



POLICY

Environmental Policy	<u>Policy Owner:</u> Executive Vice-President and Chief Human Resources, Environment and Safety Officer
	<u>Policy Approver:</u> Board of Directors, Toronto Hydro Corporation
	<u>Version Approval Date:</u> V 9.0 2024-02-28
	<u>Last Review by PASC:</u> V 9.0 2024-02-05
The most recent version of this policy can be obtained from http://pluggedin.torontohydro.com/Policy/Pages/default.aspx	
The distribution of this policy is not restricted.	

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1 DOCUMENT REVIEW & REVISION HISTORY

This Policy is reviewed annually.

Version Number	Date of Review	Reviewed By	Brief Description of Change
V 1.0	2011-08-18	PASC	Reviewed and approved by PASC.
V 1.0	2011-11-22	Board of Directors	
V 2.0	2017-07-12	PASC	Updated to reflect changes made to ISO 14001:2015
V 2.0	2017-08-16	Board of Directors	
V 3.0	2018-07-23	PASC	Added signature line for Board Chair.
V 4.0	2018-08-20	Board of Directors	
V 4.0	2019-07-18	PASC	Minor changes
V 4.0	2019-08-19	Board of Directors	
V 5.0	2020-07-20	PASC	No changes
V 5.0	2020-08-17	Board of Directors	
V 6.0	2021-11-17	Board of Directors	No changes
V 7.0	2022-07-20	PASC	Updated to align with standard template and add Net Zero Commitment, change DRP
V 7.0	2022-08-24	Board of Directors	Annual review of policy
V 8.0	2023-07-18	PASC	Minor changes
V 8.0	2023-08-16	Board of Directors	Minor changes
V 9.0	2024-02-05	PASC	Updated to align with decarbonization goals, core principles and add documentation to support further

			assurance Toronto Hydro is acting in an environmentally responsible manner
V 9.0	2024-02-28	Board of Directors	

2 DISTRIBUTION HISTORY

Version Number	Date of Issue	Recipients
V 1.0	2011-11	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 2.0	2017-09	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 3.0	2018-09	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 4.0	2019-10	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 5.0	2020-08	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 6.0	2021-11	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 7.0	2022-07	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 8.0	2023-08	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx
V 9.0	2024-02	Toronto Hydro's Intranet Site http://pluggedin.torontohydro.com/Policy/Pages/default.aspx

3 POLICY OVERVIEW

Toronto Hydro, the City of Toronto's electricity distributor, is committed to conducting its business in a manner that minimizes impacts on the environment and embodies the principles of environmental sustainability and continual improvement in conformance with the requirements of the ISO 14001:2015 Standard and aligned with TransformTO. Toronto Hydro is committed to delivering safe and reliable electricity to its customers in an environmentally responsible manner at optimal costs and continual improvement in environmental management and performance. To achieve this, the Toronto Hydro Environmental Policy establishes specific commitments to continuously monitor and improve Toronto Hydro's Environmental Management System. This policy is a requirement of ISO 14001.

4 DEFINITIONS AND ABBREVIATIONS

TERM or ACRONYM	DESCRIPTION
Board	Board of Directors of Toronto Hydro Corporation
EHS	Environment, Health and Safety
ESG	Environment, Social and Governance
GHG	Green House Gas emissions

<u>TERM or ACRONYM</u>	<u>DESCRIPTION</u>
HR	Human Resources
Net Zero	Negating the amount of greenhouse gases produced by the organization by reducing emissions, as far as practicable, and implementing offset methods for the remainder

5 SCOPE

- 5.1** This policy applies to all employees, officers and directors of Toronto Hydro Corporation and its affiliates (collectively, “Toronto Hydro”), as well as contractors and visitors to Toronto Hydro facilities and sites.
- 5.2** This is a corporate policy which is designed to augment other corporate policies and is not intended to replace or preclude them. Should an overlap or conflict arise between the application of this policy and any other policy, it should be brought to the attention of the Executive Vice President, Chief Human Resources, Environment and Safety Officer who will make a determination as to the conflict.
- 5.3** The contents of this policy and associated core environmental principles (outlined in appendix A) may be subject to change as a result of changes in related legislation, codes, and/or regulations.

6 OBJECTIVES

The Environmental Policy is intended to assist in achieving the following:

- 6.1** Achieve Net Zero Scope 1 GHG emissions and minimize Scope 2 emissions through direct action and supporting decarbonization by 2040.
- 6.2** Protect the natural environment and mitigate the negative environmental effects of our operations.
- 6.3** Support continual improvement in environmental management.
- 6.4** Support continual improvement in environmental performance.
- 6.5** Align with TransformTO, including the City of Toronto’s Offset Credits Policy.
- 6.6** Comply with internal environmental requirements; applicable legislation; and other requirements to which Toronto Hydro subscribes.
- 6.7** Ensure appropriate actions are taken to meet Toronto Hydro’s core environmental principles, by establishing responsibilities for all required actions as well as entrenching objectively assessable verifications.
- 6.8** Ensure all employees are aware of environmental aspects relevant to their position.
- 6.9** Ensure that industry best practices are adopted, where appropriate. These practices shall be implemented and effectively communicated to impacted workplace parties which could include employees, officers, and directors of Toronto Hydro Corporation and its affiliates (collectively, “Toronto Hydro”), as well as contractors and visitors to Toronto Hydro facilities.

- 6.10** Educate, motivate and empower employees to contribute to the environmental efforts of the organization and the community in which Toronto Hydro operates.
- 6.11** Identify and reduce environmental risks. These risks are documented in the Environmental Aspects Database (MSC1810-001) and reviewed annually.

7 POLICY ADMINISTRATION OWNERSHIP, APPROVAL AND RESPONSIBILITIES

Policy Owner

- 7.1** This policy is owned by the Executive Vice-President and Chief Human Resources, Environment and Safety Officer.
- 7.2** The Executive Vice-President and Chief Human Resources, Environment and Safety Officer is responsible for:
- Ensuring that this policy is comprehensive, clear and current.
 - Ensuring that this policy is implemented and communicated to all departments and staff.
 - Ensuring ongoing compliance with this policy.
 - Reviewing this policy annually and recommending changes if required.

Policy Approver

- 7.3** This policy is reviewed by the Human Resources and Environment Committee and approved by the Board.
- 7.4** The Board is responsible for:
- Considering the impact of the proposed policy to the enterprise risks.
 - Reviewing and approving this policy annually.

Designated Responsible Person (DRP)

- 7.5** This policy is managed by the Director, Environment, Health and Safety.
- 7.6** The Director, Environment, Health and Safety is responsible for:
- Annually reviewing this policy, recommending changes if required and reporting to the Board, Toronto Hydro's Executive team as well as the Human Resources and Environment Committee.
 - Immediately communicating any exceptions or violations of this policy to the Executive Vice-President and Chief Human Resources, Environment and Safety Officer for approval upon review.
 - Maintaining and applying the EHS Management System in accordance with the ISO 14001 Standard.
- 7.7** In addition, the Director, ESG and Training is responsible for:
- Annually reviewing this environmental policy, recommending changes
 - Meeting external reporting requirements related to environmental performance.

8 POLICY COMMUNICATION

<u>COMMUNICATION TRIGGER</u>	<u>TYPE OF COMMUNICATION</u>	<u>PARTY RESPONSIBLE FOR POLICY COMMUNICATION</u>	<u>AUDIENCE</u>	<u>ACKNOWLEDGEMENT</u>
Annual review as required by legislation	Board meeting	Executive Vice-President and Chief Human Resources, Environment and Safety Officer	Senior Management, Board of Directors	Meeting minutes
New employee hire	New employee orientation	EHS Department	All new hires	Attendance sheets
Policy statement posting	Posters	EHS Department	All employees, contractors and visitors	Not applicable
Annual Acknowledgement	Internet	EHS Department	Contractors	On Line sign off - ISN
Interested parties	Internet	EHS Department	Public	Not applicable
Full policy in repository	Intranet	EHS Department	All employees	Not applicable

9 POLICY COMPLIANCE AND VIOLATIONS

- 9.1** All Toronto Hydro employees, officers and directors, Toronto Hydro Corporation and its affiliates (collectively, "Toronto Hydro"), as well as contractors and visitors to Toronto Hydro facilities and sites are required to comply with this policy.
- 9.2** Any employee, officer or director who fails to comply with this policy will be subject to disciplinary action up to, and including, dismissal for just cause.
- 9.3** Failure to comply with this policy may pose significant financial, operational, legal, regulatory, reputational and/or occupational health and safety risks to Toronto Hydro and its employees.

Compliance Monitoring:

- 9.4** The Director, Environment, Health and Safety is responsible for tracking and collecting applicable data, measuring compliance and reporting in such format as may be required.

10 RELATED LAWS, REGULATIONS AND DOCUMENTATION

- 10.1** External legislation and standards which affect this policy include:
- ISO 14001 - Environmental Management Systems
 - *Canadian Environmental Protection Act, 1999*
 - Ontario's *Environmental Protection Act, R.S.O. 1990*
 - Current legislation is available at www.e-laws.gov.on.ca

- 10.2** Other external documents which affect this policy include:
- Toronto Municipal Code
 - TransformTO
 - City of Toronto's Offset Credits Policy
- 10.3** Internal requirements which affect this policy are included in the Significant Environmental Aspects Control Registry (MSC1810-004)
- 10.4** Documentation which supports this policy includes:
- Annual Environmental Performance Report to the Shareholder
 - Annual ESG Report

Appendix A:

Environmental Policy Summary

Toronto Hydro, the City of Toronto's electricity distributor, is committed to conducting its business in a manner that minimizes impacts on the environment and embodies the principles of environmental sustainability and continual improvement in conformance with the requirements of the ISO 14001:2015 Standard. This Environmental Policy (the "Policy") applies to all Toronto Hydro employees and contractors performing work on behalf of Toronto Hydro as everyone has an accountability for protecting the environment. Toronto Hydro will communicate this Policy to all employees, officers, and directors of Toronto Hydro Corporation and its affiliates (collectively, "Toronto Hydro") as well as contractors and visitors employed or engaged by Toronto Hydro, and make it available to the public.

Toronto Hydro's core environmental principles are:

NET ZERO 2040

Achieve Net Zero in our Scope 1 emissions and minimize Scope 2 emissions through direct action and supporting decarbonization by 2040.

LEADERSHIP

Allocate suitable and sufficient resources needed for the environmental management system. Management are responsible for the implementation of the Policy and must ensure that environmental issues are given adequate consideration in the planning and day-to-day supervision of all work.

COMPLY WITH LEGAL REQUIREMENTS

At a minimum, fulfil the organization's compliance obligations related to applicable environmental legislation and other environmental-related commitments approved by Toronto Hydro's executive.

CONTINUAL IMPROVEMENT

Continually improve the environmental management system to enhance environmental performance through the establishment and monitoring of annual objectives and associated actions, verifying attainment and correcting identified non-conformities.

EMPLOYEE ENGAGEMENT

Engage and educate employees on the requirements of this Policy and the environmental management system, and provide required training and tools.

STAKEHOLDER ENGAGEMENT

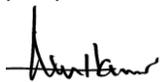
Work constructively on environmental issues and with open dialogue with stakeholders including: providers of goods and services, customers, regulators, industry and the public to consider and mitigate, the environmental effects of our operations and support the decarbonization goals of the community aligned with TransformTO.

ENVIRONMENTAL PROTECTION

Develop objectives, implement procedures or other actions, where practicable, to protect the environment, mitigate the potential adverse effects of climate change and other environmental conditions on the organization, and to act to eliminate or reduce, as far as practicable, any potentially adverse environmental impacts.

CONSIDER THE ENVIRONMENT IN BUSINESS PROCESSES

Integrate environmental risks and opportunities into our business processes considering a lifecycle perspective where possible.



Anthony Haines, President and Chief Executive Officer



David McFadden, Chair, Toronto Hydro Corporation Board of Directors