



2018

sustainability highlights

Clean energy to power us all

The clean energy we generate contributes to the decarbonization of Québec's economy. Climate change together with our changing energy sector and business environment represent major challenges, but also new opportunities for growth. We believe in a sustainable future.



Read our
Sustainability Report 2018
[hydroquebec.com/
sustainable-development/](http://hydroquebec.com/sustainable-development/)



Highlights of a busy year



REVAMP OF THE INTEGRATED ENHANCEMENT PROGRAM (IEP)

Established in 1985, the IEP enables Hydro-Québec to forge links with a wide range of groups, including Indigenous communities, municipalities, boroughs, regional county municipalities and agglomerations. This voluntary program was given a makeover in 2018. It now applies to more transmission facilities, the amount granted is determined at the outset of the project and citizens have a say in the selection of initiatives.

OUR ENGAGEMENT IN THE UNITED NATIONS GLOBAL COMPACT

This engagement commits us to report on our progress with regard to 10 major, fundamental and universal principles that cover human rights, labour standards, environmental protection and anti-corruption efforts.

BEST CORPORATE CITIZEN IN CANADA – CORPORATE KNIGHTS AWARD

Hydro-Québec earned its top ranking for the high number of women on its Board of Directors, its pay equity and its energy generated over 99% from clean sources.

PREVENTIVE SPILLS

We carried out preventive spills at eight of our generating sites. The goal was to slow down reservoir filling in order to allow new inflows to be received as well as to minimize environmental impacts.





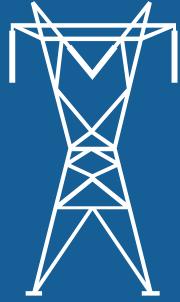
THE LOWEST RESIDENTIAL RATES IN NORTH AMERICA

For the fourth year in a row, we kept rate increases below the level of inflation. Electricity that costs Montrealers \$100 costs Torontonians \$186, Bostonians \$427 and New Yorkers \$442.



CONNECTION OF THE ÎLES-DE-LA-MADELEINE TO THE MAIN GRID

We plan to connect the islands to the main grid in the Gaspésie region via a 225-km circuit of underwater cables. Slated for commissioning in 2025, this link will cut our GHG emissions by 130,000 t CO₂ eq. per year—a significant reduction, as the thermal generating station it will replace is our main source of emissions.



RECORD VOLUME OF NET ELECTRICITY EXPORTS

Our net exports of electricity reached a record volume of 36.1 TWh, which yielded profits of \$744 million, or 23% of the company's net income. We also secured the largest contract in our history, to sell 9.45 TWh annually to Massachusetts, providing the state with a supply of clean energy for 20 years starting in 2022. The agreement means that more than 36 Mt CO₂ eq. in emissions will be avoided over the term of the contract, equivalent to the annual emissions from 9 million vehicles.

Some key indicators of our performance

60%

PERCENTAGE OF WOMEN BOARD MEMBERS

As at December 31, 2018, Hydro-Québec's Board of Directors had 15 members—nine women and six men—from a wide range of professional backgrounds. The Board consists of 13 independent directors, along with the President and CEO and the Deputy Minister of Energy and Natural Resources.

91%

PROCUREMENT OF GOODS AND SERVICES IN QUÉBEC

Our procurement of goods and services totaled \$2,619 million this year. Our operations support thousands of jobs and stimulate regional economies. They account for about 4% of Québec's GDP.

\$27.3 million

COMMUNITY INVESTMENTS

Our community investments take various forms: donations and sponsorships, including Centraide/United Way, funding for educational institutions or sustainability initiatives in all of the province's regions, and more.

99.8%

CLEAN AND RENEWABLE ENERGY DELIVERED TO OUR CUSTOMERS

We provide our customers with energy that is 99.8% renewable—most of it from the hydroelectricity we generate or purchase, as well as energy generated from biomass and waste reclamation, and wind energy we purchase from independent power producers.

\$4.5 billion

CONTRIBUTION TO THE QUÉBEC GOVERNMENT'S REVENUE

For the sixth year in a row, our contribution to the Québec government's revenue exceeded \$4 billion. On top of net income, we pay water-power royalties, public utilities taxes, guarantee fees related to debt securities and contributions to government funds and agencies.

93%

SATISFACTION WITH THE COMPANY

By the end of the year, 93% of customers reported being very satisfied or somewhat satisfied. This rate was 92% in 2017 and 91% in 2016. We're keeping up our efforts to better meet customer expectations by enhancing our services and improving our ways of communicating.

90%

REDUCTION IN GHG EMISSIONS SINCE 1990

Our emissions have declined substantially since 1990, mainly as a result of the shutdown or mothballing of seven of our thermal generating stations. Our efforts don't end there: we're doing everything possible to continue reducing emissions from our operations.

8 Mt CO₂ eq.

EMISSIONS AVOIDED BY OUR NET EXPORTS OF ELECTRICITY

Through our net exports of electricity, we helped avoid emissions totaling 7,901,691 t CO₂ eq. That's equivalent to one-third of the emissions of our main export market (New England) or annual emissions from 2 million vehicles.

1,161

NUMBER OF PATENTS HELD OR PENDING

The scientific breakthroughs, inventions and R&D of our research institute IREQ and our Center of Excellence in Transportation Electrification and Energy Storage have an impact the world over. They have yielded over 1,000 patents and thousands of published scientific papers.