

2015

Corporate Social Responsibility
Report



Halton Hills Hydro

HALTON HILLS HYDRO

2015 CORPORATE SOCIAL RESPONSIBILITY REPORT

This is Halton Hills Hydro's inaugural Corporate Social Responsibility Report. It encompasses the vision, values and activities of the corporation, highlighting 2015 activities representing the corporate social responsibility value system.

Social Responsibility has always been part of the vision of the company and business actions and values have always supported this vision, however, this is the first time these actions have been formalized into a report.



I am pleased to present this Corporate Social Responsibility Report, a first of its kind for Halton Hills Hydro

With this report, we are showcasing our ongoing commitment to the Triple Bottom Line of People, Planet and Profit. It is an important foundation to grow from as the electricity sector continues to evolve.

Art Skidmore
President & CEO
Halton Hills Hydro



WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

Corporate Social Responsibility is the activities undertaken by the company to operate in an economically, socially and environmentally sustainable manner.

At Halton Hills Hydro, this means being a good corporate citizen, maintaining our customer's trust, benefitting our shareholder, regulator and industry as a whole. It shapes our vision as a leader in the industry, striving for best in class in all areas of our business.

Social Responsibility is an important element of being a top employer. Over the next few years, a

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number of staff members are eligible for retirement. Ensuring we are able to attract and retain the right people in the right jobs over the coming years is important to the success of the company. Potential employees increasingly consider a company's corporate citizenship and culture when applying for jobs.

Having a strong vision of Corporate Social Responsibility helps Halton Hills Hydro manage reputation and public perception. A strong corporate citizenship model helps our customers understand our value proposition.

Our Corporate Social Responsibility framework is built on the guidelines and best practices provided by ISO 26000. Our focus is on the three pillars of Environmental Sustainability, Economic Sustainability and Social Sustainability.



Being a good corporate citizen is an important part of maintaining our customers trust. The results of our recent customer's satisfaction survey demonstrate the importance of our company image in our customer's perceptions.

2014 UtilityPULSE Customer Satisfaction Survey	Halton Hills Hydro	Ontario LDC Average
Is a respected company in the community	88%	78%
Keeps its promises to customers and the community	84%	76%
Is a socially responsible company	85%	77%
Is a trusted and trustworthy company	86%	77%
Overall the utility provides excellent quality services	85%	80%

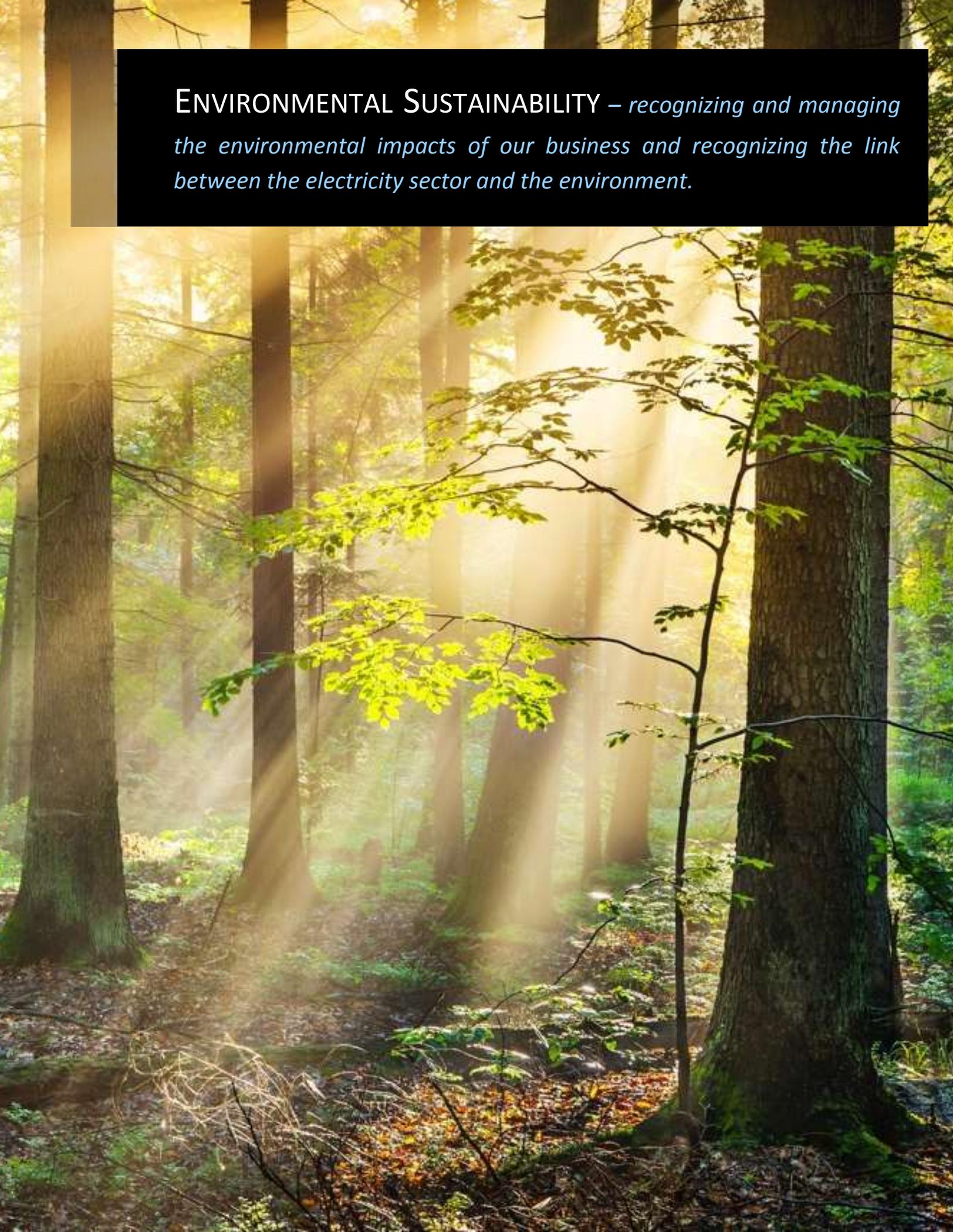
Halton Hills Hydro's UtilityPULSE Report Card®				
Performance				
	CATEGORY	Halton Hills Hydro	National	Ontario
1	Customer Care	B+	B+	B
	Price and Value	B	B	C+
	Customer Service	A	B+	B
2	Company Image	A	B+	B+
	Company Leadership	A	B+	B+
	Corporate Stewardship	A	A	B+
3	Management Operations	A	A	A
	Operational Effectiveness	A	A	B+
	Power Quality and Reliability	A	A	A
OVERALL		A	B+	B+

Maintaining a good corporate stewardship vision provides opportunities to boost our customer, employee, shareholder and regulators perceptions.

All levels of the organization from the Boards of Directors to front line staff are involved in our ongoing sustainability strategies. From sustainable governance to employee creative and critical thinking we strive for continuous improvement.

In 2015, Halton Hills Hydro launched three new taglines which support the vision of corporate social responsibility throughout the organization: We are Community, We are Reliability and We are Conservation.



A photograph of a forest with sunlight filtering through the trees, creating a warm and serene atmosphere. The sunbeams are prominent, illuminating the scene. The trees are tall and thin, with green leaves. The ground is covered in fallen leaves and ferns.

ENVIRONMENTAL SUSTAINABILITY – *recognizing and managing the environmental impacts of our business and recognizing the link between the electricity sector and the environment.*

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability at Halton Hills Hydro drives business decisions as well as customer initiatives.

Halton Hills Hydro provides energy conservation programs and initiatives through the IESO's saveONenergy program. In 2015, the utility prepared a new 6 year plan to achieve 30.9 GWh in energy conservation. By the end of 2014, Halton Hills Hydro had achieved 23.3 GWh of energy conservation through customer participation in saveONenergy programs, achieving 103.5% of the 2011-2014 energy target. The ISPA Woodworking project, highlighted in the case study on page 8 of this report, realized approximately 275,000 kWh per year of energy savings.

Each year, employees participate in the 22 minute makeover on Earth Day to clean up the company properties, including the naturalized creek area. Employees participate in over 20 community events annually to provide customers with information about our energy conservation programs, energy saving tips and other information about the programs and services we offer.

In the office, the sustainability committee looks for ways to green the workplace. Every workstation was given a blue box to ensure recycling and green bins were introduced to collect organic waste. The utility joined the SmartCommute initiative to promote car-pooling and walking or cycling to work for local employees. A car pool parking spot was designated near the employee entrance. The locating department switched to non-toxic, water soluble paints and our cleaners only use green cleaning products.

In 2014, employees started an employee garden in an unused stretch of yard behind the building. As well, employees participate in the Halton Fresh Food Box, a program that provides monthly boxes of fresh food from local farmers and helps bring fresh food to those members in the community most in need.

Halton Hills Hydro worked with the Halton District School Board to bring the Energy Drill program to local schools. This is a demand response program which aims to reduce the amount of electricity being consumed in times of high demand. Triggers for an Energy Drill are high temperatures and poor air quality. Some of the ways students participate in the Energy Drill are by turning off & reducing lighting levels & using natural lighting, unplugging things which are not in use, and not using computers.



ISPA Store Fixtures Slashes Costs and Reduces Noise with Compressed Air Retrofit

CASE STUDY

☑ ISPA Store Fixtures

Project Stats

- Reduced compressed air plant from 100 HP to 30 HP
- Demand Reduction: 43.6 kW
- Consumption Reduction: 275,000 kWh/yr
- Total Project Cost: \$43,000
- Incentives: \$21,400
- Annual Electricity Savings: \$30,000

"ISPA believes that showing leadership in the fields of environmental and social responsibility pays huge dividends in the long run; not only in terms of direct cost savings, but also taking into account the value added to the community at large, by acting as responsible role models for future generations of business leaders"

Stu Wilson, Health & Safety Coordinator
ISPA Store Fixtures



ISPA Store Fixtures Limited, the founding member of the ISPA GROUP of companies, manufactures store fixtures and custom millwork for major retailers throughout North America.

The company has been in business since 1968 and at the current location in Georgetown, Ontario for the past 7 years. The company is dedicated to quality workmanship and has very progressive human resources and environmental policies.

ISPA is an environmental leader in their community and industry. Prior to undertaking the compressed air project, ISPA installed a photovoltaic solar array that produces over 300 kW of clean power under the Ontario Power Authority Feed-in Tariff program. ISPA later completed a comprehensive lighting retrofit that shaved 120,000 kWh from their annual consumption.



ECONOMIC SUSTAINABILITY – *Ensuring a balanced approach to meeting shareholders expectations while ensuring just and reasonable rates for consumers. Maintaining the long term viability of the utility and the community and enhancing our role as a leader in the community*



ECONOMIC SUSTAINABILITY

Economic sustainability means operating as a business that not only ensures its own financial viability but also takes a leadership role in the economic well-being of the community in which it operates. At Halton Hills Hydro, that means continuing to meet shareholder expectations for distributions on an annual basis. It also means having a robust financial planning process as part of the strategic planning process. As well, it means providing economic benefit to the community the utility serves.

In 2014, Halton Hills Hydro was awarded the Electricity Distributor's Association Award for Performance Excellence, the highest honour given by the industry. This award was based on performance excellence in 2013 in the areas of:



- Occupational Health and Safety
- Operational Excellence
- Financial Operations
- Retail Strategies for Conservation and Demand Management
- Contribution to the Community

Building on this success, the utility continues to provide performance excellence through innovation and collaboration. As a regulated entity, Halton Hills Hydro's strategic plan strikes a balance between customer and stakeholder expectations while ensuring consistency with the provincial vision. The utility continues to be positioned as a Best in Class utility following the provincial goal of finding increased efficiencies within the sector. Halton Hills Hydro seeks innovative partnerships wherever possible to share resources, costs and knowledge.

Supporting local businesses is a priority Halton Hills Hydro. Many employees live locally and local businesses are supported wherever possible. The utility is an active member in the local Chamber of Commerce and supports local BIA events. As well, there is a strong relationship between Halton Hills Hydro and the Town of Halton Hills, both as its shareholder and as a partner in the community.

A key part of economic sustainability is listening to our customers. As the utility developed its five year Distribution System Plan, it engaged with customers to understand their concerns and perceptions and help them understand the rate setting process. Customers participated in telephone and online surveys as well as focus groups. Understanding customers concerns and needs and communicating with them is an ongoing effort for the utility. Halton Hills Hydro has 20% of customers engaged on social media.

Halton Hills Hydro recognizes not only the importance of engaging with customers but also the importance of engaging with the industry. A number of employees participate in industry working groups to ensure the utility has a say in shaping the direction of the industry.

All employees are engaged in ongoing creative and critical thinking initiatives to continue to find ways to improve processes reduce costs and continue a path of continuous improvement.





[SOCIAL SUSTAINABILITY

– *Social sustainability encompasses our employee's safety, well-being and work environment as well as our role as leader in our community.*

SOCIAL SUSTAINABILITY

Social Sustainability at Halton Hills Hydro recognizes not only the safety and well-being of our employees but also our customers, our environment and our community.

Halton Hills Hydro is proud to participate in the Town of Halton Hills Community Sustainability Strategy as a Sustainability Champion.

The Town of Halton Hills has a 50 year strategy, known as Imagine Halton Hills to plan for a future characterized by Cultural Vibrancy, Economic Prosperity, Environmental Health and Social Wellbeing. Halton Hills Hydro is proud to be a part of this vision and to help enhance awareness of Imagine Halton Hills and the benefits of sustainability.

Employees host numerous fund raising lunches, raffles and events throughout the year. Each year, Halton Hills Hydro employees raise over \$1750 for local charities. Beginning in 2014, employees participate in a coat drive where winter coats are donated to a local charity for distribution within the community. As well, employees participate in a number of community fund raising events

such as the Mayor's Bowl for Kids' Sake and fundraisers for the Georgetown Hospital Foundation.



Halton Hills Hydro participates in the LEAP Low-income Energy Assistance Program which provides emergency assistance and special arrangements for low income consumers. As well, the utility offers the saveONenergy Home Assistance Program to assist low-income consumers take advantage of energy saving measures.

Halton Hills Hydro has created an innovative safety partnership to provide safety excellence for employees, customers and the general public. The Empower program provides ongoing employee knowledge and engagement in safety programs and ensures that contractors doing work for the utility adhere to the same high level of safety.



CONCLUSION

Halton Hills Hydro, its employees and its Board of Directors is committed to the welfare of the company, its employees, the community and the environment. Corporate Social Responsibility is an ongoing process throughout the organization and a vision that is integrated into the business decisions and activities of the company. It is a driver of business value and performance and an important driver as we look to the future of the organization.

Corporate Social Responsibility will continue to be a priority for Halton Hills Hydro as we continue to strive for Best in Class.

