



IMPLEMENTING SUSTAINABILITY HYDRO ONE'S JOURNEY

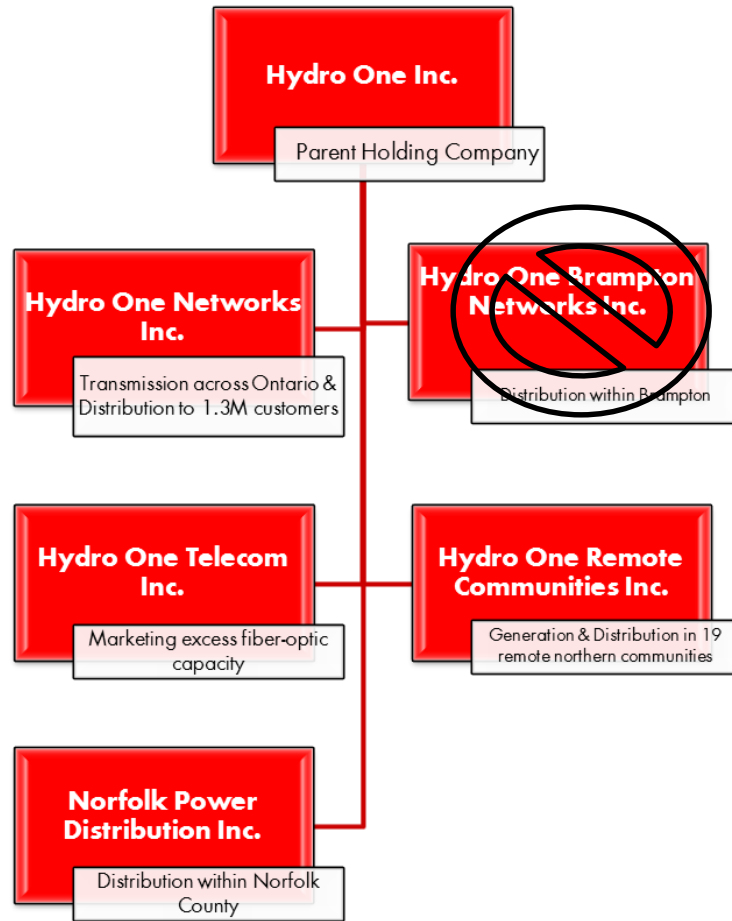
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OUTLINE

- Brief Overview of Hydro One
- Hydro One's Sustainability Journey
- 2015 Sustainability Milestone
- The Journey Forward
- Closing Thoughts: Auditor's Value Proposition

OVERVIEW OF HYDRO ONE



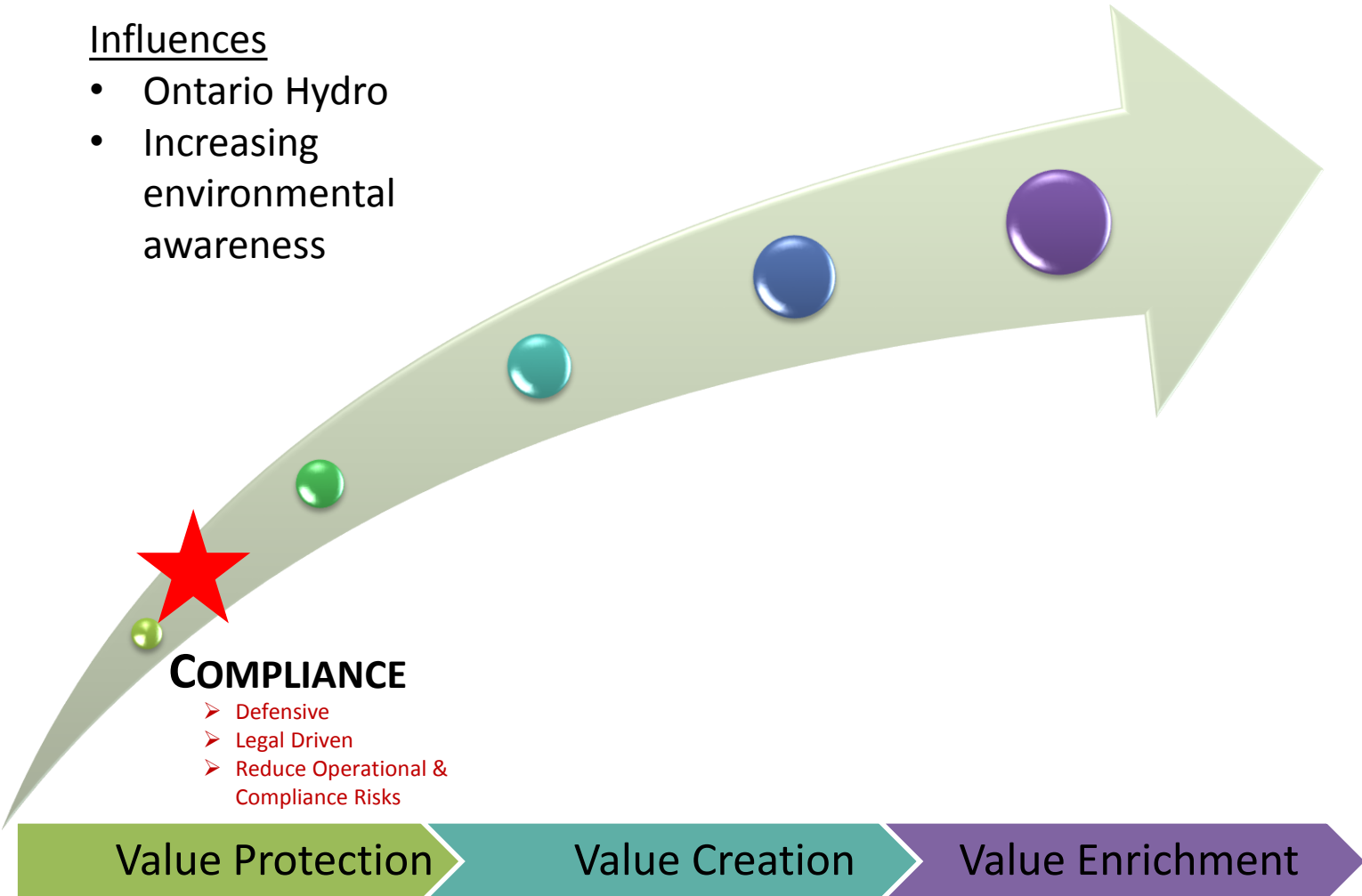
SUSTAINABILITY MATURITY CURVE

PRE-1997

Increasing Engagement / Opportunities

Influences

- Ontario Hydro
- Increasing environmental awareness



COMPLIANCE

- Defensive
- Legal Driven
- Reduce Operational & Compliance Risks

Value Protection

Value Creation

Value Enrichment

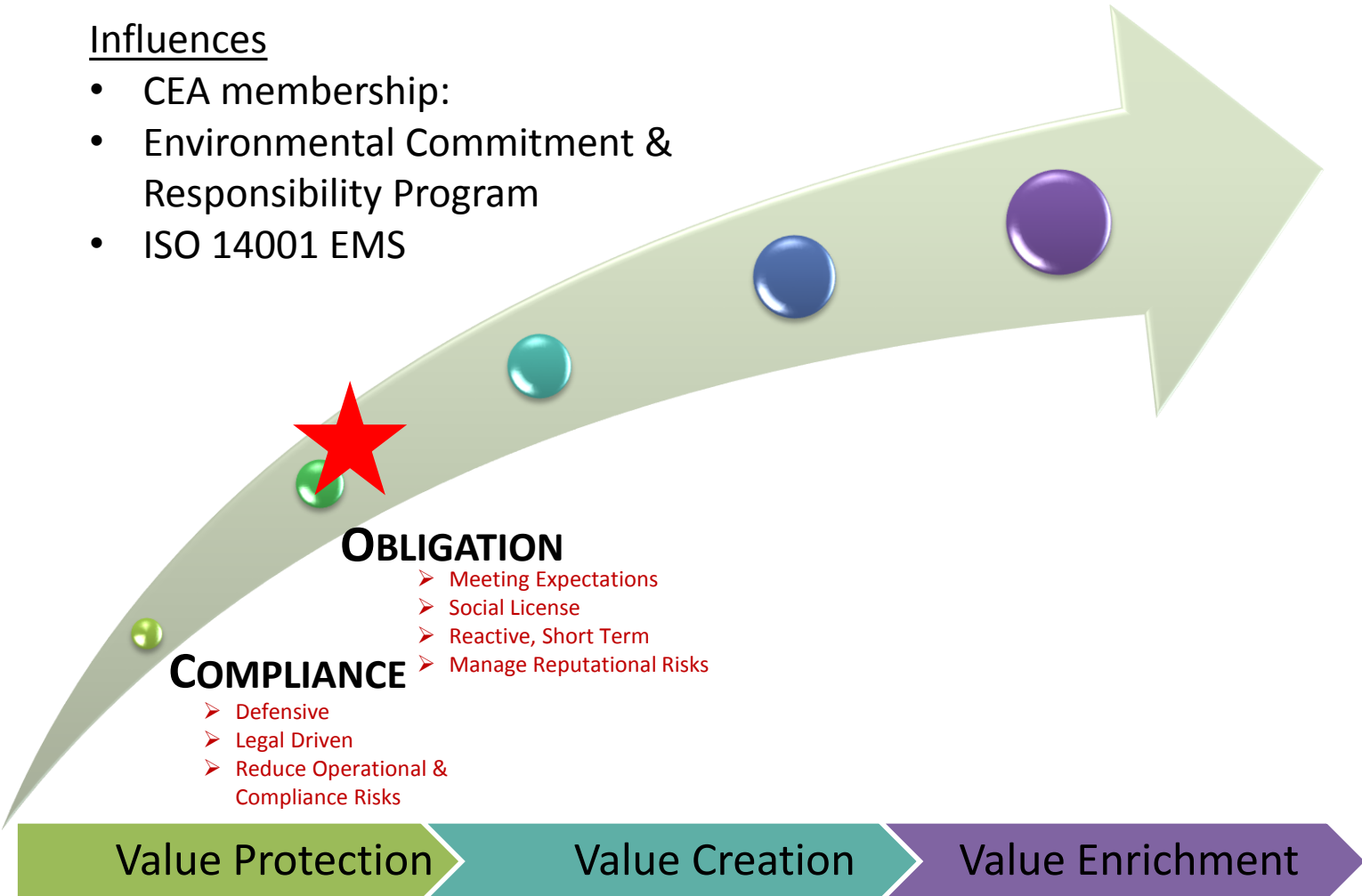
SUSTAINABILITY MATURITY CURVE

1997

Increasing Engagement / Opportunities

Influences

- CEA membership:
- Environmental Commitment & Responsibility Program
- ISO 14001 EMS



COMPLIANCE

- Defensive
- Legal Driven
- Reduce Operational & Compliance Risks

OBLIGATION

- Meeting Expectations
- Social License
- Reactive, Short Term
- Manage Reputational Risks

Value Protection

Value Creation

Value Enrichment

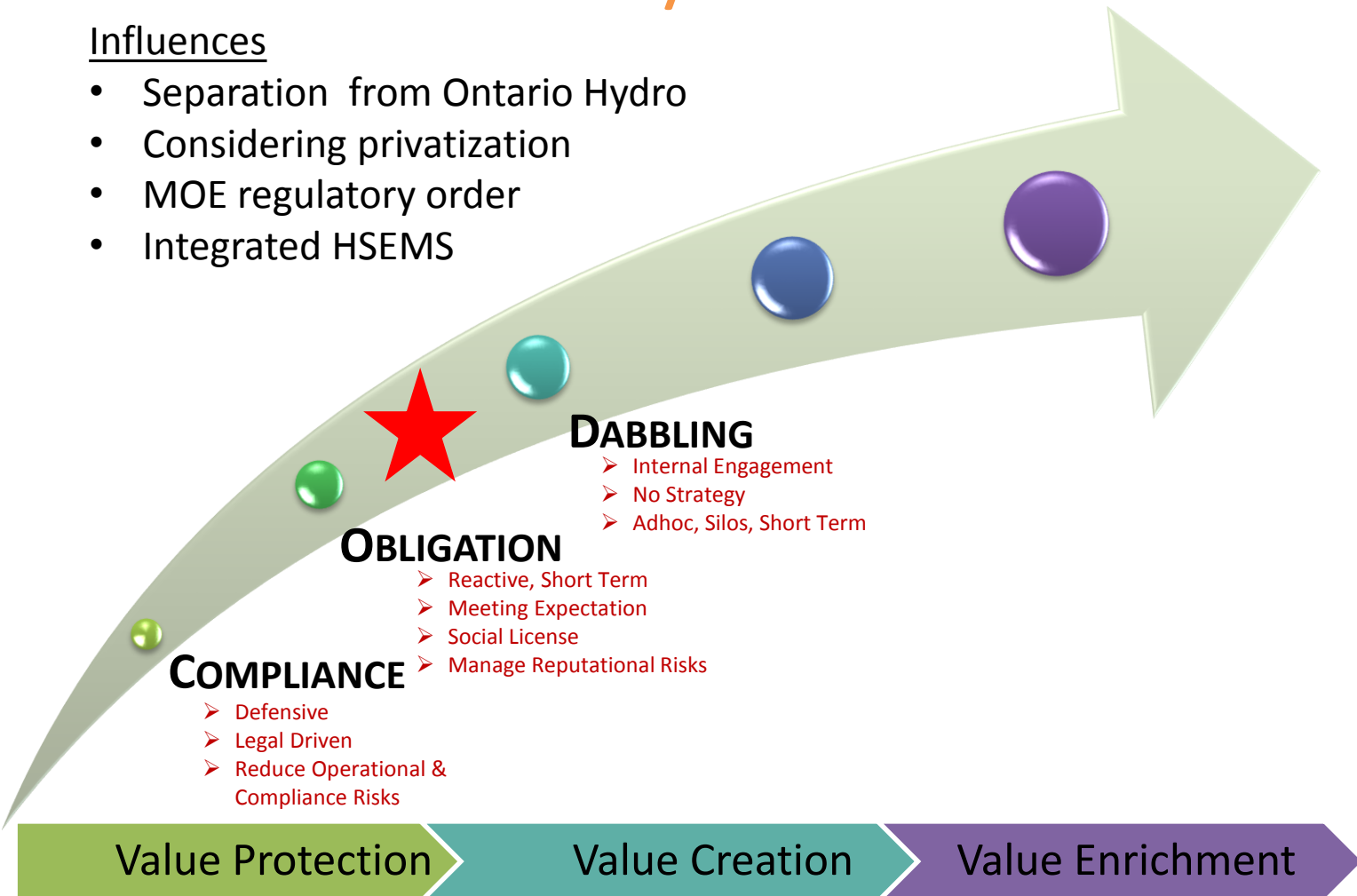
SUSTAINABILITY MATURITY CURVE

1999/2000

Influences

- Separation from Ontario Hydro
- Considering privatization
- MOE regulatory order
- Integrated HSEMS

Increasing Engagement / Opportunities



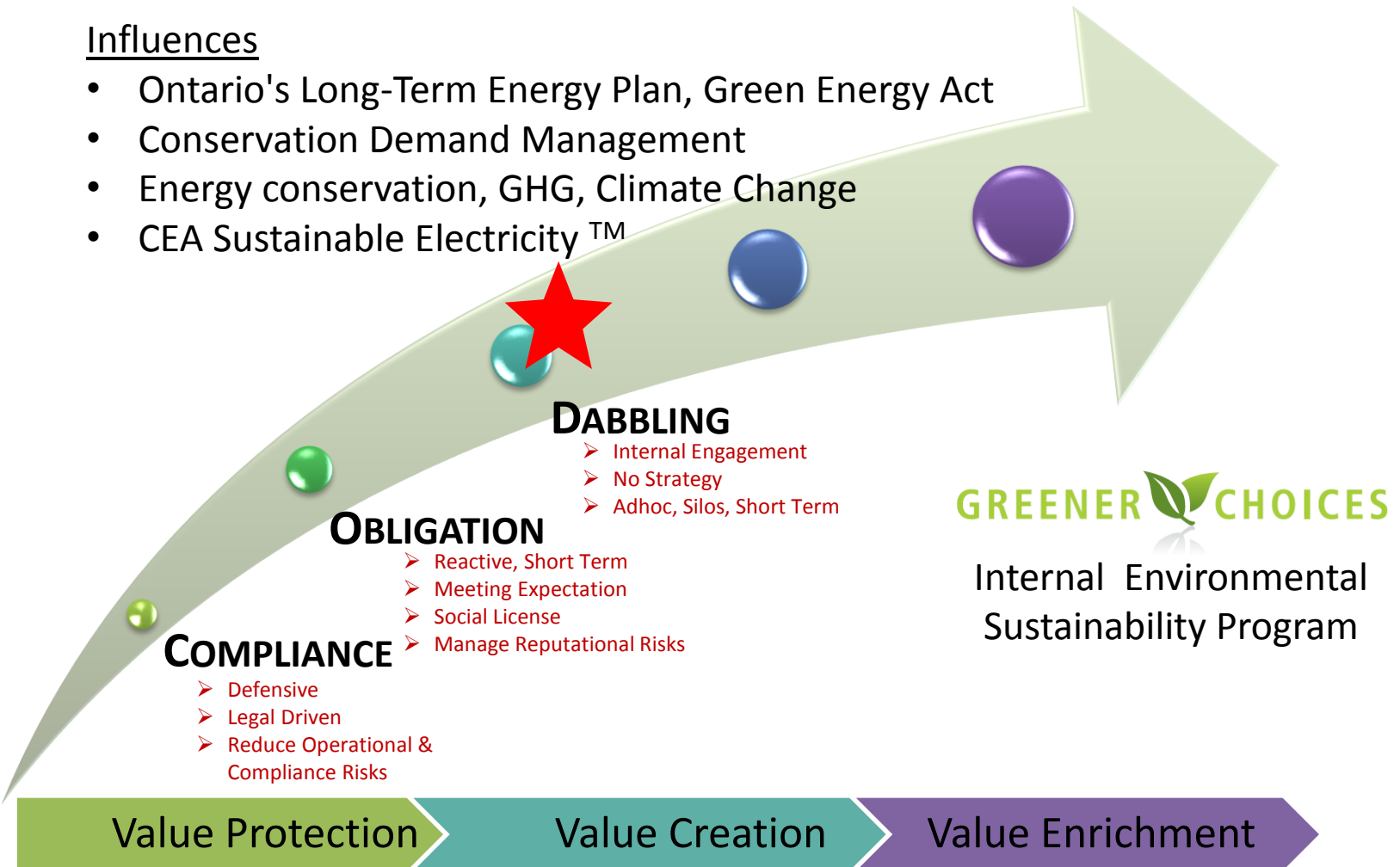
SUSTAINABILITY MATURITY CURVE

2009

Influences

- Ontario's Long-Term Energy Plan, Green Energy Act
- Conservation Demand Management
- Energy conservation, GHG, Climate Change
- CEA Sustainable Electricity™

Increasing Engagement / Opportunities



SUSTAINABILITY MATURITY CURVE

2010-2012



GREENER CHOICES

2012: ENERGY EFFICIENCY IN ACTION

Greener Choices is Hydro One's internal environmental sustainability program that embeds the principles of **energy efficiency, climate change, environmental impact reduction, and employee awareness** into our operations and through each Line of Business.

Since 2009, lines of business have been making greener choices through fleet initiatives, facility retrofits, paper reductions and IT projects which together have resulted in an estimated \$1,800,000 in economic savings.

WASTE MANAGEMENT

Start of a Good Thing

"Green for Good" contractor was selected to refurbish or recycle end-of-life IT equipment that was previously sent for disposal.

Waste Diversion (kilograms)	2012
Metal	6,311,714
Cardboard	519,252
Comingled	584,939
Computers	57,226
Hydro meters	48,720
Fluorescent light tubes	2,350
Batteries (dry cell/lead acid)	51,029



WASTE MANAGEMENT TALLY

7.5 million kilograms of waste was diverted from landfill

484,312 kg of paper was reported through the Stewardship Ontario Blue Box Program

INFORMATION TECHNOLOGY



Success Story: In 2009 an employee made a suggestion to end automatic printed pay statements. This resulted in several lines of business including IT and Human Resources, creating the Paystub Print Suppression program. By the end of 2012, 21% of all Hydro One employees have registered for this voluntary initiative with significant cost savings and paper reduction.

INFORMATION TECHNOLOGY TALLY

3,300 computers received energy-saving power management upgrades

12 printers were removed and 30 units were replaced with more efficient models

EMPLOYEES

Education

Local green teams and employees participated in various programs to learn about and promote energy efficiency and environmental sustainability. Some of these include:

- Cubicle Planting Workshop at the Trinity office
- Killerwatt Floor Challenge aimed at reducing energy consumption at Trinity
- Matheson Training Centre environmental awareness initiative
- Webinars on various topics such as Green Teams and recycling services
- Lunch and Learn speaker series
- Earth Day fair
- Ontario Tire Take-back event
- Community Lunch Hour Clean-up



Perth, National Sweater Day



Dave Hesch, Clean Air Commute

EMPLOYEE'S TALLY

1,500 staff participated in top ten Greener Choices events

50 suggestions Greener Choices suggestions sent in from employees

90 employees involved in Green Team network

24 % Increase in computers being powered down during the Earth Hour Computer Power Down Challenge

21 % staff participation in pay stub print suppression since start of program

BIODIVERSITY

A corporate Biodiversity Advisory Committee was formed with key Line of Business representation. Examples of Biodiversity initiatives:

- Forestry's "Tree for Tree" program planted 392,148 trees in the Dryden Forest Management Zone in 2012
- Bird Diverters were installed in Point Pelee area



Bruce Gray Forest Festival



Farah El Ayoubi plants seeds at Glenorchy Conservation Area

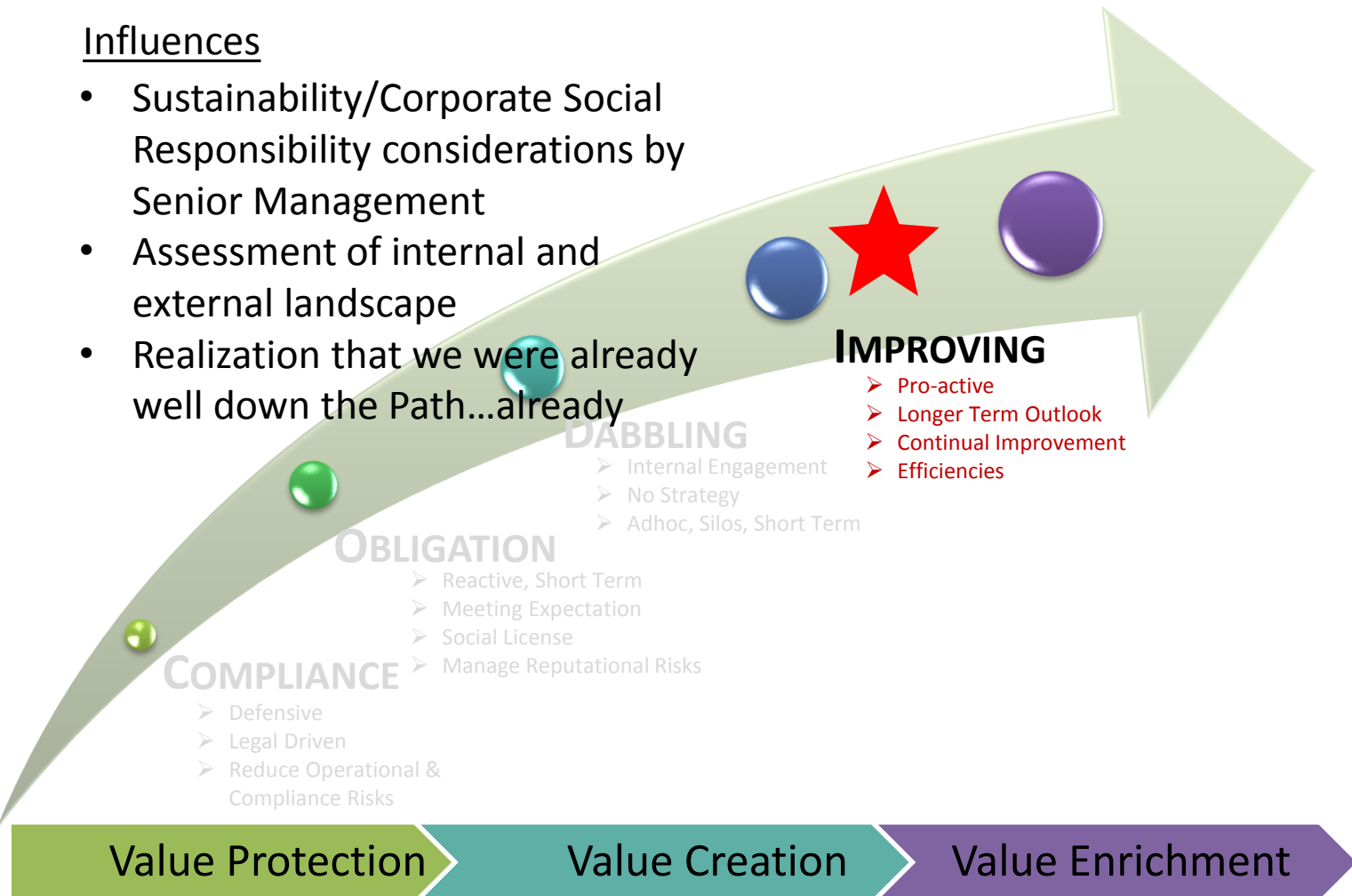
SUSTAINABILITY MATURITY CURVE

2013

Increasing Engagement / Opportunities

Influences

- Sustainability/Corporate Social Responsibility considerations by Senior Management
- Assessment of internal and external landscape
- Realization that we were already well down the Path...already



Corporate Direction in 2014

To actively manage corporate responsibility

We're being left behind

- Other utilities
 - OPG, Toronto Hydro, Horizon Utilities, Enbridge, BC Hydro, Hydro-Quebec
- Corporate Knights
 - #1 in 2009
 - Not on Best 50 list in 2013
- Delphi Group
 - Fourth quartile in Energy Sector Sustainability Benchmarking Study

Benefits to Hydro One

1. Maximize return on investment
2. Better manage risks

Benefits to LoB/Employee

1. Increase profile for work you're already doing
2. New perspectives from other sectors through global standardized framework
3. Gain and share ideas

SUSTAINABILITY MATURITY CURVE

2014

Increasing Engagement / Opportunities

Influences

- Sustainability commitments imbedded in 5 Year Strategic Plan
- “Canada’s Leading Utility by 2019
- Commitment to actively manage corporate responsibility
- Seek formal external recognition in 2015



Our Assessment

Canadian Electricity Association



Alternatives Considered

- United Nations Global Compact
- Global Reporting Initiative
- In-house, custom-designed framework

Other Utilities

- Horizon Utilities (April 2013)
- AltaLink (January 2014)
- Working towards designation:
 - Toronto Hydro
 - Manitoba Hydro
 - Enmax
 - Fortis

Advantages

- Authoritative, comprehensive framework
- Tailored for Canadian electricity companies
- Application fee waived for CEA members
- Early recognition
- Minimal incremental efforts

Six Steps for SEC Brand

		Requirement
	1	Commitment to Sustainable Development
	2	ISO 14001 Environmental Management System (or equivalent)
	3	ISO 26000 Significance Test
	4	Governance Framework
	5	Reporting Transparency
	6	Verification of Criteria Implementation

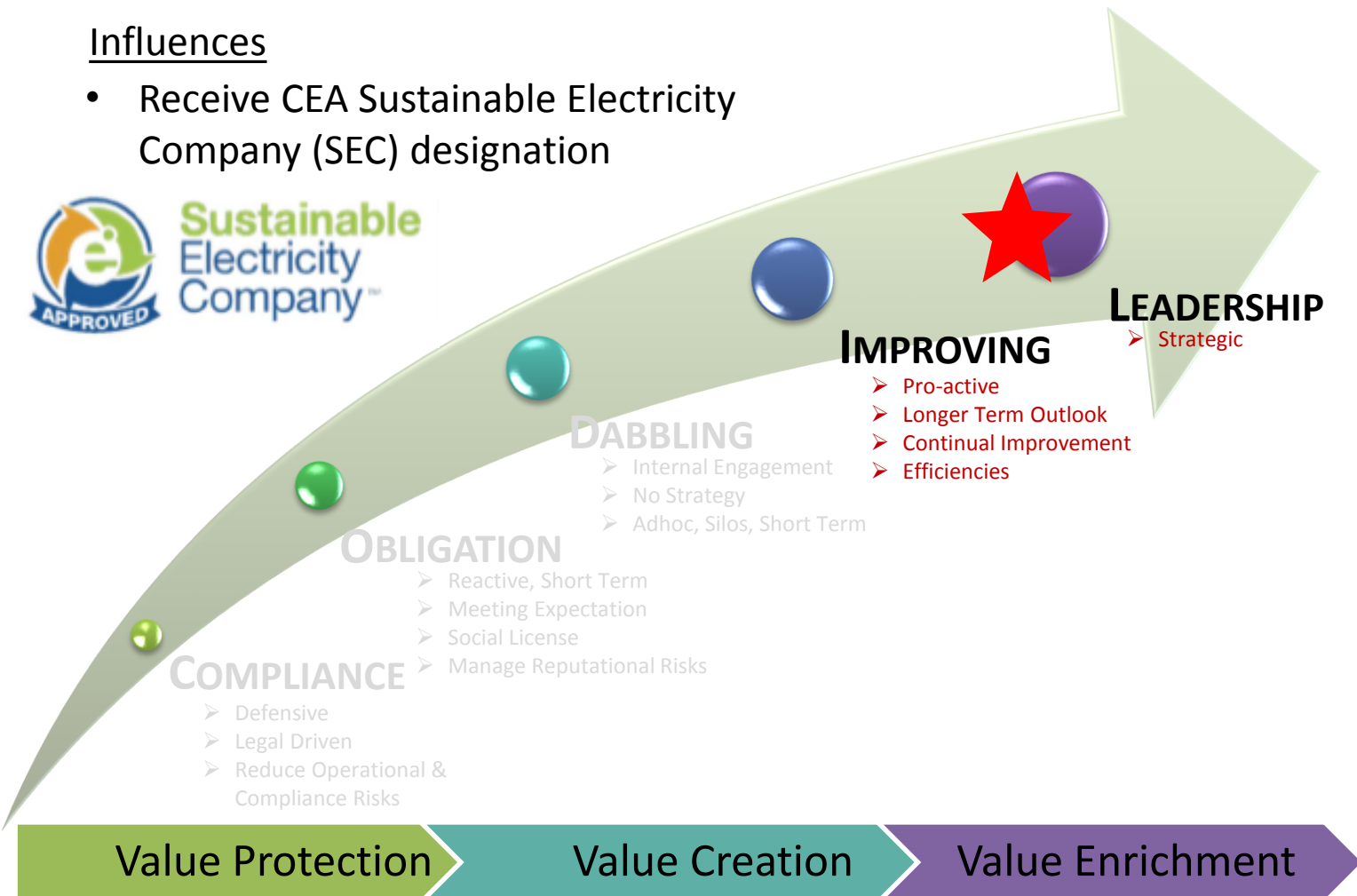
SUSTAINABILITY MATURITY CURVE

2015

Increasing Engagement / Opportunities

Influences

- Receive CEA Sustainable Electricity Company (SEC) designation



SUSTAINABILITY MATURITY CURVE

THE JOURNEY FORWARD



Influences

- New Leadership
- Privatization
- Revised priorities and strategic direction ?

CLOSING THOUGHTS

The (AAC) Auditor's Value Proposition to *Sustainability* :

- Expertise in environmental management and management system frameworks
- Knowledge of ISO 14001 and 26000 Guideline
- Uniquely positioned to provide:
 - Initial / Gap Assessments
 - Front end advisory services / support
 - Periodic “internal” surveillance / maintenance audits of commitments and progress
 - Verification Audits for certifications/designations
 - Auditing Sustainability Reports
 - Identifying Opportunities for Improvement



Thank You and Q&A