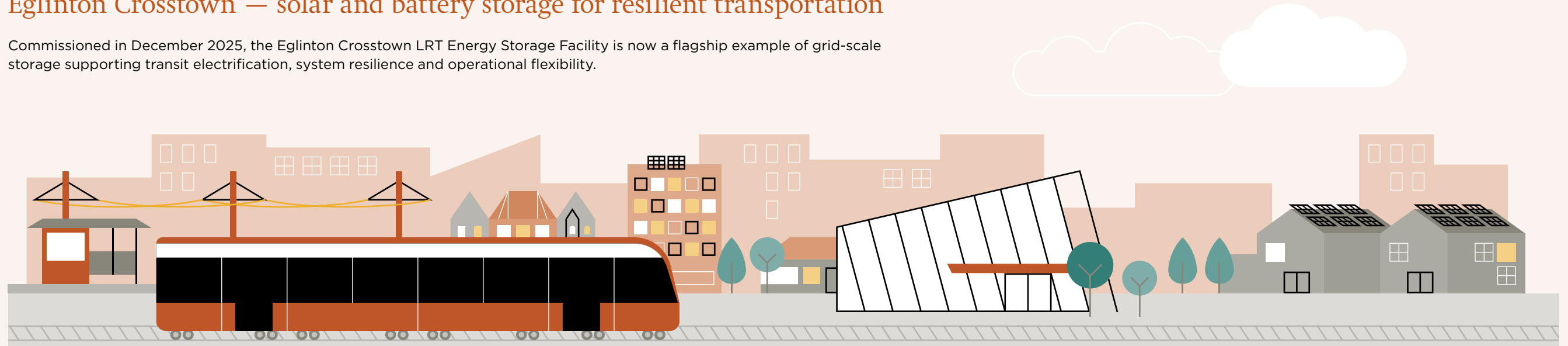
As Metrolinx works toward converting the GO Train fleet from diesel to electric power, this program is projected to eliminate 7.3 megatonnes of carbon dioxide emissions by 2055.⁵ Our role has centred on early works, conflict resolution and installation of essential electrical systems that will support service across five GO Transit lines.

⁵ metrolinx.com/en/news/transit-for-cleaner-air

SPOTLIGHT

Eglinton Crosstown — solar and battery storage for resilient transportation

Commissioned in December 2025, the Eglinton Crosstown LRT Energy Storage Facility is now a flagship example of grid-scale storage supporting transit electrification, system resilience and operational flexibility.

**About the project**

The facility integrates a battery storage system to provide emergency backup power to the LRT system. Electrically connected to our distribution system, it operates under formal agreements with Metrolinx. While the battery system has the capability to support peak load management, it is operated primarily to maintain emergency readiness and is not routinely discharged solely for peak shaving.

Toronto Hydro's role

Our role in the project focused on construction and energization of the facility, safe system integration, testing and operational readiness.

Grid integration | We supported the project by powering and integrating the system with our distribution network and enabling its transition into operational service. Final commissioning and power outage testing were completed in December, confirming that the facility can reliably operate as part of the electricity distribution system and support transit operations during outage conditions.

Safety | We supported safe system integration by coordinating testing, protection and operational controls associated with the energy storage and solar systems. Commissioning tests confirmed the system's ability to dynamically transfer load between feeders during outage and restoration scenarios without interrupting transit service. Building-wide fire protection systems are in place, and additional module-level fire suppression technologies have been installed to further strengthen safety performance and environmental compliance.

Enabling emissions reductions | By enabling the connection of a battery-based backup system in place of a proposed natural gas generator, we supported a solution that avoids combustion-related emissions and aligns with our clean energy and decarbonization objectives. The combined use of battery storage and on-site solar generation illustrates a non-emitting approach to providing reliable backup power for critical transit infrastructure.

This project demonstrates how utility collaboration can enable large-scale electrification while maintaining reliability and responsiveness across the grid.

Integrating solar power generation

As part of the electrification of Eglinton Crosstown, Toronto Hydro enabled the connection of an on-site rooftop solar photovoltaic system installed at the energy storage facility. The approximately 90-kilowatt solar array is electrically integrated with our distribution system and supplies renewable electricity for station service loads.

When available, excess solar generation contributes clean electricity to the local distribution network. This integration supports emissions-free energy use at the facility and demonstrates how solar generation can be combined with energy storage to support resilient and low-carbon infrastructure.

Emergency management

Emergency management is the process of planning for, responding to and recovering from an incident. We stay prepared for incidents through continual improvement of our emergency plans, by providing emergency role-based training for employees and by facilitating exercises in various formats for key emergency roles.

Incident response

Our incident response at Toronto Hydro is aligned with the internationally recognized Incident Management System (IMS), as it provides a framework to respond effectively to all threats and hazards.

In 2025, we developed the Toronto Hydro Incident Response Plan to act as the core emergency management plan for all types of incidents that the company may face. This plan aligns with Ontario's Incident Management System best practices and gives us a consistent, reliable framework to respond to incidents quickly and effectively. We also created new, and updated several existing, emergency management plans to address the changes in how we respond to incidents.

Emergency preparedness

Exercises are a cornerstone to the success of emergency management plans, roles and overall preparedness. They allow for an evaluation of the procedures, tools and facilities, and provide opportunities for employees to practise their emergency roles in a simulated and safe environment. In 2025, approximately 200 employees exercised their emergency roles by participating in eight exercises of varying formats and scenarios throughout the year. This year we also held our largest ever functional exercise for employees with the aid of a specialist vendor.

Toronto Hydro understands the critical role it plays when supporting the City in emergencies. To support continual improvement and a strong working relationship with the City of Toronto Emergency Management Office, Toronto Hydro works closely to participate in their hazard-specific working groups and exercises. In 2025, we continued to work with the City and other external stakeholders to plan and prepare for the FIFA 2026 World Cup™.

Business continuity

Business continuity is an integrated process involving the development and implementation of activities that allow for the continuation and/or recovery of critical service delivery and business operations in the event of a disruption.

We use a specialized software to formalize and standardize our business continuity program. The system provides an analytical, enterprise-wide understanding of our critical processes, along with what those processes depend on. Plans are created to ensure critical processes continue in the event of a disruption or are recovered within acceptable timelines; thereby increasing organizational resilience to disruptions. The software tool is also used to identify resiliency gaps within the organization. Through the end of 2025, 69 Business Continuity Plans have been developed.



Responding to emergencies

In 2025, there were several large disruptions and one major event that required emergency response:

- In April 2025, we declared a Level 2 emergency to respond to high-speed winds that caused multiple outages across the city. Our crews worked around the clock to ultimately restore power to the approximately 27,000 customers impacted
- In the same month, we sent Mutual Aid crews to help Hydro One respond to widespread outages across Central and Eastern Ontario



Customer experience

Every day, we deliver safe and reliable electricity to more than 3 million people and businesses in the city of Toronto. We strive to provide consistent, high-quality customer service and are committed to being fair and honest with our customers.

Enhancing the customer experience

In 2025, we continued to improve the customer experience by introducing more online capabilities, ease-of-use functionalities to reduce customer effort and streamlined customer processes for residential, commercial and large building customers. We advanced several initiatives that reduce administrative burden, improve access to information and create a positive experience for customers across the city, including:

Improving outage communications

In December, we held three customer advisory panel sessions and created an enterprise team of specialists to evaluate our outage communications and examine ways to make our outage map more intuitive, accurate and responsive. Participants highlighted opportunities to improve visibility of refresh intervals, streamline the display of status updates and integrate additional touchpoints for customers seeking real-time information. The recommendations are informing upcoming design refinements and reinforce strong governance by integrating customer voices directly into product development.

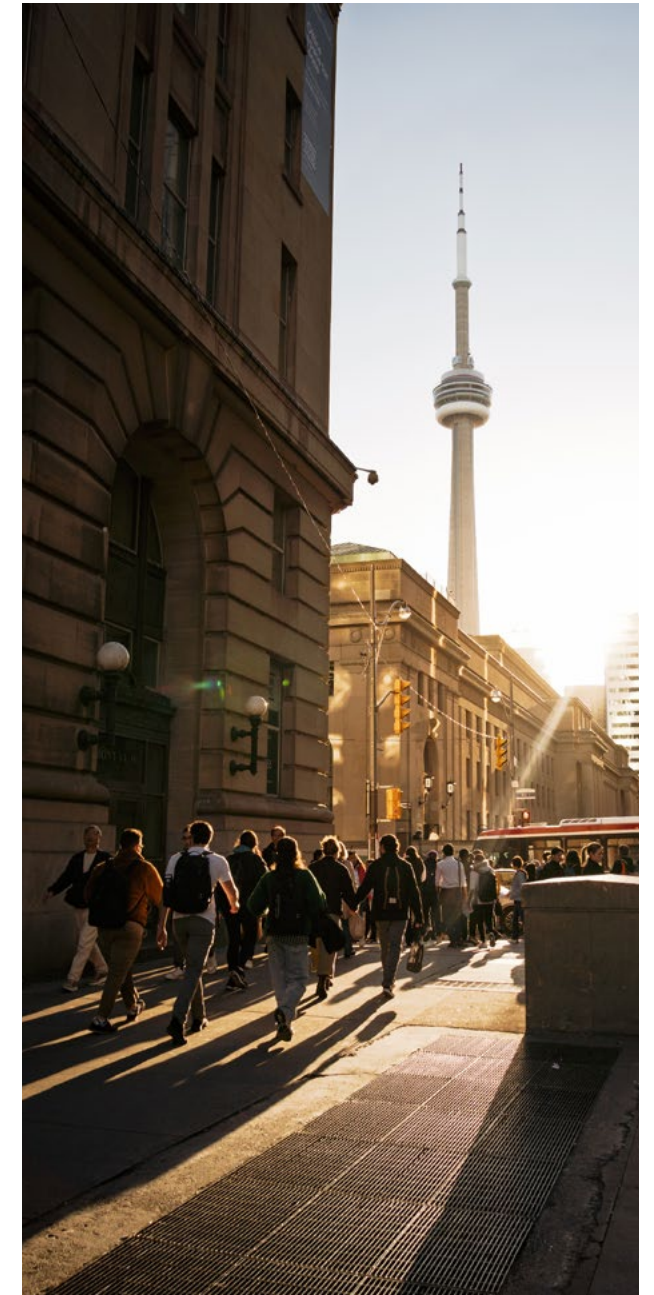
Supporting electrification planning

We published interactive load capacity maps on our website to support customer electrification planning. The maps provide visibility into available system capacity and help developers and large customers assess the feasibility of electrification projects before submitting connection requests. In addition, we recently published our generation and storage capacity lookup tool, which uses address queries to check whether the feeder in your area has the capacity to support your project.

Automated data sharing for large buildings

Through our Climate Action product and service suite, we launched secure automated data sharing through ENERGY STAR® Portfolio Manager® — a free, secure tool that helps customers track electricity use and benchmark efficiency. This automation allows eligible building owners to receive monthly electricity consumption data through an automated transfer, rather than relying on manual requests. The automated data transfer improves customer experience by reducing time spent handling data submissions, increasing accuracy and simplifying compliance with municipal and provincial reporting requirements. Initially available to buildings 50,000 square feet and above, the service will expand to buildings 10,000 square feet and above in the coming year. Adoption began early and continues to grow.

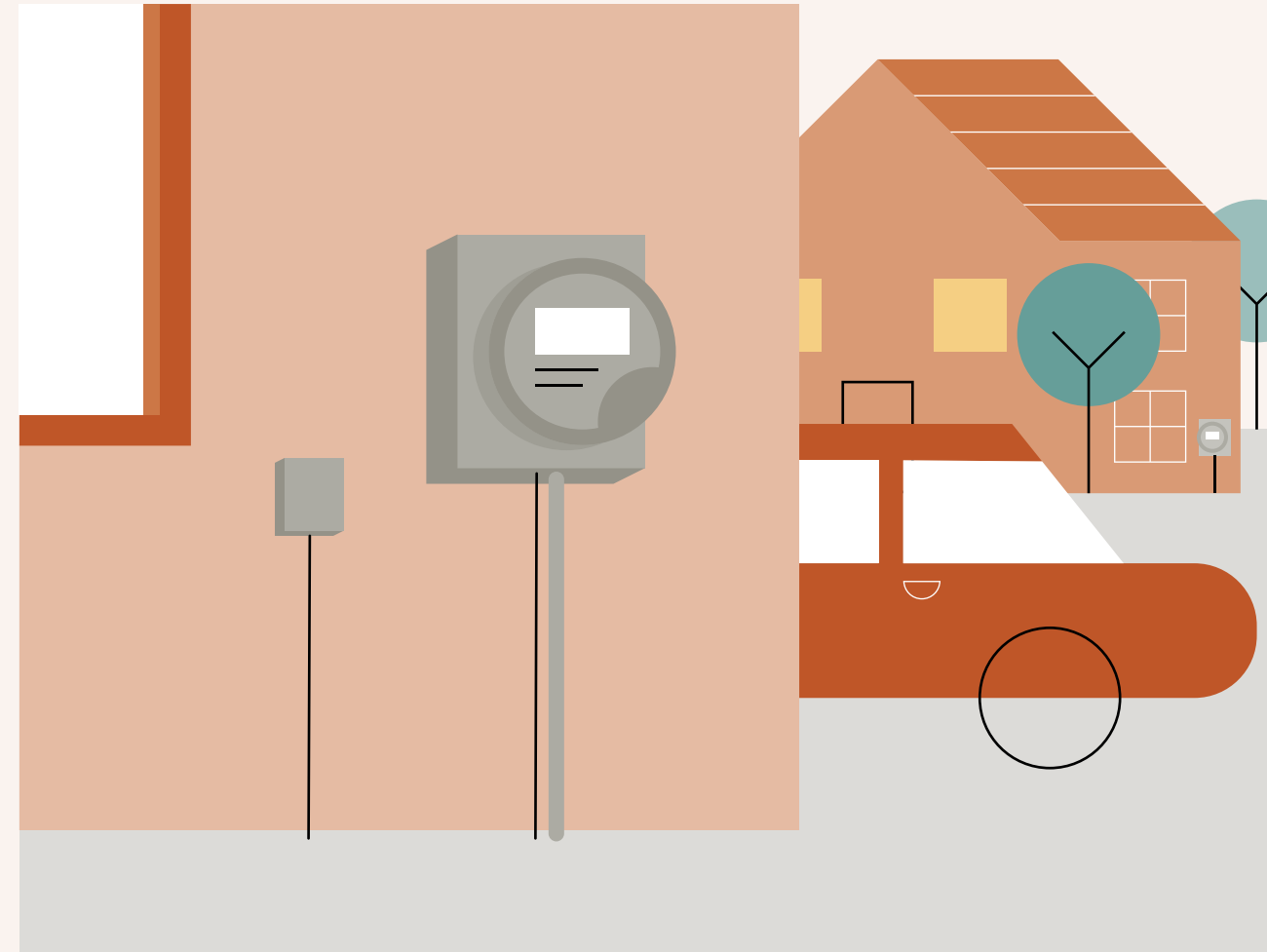
We strive to provide consistent, high-quality customer service



SPOTLIGHT

The foundation for electrification and grid modernization

Unlike historical meters that are focused on one-way communication (i.e., send customer data to the utility), Advanced Metering Infrastructure (AMI) enables two-way communication between utility companies and customer meters. AMI provides immediate data, allowing for remote meter management, improved outage detection, better energy usage tracking and advanced analytics supporting the grid. AMI technology creates the foundation for grid modernization technologies and improves outage management. It also helps us prepare for anticipated electrification and the transition to a net-zero energy system by enabling near real-time integration with renewable energy sources and electric vehicle charging infrastructure while maintaining reliability and affordability.



Toronto Hydro's first generation of smart meter technology, AMI 1.0, provided automated meter readings, simplified connections and provided more detailed billing data. The second generation, AMI 2.0, will deliver additional benefits such as improved network range, stronger cybersecurity, greater grid transparency, more detailed energy data and an enhanced customer experience. Toronto Hydro is installing AMI 2.0 meters.

In 2025, we focused on building the infrastructure needed to deploy AMI 2.0 meters at scale. We installed about 225,000 meters toward the goal of 700,000, showing strong early momentum and confirming the installation strategy developed through customer focus groups in 2024. The program is on track for completion by 2028, with some properties expected to finish in 2029 due to access challenges.

During the execution of this project, our activities align with these three priorities:

Customer experience

We introduced appointment-based scheduling and a structured communication process to reduce missed visits and improve transparency. Customers now receive letters three months before the exchange, phone calls one month prior and text or email reminders the day before. A new tool called "Where's my tech" allows customers to track technicians in real time, providing predictable arrival windows and reducing uncertainty. With this tool, we have also introduced customer feedback mechanisms allowing customers to influence the customer experience. To improve responsiveness, we also created a dedicated phoneline for inquiries, complaints and escalations.

Affordability

We introduced financial assistance to cover the cost of electrical isolation when deficiencies prevent a meter exchange. These deficiencies typically cost homeowners \$700 to \$3,000. By covering these costs, we remove a major barrier, reduce frustration, minimize delays and provide fair access to advanced metering technology.

Safety

We conducted a pilot program, proactively replacing meters installed at high-risk customer meter base locations that are up to 40 times more likely to fail or cause arc-flash events. By replacing them, we are reducing equipment failure, improving worker safety and lowering the risk of property damage. This approach reinforces our commitment to safe work practices and system reliability.



Community outreach

As a municipal utility, one of the ways we remain connected with our customers is through community outreach.

Community engagement for projects

As part of our engagement approach, we communicate with customers on all planned capital construction activities, including projects that involve planned outages. Customers receive advance notifications at multiple stages of the work, with information on the type of work, project timelines, impacted areas and anticipated service interruptions. Where equipment installation is involved, customers are provided with location information and have the opportunity to raise questions or concerns, which are reviewed through a design review process to assess feasibility and potential adjustments. These communications help ensure customers are informed ahead of construction and remain aware of any planned impacts associated with system upgrades or maintenance.

Outreach events

Throughout the year, Toronto Hydro engaged with communities across the city by participating in 25 events and connecting with more than 100,000 attendees across community, cultural and industry gatherings. These events created opportunities for attendees to ask questions, explore electric alternatives such as heat pumps, electric vehicles and electric water heating, and learn how to reduce costs and emissions at home. Through sponsorships, interactive booths and on-site participation, Toronto Hydro strengthened community relationships and helped residents feel more informed and supported in making energy choices. We also used these opportunities to talk to customers about emergency preparedness and promote our online tools at several events.

Engagements ranged from large gatherings to local neighbourhood festivals, including the Davisville Fun Fair, Cedarvale Community Festival, the Pocket Eco Fun Fair and the Oriole Park Community Festival. Some of the larger events we participated in include:

PrideTO – Pride Parade

Toronto Hydro is committed to powering a more inclusive workplace and city, and in 2025, we proudly participated in the Pride Parade for the first time. As an event sponsor, Toronto Hydro staff marched in the parade, showcasing our electric bucket truck in celebration and support of the 2SLGBTQ+ community.

Toronto Hydro also took part in arts, culture and diversity-focused events such as Casa Loma's Investing in Arts and Culture program, the Building Diversity Awards, EcoFair Toronto and cycling related initiatives like Cycle Toronto's Get Lit! and the Big Toronto Bike Ride 2025. We were also involved in industry events such as the Electric Autonomy kWh Summit and EV & Charging Expo, PM Springfest and the Sustainable Buildings Canada Green Buildings Festival.

Each of these events helped advance conversations around sustainability, electrification and community well-being, reinforcing Toronto Hydro's commitment to supporting the communities it serves.

Santa Claus Parade

Toronto Hydro was a proud sponsor of the Santa Claus Parade. With over 700,000 attendees, Toronto Hydro volunteers marched alongside the EV bucket truck. It was a chance for employees to celebrate the holiday season with their families and take in the city's festive spirit.

Cavalcade of Lights

On November 29, Toronto Hydro participated in the annual Cavalcade of Lights at Nathan Phillips Square to help kick off the holiday season. As the tree-lighting sponsor, Toronto Hydro joined the festivities by connecting with the community and taking part in the giveaways, music and skating.

Light Up the Season

On December 20, Toronto Hydro employees and their families were invited to the Enercare Centre to celebrate the holidays and embrace the festive spirit. Activities such as Letters to Santa, Hanukkah dreidel designing, Ramadan lantern crafts, face painting among others, encouraged attendees to reflect on a variety of cultures and traditions while creating lasting memories.



United Way campaign

Toronto Hydro continued to support the United Way through an employee-led campaign. Fundraising activities included campaign kickoff events at each work centre, an online employee auction and participating in the CN Tower Climb. Additional events and initiatives included Krispy Kreme for a Cause, Toronto Hydro hoodie and merchandise sales, virtual escape rooms, pizza and samosa sales, trivia, cornhole competitions and karaoke.

Through these initiatives, our employees raised more than \$215,000 to support community programs that assist individuals and families in need. The campaign was supported by more than 125 Toronto Hydro volunteers, who served as building leaders, captains and ambassadors, helping to drive engagement and participation across the organization.



Energy affordability

We work to promote or provide a variety of options to support customers facing challenges in paying their energy bills. These include promoting available financial assistance programs and providing payment plans for our customers.

RELEVANT SDG



Assistance programs

Income-eligible residents who are behind on their electricity bill may qualify for financial help through the following government-funded programs that help them with:

Energy-related emergencies

Income-qualifying Toronto residents may be eligible for assistance from the City of Toronto, through the Emergency Energy Fund (EEF), to address energy-related emergencies. This includes reconnection, preventing disconnection or managing arrears for services. To qualify, customers must have received a disconnection notice, have been disconnected or have unpaid energy arrears without sufficient funds to pay them.

Monthly bill credits

Administered by the Ontario Energy Board (OEB), the Ontario Electricity Support Program (OESP) offers monthly bill credits to eligible households. The credit amount is determined by household size and income and is directly applied to eligible customers' bills.

One-time grants

Low-Income Energy Assistance Program (LEAP) provides one-time grants to eligible customers to help with outstanding electricity bills and prevent disconnection.

Payment arrangements

Toronto Hydro offers the following payment plans designed to ease financial pressures for our customers and support them in:

Evenly distributing costs

The Equal Payment Plan helps customers by evenly distributing their energy costs over the year. Toronto Hydro estimates the customer's annual electricity usage, divides it into equal monthly payments and reconciles the account annually. Any overpayment or underpayment is applied to the next bill, and adjustments are made to ensure accurate monthly payments for the following year.

Catching up on payments

The Arrears Payment Plan (APA), prescribed by the OEB, is available to residential and small business customers with outstanding electricity charges who meet eligibility criteria. The terms of the agreement depend on the customer class and the arrears balance relative to their average monthly bill.

Avoiding disconnection fees

Eligible customers can receive one free temporary disconnection per 12-month period. Eligibility is based on approval for LEAP or OESP. Additional disconnection requests within the same period will be charged at standard rates.

We offer payment plans designed to ease financial pressures for our customers

Supporting affordable housing in Toronto

Toronto Hydro supports the City of Toronto's affordable housing initiatives through updates to residential construction standards that enable greater flexibility and alignment with city zoning allowances. These revisions reflect Toronto Hydro's commitment to support the City in addressing evolving community needs and increasing housing capacity in the city.

Implementation and current status

The revised construction standards were implemented in mid-2024. These measures enhance the ability of Toronto Hydro's infrastructure to accommodate multiplex developments while addressing technical challenges related to electrification. These efforts align with the City of Toronto's affordable housing goals. For details on the Multiplex Guide, refer to Toronto Hydro's most recent Climate Action Status Report at torontohydro.com/climateactionplan.

Governance

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13

Board members

61.5%

of our Board members are women

FACT | Our executive team, with support of the senior leadership team, is responsible for the execution of our strategy and managing our sustainability-related performance.



Corporate governance

We believe that strong corporate governance is essential for the prudent management of our organization. Toronto Hydro's Board oversees our strategy and verifies that we are meeting our obligations as a responsible corporate citizen.

Governance framework

Our Board of Directors operates in alignment with provincial legislation and Canadian securities regulations. The City also has a Shareholder Direction that sets out additional corporate governance principles, which require us to operate in accordance with rules, policies, directives or objectives as directed by city council, but subject to the legal obligation of the Board. The Board operates under a clearly defined mandate, and its committees follow detailed charters, which are reviewed and approved on a regular basis.

Board composition and renewal

Our sole shareholder, the City of Toronto, appoints Toronto Hydro's Board, which is composed of City Councillors and "citizen directors" who are not council members. Each City Councillor director is elected to serve for two years or until a successor is elected. Each citizen director is elected to serve for a set term and may be elected for a maximum of four consecutive terms for no more than eight consecutive years (or until a successor is appointed).

Appointments of citizen directors are made pursuant to the City of Toronto Public Appointments Policy, which sets out a process and framework for the recruitment and selection of suitable candidates to serve as board members of agencies and corporations of the City. In electing directors to the Board, the City considers the qualifications of a candidate including experience or knowledge, commercial sensitivity and acumen, independence of judgment and personal integrity. Toronto Hydro's Sustainable Corporate Governance Committee has developed a skills matrix applicable for potential director candidates, which is shared with the City of Toronto for use in its director appointment process. For more information on our Board and Board renewal processes, read our [Annual Information Form \(AIF\)](#).

Board diversity

Our Board benefits from the exchange of perspectives made possible by diversity of backgrounds, as well as thought, skills and experience. Diversity is considered by the City in its director appointment process. As of December 31, 2025, women represented 61.5 per cent of our Board, or 8 out of 13 Board members.



Governance for sustainability

We are committed to managing sustainability-related matters responsibly. To verify that we are meeting our sustainability commitments, we have assigned responsibility for the oversight and management of key sustainability topics to specific Board committees and internal leaders and experts.

Board oversight of sustainability

Informed by the City of Toronto’s objectives, our Board holds the ultimate authority for our sustainability-related strategy and direction. Our Board has three standing committees with defined areas of sustainability oversight. For more information on our Board committees, see our [AIF](#).

BOARD/BOARD COMMITTEE	SUSTAINABILITY TOPIC OVERSIGHT
Board of Directors	<ul style="list-style-type: none"> Sustainability strategy Risk management Emissions reductions and electrification targets Climate Action Plan
Audit Committee	<ul style="list-style-type: none"> Financial reporting Internal controls Corporate compliance Business ethics
Safety and Human Resources Committee	<ul style="list-style-type: none"> Worker health and safety Collective bargaining Compensation tied to sustainability performance
Sustainable Corporate Governance Committee	<ul style="list-style-type: none"> Environmental compliance Diversity, equity and inclusion Public policy Director skills



Management’s oversight of sustainability

Our executive team, with support of the senior leadership team, is responsible for the execution of our strategy and managing our sustainability-related performance. Our executive team reports quarterly to our Board on our performance. To reinforce the importance of managing our sustainability matters, executive officers are eligible for performance-based incentives when the company achieves its corporate performance objectives, which includes sustainability-related metrics.

To provide additional oversight of key sustainability-related matters, Toronto Hydro has established the following employee-level cross-functional groups:

- **The Sustainability Advisory Committee** reviews our sustainability strategy, progress towards targets, integration of sustainability in regulatory applications, investor inquiries relating to sustainability and environmental sustainability-related risks and reports
- **The Net Zero 2040 Planning Committee** manages building emissions and reviews progress towards our net-zero target
- **The SF₆ Elimination Team** oversees the management of SF₆ in support of our net-zero target
- **The EV Working Group** oversees progress towards electrification initiatives
- **The Forced Labour in Canadian Supply Chains Working Group** assesses gaps and areas for improvement in supply chain processes to meet requirements of Bill S-211



Ethics and integrity

We are committed to being a responsible business and we hold ourselves to the highest levels of responsibility and performance. Our approach to upholding ethical behaviour across our organization is formalized in our Code of Business Conduct and Whistleblower Policy (the “Code”).



Foundational policies

The Code outlines our expectations for ethical business conduct for Toronto Hydro directors, officers, employees and contractors. It addresses a wide range of ethical and legal concerns and provides reporting channels for suspected violations of the Code. Toronto Hydro requires all directors, officers and employees to complete training on the Code and sign an attestation to uphold the Code's principles upon commencement of employment. Training is provided at the time of hire, and annually thereafter. We also require contractors to review the Code and attest that they understand and will abide by it and other applicable Toronto Hydro policies. A copy of the Code is available on our [website](#).

Reporting ethical concerns

Perceived violations of the Code or other ethical concerns can be reported confidentially to the Ethics Officer via phone call on a dedicated line, the Ethics Officer email, or our **Third-party whistleblower hotline – reporting portal**. This hotline is available to internal and external stakeholders and permits individuals making a report to do so anonymously if desired. If a complaint involves the conduct of a Toronto Hydro director or officer, a member of the executive team or the Ethics officer, it is sent directly to the Chair of the Board's Safety and Human Resources Committee. For issues related to auditing or accounting, complaints are sent to the Chair of the Board's Audit Committee.

The Ethics Officer provides quarterly Code updates to the Safety and Human Resources Committee, and the Director of Internal Audit and Compliance reports quarterly to the Audit Committee on matters related to audit and compliance so that the Board may satisfy itself that the President and Chief Executive Officer and other officers have created a culture of integrity throughout Toronto Hydro.

Management is responsible for verifying that no retaliatory action is taken against anyone who makes a report in good faith relating to the Code. For example: reporting an ethical or legal concern or violation; having lawfully provided information or assistance in an investigation regarding any conduct that may involve a violation of securities laws or fraud; having filed, testified, participated in or otherwise assisted in a proceeding relating to a potential violation of applicable securities laws or fraud; having provided a law enforcement officer with truthful information regarding the commission or possible commission of an offence; or having provided assistance to the Ethics Officer, the Board of Directors, management or any other person in the investigation of a report.

Toronto Hydro is committed to being a responsible business and corporate citizen



Climate

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- Climate change vulnerability assessment **54**
- Climate-related physical risks **54**
- Transition scenarios **55**
- Transition-related risks and opportunities **56**



2

physical scenarios used in our vulnerability assessment

4

transition scenarios evaluated

FACT | We continue to invest in the renewal and hardening of existing aging infrastructure to improve its safety, reliability and resilience to the physical effects of climate change.



Risk management

Effective risk management is critical to our business and helps us minimize negative impacts to our operations, people and stakeholders. Some risks can impact our environmental, social or governance performance. Our Enterprise Risk Management (ERM) framework outlines our systematic approach towards identifying, evaluating, treating, monitoring and reporting risks.

Risk identification

To identify risks, internal ERM professionals meet quarterly with the senior leadership team to review and identify potential emerging risks that could impact Toronto Hydro, including the following areas: our reputation, stakeholder management, financial position, operational compliance, occupational health and safety, public safety and market share impacts.

Risk assessment and management

Identified risks are assessed by the senior leadership team who quantify the probability of the risk occurring and the scale of impact of each risk, considering also interdependencies between risks. We then identify mitigation actions we could take to manage and reduce the impact of the risk.

Each risk is assigned a risk owner from our senior leadership team. This individual is responsible for verifying that the risk is being monitored and managed. Our senior leadership team conducts quarterly risk reviews to confirm that risk levels remain accurate and are aligned with the company's risk tolerance.



Integration of climate-related risks

Our enterprise risk register includes climate-related risks resulting from the physical impacts of climate change and from the transition to a lower-carbon economy and increasing electrification. Climate-related risks are integrated into our business planning and processes through:

Regular review of climate-related risks

Our Board/executive team reviews all material risks, including climate-related risks quarterly to verify that risks are being managed appropriately.

Consideration of climate risks into capital planning

We continue to invest in the renewal and hardening of existing aging infrastructure to improve its safety, reliability and resilience to the physical effects of climate change. We also consider climate-related risks when planning new infrastructure.

Business planning

Climate-related risks are routinely considered in forecasting, planning and executing key aspects of the business.



Climate change vulnerability assessment

Our customers rely on us to provide reliable energy. The physical impacts of climate change present hazards to our system that could impact our ability to deliver reliable power. We have conducted a climate vulnerability assessment to examine potential vulnerabilities to our system and assets and inform the actions we will take to improve our resilience to climate-related events.

To conduct our vulnerability assessment, we used the Representative Concentration Pathways (RCP) 4.5 and 8.5 of Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, which paint a picture of what the climate may look like in the future. We evaluated climate-related physical impacts across six categories: stations, feeders, communications systems, civil structures, auxiliary mechanical systems and human resources, considering both current impacts and potential impacts out to 2050. The results were used to develop a climate adaptation roadmap outlining the mitigation actions we will take to reduce our vulnerability to the physical impacts of climate change.

Climate-related physical risks

Below are the results from our vulnerability assessment, outlining the climate-related physical risks most relevant to our business and the associated risk mitigation actions.

Heat



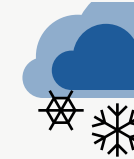
POTENTIAL IMPACT

- Stress on system due to increased customer demand
- Reduced transformer capacity
- Reduced transmission efficiency
- Health impacts to workers

MITIGATION ACTIVITIES

We are investing in grid modernization to manage the impacts of extreme heat events.

Winter and ice storms



POTENTIAL IMPACT

- Structural damage to overhead stations and feeder assets
- Degradation or corrosion of concrete and steel assets accelerated by de-icing salts
- Reduced ability of workers to respond if storms impact travel

MITIGATION ACTIVITIES

We are replacing transformers in below-grade vaults with transformers made from stainless steel, which is more resistant to corrosion.

Extreme precipitation



POTENTIAL IMPACT

- Flooding of underground assets
- Degradation of concrete and steel assets from humidity

MITIGATION ACTIVITIES

We are replacing vulnerable underground assets with equipment that can withstand flooding. In some areas, we have relocated vulnerable equipment to a less flood-prone location.

High winds



POTENTIAL IMPACT

- Damage to assets and lines from falling trees and debris

MITIGATION ACTIVITIES

We use "Safety by Design" principles when designing and constructing infrastructure that considers the asset's resilience under extreme weather conditions.

Lightning



POTENTIAL IMPACT

- Distribution system outages

MITIGATION ACTIVITIES

We install lightning arrestors to protect equipment.

We used the IPCC RCP 4.5 and 8.5 to test the vulnerability of our assets





Transition scenarios

The electricity industry is experiencing a rapid transformation driven by the energy transition and changing consumer behaviour. While there is uncertainty about the path and pace at which the energy transition will evolve, scenario planning is a useful tool to help us examine what potential impacts Toronto Hydro may experience as the world transitions to a lower-carbon economy. While scenario analysis is not intended to predict what is likely to occur in the future, it helps us evaluate our resilience under a variety of possible trends.

In 2022, we engaged a third party to help us develop four transition scenarios that considered trends such as consumer behaviour, demand for gas and the adoption of technologies such as heat pumps. We then modelled the impacts to our distribution system.

The four scenarios we considered are:

Steady progression

A low-ambition scenario seeing deployment of existing plans but falling short of 2030 and 2050 targets. This scenario is characterized by minimal behaviour change.

System transformation

A top-down, gas-backed scenario, aligned with net-zero emissions by 2050, where change is driven by policymakers. This scenario involves high levels of transportation electrification, but lower levels of energy efficiency, distributed energy resources and heating electrification in favour of gas.

Consumer transformation

A central scenario, aligned with net-zero emissions by 2050, achieving decarbonization through a bottom-up (consumer-driven) approach with high societal change. This scenario involves high electrification and efficiency.

Net zero 2040

This is the most ambitious scenario, aligned with reaching net-zero emissions by 2040, achieved through high-efficiency, electrification and distributed energy resources.



Transition-related risks and opportunities

The following tables summarize the transition-related risks and opportunities relevant to Toronto Hydro and the steps we are taking or would take to manage these impacts. The time horizons listed for each risk and opportunity are defined as short-term (less than one year), medium-term (1 to 5 years), to align with Toronto Hydro’s next regulated rate period, and long-term (6 to 15 years), to align with the City’s TransformTO timelines). In the time horizon column, **dark blue** represents the anticipated beginning of the impact, and **light blue** represents the continuation of the impact.

- Beginning of impact
- Continuation of impact

TRANSITION-RELATED OPPORTUNITIES

01

Type of impact _____ Policy and legal
 Mechanism of impact _____ Higher revenue
 Time horizon _____ MEDIUM LONG

Governments pursue climate policies that support electrification, leading to increased demand.

HOW WE TAKE ADVANTAGE OF THE OPPORTUNITY

We make regular investments into our system to expand our ability to deliver reliability to our customers, now and in the future. We also are working to improve our system to facilitate the use of distributed energy resources, which can provide customers with additional flexibility while having the added benefit of reducing the load on our system.

TRANSITION-RELATED RISKS

01

Type of impact _____ Policy and legal
 Mechanism of impact _____ Lower revenue
 Time horizon _____ MEDIUM LONG

Governments may choose not to pursue GHG policies supporting electrification, resulting in less than anticipated demand for our services in favour of other sources of energy, like gas.

OUR MITIGATION STRATEGIES

We monitor policy changes that may impact our business, engage with governments and participate in industry organizations to monitor emerging policies, and, where appropriate, take on an advocacy role.

02

Type of impact _____ Policy and legal
 Mechanism of impact _____ Higher cost of capital
 Time horizon _____ MEDIUM

There may be a lack of access to cost-effective capital to undertake necessary infrastructure expansion to meet growing electrification.

OUR MITIGATION STRATEGIES

We engage with our shareholder and providers of capital to verify that support and financial resources are in place for us to make necessary investments to meet growing demand.

03

Type of impact _____ Market
 Mechanism of impact _____ Lower revenue
 Time horizon _____ SHORT

Customers may adopt alternative energy sources, such as self-generation, in place of grid-based electricity, leading to lower demand.

OUR MITIGATION STRATEGIES

We make investments in our infrastructure to increase our reliability and deliver quality service for customers that meets their needs and allows us to become their supplier of choice.

04

Type of impact _____ Policy and legal
 Mechanism of impact _____ Lower revenue
 Time horizon _____ SHORT MEDIUM

Government policies may not align with Toronto Hydro’s business direction and Climate Action Plan, leading to unrecoverable costs.

OUR MITIGATION STRATEGIES

We regularly engage with federal, provincial and municipal governments to understand policy direction. We review our Climate Action Plan annually to verify that it is reflective of current policies and the actions we are taking are aligned with these policies.

05

Type of impact _____ Policy and legal
 Mechanism of impact _____ Lower revenue
 Time horizon _____ SHORT MEDIUM

Government policies may not align with Toronto Hydro’s business direction and Climate Action Plan, leading to unrecoverable costs.

OUR MITIGATION STRATEGIES

Our regulatory application program considers the capital investment required to prepare for increased demand from electrification. Capital expenditures for 2025–2029, including those supporting electrification, have been approved by the OEB.

We have secured a regulatory mechanism known as a variance account to reconcile differences between forecasted and actual revenue requirements for certain demand-driven capital programs. This mechanism protects both ratepayers and the utility from structural unknowns that could have a material impact distribution system plan during a time of unprecedented change and transformation in the economy and energy system.

To further enhance our resilience and inform future rate-setting applications, we have conducted scenario analysis to examine possible future demand for electricity under different technology, policy and consumer uptake assumptions.

06

Type of impact _____ Policy and legal
 Mechanism of impact _____ Higher cost
 Time horizon _____ MEDIUM LONG

More stringent GHG emissions policies may require Toronto Hydro to accelerate capital investment to meet increasing electrification.

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321

vehicles in our fleet

48.4%

of our employees are covered by collective bargaining agreements

FACT | Our apprenticeship training programs at the Underground Skills Lab are developed in collaboration with union representatives so they reflect shared priorities around safety, skill development and operational readiness.



Certifications, recognitions and membership

Certifications

We continue to seek certification for our practices and buildings by recognized organizations such as:

International Organization for Standardization

We completed an external audit confirming effective maintenance of an Environment, Health and Safety (EHS) Management System in accordance with the ISO Environmental Management Systems (ISO14001:2015) and the Standard for Occupational Health and Safety Management Systems (ISO45001:2018). This marks the 13th consecutive year that Toronto Hydro has maintained certification

Recognition

Toronto Hydro was recognized for its leadership in sustainability by the following external organizations:

Electricity Canada

Maintained the Sustainable Electricity™ designation from Electricity Canada

Corporate Knights

Ranked first for corporate citizenship among electricity transmission and distribution utilities and sixth overall on Corporate Knights' annual ranking of the Best 50 Corporate Citizens in Canada

Industry membership

We participate in several associations and organizations:

- **Electricity Canada**, which represents the electricity industry in Canada and promotes the development and growth of the industry
- **The Ontario Energy Association**, which represents the diverse range of companies and organizations involved in the energy sector in Ontario, Canada
- **Toronto Region Board of Trade**, which represents leading organizations in the Toronto region and advocates for economic growth and policy development to enhance the competitiveness of the Greater Toronto Area
- **Centre for Energy Advancement through Technological Innovation (CEATI)**, a collaborative, member-driven network of electric utilities and power industry professionals
- **Electric Power Research Institute (EPRI)**, an independent, non-profit research organization that conducts research and development related to the generation, delivery and use of electricity
- **Electricity Distribution Association (EDA)**, which represents Ontario's local electricity distributors and supports member utilities through advocacy, policy development, training and information sharing
- **Ontario Energy Network (OEN)**, which brings together organizations across Ontario's energy sector to foster collaboration, innovation and dialogue on energy policy and system transformation



Sustainability metrics summary

ABOUT US

Company Name
Toronto Hydro Corporation

Country
Canada

GICS Industry
Electric Utilities

FINANCIAL

Additional information relating to the Corporation, including financial information provided in the Annual Information Form, Consolidated Financial Statements and Management's Discussion and Analysis, is available on the SEDAR+ website at [sedarplus.ca](https://www.sedarplus.ca).

¹ In the 2024 Environmental, Social and Governance report, energy use for 2024 was reported as 76,030 GJ. A review of our 2024 energy data identified that energy use associated with our fleet was not included in the original disclosure. The corrected energy use total for 2024 is 91,612 GJ.

² In the 2024 Environmental, Social and Governance report, electricity distribution line loss emissions reported on page 15 were stated as 17,315 tCO₂e. This value was reported incorrectly. The correct amount of electricity distribution line loss emissions for 2024 is 22,042 tCO₂e.

³ These are biogenic emissions from the use of renewable diesel. As per GRI, biogenic emissions are not included in the total of Scope 1 and only reported as a separate line item.

⁴ In the 2024 Environment, Social, Governance report, volatile organic compound (VOC) emissions for 2023 and 2024 were reported as 0.9 metric tonnes. This was the result of a rounding error. The correct value for both years is 0.09 metric tonnes.

⁵ Significant spills to land (petroleum-based spills ≥500 L) and water (petroleum-based spills ≥100 L).

		Unit	2023	2024	2025
Environment	ENERGY AND GHG EMISSIONS				
	Energy use ¹	GJ	93,130	91,612	91,907
	Renewable energy use	GJ	16,365	17,132	17,514
	GHG emissions — Scope 1	metric tonnes CO ₂ e	4,953	3,931	5,498
	GHG emissions — Scope 2	metric tonnes CO ₂ e	17,729	22,570	35,027
	Total GHG emissions	metric tonnes CO ₂ e	22,682	26,501	40,525
	Emissions by source				
	Vehicle fleet	metric tonnes CO ₂ e	1,201	1,101	1,033
	Buildings — on-site natural gas combustion	metric tonnes CO ₂ e	1,243	1,176	1,266
	SF ₆	metric tonnes CO ₂ e	2,509	1,654	3,199
	Buildings — electricity usage	metric tonnes CO ₂ e	413	528	800
	Electricity distribution losses ²	metric tonnes CO ₂ e	17,315	22,042	34,226
	Biogenic emissions ³	metric tonnes CO ₂ e	N/A	N/A	22.5
	AIR QUALITY				
	VOCs ⁴	metric tonnes	0.09	0.09	0.13
	NOx	metric tonnes	2.3	2.4	4
	SOx	metric tonnes	0.1	0.1	0.2
	Particulate matter	metric tonnes	0.05	0.05	0.08
	WATER, WASTE AND SPILLS				
	Water use	m ³	10,956	12,636	10,102
	Waste generated	metric tonnes	3122	3678	3673
	Waste landfilled	metric tonnes	267	340	314
	Waste recycled	metric tonnes	2855	3338	3359
	Significant spills ⁵	count	7	10	12



Sustainability metrics summary continued

Social

	Unit	2023	2024	2025
RELIABILITY				
System Average Interruption Duration Index (SAIDI)	average cumulative outage duration per customer per year	0.88	1.04	0.94
System Average Interruption Frequency Index (SAIFI)	average number of outages per year per customer	1.42	1.48	1.26
OUR WORKFORCE				
Full-time permanent employees	count	1,322	1,409	1,408
Contract employees	count	34	40	33
Part-time employees	count	2	0	2
GENDER BREAKDOWN				
Full-time permanent employees				
Male	count	937	981	974
Female	count	383	426	433
Undeclared	count	2	2	1
Male	%	70.9	69.6	69.2
Female	%	29.0	30.2	30.8
Undeclared	%	0.2	0.1	0.1
Contract employees				
Male	count	19	22	19
Female	count	15	18	14
Male	%	55.9	55.0	58.0
Female	%	44.1	45.0	42.0
Part-time employees				
Male	count	0	0	0
Female	count	2	2	2
Male	%	0	100	0
Female	%	100	0	100
COLLECTIVE BARGAINING				
Permanent employees covered by collective bargaining units — total ⁶	count	664	675	681
Power Workers' Union (PWU)	count	514	512	508
Society of United Professionals	count	150	163	173
Power Workers' Union (PWU)	%	38.9	36.3	36.1
Society of United Professionals	%	11.4	11.6	12.3

⁶ There are four collective agreements: Inside Employees, Outside Employees (PWU), Professional Engineers, and Information Technology Professionals, who are represented by the Society of United Professionals.



Sustainability metrics summary continued

Social

	Unit	2023	2024	2025
HEALTH AND SAFETY				
Lost time injury frequency rate	incidents per 200,000 hours worked	0.00	0.07	0.14
Total recordable injury frequency rate	incidents per 200,000 hours worked	0.30	0.48	0.27
Days away, restricted or transferred rate	incidents per 200,000 hours worked	8.21	11.56	13.04
Fatalities	count	0	0	1
EMPLOYEE TURNOVER				
Total employee turnover — including voluntary turnover of full-time and permanent employees	%	7.17	4.99	4.19
Age <30	%	1.93	1.66	1.14
Ages 30-50	%	5	2.87	2.91
Ages >50	%	0.24	0.45	0.14
Male	%	5.72	3.48	3.26
Female	%	1.45	1.51	0.92
NEW HIRES				
Age <30	count	90	90	64
Ages 30-50	count	105	94	43
Ages >50	count	4	8	4
Male	count	117	123	76
Female	count	81	69	35
Undeclared	count	1	0	0
LEADERSHIP AND BOARD DIVERSITY				
Women in executive management	%	40	50	83
Women Board of Directors	%	62	69	62



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¹ Report publication date: May 14th, 2026. Please send any questions about this report to sustainability@torontohydro.com.

² There are three restatements of information since the publication of our 2024 sustainability report:

- Total Energy use for 2024 was reported as 76,030 GJ. A review of our 2024 energy data identified that energy use associated with our fleet was not included in the original disclosure. The corrected energy use total for 2024 is 91,612 GJ.
- Electricity distribution line loss emissions for 2024 were stated as 17,315 tCO₂e in page 15, this value was reported incorrectly, the correct amount is 22,042 tCO₂e.
- Volatile organic compound (VOC) emissions for 2023 and 2024 were reported as 0.9 metric tonnes. This was the result of a rounding error. The correct value for both years is 0.09 metric tonnes.

³ Our Board Chair is independent. All of our Board members are independent.

⁴ Our GHG emissions include the following greenhouse gases: CO₂, CH₄, SF₆ and N₂O. We use the Global Warming Potential from the IPCC's Fifth Assessment Report.

Disclaimer

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