

RENEWING OUR COMMITMENT

CORPORATE RESPONSIBILITY &
SUSTAINABILITY REPORT





ON THE COVER

At SaskPower, we are not only committed to integrating more renewable generation into Saskatchewan's grid, we're investing in the facilities that are already a critical part of our system. Over \$329 million of life-extending upgrades are currently underway at all of our company's hydroelectric facilities, including: Nipawin Hydroelectric Station (pictured), E.B. Campbell Hydroelectric Station, Coteau Creek Hydroelectric Station, Island Falls Hydroelectric Station, and the Athabasca Hydroelectric System.

Each promises to play an important role as we build on our commitment to reduce greenhouse gas (GHG) emissions by 40% from 2005 levels by 2030 with a view to net zero GHG emissions by 2050.



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OUR VISION

Powering Saskatchewan to a cleaner energy future through innovation, performance and service.

OUR MISSION

Ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

OUR VALUES

Safety, openness, collaboration and accountability.

OUR CORPORATE PILLARS

- Customer Experience & Stakeholder Relations
- Workforce Excellence
- Efficiency, Quality & Cost Management
- Sustainable Infrastructure & Reliability

SaskPower's 2019-20 Corporate Responsibility & Sustainability Report provides an overview of our company's environmental, social and economic performance. It also provides an overview of our governance framework while outlining the challenges and opportunities ahead.

The report aligns SaskPower with the principles of the Canadian Electricity Association's (CEA) Sustainable Electricity Program, to which we file an annual submission, as well as with the requirements associated with having been designated by the CEA as a Sustainable Electricity Company™.



OUR COMPANY

CORPORATE PROFILE

Established in 1929, SaskPower is Saskatchewan's leading energy supplier. We are defined by our commitment to support the province's economic growth, protect its natural resources and enhance the quality of life of its people. Our corporate mission: ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

SaskPower's team is made up of almost 3,200 permanent full-time employees. We manage over \$12 billion in generation, transmission,

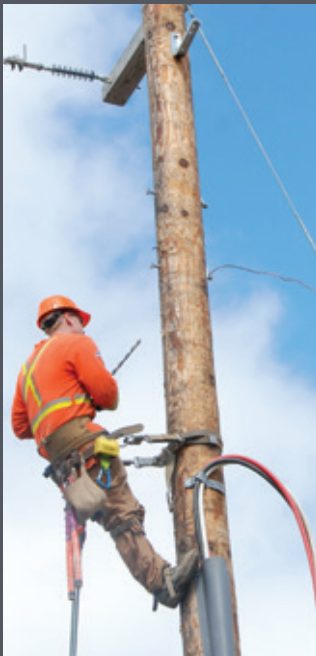
distribution and other assets. Our company operates seven natural gas-fired stations, three coal-fired power stations, seven hydroelectric stations, and two wind facilities. Combined, they generate 4,121 megawatts (MW) of electricity.

SaskPower also imports hydroelectricity and buys power from various independent power producers (IPPs), including the North Battleford Generating Station, Meridian Cogeneration Station, Spy Hill Generating Station, Red Lily Wind Energy Facility, SunBridge Wind Power Facility, Western Lily Wind Energy Facility, Morse Wind Energy Facility, and NRGreen Kerrobert, Loreburn,

Estlin and Alameda Heat Recovery Facilities. Our company's current total available generation capacity is 4,993 MW.

We are responsible for serving over 540,000 customer accounts within Saskatchewan's geographic area of approximately 652,000 square kilometres (km). About three customer accounts are supplied per circuit km. We maintain over 157,000 km of power lines, 56 high voltage switching stations and 197 distribution substations. Our company also has interties at the Manitoba, Alberta and North Dakota borders.

AT A GLANCE



540,727
CUSTOMER ACCOUNTS

652,000 km²
SERVICE AREA

3
CUSTOMER ACCOUNTS PER CIRCUIT KM
OF TRANSMISSION AND DISTRIBUTION
LINES

14,356 circuit km
TRANSMISSION LINES

142,773 circuit km
DISTRIBUTION LINES

56
HIGH VOLTAGE SWITCHING STATIONS

4,993 megawatts
AVAILABLE GENERATING CAPACITY
(AS AT JUNE 30, 2020)

7,739 kilowatt hours
AVERAGE ANNUAL USAGE PER
RESIDENTIAL CUSTOMER

3,722 megawatts
ANNUAL PEAK LOAD

\$696 million
CAPITAL EXPENDITURES

\$12.2 billion
ASSETS

3,178
PERMANENT FULL-TIME EMPLOYEES

1. UNLESS OTHERWISE NOTED, THIS REPORT COVERS THE FISCAL YEAR REPORTING PERIOD OF APRIL 1, 2019, THROUGH MARCH 31, 2020.

2019-20 HIGHLIGHTS

A LOWER CARBON FUTURE

- ⚡ **COMMISSIONED** the 353-megawatt (MW) natural gas-fired Chinook Power Station near Swift Current on time and under budget.
- ⚡ **ANNOUNCED** the Request for Proposals (RFP) for the new 350-MW natural gas-fired Great Plains Power Station, to be located in Moose Jaw and operational in 2024.
- ⚡ **OPENED** a new competitive solicitation for up to 300 MW of wind-generated power to be developed and operational by the end of 2023.
- ⚡ **ANNOUNCED** the RFP phase for the next 10-MW utility-scale solar project, building on the first competition that will see a 10-MW facility commissioned near Swift Current.
- ⚡ **ENTERED** into a 25-year power purchase agreement with Meadow Lake Tribal Council for 6.6 MW of biomass-generated electricity from a facility adjacent to the Norsask Sawmill located near Meadow Lake.
- ⚡ **CAPTURED** the three-millionth tonne of carbon dioxide at the Boundary Dam Unit #3 Integrated Carbon Capture and Storage Demonstration Project since it came online in 2014.

EMPLOYEES, CUSTOMERS AND COMMUNITIES

- ⚡ **SELECTED** as one of Canada's Best Diversity Employers, one of Canada's Top Employers for Young People, and one of Saskatchewan's Top Employers.
- ⚡ **CONTRIBUTED** more than \$1.8 billion to the provincial economy.
- ⚡ **LAUNCHED** the Energy Assistance Pilot Program to provide information and tools to income-qualified customers to help them lower their utility bills.
- ⚡ **RECEIVED** the Edison Electric Institute Emergency Assistance Award for helping Manitoba with response efforts after a historic storm hit that province in October 2019.
- ⚡ **RECEIVED** the Premier's Award for Excellence in the Public Service for creating new opportunities for Indigenous businesses and communities.
- ⚡ **DIRECTED** \$3 million to post-secondary education, focusing on student development and research that aligns with SaskPower's workforce and operational priorities and goals.
- ⚡ **INVESTED** almost \$1.7 million in educational and community programming throughout Saskatchewan.

FINANCIAL AND OPERATIONAL RESPONSIBILITY

- ⚡ **INVESTED** \$374 million in Saskatchewan's generation, transmission and distribution system to renew, refurbish or replace existing infrastructure.
- ⚡ **INVESTED** \$253 million on new generation, transmission and distribution facilities to accommodate growth in demand and customer connections.
- ⚡ **ACHIEVED** an 8.6% Indigenous procurement rate — worth over \$47 million — by issuing purchase orders for services such as civil construction, vegetation management, wood pole remediation and environmental monitoring.



A MESSAGE TO OUR STAKEHOLDERS

As we worked to complete this year's Corporate Responsibility & Sustainability Report, the world stopped for us at SaskPower. A workplace incident took the lives of two of our colleagues: Powerline Technicians Scott Bill and Cole Crooks. Our hearts immediately went out to their families, friends and co-workers. And a profound sense of loss set in.

This tragic incident reminds us that first and foremost we are a team of unique individuals coming together to provide an essential service to homes, farms, businesses and communities throughout Saskatchewan. And like Scott and Cole, each one of these unique individuals on SaskPower's team has a family, friends and co-workers who want them to end each workday safely.

At our company, we always remind each other that safety comes first. Going forward, this promise will take on even greater meaning as we honour the memories of Scott and Cole.

The COVID-19 pandemic is also acting as a critical reminder of the need to place the welfare of people and the planet at the forefront of our work with the realization that global issues can have a profound impact on our daily lives. Initially, COVID-19 resulted in reductions in energy use and carbon emissions around the world. This has led to a broader conversation on how we can continue living more sustainably as energy use steadily increases, and how we develop climate adaptation and mitigation strategies going forward.

For SaskPower, at the core of our sustainability commitment is our target to reduce greenhouse gas (GHG) emissions by 40% from 2005 levels by 2030. We are also developing scenarios to reach net zero GHG emissions from our operations by 2050. In the coming decades, the challenge of delivering service to our customers in an affordable and sustainable manner will be the primary strategic lens through which we evaluate every decision we make.

At SaskPower, we believe a responsible approach to sustainability includes working with our customers to use resources wisely, supporting the work and growth of our employees, maintaining the financial health of our business, and pursuing a cleaner, reliable and affordable energy supply. To highlight our efforts over the past year, we are pleased to share the 2019-20 Corporate Responsibility and Sustainability Report.

Responding to increasingly stringent emissions regulations remains a primary focus for SaskPower. The past year saw us register progress in complying with the federal government's requirement to eliminate all conventional coal-fired generation by 2030.

At the heart of our approach to build a clean energy future is a major increase in renewable generation that includes solar, wind, biomass generation and imported hydroelectricity. In 2020, SaskPower continued

to work on plans to add more than 700 megawatts (MW) of new solar and wind power generation to our province's electricity system over the next three years while also adding 100 MW of hydroelectric imports from Manitoba in 2020, followed by another 190 MW in 2022, with the option of another 25 MW of imports into our northern system.

To maintain reliable service to customers as we bring more intermittent renewable generation onto the system, we commissioned the new 353-MW natural gas-fired Chinook Power Station near Swift Current in the fall of 2019. Not only does Chinook provide crucial baseload power and backup for SaskPower's growing solar and wind generation portfolio, it also produces less than half the emissions of a conventional coal-fired generation unit. Plans for construction of a similarly sized natural gas facility in Moose Jaw remain on track for an in-service date of 2024.

Looking ahead, a view to meeting 2050 net zero GHG emissions targets while ensuring a reliable source of electricity will guide our electricity supply decisions. The natural gas generation capacity we are adding today will help bridge our transition from high carbon-emitting conventional coal generation.

In planning for the longer-term energy transformation, we must continue to be innovative while we look at affordable solutions for a sustainable future. Our company will need to continue to evaluate a mix of potential supply options. These include carbon capture and storage, emerging technologies such as nuclear small modular reactors and battery storage, and expanded interties with other jurisdictions. The latter will provide greater access to North American electricity markets and assist with balancing the availability swings inherent in renewable sources.

Clean generation technologies are but one part of SaskPower's equation to become a sustainable organization. Ongoing efforts to hire, train



CLIMATE CHANGE IS IMPACTING THE FREQUENCY, INTENSITY AND DURATION OF EXTREME WEATHER EVENTS, WHICH POSE SIGNIFICANT RISK FOR ELECTRICITY COMPANIES. RIME ICE, PLOUGH WINDS, WILD FIRES, AND FLOODING HAVE ALL IMPACTED SASKPOWER'S OPERATIONS. RECENTLY, UNPRECEDENTED HEAVY RAINFALL IN NORTHERN SASKATCHEWAN PUT OUR ISLAND FALLS HYDROELECTRIC STATION IN A HEIGHTENED STATE OF EMERGENCY PREPAREDNESS.

and retain an engaged, diverse and flexible workforce that can execute our ambitious strategies are also critical. The extraordinary work of our employees across the province to ensure the uninterrupted delivery of service during the pandemic is one small example of the agility of our team. Looking ahead, we will focus on continuing to build a diverse and adaptive workforce that will help us attract the right people that are needed to drive success in facing the challenges ahead.

This 2019-20 Corporate Responsibility and Sustainability Report also highlights our commitment to meaningful relationships with customers, stakeholders and Indigenous communities through increasing openness, transparency and dialogue. By engaging and listening in a wide variety of forums — and through the use of new virtual tools — we have gained a better understanding of the essential characteristics that customers expect to see in a more sustainable SaskPower: timely and reliable service; affordability; convenience; proactive communication; green solutions; and the opportunity for partnerships.

A strong corporate focus on efficiency and financial management continued to underpin our drive towards sustainability in 2019-20. Positive 2019-20 financial results — including a net income of \$205 million, a return on equity of 7.8%, and a per cent debt ratio that improved to 72.6% — allowed us to move through a second consecutive fiscal year without pursuing a rate increase.

While we continue to evaluate the impact of COVID-19 on our business and on the electricity demands of the province moving forward, our strengthened balance sheet will provide some operational agility in the midst of the pandemic. This solid fiscal performance — combined with a continuing focus on continuous improvement — positions us well to respond to the changes that lie ahead.

In time, when we look back on the past 12 months, we will see that this year has not only redefined society — it has also presented a once-in-a-generation moment for us to make a difference. We took a significant step this past year by earning the Sustainable Electricity Company Designation™ from the Canadian Electricity Association. The achievement signals our commitment to sustainability and confirms that we are on the right track. More importantly, it demonstrates that a bar has been set that must be maintained and improved upon.

There is no denying that the arrival of COVID-19 has brought a heightened sense of concern among many about what our future will look like. This is the backdrop against which we strive to build SaskPower's plan to deliver a sustainable energy future — one that we know will have a profound impact on the people and the economy of our province.

There is no easy or definitive pathway for us to follow, but we are certain that tomorrow will be a shared future with customers, stakeholders and the public. We welcome an ongoing dialogue as we work together to navigate the path to a sustainable energy future for Saskatchewan.



Chief Darcy Bear
Chair, Board of Directors



Mike Marsh
President and CEO



OUR APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

MEETING THE CORPORATE RESPONSIBILITY AND SUSTAINABILITY CHALLENGE MEANS USING RESOURCES WISELY, SUPPORTING THE WORK AND GROWTH OF OUR EMPLOYEES, MAINTAINING THE FINANCIAL HEALTH OF OUR BUSINESS, AND PURSUING A CLEANER, SECURE AND AFFORDABLE ENERGY SUPPLY.

SUCCESS IS DEPENDENT ON HONOURING OUR RELATIONSHIPS WITH STAKEHOLDERS AND INDIGENOUS COMMUNITIES THROUGH OPENNESS, TRANSPARENCY AND DIALOGUE. IT IS ALSO RELIANT ON SUPPORTING THE COMMUNITIES WE SERVE WHILE ASSISTING OUR CUSTOMERS WITH THE SAFE AND EFFICIENT USE OF ELECTRICITY.

As one of Saskatchewan's largest companies, SaskPower recognizes that our role extends beyond providing reliable and affordable electricity to our customers — we also have an obligation to ensure sustainability is front and centre in all that we do.

In the last year, SaskPower earned the Sustainable Electricity Company™ designation from the Canadian Electricity Association (CEA). We are one of nine utilities in Canada to have achieved this milestone. The designation highlights our commitment to sustainability and helps employees, customers and stakeholders to evaluate the progress we are making.

A crucial component of our sustainability journey is to make sure that we not only communicate with our customers and stakeholders, but recognize that they are important partners who need to have a voice in our decision-making.

SaskPower's efforts to become a sustainable organization align with the policy direction of

the Government of Saskatchewan as outlined in *Prairie Resilience*, the province's made-in-Saskatchewan climate change strategy that was released in December 2017. SaskPower's plan to reduce the carbon footprint of electricity generation is a key component of the *Prairie Resilience* strategy.

The International Organization for Standardization (ISO) 26000 guidance on social responsibility provides SaskPower with a comprehensive framework as to how we can operate our company in a sustainable way. This standard is organized into seven core subjects and associated core issues, including: organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

In order to better understand what aspects within each of these seven ISO 26000 core subjects are most important for our company in the short, medium, and long-term, we used a process of significance testing to gather input from our Executive leadership team. We also used a variety of stakeholder engagement tools — including focus groups, in-person and virtual customer meetings, project-specific engagements, customer satisfaction surveys, and employee engagement surveys — to refine our understanding of what issues within the ISO 26000 seven core subject areas are most significant to SaskPower's customers.

MATERIALITY: SIGNIFICANT ISO 26000 ISSUES IDENTIFIED BY STAKEHOLDERS AND SASKPOWER LEADERSHIP

Customers	Protection of the environment, biodiversity and restoration of natural habitats	Climate change mitigation and adaptation	Consumer data protection and privacy
Landowners		Fair competition	Access to essential services
Indigenous communities	Discrimination and vulnerable groups	Promoting social responsibility in the value chain	Education and awareness
Business associations		Respect for property rights	Community involvement
Community organizations	Economic, social and cultural rights	Fair marketing, factual and unbiased information and fair contractual practices	Education and culture
Public interest groups	Employment and employment relationships	Protecting consumers' health and safety	Employment creation and skills development
Employees/Executive/Board Members	Social dialogue	Sustainable consumption	Technology development and access
Other utilities	Health and safety at work	Consumer service, support, and complaint and dispute resolution	Wealth and income creation
Non-governmental organizations (NGOs)	Human development and training in the workplace		Social investment
Academia	Prevention of pollution		
Suppliers	Sustainable resource use		
Governments (local, provincial and federal)			

* STAKEHOLDERS AND SIGNIFICANT ISSUES NOT PRESENTED IN ANY RANKED ORDER.

MANAGEMENT SYSTEMS AT SASKPOWER

In addition to following the guidance provided by ISO 26000, SaskPower's Environmental Management System (EMS) conforms with the ISO 14001 Standard and our company's Safety Management System (SMS) conforms with the ISO 18001 Standard.

These systems support employees and contractors so that they work safely and in an environmentally sustainable manner, while also demonstrating SaskPower's commitment to continuous improvement and transparent reporting.

SaskPower employees and contractors must complete annual safety and environmental awareness training to ensure that they understand their roles and responsibilities within these systems.

The content of this Corporate Responsibility & Sustainability Report reflects SaskPower's performance for the 2019-20 fiscal year and includes all entities reported on in SaskPower's consolidated financial statements. This reporting has been guided not only by the results of our stakeholder and leadership significance testing, but also by the Global Reporting Initiative (GRI) Standards.

GOVERNANCE

Multiple governance functions within SaskPower work together to inform our company's approach to corporate responsibility and sustainability. They provide general oversight for the broader sustainability strategy while also offering specific direction related to the management of operational risks that fall within the scope of corporate responsibility and sustainability.

The Safety, Environment & Corporate Responsibility (SE&CR) Committee of the SaskPower Board of Directors is responsible for providing oversight of corporate responsibility and sustainability within the company. The SE&CR Committee is charged with ensuring that SaskPower proactively addresses safety, health and environmental issues; follows regulatory and statutory requirements; and strengthens its performance in the areas of corporate responsibility and sustainability.

The SE&CR Committee is also responsible for ensuring SaskPower continues to meet the requirements of the CEA's Sustainable Electricity Company Designation™, which requires us to:

- Demonstrate a commitment to sustainable development.
- Conform to ISO 14001 – Environmental Management Standard.
- Follow the guidance provided by ISO 26000.
- Implement and adhere to an established governance framework.
- Report on sustainable development performance.
- Complete third-party compliance verification.

The Audit & Finance Committee of the SaskPower Board of Directors is responsible for providing oversight related to the company's financial reporting, internal controls, and accountability — all of which represent a key aspect of our sustainability framework. The Audit & Finance Committee also oversees SaskPower's risk management registry and reporting, which includes climate-related risks to operations. Board Committee Terms of Reference can be found online at saskpower.com.



The SE&CR and Audit & Finance Committees both report to the SaskPower Board of Directors, which consists of 12 independent Directors. The Board is responsible for the general stewardship of our company and is accountable for setting direction, monitoring and evaluating achievement, as well as identifying any necessary corrective action for SaskPower.

Crown Investments Corporation of Saskatchewan (CIC) appoints members to the SaskPower Board of Directors. CIC acts as the holding company for SaskPower and has the broad authority to set the direction of SaskPower. As a provincial Crown corporation, SaskPower is governed by *The Power Corporation Act* and is also subject to the provisions of *The Crown Corporations Act, 1993*. SaskPower's commitment to corporate sustainability aligns with a number of CIC strategic priorities: a customer focus; a skilled labour force; financial sustainability; priority investments; private sector engagement; technology & innovation; and Crown collaboration.

Although SaskPower is not required to comply with the Canadian Securities Administrators (CSA) Governance Guidelines, SaskPower still uses them to benchmark our governance practices. Details on these guidelines — and how our company's practices are substantially

consistent with CSA standards — are included in a governance performance scorecard that forms part of our corporate annual report and can be found online at saskpower.com.

Internally, the day-to-day performance of SaskPower's employees and contractors is governed by our Code of Conduct; Health, Safety and Environment Policy; and our Enterprise Risk Management (ERM) Program. To ensure responsible performance, we use a variety of checks and balances, including: reporting and compliance mechanisms; internal and external audits; and external agencies.

SaskPower employees are also guided by the company's Corporate Responsibility & Sustainability Policy, which can be found at saskpower.com.

Each level of governance provides checks and balances and has its own part to play in setting and carrying out SaskPower's strategic direction and ensuring responsible corporate performance.



ENTERPRISE RISK MANAGEMENT PROGRAM

As part of the corporate strategic planning process that the Board of Directors participates in, strategic and functional risks are identified, managed and to the extent possible mitigated through the Enterprise Risk Management (ERM) Program. SaskPower's ERM Program promotes a consistent and standard approach to risk identification, assessment, and management throughout the organization.

Risk management is the responsibility of all employees and is an integral part of our culture. While SaskPower's Board of Directors has overall responsibility for stewardship of the company, the President and CEO has ultimate accountability for risk management, with support from Executive Members.

Executive Members manage key business risks, including new and emerging risks and opportunities. SaskPower's business divisions are responsible for managing day-to-day risks within their areas of responsibility.

EMPLOYEE SUSTAINABILITY NETWORK

While not an official component of our corporate responsibility and sustainability governance, SaskPower's Employee Sustainability Network (ESN) plays an important role through the promotion of employee-led activities that help encourage a culture of sustainability throughout our company.

The ESN includes employees who volunteer their time to host various education sessions and lead sustainable change in the workplace. In 2019-20, the ESN continued a Speaker Series on topics such as energy efficiency and conservation programs, lake sturgeon, and the

Corporate Balanced Scorecard performance metrics. The ESN also held a composting workshop with the City of Regina to highlight both indoor (vermicomposting) and outdoor composting.

Over the past year, the ESN revised its Terms of Reference and continued discussions with Executive sponsors while developing plans for 2020-21. Despite the constraints imposed by the COVID-19 pandemic, the ESN is optimistic it can proceed in 2020-21 with championing a series of internal efficiency initiatives that include a paper reduction strategy, internal energy use reduction, and enhanced recycling.

SASKPOWER'S EMPLOYEE SUSTAINABILITY NETWORK CHAMPIONS RELATED EDUCATION AND PROGRAMMING INITIATIVES AT OUR COMPANY.





CLIMATE CHANGE & ENVIRONMENTAL PROTECTION

IN OUR DAILY WORK AND FUTURE PLANNING, WE MUST BALANCE GENERATING AND DELIVERING ELECTRICITY WITH MINIMIZING IMPACTS ON OUR NATURAL ENVIRONMENT. IN RESPONSE, WE ARE PURSUING CLEANER SOURCES OF ENERGY WHILE CONTINUING TO PROMOTE ENVIRONMENTAL RESPONSIBILITY.

WE CONTINUE TO DEVELOP MITIGATION AND ADAPTATION PLANS THAT ADDRESS CLIMATE RISK.

Saskatchewan's climate is changing. Historic records show that the province's average temperature increased by 1°C through the 20th century, and forecasts indicate it is set to rise another 2°C by 2050. This change is bringing with it an increase in the frequency, intensity and duration of extreme weather events — such as rime ice, plough winds, and flooding — as well as the growing likelihood of more frequent and severe droughts.

These types of severe weather events represent a threat to the reliability of the infrastructure SaskPower uses to generate and deliver electricity to our customers across the province.

As we strive to build a more sustainable company, SaskPower is investing significant efforts to better understand the impacts that climate change will have on our existing generation, transmission and distribution assets, and how we must adapt operations to mitigate risk. Examples of these adaptation efforts have seen us take action to decrease the risk of fire around SaskPower's power lines in areas with forest or heavy vegetation; create a readily accessible inventory of materials; and also streamline the way we assemble crews so that they can be more quickly deployed to repair damage to our system after storms.

Recognizing that climate change adaptation will require an ongoing and integrated response, SaskPower has created a cross-functional team that is crafting a corporate-wide Climate Change Adaptation Plan. Intended to align with best practice guidelines recommended by the Canadian Electricity Association, this plan will identify further actions SaskPower should take to manage the risk of changing weather patterns and climate and thus ensure the safe and reliable supply of electricity.

When complete, the Climate Change Adaptation Plan will inform the future decisions we make around infrastructure system design and procurement — ensuring these long-lasting assets will be

sufficiently resilient and operate effectively in Saskatchewan's changing climate for years to come.

CARBON REDUCTIONS

While we plan for climate change adaptation, part of our focus remains on meeting the federal government's regulations that require the elimination of all conventional coal generation by 2030. For a company that has historically relied on coal-fired generation to provide up to two thirds of its electricity supply, this is a major transition that we remain on track to achieve.

An Equivalency Agreement (EA) reached between the governments of Saskatchewan and Canada in June 2019 — which allowed carbon dioxide equivalent (CO₂e) emissions to be measured and managed on a system-wide basis rather than generation unit by generation unit — leaves SaskPower well-positioned to move forward in a sustainable manner. CO₂e is a standard for measuring greenhouse gas (GHG) footprints. It expresses the impact of GHGs, such as methane and nitrous oxide, in terms of the amount of carbon dioxide (CO₂) that would create the same amount of warming. With the EA in place, SaskPower can operate all coal-fired units, including Boundary Dam Power Station Units #4 and #5, beyond 2019 and manage their retirement dates in a way that minimizes cost and potential system reliability impacts.

SaskPower's system-wide planning approach to emissions reductions means we will successfully reach the federal government's

targets. We are also set to achieve our own — and more ambitious — goal of reducing GHG emissions from our generating facilities by 40% below 2005 levels by 2030. In fact, our forecasts indicate that combined GHG emissions from all SaskPower generating facilities may have already peaked.

Over the past year our carbon capture and storage (CCS) facility at Boundary Dam Power Station near Estevan reached an important milestone by having captured over three million tonnes of CO₂ since operations began — an amount of CO₂ equal to taking 750,000 vehicles off the road. We continue to evaluate the viability of CCS technologies as we conduct ongoing analysis of all of the generation supply options that might fit into our long-term plans.

As our move away from conventional coal-fired generation continues, 2019-20 saw SaskPower continue a multi-year effort to dramatically increase the amount of renewable generation — primarily wind and solar power — across the provincial system. By 2030, we project that up to 50% of installed generating capacity will be from non-emitting power sources.

Over the past year, work continued on Saskatchewan's first utility-scale solar facility — the 10-MW Highfield Solar Project being built in the RM of Coulee by Saturn Power. The facility is set to commence service in 2021. Kruger Energy Saskatchewan Solar was selected to build Saskatchewan's second utility-scale solar project. The Foxtail Grove Solar Power Facility will be located on the



outskirts of Regina and provide 10 MW of power by the end of 2022. At the same time, an Opportunity Agreement signed between SaskPower and the First Nations Power Authority in May 2019 has opened the door for Indigenous development and ownership of 20 MW of additional utility-scale solar generation projects.

With access to some of Canada’s best wind resources, SaskPower will continue to develop wind power as a cornerstone of our renewable generation portfolio. In 2019, construction began on Potentia Renewables Inc.’s 200-MW Golden South Wind Energy Facility near Assiniboia. At the same time, preparations continued for the construction of Algonquin Power’s 175-MW Blue Hill Wind Energy Facility south of Herbert as well as Capstone Infrastructure’s 10-MW Riverhurst Wind Energy Facility northwest of Central Butte. Looking further ahead, SaskPower continued to advance a competitive solicitation that will secure up to 300 MW of additional wind generation by the end of 2023.

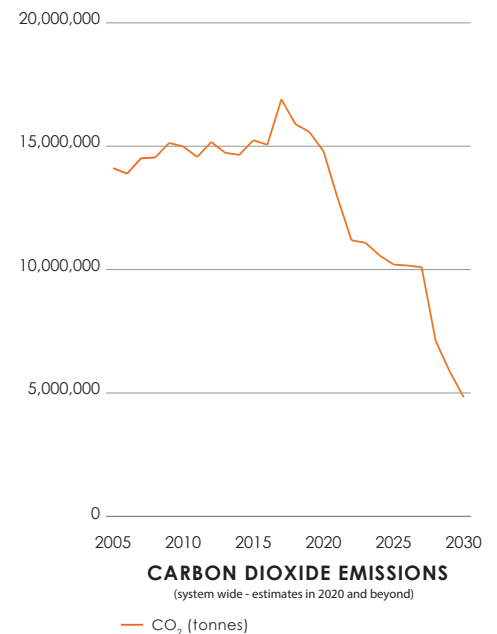
Carbon-neutral biomass generation also holds a position in our renewable generation portfolio. This past year, we signed a 25-year power purchase agreement with Meadow Lake Tribal Council that will use sawmill residuals to generate up to 6.6 MW of power. This project also promises to deliver direct financial benefits to nine Saskatchewan First Nations.

While we pursue aggressive growth in renewable generation, natural gas generation facilities will continue to serve as a critical backup source of power when the sun is not shining and the wind is not blowing. Not only can natural gas generation be started up on short notice, but it produces less than half the CO₂ emissions of an average conventional coal unit.

Over the past year, our commitment to building cleaner natural gas generation included the commissioning of the new 353-MW Chinook Power Station near Swift Current, while work continued on the 350-MW Great Plains Power Station that will be located at Moose Jaw and is scheduled to come online in 2024. As we add more natural gas generation to our system, SaskPower is mindful of federal regulations introduced in June 2019 which dictate that any gas-fired facilities built after 2020 will have to pay the carbon price on a higher portion of CO₂e emissions each year until 2030, when the carbon tax will apply to all CO₂e emissions.

In 2019-20, efforts to ensure the long-term viability of our existing renewable generation facilities included continued work on a \$252 million project to extend the life of the 289-MW E.B. Campbell Hydroelectric Station near Nipawin, as well as a \$33 million concrete rehabilitation project at the 111-MW Island Falls Hydroelectric Station in northeastern Saskatchewan.

POTENTIA RENEWABLES IS BUILDING THE GOLDEN SOUTH WIND ENERGY FACILITY, LOCATED NEAR ASSINIBOIA. ONCE COMPLETE IN MID 2021, IT WILL PRODUCE 200 MW OF RENEWABLE ENERGY.



With work solidly on track to meet our 2030 GHG reduction target, the past year saw SaskPower developing scenarios to reach net zero GHG emissions from operations by 2050.

Achieving this new emissions goal will require an unprecedented change in how SaskPower generates and delivers power to our customers. At this early point in our planning, a specific pathway to reach this new 2050 goal has not been determined. We do know that this expanded commitment to reduce GHG emissions will require close investigation of a wide range of new technologies, as natural gas generation can only act as an interim bridge to a net zero GHG emissions generation system.

Wind and solar power will undoubtedly hold a central position in any system designed for 2050 and beyond. On their own, however, these generation technologies will likely not be sufficient.

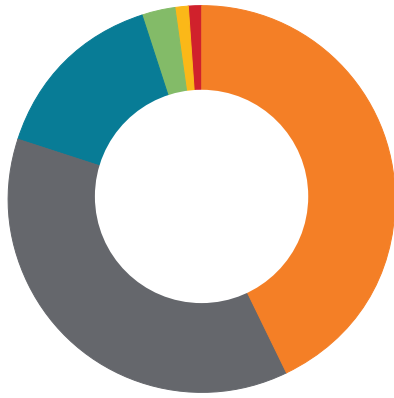
Even though they are not yet commercially available, nuclear small modular reactors (SMRs) may hold promise for SaskPower's future. During the year, a Memorandum of Understanding was signed by the Governments of Saskatchewan, Ontario, Alberta and New Brunswick so that we can better collaborate with these jurisdictions in supporting the development and deployment of SMRs. Other additional new or developing technologies that we are evaluating for their suitability in our cleaner

power generation future include utility-scale battery storage and next generation CCS.

Hydroelectric power is already an important source of renewable electricity for SaskPower, accounting for 20% of our total generation capacity, and will play a vital role in helping us meet a 2050 net zero emissions future. However, within Saskatchewan there are limited options to expand hydroelectric generation that are both financially and environmentally viable.

Our company has entered into agreements with Manitoba Hydro for the delivery of an additional 190 MW of renewable hydroelectric power with an option of 25 MW of additional capacity for the northern grid, beginning in 2022. This new capacity is on top of a 100-MW import agreement that started in June 2020 and will run until 2040, along with another 25-MW agreement that will end in 2022. As we refine our plans for 2050, we will continue to explore the feasibility of a full range of clean energy import options, including renewable hydroelectric power from other markets to ensure grid reliability and assist in meeting our long-term emissions targets. The analysis will include the requirement of a significant expansion of our transmission intertie capacity, which could someday lead to the significant export of Saskatchewan-based renewable and zero emissions electricity.

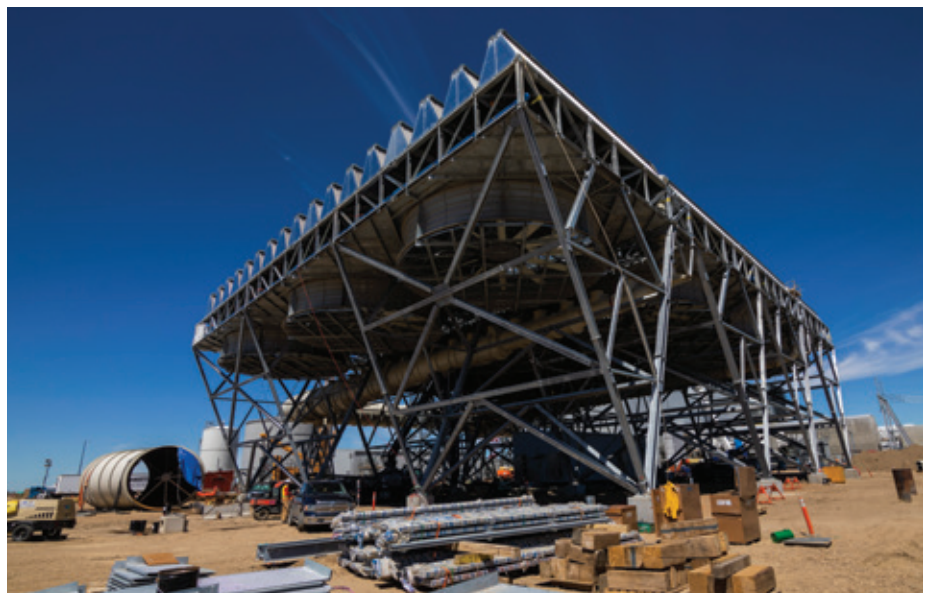
To support an increasingly diverse and complex set of zero emission generation



2019-20 GROSS ELECTRICITY SUPPLIED
25,033 GWH

- GAS 43%
- COAL 37%
- HYDRO 15%
- WIND 3%
- IMPORTS 1%
- OTHER 1%

SASKPOWER'S NEWLY COMMISSIONED CHINOOK POWER STATION USES AN AIR-COOLED CONDENSER TO SIGNIFICANTLY REDUCE WATER CONSUMPTION COMPARED TO TRADITIONAL WATER-COOLED NATURAL GAS FACILITIES.



options, SaskPower has already started on a wholesale modernization of our province-wide transmission and distribution infrastructure. A cross-functional team is dedicated to a grid modernization initiative that focuses on designing and implementing more efficient transmission and distribution electricity infrastructure that will help reduce emissions, accommodate growing amounts of renewable energy, increase power grid reliability resilience, and provide the flexibility we need as more customers generate their own power. This grid of the future will rely on an unprecedented merger of physical transmission and distribution assets with information technology in order to offer improved visibility, control, and automation.

Advanced Metering Infrastructure (AMI) is a key component of this grid modernization work. Since 2017, SaskPower has designed and implemented our own industry-leading standards for meter testing and installed over 21,000 smart meters for commercial and industrial customers. By the end of 2021, SaskPower will install another 27,000 smart meters for the rest of our commercial and industrial customers. An additional 3,200 farm customers and over 1,000 residential customers who are eligible for this type of meter will be offered a smart meter as well. In early 2019, almost 2,000 residential and small business customers responded to a call for volunteers who wanted early installation of AMI meters as we continue our testing efforts.

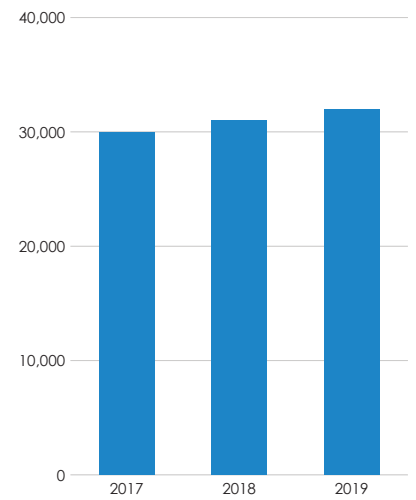


OTHER AIR EMISSIONS

While GHG emissions attract much attention from regulators, customers, and stakeholders, SaskPower must also carefully manage a wide range of other emissions. We remain on track to reduce federal Criteria Air Contaminant (CAC) emissions; by 2030, our nitrogen oxide, sulphur dioxide, mercury and particulate matter emissions will likely be 70-90% below 2015 levels. SaskPower is in the midst of updating our company's CAC plan by the end of 2020.

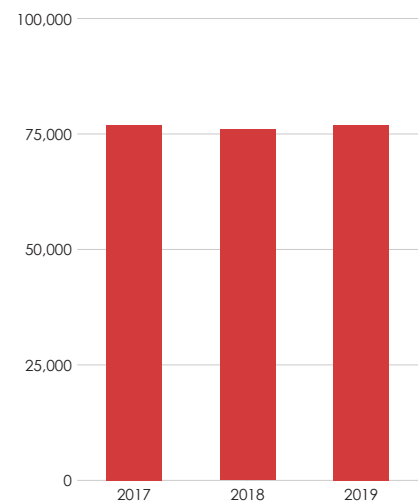
Over the past year, SaskPower also continued our support for ambient air quality monitoring in the southeast region of the province — an area where we have a concentration of traditional coal-fired generating stations — through a collaboration with the Southeast Saskatchewan Airshed Association (SESAA). As a member of the SESAA's Board of Directors, SaskPower has joined with other industry, government, non-governmental organizations and private citizens in long-term tracking of sulphur dioxide, nitrogen oxide, and ozone levels in the region.

For decades, SaskPower has captured and collected fly ash emissions — a fine powder by-product created during the coal combustion process at our power stations — and sold them for use in ready-mix concrete, mine backfill, oil well cementing, road base stabilization and liquid waste stabilization applications. In 2019-20, our company sold



NITROGEN OXIDE EMISSIONS

■ NO_x (tonnes)



SULPHUR DIOXIDE EMISSIONS

■ SO₂ (tonnes)

SASKPOWER HAS CONDUCTED COMPREHENSIVE MULTI-YEAR TESTING — INCLUDING EXPOSURE TO SASKATCHEWAN'S HARSH CLIMATE — TO EVALUATE THE SMART METERS BEING INTRODUCED TO SASKPOWER'S GRID.



SASKPOWER CAPTURES FLY ASH, A BY-PRODUCT OF COAL COMBUSTION, AT THE BOUNDARY DAM POWER STATION AND SHAND POWER STATION (PICTURED). MOST OF THE FLY ASH IS SOLD COMMERCIALY AND IS ALSO USED FOR SASKPOWER FACILITIES. IT WILL BE USED TO REPLACE UP TO 25% OF THE PORTLAND CEMENT REQUIRED FOR THE CONSTRUCTION OF OUR NEW YORKTON MAINTENANCE HUB.

almost 220,000 tonnes of fly ash captured at both Boundary Dam and Shand Power Stations. Each tonne of fly ash that we sold to replace cement prevented roughly one tonne of CO₂ from entering the atmosphere.

ENVIRONMENTAL PLANNING TOOLS

To proactively identify possible environmental and heritage issues associated with proposed power line construction or maintenance projects, SaskPower relies on an internal Environmental Screening System (ESS). This geographic information system (GIS) database includes the most up-to-date environmental and archaeological data compiled from a variety of government, non-government agency, private sector and academic sources.

SaskPower's Environmental Beneficial Management Practices Manual is another critical tool we use in planning for transmission, distribution, and communication (fibre optic) construction and maintenance projects. This manual provides employees with best practice environmental guidelines that cover pre-construction and planning, construction, and maintenance phases of these projects. Through the year, we updated the manual to

ensure ongoing compliance with federal and provincial regulations.

SaskPower regularly assesses the applicability and impact of new federal and provincial environmental legislation on our operations. In 2019-20, regulatory changes associated with GHG emissions, environmental impact assessments, federal carbon pricing, navigable waters protection, protection of fish and fish habitat, Crown land management, and Duty to Consult accounted for the most significant impacts.

SITE ASSESSMENTS AND REMEDIATIONS

SaskPower conducts site assessment and remediation on properties prior to sale, purchase or lease agreements, or in response to the identification of potential contamination resulting from our operations.

In 2019, 62 site assessment/remediation projects were completed, which is consistent with the number of projects over the last five years. In 2019-20, ongoing environmental management continued on the 32 former northern sites where SaskPower operated diesel generating stations until the 1980s. We anticipate completing assessments at all 32 northern locations by 2026.

220,000
TONNES OF FLY ASH SOLD

EVALUATING CLIMATE CHANGE IMPACT ON WATERWAYS



DR. DAVID SAUCHYN OF THE UNIVERSITY OF REGINA IS ANALYZING HOW CLIMATE CHANGE IS IMPACTING THE NORTH SASKATCHEWAN RIVER.

What can tree rings tell us about climate change and its impact on water levels in Saskatchewan rivers? Quite a lot, according to Dr. David Sauchyn, a geography professor at the University of Regina who is leading innovative research that will help SaskPower adapt to changing water flows at its hydroelectric stations. SaskPower is a key funder of this two-year project, which is halfway complete.

Over the past 30 years, Sauchyn and his team have collected more than 7,000 pieces of wood — ranging between 300 to 1,000 years old — from locations across the prairies: "Trees need heat and water to grow," Sauchyn says. "By studying the rings that measure tree growth, we can determine the heat and water that was available at the time and use those insights to understand longer-term weather trends in the region."

Sauchyn says some of his older tree samples contain between 700 to 800 tree rings and reveal that the prairies have regularly experienced droughts that lasted 30 to 50 years over the last 1,000 years. Before this type of research, Sauchyn says climate change researchers only had access to weather data that dated back about 100 years, making it almost impossible to identify such lengthy droughts.

Sauchyn notes that tree ring analysis also allows him to better understand climate trends prior to the time that humans began burning fossil fuels: "It tells people things about our water and climate with information that is not available from

anywhere else — we have insights on the human and natural sides of climate change."

Saskatchewan's climate offers unique advantages when it comes to tree ring research, Sauchyn says: "Trees stop growing in the fall and start in the spring, so there is a sharp discontinuity between the rings that can be more easily picked up by analytical software."

Over the next year, Sauchyn will combine information from computer climate models with the insights he's gained by studying tree rings and weather data in order to provide SaskPower with a strong indication of how the North Saskatchewan River will be impacted by a changing climate.

"We were very impressed when we saw the proposal," says Nathan Mansuy, Director of SaskPower's Environment Department. He notes that the results from this research will provide important insight as SaskPower makes decisions on how to operate its hydroelectric generating facilities in the future: "This is a chance to be proactive in terms of what is coming."

2M

LITRES OF PCB-CONTAMINATED OIL REMOVED FROM SASKPOWER EQUIPMENT SINCE IMPLEMENTATION OF THE PCB ACTION PLAN

POLYCHLORINATED BIPHENYLS (PCBs)

PCBs are a toxic substance found in the oil used in many of SaskPower's pole top and ground transformers. PCBs were used in oil until the 1980s to help cool equipment. Due to the impacts of PCBs — their environmental persistence and ability to bioaccumulate in the food chain — the federal government took action to significantly reduce PCBs in Canada.

SaskPower continues to make solid progress on a multi-year plan to remove nearly all equipment containing PCBs. Since work began in 2014, we have reduced the amount of PCB-contaminated equipment or equipment of unknown status in our system from over 100,000 to under 20,000. During this time, the volume of PCB-contaminated oil in large equipment has also been reduced by almost 2 million litres, which represents a reduction of 67% from 2014 levels. This work — which exceeds current regulatory requirements — is on track to be completed by December 31, 2023, which will be two years ahead of the legislated deadline.

REGULATED RELEASES

SaskPower is required to report releases that occur at our facility, job, or infrastructure sites that meet regulatory criteria. During the 2019-20 fiscal year, we reported 20 of

these regulated releases to our regulators. Corrective actions have been implemented in response to each incident, and no long-term environmental impacts have been recorded as a result of these releases.

TRANSPARENT TRACKING AND MEASUREMENTS

In January 2020, SaskPower fulfilled a commitment to have Industrial Source Air Quality Environmental Protection Plans (EPPs) for all coal-and natural gas-fired generation facilities completed and approved by the Government of Saskatchewan's Ministry of Environment. These EPPs articulate our strategy to manage air emissions at these higher emitting sources. Our focus in the year ahead will be on preparing an EPP for the 350-MW Great Plains Power Station that is scheduled to come online in 2024 and will be located near Moose Jaw.

In addition to preparing EPPs addressing emissions, SaskPower also completed a new EPP in 2019-20 to guide work on transmission and distribution facilities in or near water on private land. With this new EPP in place, we will achieve equal or improved environment performance with reduced paper work as permitting becomes unnecessary.



SaskPower met another Ministry of Environment requirement when decommissioning and reclamation plans were submitted in January 2020 for the natural gas-fired Queen Elizabeth and Chinook Power Stations, our three coal-fired stations, and five soil treatment cells in northern Saskatchewan which were built by SaskPower during various remediation projects of former diesel-powered generating facilities that operated from the 1950s to the 1970s. These plans will be updated every five years.

In the last year, SaskPower introduced a new Verification of Effectiveness Guideline which outlines a process to confirm that internal procedures, corrective actions and other controls are working as designed to minimize our environmental risk and impact. In 2019-20, SaskPower completed Verification of Effectiveness reviews on a selected cross-section of environment-related controls.

Efforts to improve how we track the environmental impacts of our operations led to the development of a new coal, air, water, and waste database in 2019-20. Not only will this database be an essential component of our ongoing reporting efforts, it will also improve cross-departmental collaboration by providing a centralized resource that

can be accessed by laboratory staff at our power generation facilities as well as those responsible for environmental reporting. The database is also used by SaskPower's Logistics Management Department to track recycling of various waste materials.

Since 2013, as part of the Government of Saskatchewan's Household Packaging and Paper Stewardship Program, SaskPower has cut the waste packaging and paper we send to customers by more than 50%. This has been accomplished through the use of innovative and environmentally-sensitive customer communication tools, reducing the number of bill stuffers we distribute, and by introducing incentive programs that encourage residential customers to switch to paperless billing.

Meanwhile, a new internal indicator to track water efficiency in SaskPower owned and operated buildings will be evaluated during a pilot project in 2020-21. While domestic water use at our generation, transmission and distribution facilities and construction sites is not included in the scope of this pilot, ongoing research into additional water tracking metrics continues.

50%
REDUCTION OF WASTE
PACKAGING AND PAPER
WE SEND TO CUSTOMERS



DURING THE YEAR, SASKPOWER COMPLETED A DECOMMISSIONING AND RECLAMATION PLAN FOR THE QUEEN ELIZABETH POWER STATION (PICTURED).

VEGETATION MANAGEMENT

We continue to adapt our operations to climate change by altering the way we manage trees and plants that grow around over 157,000 km of power lines across the province.

With the threat of more wildfires resulting from increasingly severe weather, we have initiated a long-term plan to clear and widen the rights-of-ways around SaskPower power lines to improve safety and reliability. Enhancements to our ongoing vegetation management efforts will require an investment of \$20 million in 2020-21, with ongoing increases in annual spending planned until the end of 2029.

These additional vegetation management efforts are on top of ongoing rights-of-way

maintenance practices that include machine mulching with large equipment, sustainable herbicide applications, and manual removal using tools such as chainsaws. This integrated approach allows us to remove tall, hazardous tree species and nurture low growing shrubs and native plants in the power line rights-of-way while minimizing environmental impacts and respecting traditional land use. SaskPower also prepares a Wildfire Prevention and Preparedness Plan, which is submitted to the Ministry of Environment annually.

At the same time, SaskPower is increasing efforts to educate customers about the best trees and plants to grow that will maintain the required three-metre buffer from power lines and help reduce annual vegetation management costs.

157,129

KILOMETRES OF POWER LINES MAINTAINED WITH INTEGRATED VEGETATION MANAGEMENT EFFORTS



BIODIVERSITY

With woodland caribou listed as a threatened species under the federal *Species at Risk Act*, SaskPower provides in-kind support to the provincial Ministry of Environment for the monitoring of these important animals in northern Saskatchewan.

This research ensures that essential caribou habitat is maintained and that the development of any new infrastructure — such as SaskPower facilities — does not have an adverse impact on caribou populations.

Meanwhile, SaskPower is a founding member of the Saskatchewan River Sturgeon Management Board (SRSMB) and has been working to prevent the further decline of lake sturgeon populations on the Saskatchewan River for 24 years. The SRSMB Board focuses its efforts on maintaining lake sturgeon found between the E.B. Campbell Hydroelectric Station in Saskatchewan and the Grand Rapids Generating Facility in Manitoba.

Through continued partnership with Indigenous community members, governments, and industry, the SRSMB conducts population monitoring, habitat assessments and public education while also ensuring that traditional uses and subsistence harvests of these fish are sustainable.

While woodland caribou and lake sturgeon are the focus of much of our biodiversity work, SaskPower is also supporting the

University of Regina on a multi-year research project to survey for sharp-tailed grouse habitat across southern Saskatchewan and collect data so that we can learn more about the most suitable landscape for these birds.

At the same time, SaskPower is working with a conservation agency to secure sharp-tail habitat in order to offset the impact our company had on an existing grouse population during the construction of the Chinook Power Station near Swift Current. The past year also saw SaskPower initiate a project to bury distribution lines in Grasslands National Park in order to prevent predation on the area's sage grouse.

As well, through our SaskPower Shand Greenhouse, we grew and distributed 600 sage plants in 2019-20 that were used to expand greater sage grouse habitat in the province.

Additional biodiversity preservation work by SaskPower in 2019-20 included our long-standing participation in province-wide efforts to track the populations of piping plovers, a bird species that nests along the shorelines of some reservoirs adjacent to our power stations. SaskPower has also supported Birds Canada in the development of the Saskatchewan Breeding Bird Atlas. Better knowledge of bird species and where they nest helps us minimize the impacts we have on these populations as we maintain, renew and replace the province's electrical infrastructure.

600

SAGE PLANTS USED TO
EXPAND GREATER SAGE
GROUSE HABITAT IN
SASKATCHEWAN

SASKPOWER PARTNERS WITH THE UNIVERSITY OF REGINA AND A CONSERVATION AGENCY TO SURVEY AND SECURE ADDITIONAL SHARP-TAILED GROUSE HABITAT THAT OFFSETS OUR POTENTIAL IMPACT ON SASKATCHEWAN'S PROVINCIAL BIRD.



ZEBRA MUSSEL PREPAREDNESS

Zebra mussels are an invasive aquatic species that pose a threat to SaskPower because of their ability to grow quickly and block water intake structures at our generating facilities. Although zebra mussels have not yet been found in Saskatchewan, they have been recorded in neighbouring provinces and states.

As a member of the Saskatchewan Aquatic Invasive Species Task Force, SaskPower has provided \$25,000 in annual funding for the last two years to help keep zebra mussels out

of Saskatchewan. At the same time, we are collaborating with provincial regulators and agencies to ensure boaters complete proper cleaning and prevent zebra mussels from being accidentally brought into the province.

In consultation with invasive species experts, SaskPower has completed zebra mussel risk assessments at our most vulnerable generating stations and has prepared rapid response plans to prevent damage in the event of a zebra mussel incursion. Early detection monitoring in locations around our most vulnerable generating facilities also continued throughout 2019-20.

\$25,000

IN ANNUAL FUNDING
OVER THE PAST TWO
YEARS TO HELP KEEP
ZEBRA MUSSELS OUT OF
SASKATCHEWAN

TO ENSURE THE ONGOING AND SAFE OPERATION OF OUR HYDROELECTRIC GENERATING FACILITIES — SUCH AS THE ISLAND FALLS HYDROELECTRIC STATION (PICTURED) — THE PREVENTION OF THE SPREAD OF ZEBRA MUSSELS IS ESSENTIAL.



TOWARD 2030 FUTURE FOCUS: CLIMATE CHANGE & ENVIRONMENTAL PROTECTION

- Analyze and define the future of coal-fired generation, natural gas-fired generation and carbon capture and storage in Saskatchewan in light of changing carbon regulations.
- Modernize the grid to accommodate climate change adaptation, automation, storage, electric vehicles, customer self-generation and micro-grids.
- Continue to evaluate and implement new ways of meeting generation peak, baseload, and reliability requirements.
- Plan for increasing distributed energy resources and capitalize on emerging opportunities.

CUSTOMER & COMMUNITY ENGAGEMENT



WE BELIEVE THAT A STRONG RELATIONSHIP WITH THOSE WHO HAVE A SHARED INTEREST IN SASKPOWER IS FUNDAMENTAL TO OUR COMPANY'S SUCCESS.

WE PURSUE A CONNECTION WITH CUSTOMERS, INDIGENOUS COMMUNITIES AND ALL STAKEHOLDERS THAT IS TRANSPARENT AND ACCOUNTABLE WHILE SUPPORTING THE DEVELOPMENT OF PARTNERSHIPS.

WE CHAMPION SAFETY AS WELL AS ENERGY EFFICIENCY AND CONSERVATION INITIATIVES WHILE SUPPORTING THE COMMUNITIES WE SERVE.

Our work to transform SaskPower into a sustainable organization includes seeking a deeper understanding of our customers' needs and concerns — and then responding with services and innovative solutions that exceed those expectations.

Nowhere was that commitment more evident than during the onset of the COVID-19 pandemic in the spring of 2020. Within a week of Saskatchewan's first presumptive case, our company joined other Crown corporations in the province by waiving interest on outstanding bills for six months. We also offered customers one year to pay any outstanding balances using equal monthly installments with no additional interest charges.

Our quick response in a time of uncertainty reflects two essential facts: that our customers are the very reason we exist and that we must be relentless in working to meet their shifting expectations about the types of service and value that a utility company provides. The reasons driving changes in customer expectations are wide-ranging, and include: increasingly affordable options to self-generate power, a growing desire for personalized and 24/7 service, and a conviction that they should be part of our decision-making process while having a voice in determining SaskPower's future.

To guide us in navigating this dynamic landscape, we have crafted a unifying customer vision: to earn our customer's business everyday by showing them we care in every interaction. We are confident that we can deliver by focusing on four key performance areas:

- Create a customer-focused organization.
- Optimize customer interactions.
- Offer products and services that customers value.

- Understand, engage and partner with customers and stakeholders.

To measure our success, we track customer experience results annually across all customer segments. Our Customer Experience Index measures SaskPower's service based on delivery on three predominant expectations: affordable rates, reliability and communication. In the residential segment we matched our target with a result of 69, which is categorized as "okay." Our result in the small and medium business segment fell from "good" to "okay," decreasing from 71 to 68 year over year. Meanwhile, our key and major account segment scored 79, falling from "excellent" to "good." Our corporate Customer Plan contains a five-year roadmap to move these ratings to at least "good."

Through the year, we focused on service delivery and quick communication on service issues to maintain solid customer experience ratings with our large industrial key and major account customers. In the small & medium business customer segment, however, annual survey results indicated we still have work to do in order to meet expectations around convenient and high-quality customer service, reliable power service and programs, and products and tools that provide them with control over their power use.

When comparing SaskPower's customer satisfaction to other companies, we fared better. For the 12th year in a row, SaskPower achieved a general satisfaction score above the national average in the Canadian

Electricity Association's annual national Customer Satisfaction Index.

Looking ahead, we have added a metric to our Corporate Balanced Scorecard that tracks call centre wait times. This metric is an important measure that will track the average time that a customer is on hold after selecting the appropriate option from the Integrated Voice Response (IVR) system and highlights the priority of delivering great customer service. Internally, additional metrics, such as first contact resolution and post-transactional customer feedback, are being investigated to help us track operational, service and cultural performance related to customer experience.

Beyond efforts to support customers through financial difficulties resulting from COVID-19, the past year saw continued development and delivery of new programs and services that improve the value, convenience, and choice we offer to customers. By adding more functionality to our Live Chat online customer contact channel, offering robust online self-serve tools, and improving our IVR system, we are making it easier for our customers to do business with us in ways that they prefer.

As we respond to our customers' future needs, ongoing dialogue is essential. Our Design Lab initiative is a powerful example of this commitment in action. To date, more than 60,000 individuals have signed up to provide feedback on enhancements to tools such as our customer bill and online portal.



In the course of delivering new and improved services that make it easier for customers to do business online with SaskPower, we are always mindful of implementing strong safety and privacy safeguards so customers can be certain that their personal data always remains secure.

For more than a decade, Demand Side Management (DSM) energy efficiency and conservation programs have been a staple in how we help customers save power and money. These programs — which have reduced peak demand capacity requirements by 156 MW since 2008 — have offset energy growth and deferred the construction of new generating facilities. In 2019-20, we again exceeded our targeted DSM savings by delivering 6.7 MW in peak demand reductions and 46.0 gigawatt hours (GWh) in energy savings. Two DSM programs were particularly effective in generating customer savings:

- The Commercial Lighting Rebate Program, which promotes the adoption of energy efficient lighting through rebates on select energy efficient lighting and equipment.
- The Industrial Energy Optimization Program, which identifies opportunities for Saskatchewan industrial customers to utilize more efficient equipment and production processes to reduce electricity consumption and power costs.

Many of our DSM programs — particularly those aimed at residential

customers — have succeeded in transforming the consumer marketplace by making energy efficiency products more affordable and available. We are now undertaking a review of our entire portfolio to ensure any future DSM activities focus more on customer education, behaviour change, and advisory services, while also targeting opportunities to reduce operational and capital costs.

These DSM renewal efforts also offer a unique opportunity for us to address the needs of customers who have not historically benefited from energy efficiency programming. In 2019-20, we introduced the Energy Assistance Pilot Program (EAPP), which provided income-qualified residential customers in Regina and Saskatoon with a free home assessment, along with assistance and tools to improve household energy efficiency that could result in up to \$230 in annual savings for each participant. A total of 60 applicants applied for the program. Thirty-five home assessments were completed before the program was suspended due to COVID-19 in mid-March. The remaining participants either participated in a virtual program or have been grandfathered into the full-scale program launched in August 2020.

As part of efforts to improve the energy efficiency of our own operations, SaskPower's Internal Energy Management Program (IEMP) identifies energy-savings opportunities across SaskPower's buildings and transmission, distribution

OVER THE NEXT 10 YEARS, SASKPOWER IS REPLACING STREETLIGHT BULBS WITH LED LIGHTS. LED LIGHTS USE BETWEEN 40% TO 60% LESS ENERGY THAN HIGH-PRESSURE SODIUM VAPOUR BULBS AND PROVIDE A TRUER COLOUR, RESULTING IN BETTER VISIBILITY AND IMPROVED SAFETY. IN 2019-20, WE REPLACED APPROXIMATELY 9,000 OF THE 100,000 STREETLIGHT BULBS IN THE PROVINCE.

\$230
 IN POTENTIAL ANNUAL SAVINGS FOR CUSTOMERS PARTICIPATING IN THE ENERGY ASSISTANCE PILOT PROGRAM

and non-critical power station assets. An internal energy use dashboard is in development that will provide in-depth building analysis by helping identify energy use abnormalities, building waste, and equipment outages. Two important IEMP initiatives that continued to deliver strong results in 2019-20 are the provincial LED streetlight conversion project and the Rural Rebuild and Improvement Program:

- Over 10 years, we are replacing 100,000 high-pressure sodium vapour bulbs in communities across Saskatchewan with long lasting and energy-efficient LED lighting that will save power and reduce costs.
- Through the Rural Rebuild and Improvement Program, we are optimizing line loss savings through a strategic renewal of our aging rural electrical distribution system that is focused on lines with poor reliability performance.

Over the course of the last year, these two programs combined to deliver peak demand savings of 1.9 MW and 6,778 tonnes in carbon dioxide (CO₂) savings. In 2020-21, the IEMP will expand to include energy audits at select SaskPower buildings and power plants to uncover new opportunities for energy use reductions.

Our commitment to offer value and choice to customers includes programs that acknowledge growing interest in customer self-generation. In late 2018, we updated our Net Metering Program that incentivizes customers to generate up to 100 kilowatts of power, typically via solar generation, to decrease monthly power bills and earn credits for any excess power generated.

Due to overwhelming customer response, we reached the program's 16 MW cap two years earlier than expected. Program changes were implemented in late 2019 to ensure its long-term sustainability. The incentive that reimbursed customers 20% of their capital costs to install self-generation systems was removed. The rate SaskPower uses to buy electricity from net metering customers was changed to reflect a more equitable cost allocation between

program participants and the rest of our customers who would be required to pay for a subsidized rate for program participants under the old net metering structure. Currently, SaskPower has more than 2,300 net metering customers.

Complementing our Net Metering Program, the Power Generation Partner Program (PGPP) offers customers the opportunity to generate electricity at capacities of 1 MW using renewable technologies, and up to 5 MW using carbon neutral technologies. In 2019-20, an additional 10 solar and 12 flare gas projects were accepted into the PGPP. By the time this three-year initiative concludes at the end of 2020, our goal is to have added up to 30 MW of renewable and 75 MW of carbon neutral power generation into our system.

Another area of growing interest among our customers is electric vehicles. Although the market is still in its infancy in most of Canada, many jurisdictions are seeing at least some growth in electric vehicle sales and Saskatchewan is no exception. We are taking steps to provide customers with information through our website that helps make the transition as seamless as possible for those who purchase or lease an electric vehicle.

Planning for the increase in power and infrastructure required to support a growing number of electric vehicles is just one element of a wider investigation to identify and quantify electrification opportunities in the Saskatchewan marketplace that will benefit customers and the environment. Some of the more promising electrification opportunities that we are researching include:

- Airport ground support and material handling equipment.
- Residential space cooling and water heating equipment.
- Mining equipment, oil well pump jacks, and manufacturing process equipment.
- Farm equipment.
- Charging for heavy-duty on-road electric vehicles.

100,000

STREETLIGHT BULBS WILL BE REPLACED WITH LED LIGHTING OVER THE NEXT 10 YEARS

SMART METERS: A CENTRAL PART OF GRID MODERNIZATION



MARK FITZPATRICK OF TORC OIL & GAS EXPECTS SMART METERS TO HAVE POSITIVE IMPACT ON OPERATING PROCEDURES.

SaskPower is currently in the midst of a multi-year effort to modernize our grid, which will result in increased visibility, control and automation. Customers will be seeing improved safety, reliability, efficiency and adaptability, and smart meters will play a central role in delivering these benefits.

Jim Larter is responsible for production at Torc Oil & Gas Ltd. (TORC), an exploration company with 1,300 oil wells in the southeast part of Saskatchewan. He is optimistic about the impact smart meters are having on his business and the new opportunities they offer to improve his company's bottom line.

With a monthly power bill that averages 600 pages in length, "Power is the single biggest operating cost in our organization," Larter says. Now that smart meters are providing real-time readings for the company's oil wells, he says, "There is no more guessing on electricity costs because bills are based on actual use."

SaskPower has nearly completed the installation of smart meters at all of TORC's wells in the province — a project that began in March 2018. Before those smart meters were in place, Larter says TORC could only get actual readings for the electricity used by each well once every four months. During the other months, electricity use had to be estimated. Larter says this process resulted in big swings in power bills of up to \$500,000 to \$600,000 per month: "We found it challenging to predict monthly power costs."

Mark Fitzpatrick, who oversees optimization initiatives at TORC, says that the detailed information that smart meters are now providing about each well's power consumption

offers a unique opportunity for the company to test new ideas on how to reduce electrical use. Fitzpatrick is just starting a project that will rely on smart meter operating data to determine where it makes sense to install lower horsepower pumpjack motors that will help cut operating costs. Across North America, SaskPower has found that the more accurate data provided by smart meters has helped businesses save an average of 2% on their power bills.

"We could not conduct these (tests) before, because we would have to rely on months of estimated readings," says Fitzpatrick. As a result, TORC had to "wait and see" that the anticipated savings from any improvements were actually achieved when the meter reading eventually arrived. TORC is also looking at how it can use smart meter data to change operating procedures that will generate even more cost savings.

Looking ahead, both Larter and Fitzpatrick are excited about the role that smart meters will play in the implementation of a SaskPower Outage Management System. By using smart meters and other innovative technology to automatically identify the location of an outage, SaskPower will be able to restore electrical service faster, which should mean less downtime and improving the bottom line — for TORC's oil wells in the province.

STAKEHOLDER AND INDIGENOUS ENGAGEMENT

Our work to build a more sustainable company will undoubtedly impact our customers and stakeholders. This makes our current multi-year stakeholder engagement program — one that aims to increase dialogue and transparency about the decisions we face in transforming the province’s power system — more important than ever. By being intentional in providing a voice to customers and stakeholders, we are able to consider other important points of view in our decision-making process.

Through the year, we held workshops and information sessions with a wide range of provincial organizations such as the Municipalities of Saskatchewan, the Saskatchewan Chamber of Commerce and the First Nations Power Authority (FNPA). A day-long session of presentations and discussion about the future of our power system that we hosted at the mid-term convention of the Saskatchewan Association of Rural Municipalities (SARM) in November 2019 was a highlight of this effort and included nearly 100 participants.

Despite the onset of COVID-19, we were able to continue planned engagement efforts with organizations across the province through the use of virtual tools.

Early engagement with customers regarding SaskPower’s future plans helps nurture the trust-based relationships needed in order to proceed with timely and cost-effective business decisions. During the past year, we joined forces with SARM to develop siting guidelines for wind and solar projects in rural Saskatchewan. At the same time, we hosted a series of workshops with residential and small business customers across the province to gather input on how we can improve the way we communicate about planned power outages.

Respectful and collaborative engagement with Indigenous communities is essential for any future energy project development in our province. We know that Indigenous stakeholders are eager to be part of Saskatchewan’s clean energy future and partner with us in delivering on this vision. During the year, we joined with the Saskatchewan Chamber of Commerce as a founding partner in the creation of their Indigenous Engagement Charter, which focuses on supporting Chamber members to improve Indigenous relations.

Aligned with our Duty to Consult requirements, SaskPower held province-wide consultations in 2019 to discuss environmental protection plans that would streamline routine distribution and transmission maintenance, including the use of herbicides in our powerline rights-of-

STAKEHOLDERS PARTICIPATED IN AN OPEN HOUSE TO DISCUSS THE BLUE HILL WIND INTERCONNECTION PROJECT, WHICH REQUIRED A 230 KV TRANSMISSION LINE OF APPROXIMATELY 23 KILOMETRES.



way. SaskPower invited every Saskatchewan First Nation and Métis local to attend one of six regional meetings held throughout the province in the fall of 2019; over 150 participants responded to our invitation. The meetings highlighted the current alignment of interests between SaskPower and Indigenous rights holders, while also underscoring the importance of ongoing dialogue.

Over the past year, SaskPower also continued our strong partnership with FNPA, an organization created primarily to support Indigenous participation in energy projects in Saskatchewan. SaskPower and Natural Resources Canada reached out to FNPA for support and guidance on approaching Saskatchewan First Nations as we determine how our company can properly, respectfully and effectively engage these communities in ongoing discussions about Saskatchewan's electricity future.

Internally, our Indigenous Relations Team continues to monitor how the United Nations Declaration on the Rights of Indigenous Peoples might impact federal regulatory decisions regarding development of new SaskPower generation, transmission and distribution infrastructure. We also continue to work with the CEA on performance indicators related to Indigenous stakeholder engagement.

OUR COMMUNITIES

Investing in the communities where we live and work is another important way that we engage with customers and stakeholders and support the cultural fabric of our province. In 2019-20, SaskPower's community partnerships resulted in almost \$1.7 million being directed to educational, safety, and conservation and efficiency programming throughout Saskatchewan. As well, SaskPower directed \$3 million to post-secondary education, focusing on student development and research that aligns with SaskPower's workforce and operational priorities and goals.

Perhaps one of the most innovative ways we give back to communities and citizens across Saskatchewan is through our operation of the SaskPower Shand Greenhouse, which recycles the waste heat from the adjoining Shand Power Station. Our greenhouse is unique among Canadian electric utilities and has produced and distributed over 12.1 million seedlings for planting by eligible community groups, SaskPower customers and environmental agencies across the province since it began operations in 1991.

In 2019-20, more than 1,500 applications were received from across Saskatchewan for 473,000 greenhouse seedlings. Many of them were used by rural customers to

12.1M
SEEDLINGS PRODUCED
AND DISTRIBUTED THROUGH
THE SASKPOWER SHAND
GREENHOUSE SINCE 1991



STUDENTS FROM ESTEVAN COMPREHENSIVE SCHOOL PLANTED A GARDEN OF TRADITIONAL NATIVE GRASSES AND PLANTS — GROWN AT THE SASKPOWER SHAND GREENHOUSE — AS PART OF A SCHOOL PROJECT FOCUSED ON RECONCILIATION WITH INDIGENOUS PEOPLES. INFORMATION ABOUT EACH PLANT AND THEIR TRADITIONAL USES ARE INCLUDED IN THE GARDEN.

establish shelterbelts on their properties, which help increase home energy efficiency by reducing wind velocity in the winter, control dust, and trap snow that increases locally available water resources.

During the year, the greenhouse partnered with Nature Saskatchewan, Native Plant Society of Saskatchewan (NPSS), Grasslands National Park, Canadian Wildlife Services (CWS) and Nature Conservancy of Canada (NCC) to grow seedlings for 12 habitat conservation projects across Saskatchewan.

In support of the Native Prairie Conservation Program — an effort spearheaded by CWS and NCC — the greenhouse also produced more than 7,500 plants comprised of 30 different native species that were used to connect patches of native plant areas in the Last Mountain Lake National Wildlife area and encourage wildlife movement. Throughout the year, the greenhouse continued research into production techniques on a variety of prairie species during germination, sowing and growth stages of the plant lifecycle.

7,500

PLANTS FROM 30 DIFFERENT NATIVE SPECIES WERE PRODUCED AT THE SASKPOWER SHAND GREENHOUSE FOR USE AT THE LAST MOUNTAIN LAKE NATIONAL WILDLIFE AREA



TOWARD 2030 FUTURE FOCUS: CUSTOMER & COMMUNITY ENGAGEMENT

- Work with customers to develop mutually beneficial options in how they meet their power needs, including through self-generation.
- Advance sustainable customer energy management & conservation programs and green technology partnerships.
- Execute collaborative engagement with customers and stakeholders in the planning and operation of the power system while enhancing confidence in SaskPower.
- Develop and institute programs and initiatives that strengthen Indigenous relations.

PEOPLE



WE BELIEVE THAT NOTHING IS MORE IMPORTANT THAN THE HEALTH, SAFETY AND WELL-BEING OF SASKPOWER'S EMPLOYEES, CONTRACTORS AND THE PUBLIC.

THE SUCCESS OF OUR COMPANY IS DEPENDENT UPON THE STRENGTH OF OUR WORKFORCE. WE WORK TO BE AN EMPLOYER OF CHOICE, WITH DEDICATED AND ENGAGED EMPLOYEES.

WE WILL STRIVE TO ENSURE OUR WORKFORCE IS HIGH PERFORMING, ACCOUNTABLE, AND AS DIVERSE AS THE COMMUNITIES WE SERVE.

At SaskPower, we have a strong, high performing, accountable, and diverse workforce — one that will play a pivotal role in navigating our transformation to a sustainable and clean energy future. Our long-term goal is to nurture a workplace culture where staff are engaged and have ready access to the mentorship and training needed to reach their full potential and drive the company forward.

Nearly one half of our workforce is comprised of members of the International Brotherhood of Electrical Workers (IBEW) Local 2067, while approximately 14% of employees belong to Unifor Local 649. In the last year, new agreements were reached with both IBEW 2067 and Unifor Local 649 covering the period up to December 31, 2022. The balance of staff is out-of-scope.

We rely on an annual employee engagement survey — either a full survey or shorter pulse check — as a crucial metric to monitor our progress in sustaining a strong workplace culture. In our last pulse check survey in the fall of 2019, we saw the engagement score fall to 59% — a decline we attribute to a prevailing sense of uncertainty within the utility sector and a slowdown in the provincial economy that pre-dated COVID-19. To address this less-than-ideal survey result, we have expanded communications to employees over the past year to offer more clarity and insight on the business challenges facing our company.

Strong leadership will be crucial as we continue through this rapidly changing landscape. To bolster the skills of our leaders, we launched two new programs in 2019-20 that focus on SaskPower's key leadership competencies and principles. As we build a robust culture of accountability across SaskPower, leaders continue to

play a pivotal role in ensuring their staff align with commitments outlined in our corporate Code of Conduct, Respectful Workplace, and Diversity policies.

Over the last year, an Organizational Change Management (OCM) group was created to support leaders as they manage their teams through the unprecedented change occurring across SaskPower. Already, the OCM group has provided direct support for more than 50 business and technology change initiatives, while also creating ready-to-use and scalable change management processes, tools, and coaching aids.

To encourage and nurture future leaders, we continued to refine a job competency model framework in 2019-20 that outlines the critical knowledge, skills, abilities, attitudes, and behaviours required to achieve desired business results. In addition, another 86 new mentor-mentee matches were forged via our Corporate Mentorship Program over the past year.

We also unveiled a job shadow resource guide that lets employees explore career path options and learn about different roles, work processes and business areas across SaskPower. Through a new pilot with the Harvard Business School, we are able to support self-guided learning for all employees interested in career

development and professional growth through unprecedented access to resources on more than 40 topics, ranging from stress management to team leadership.

In 2019-20, efforts to ensure employees are fairly compensated for their work included benchmarking our total rewards package at the annual Canadian Utility Network and participating in a collaborative effort with other Saskatchewan Crown corporations to confirm our Executive, management and unionized employee benefits align with those offered by our sister Crown corporations. As part of our total compensation approach, we unveiled a new online employee recognition and safety program in 2020-21, along with an online digital healthcare offering that enhances SaskPower's existing benefit package.

As a company, we are more likely to succeed in understanding our customers — and effectively meet their needs — when our workforce better reflects the people who live in the communities that we serve each and every day. The value of a diverse workforce has long been recognized within SaskPower. These efforts were acknowledged again in 2019-20 when SaskPower was chosen as one of Canada's Best Diversity Employers for the 12th year in a row.



In receiving this recognition, our support and mentorship for diverse employees through six employee resource groups was particularly noted: the Indigenous Employees Network; the LGBTQ2S+ Network; the Network of Employees for Disabilities; PowerGen (leadership development network); the Visible Minorities Network; and the Women's Resource Group.

While we are honoured to have received this external acknowledgement, we know much work remains before we reach our diversity goals. In fact, SaskPower fell short of our diversity hiring target in 2019-20 largely due to reduced overall corporate expenditures that resulted in less-than-anticipated external hiring.

Ongoing diversity initiatives are guided by SaskPower's Diversity & Inclusion Strategic Plan, which includes strategies to build our company's diversity brand, expand employment outreach, leverage external partnerships, create targeted diversity programs, and improve data collection and metrics. We organized and hosted a wide range of corporate and community events to advance our diversity and inclusion agenda throughout 2019-20, including working with the Canadian Center for Diversity and Inclusion to sponsor and host our first ever

Diversity and Inclusion UnConference, which focused on, "Understanding the Why Behind Cultural Competence." Internally, efforts to educate staff on the importance of a diverse workforce led to the launch of a new online diversity and inclusion training module. All employees are now required to complete this training annually.

SAFETY

Electricity can be a dangerous product. It is essential that we remain constantly vigilant in order to protect our employees, contractors, and customers from harm. Sadly, despite our dedicated efforts, one customer fatality occurred during the year as a result of an overhead line contact. Meanwhile, as we finalized this report, a workplace incident took the lives of two SaskPower Powerline Technicians.

At SaskPower, safety must truly be a part of everything we do — and that commitment starts with helping customers understand how to stay safe whenever they are around electricity. On an annual basis, SaskPower receives more than 1,000 reports of damages to overhead and underground power facilities. While the majority of these incidents result from farming operations in the spring and the

SAFETY IS CRITICAL IN COMPLETING ALL OF OUR DAILY WORK, INCLUDING THIS HIGH LOAD MOVE NEAR DAVIDSON.

1,000+
REPORTS OF DAMAGE
TO OVERHEAD AND
UNDERGROUND POWER
FACILITIES ANNUALLY

IN MEMORIAM

On October 8, 2020, a workplace incident took the lives of two of our company's Powerline Technicians, Scott Bill and Cole Crooks. We deeply acknowledge their service and dedication, and mourn along with their families, friends and communities. All of us at SaskPower will honour their memories through our continuing commitment to our customers and our values as an organization.

fall, accidental contacts also range from contractors installing a major pipeline, to residential landscaping in a backyard.

Raising awareness about how to operate equipment safely around our electrical infrastructure remained a key focus on 2019-20, as we continue to strive for zero customer incidents. To improve farm safety, work is underway to make high visibility pole and overhead power line markers available to farmers working near our facilities. Last year, work also continued to create an online overhead powerline map that will help farmers and the general public safely plan their work. In 2021, we plan to introduce a new High Voltage Display at agricultural trade show events that will demonstrate the severe consequences when farm machinery comes into contact with our overhead lines.

A province-wide safety campaign in the spring of 2020 reminded customers to take the time to "Look up and Live" while working near power lines. This multi-media campaign included radio ads, billboards, event displays, and a team of safety ambassadors who delivered personal messages in the course of visiting over 120 communities and more than 300 businesses.

To improve awareness about the risk of underground contacts with our electrical infrastructure, SaskPower has joined with industry representatives and other Crown corporations to form the Saskatchewan Common Ground Alliance. In April 2020, the organization's members delivered 30 presentations that reached more than 4,500

individuals as part of Safe Dig Month. Through the rest of the year, our safety experts made dozens of public power safety presentations to farm groups, emergency medical service volunteers and other professionals to highlight safe working techniques and the proper response if a customer contacts a power line.

Internally, the foundation of SaskPower's corporate safety culture is our Safety Management System (SMS), which is aligned with the OHSAS 18001 Standard and is managed by our Health and Safety Department. A comprehensive SMS governance structure ensures all levels of our workforce — from field workers to our Executive team — are held to account in maintaining a strong safety culture across the company.

SaskPower uses a series of leading and lagging indicators to track annual safety performance. Leading indicators measure proactive activities that identify hazards and assess, eliminate, minimize, and control risks. They evaluate the effectiveness of safety programs and contribute to the prevention of incidents before they occur. These leading indicators include the completion of safety objectives; health and safety training; safety incident corrective/preventative actions; and work observations. Lagging indicators record safety performance related to the occurrence of safety incidents and include rates for lost-time injury frequency; lost-time injury severity; recordable injury frequency; and all injury frequency.

PUBLIC AWARENESS IS
CENTRAL TO SASKPOWER'S
SAFETY PROGRAM.



In 2019-20, our company's results related to the four individual leading indicators ranged from 95.2% to 99.4%. On two of the lagging indicators for 2019-20 — lost-time injury frequency and lost-time injury severity — SaskPower achieved individual results of 100%, meaning SaskPower's performance met or was better than the target. The recordable injury frequency result worsened in the past year, as the number of recordable injuries experienced increased compared to 2018-19. The all injury frequency indicator — which measures the number of injuries and illnesses including both lost-time and recordable injuries — was worse than targeted and reported a result of 66.3%. The two employee fatalities that occurred in October 2020 will be recorded in the 2020-21 results.

Work to improve SaskPower's corporate safety culture in 2019-20 saw us complete a multi-year effort to increase leaders' awareness and understanding of corporate safety metrics and the critical role they play in improving safety performance. A real-time dashboard also was unveiled during the year that improves accountability across all levels of the organization and delivers more robust safety reporting to our Executive team and leaders across the company.

With a growing reliance on aircraft and drones for construction and maintenance work on SaskPower transmission and distribution infrastructure, aviation safety has become a new area of focus. In 2019-20, we implemented processes to improve

how we monitor helicopter usage and ensure the correct aircraft is assigned to each job. Work was also completed on new Standard Operating Procedures that cover all SaskPower aviation practices, including aerial transmission line work.

Because SaskPower's expansive service area requires many of our employees to travel significant distances as part of their day-to-day work, vehicle safety remains a top priority. Over the past year, we expanded our Effective Driver Program so more employees could take advantage of this important online training.

Rigorous safety standards apply not only to our own workforce, but to anyone who does work for SaskPower. Recent efforts to streamline contractor safety — by clearly communicating and monitoring a range of safety requirements and expectations through ISNetworld (ISN) — are delivering safety improvements among our contractors. Over the past three years, we have seen a 20% reduction in contractor total recordable injury frequency. In 2019-20, we adopted changes to the ISN grading requirements for contractors that are intended to elevate their safety performance, while a new online learning module was introduced to assist contractors in measuring compliance with SaskPower's site-specific training requirements. As our ISN data becomes more comprehensive, we will increasingly use it to inform accountability conversations with contractors who demonstrate substandard performance.



HELPING A NEIGHBOUR IN A TIME OF CRISIS

SaskPower was quick to respond when one of the worst early winter snowstorms in memory hit Manitoba during the 2019 Thanksgiving weekend, causing more than one third of Manitoba Hydro's customers to lose power for up to two weeks. Thousands of wood poles broke under the stress of the wet snow and high winds, while dozens of transmission towers also crumpled.

Within hours of the Government of Manitoba declaring a limited state of emergency, SaskPower responded by sending 24 field staff, along with 15 pieces of pole setting equipment, to help restore service. Our crews stayed for 11 days to provide support to Manitoba Hydro.

In January 2020, the Edison Electric Institute recognized these efforts when SaskPower received their Emergency Assistance Award.

PLANTING THE SEED OF AWARENESS ON SASKATCHEWAN'S FARMS



SASKPOWER'S SAFETY AWARENESS PROGRAM IS WORKING TO REDUCE AND ELIMINATE FARM POWERLINE CONTACTS.

It is an alarming statistic — 43% of agricultural workers in Canada have reported direct hits or near misses with power lines. Within Saskatchewan alone, there have been more than 6,000 powerline contacts in the last 10 years.

Farm safety poses a unique challenge because of the very nature of the work: weather and time pressures that result in long hours and lead to fatigue; large and complex equipment; and the use of farm labour that may not be fully familiar with equipment or safety risks.

Ever since he was a SaskPower field worker, safety has always been a passionate issue for Kevin Schwing — and now that he is the company's Chief Safety Officer, he's focused on improving electrical safety among farm workers: "There is a rush to get the job done. They get tired and forget. That line is pretty invisible up there."

Schwing realized his Safety Department team needed to go beyond traditional education campaigns if they were to overcome a prevailing sentiment among farmers: "They often feel they know their business best — what do SaskPower people know about farming?"

In response, SaskPower has partnered with farm machinery vendors to deliver its safety message. In the last year, Corwin Mang, Advanced Agriculture Solutions Manager at Young's Equipment, says SaskPower's safety messaging has reached nearly 300 farmers through new equipment education clinics held at nine locations across Saskatchewan. While there was some initial skepticism, Mang says farmers at the clinics

ultimately thanked him for sharing the safety information that many had not heard since high school. Schwing adds that the clinics gave farmers a unique chance to talk and "come clean" about risks they had taken the past.

Schwing says SaskPower is increasingly turning to more "in your face" tactics to engage farmers, including spinning and reflective aerial power line markers, as well as reflective wrapping on the bottom of power poles. Social media has also become an important tool. Schwing says pictures of farm incidents are posted immediately to, "Get people's attention and (for them) to learn — how do I not do this?"

Schwing says his team is developing a mapping tool so farmers can safely plan work around existing overhead lines: "We are making it more than public awareness — we are putting tools in people's hands to help them make the right choices."

Looking ahead to 2021, Schwing says SaskPower is excited to partner with the Prairie Agricultural Machinery Institute as they consult farmers about the kinds of financial deterrents — like a fine that drivers pay when speeding or improperly using a cell phone — that might help lead to further reductions in farm accidents.

CYBER AND PHYSICAL SECURITY

SaskPower's safety mandate extends to the work we do to secure our people, assets, and reputation through robust cyber and physical asset security programs.

SaskPower's cyber security is currently regarded as a top corporate risk. As the provider of an essential service to the people of Saskatchewan, we continually assess security vulnerabilities. Over the past year, a third-party vendor reviewed current gaps and risks across various cyber systems, corporate assets, employee roles and internal processes. Armed with these insights, we initiated a three-year program to address cyber security improvements.

To combat common cyber-attack methods, we proactively and regularly educate employees about phishing scams and cyber-security risks, limit use of external storage devices, provide additional protection for highly targeted users, and rely on real-time monitoring to quickly detect and respond to abnormal threats. Over the last year,

we implemented new protection tools for our cloud-based applications that improve how employees share information across teams. In 2020-21, cyber security efforts will continue to focus on network and data protection, monitoring, and identity and access management.

As the result of a five-year, \$10-million expansion of our physical security systems completed in 2019-20, we can now centrally monitor 59 sites for building access and intrusion through an expanded Security Operations Centre. At the same time, responsibility for maintenance of SaskPower's centralized security systems was shifted from external vendors to SaskPower staff as part of ongoing security improvements.

In 2019-20, SaskPower also continued its participation in the North American Electric Reliability Corporation Critical Infrastructure Program, through which we contribute to the maintenance of a secure and stable North American bulk electric system.



TOWARD 2030 FUTURE FOCUS: PEOPLE

- Ensure that human resources and safety policies, programs, services, and systems align to SaskPower's corporate strategy and enable high performance.
- Equip employees with the capacity to act in alignment with our core values of safety, openness, collaboration, and accountability.
- Determine SaskPower's current and future workforce needs and institute risk mitigation strategies.
- Enhance SaskPower's ability to attract, develop and retain a diverse and engaged workforce.
- Continue to deliver training and development programs to close gaps in employee knowledge, skills and abilities and ensure workforce safety.

FINANCIAL & OPERATIONAL RESPONSIBILITY



SASKPOWER'S AIM IS TO PROVIDE COMPETITIVE RATES IN THE FACE OF AN UNPRECEDENTED PERIOD OF INVESTMENT IN INFRASTRUCTURE RENEWAL AND CLEANER ENERGY SOURCES. WE RECOGNIZE OUR ROLE IN SUPPORTING THE ECONOMY AND QUALITY OF LIFE, AND THE NEED TO PRESERVE OUR FINANCIAL STRENGTH IN THE FACE OF ELECTRICITY MARKET TRANSFORMATION.

SUCCESSFULLY MEETING OUR CORPORATE MISSION MEANS SECURING THE PRESENT AND FUTURE SUPPLY OF ELECTRICITY WHILE ADDRESSING ENVIRONMENTAL RESPONSIBILITIES AND SUPPORTING SASKATCHEWAN'S ENERGY TRANSITION.

Managing SaskPower's finances is a job that grows increasingly complex as we are challenged to balance multiple and often competing priorities — ensuring affordability of rates, providing funding for critical infrastructure investments, maintaining reliability and earning a return for our shareholder. A strong financial position is essential to effectively balance these priorities.

In 2019-20 SaskPower reported a net income of \$205 million. This resulted in a return on equity of 7.8%, which is close to our long-term target of 8.5%. Our debt ratio improved to 72.6% and remains within our long-term target range of 60% to 75%. This solid performance positions SaskPower well as we move into the uncertainty presented by the COVID-19 pandemic.

RATE COMPETITIVENESS

Ensuring affordability of electricity service is an essential part of our commitment to sustainability. For the second consecutive fiscal year, SaskPower did not implement a rate increase for our customers. When benchmarked against other similar utilities in Canada that also rely primarily on thermal generation, SaskPower's rates in 2019-20 were 9% below the average of our peers.

The uncertainty resulting from COVID-19 means that no decision on a rate increase for 2020-21 has yet been made, as the pandemic's impact on our company's finances — including the potential for additional borrowing requirements — remains difficult to accurately forecast.

SaskPower customers are subject to the federal carbon charge, which is applied as a rate rider on their bills and is based on the expected level of the federal carbon tax rate. The carbon tax is a passthrough for

SaskPower; the surplus or shortfall of the revenues collected for this tax is accounted for in the subsequent year's rate rider to ensure revenue neutrality.

In January 2020, the rate rider was changed to reflect the carbon tax increase to \$30 per tonne of carbon dioxide equivalent (CO₂e). The carbon tax is scheduled to rise to \$40 per tonne of CO₂e in 2021 and \$50 per tonne of CO₂e in 2022.

Prior to COVID-19, SaskPower found savings of \$72 million in the 2020-21 budget. These savings have provided some flexibility and enhanced SaskPower's ability to weather the fiscal uncertainty resulting from COVID-19, largely through improved operating, maintenance and administration (OM&A) cost management and deferred capital spending.

The pandemic is also partially responsible for an anticipated decrease in both peak load and overall generation volumes, with current estimates calling for an approximate 5-7% load reduction compared to 2019-20. We anticipate this uncertainty in demand for electricity — especially among our large industrial and oilfield customers — will continue throughout the year ahead.

INVESTING IN OUR ENERGY FUTURE

SaskPower's investment in our province-wide electricity infrastructure has continued at a steady pace: \$374 million was spent in 2019-20 to sustain our generation, transmission and distribution assets. Significant sections of our transmission and distribution systems were built decades ago and the assets are well past their expected lives.

To preserve the reliability of our system, considerable investment to refurbish or replace our aging assets is necessary. Meanwhile, an additional \$253 million was required in the last year to accommodate growth and compliance in our system, primarily related to the costs of new customer connects.

To support future and ongoing capital investment requirements, a continued focus on improving the efficiency of our internal operations is essential. Over the past year, we were pleased that this work resulted in our OM&A expense per customer account increasing at a pace lower than the rate of inflation.

SaskPower's grid modernization program is a prime example of how we are taking steps to simultaneously improve internal operational efficiencies and prepare for future needs.

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SUBSTATIONS RETROFITTED WITH SMART SWITCHES, METERING AND COMMUNICATIONS

A multi-year substation automation initiative will see the deployment of smart switches and metering on distribution facilities as they leave the substation, which will provide employees with unprecedented visibility and control that they can use to fine-tune system operations.

In 2019-20, 42 substations were retrofitted with smart switches, metering and communications. All remaining substations will be upgraded by the end of 2022-23. During 2019-20, work also continued on the Advanced Distribution Management System (ADMS) initiative, which will leverage advanced metering infrastructure, substation automation, and call centre capabilities to reduce the time needed to locate outages and dispatch the right staff to complete repairs.

Work continues to bring our employees together in fewer and more centralized locations through the construction of a new Logistics Warehouse Complex at the Global Transportation Hub in Regina. By centralizing several locations currently in a variety of aging facilities across Regina and area, we avoid costly renovations at multiple older buildings and create a safer and healthier workspace for our staff. Reflecting best practices in energy and environmental design, the first phase of construction at the Logistics Warehouse Complex will begin in the fall of 2020 and be complete by the end of 2023, at a cost of approximately \$100 million.

Our 57-year-old head office building is being refurbished in a multi-year project. It will result in significantly reduced energy and water consumption.

Other properties in the province are also receiving energy efficiency upgrades. The Yorkton Maintenance Hub is currently under construction and will exceed the energy savings prescribed in the National Energy Code for Buildings by 32%. The building is being built with the inclusion of a solar photovoltaic generation field, which will generate approximately 75% of the facility's power needs on an annual basis. In addition, fly ash, a by-product of coal generation, was used as a partial substitute for Portland cement in the concrete used for piles, grade beams, concrete floor slabs, site curbs and exterior curbs.

Meanwhile, upgrades to the high bay lighting at our Saskatoon Maintenance Centre will cut the total annual wattage used for lighting by two thirds compared to the existing lighting. Lights will also be programmed and activated by motion sensors. A similar upgrade is underway at the Prince Albert Maintenance Centre. These lighting upgrades have a payback period of approximately five years.

Efforts continued over the past year to forge a continuous improvement mindset across all employee groups. A continuous improvement framework was created that focuses on maturing leadership practices and embedding an improvement approach throughout the organization. Teams across SaskPower are regularly participating in sessions where they apply continuous improvement principles and practices to eliminate waste, use a structured approach to make changes, and evaluate processes to improve outcomes and ultimately enhance

OUR ONGOING HEAD OFFICE RENOVATION PROJECT WILL RESULT IN REDUCED ENERGY AND WATER CONSUMPTION.



customer experience. As well, key areas of the company were identified to further focus continuous improvement efforts, leading to new processes that were implemented as part of major initiatives.

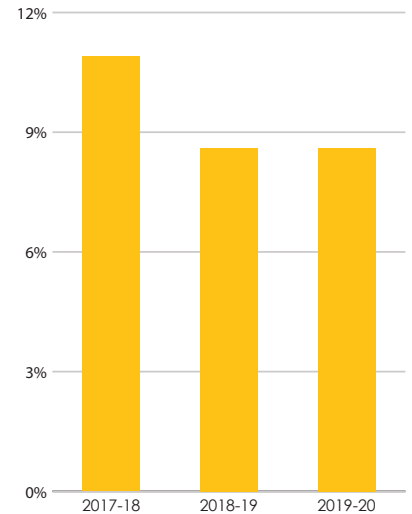
PROCUREMENT

Supplier development is an important part of our sustainability efforts. To better align procurement processes with sustainability principles, not only are we evaluating how we do business, but also the companies with whom we do business.

In 2019-20 our company strengthened the environmental specifications in our contracts. We also took steps in encouraging suppliers to evaluate their environmental impacts as well as the risks of climate change on their own operations.

Local vendors help secure our supply chain through reliability and service. Over the year, we awarded \$700 million in contracts, with 70% of those going to Saskatchewan suppliers.

Work to enhance procurement opportunities for the province's Indigenous vendors was recognized by the Government of Saskatchewan in 2019 when SaskPower was presented with the Premier's Award for Excellence in the Public Service. The award recognizes new opportunities we have cultivated with Indigenous businesses and communities. In 2019-20, 8.6% of the purchase orders issued by SaskPower were awarded to Saskatchewan Indigenous businesses.



INDIGENOUS PROCUREMENT

■ Percentage of total Saskatchewan procurement



IN 2019-20, SASKPOWER ENTERED INTO A 25-YEAR POWER PURCHASE AGREEMENT WITH MEADOW LAKE TRIBAL COUNCIL FOR 6.6 MW OF BIOMASS-GENERATED ELECTRICITY.

TOWARD 2030 FUTURE FOCUS: FINANCIAL & OPERATIONAL RESPONSIBILITY

- Ensure our capital program achieves an optimal balance between system performance, emissions performance, debt management and rate competitiveness.
- Make it easier for suppliers to do business with us while balancing cost and risk.
- Investigate the potential for new services that preserve existing revenue and generate additional income.
- Evaluate potential shifts in our vertically integrated business model as well as opportunities for joint ventures and opportunities with other utilities.
- Evolve our continuous improvement programs and embed an optimization mindset.

CLEARING THE PATH TO OPPORTUNITY



KITSAKI VEGETATION SERVICES IS CREATING OPPORTUNITIES FOR INDIGENOUS EMPLOYMENT WHILE SUPPORTING CLIMATE CHANGE ADAPTATION.

A contract awarded 10 years ago to clear trees for the construction of a northern powerline was the start for a multimillion-dollar Indigenous company that employs 60 full-time staff today.

"We had not done that work before for SaskPower, but we had a lot of band members who had been in forestry over the years. They had lots of experience in forestry and hauling wood, so it was a good first step," says Terry Helary, General Manager of Kitsaki Vegetation Services Limited Partnership (KVSLP), a division of Kitsaki Management Limited Partnership (KMLP), which is owned by the Lac La Ronge Indian Band in northern Saskatchewan.

From those humble beginnings, the company is now responsible for all vegetation management around SaskPower's transmission and distribution infrastructure across northern Saskatchewan — work worth \$35 million over five years. Leveraging the experience gained while working for SaskPower, KVSLP has expanded to deliver a full range of vegetation management services in regions across Saskatchewan. This includes aerial tree services; trimming; rights-of-way and brush clearing; dangerous tree removal; and hand slashing. In fact, Wayne Rude, Manager of SaskPower's Indigenous Relations team, says KVSLP is at the point where they rival the operations of other well-established vegetation management firms in the province.

Meanwhile, Helary says KVSLP's approach was to keep engaging SaskPower once that first contract was complete to see if there were further opportunities which would lead to additional contracts. He recalls the important encouragement from SaskPower staff during the company's early days, and how it was a "leap of faith" when KVSLP purchased the first tree trimming truck required to complete

work for SaskPower. Today, KVSLP operates a fleet of nine of those specialized vehicles, as well as five mulchers and 30 other vehicles to support operations.

Russell Roberts, who is KMLP's CEO, says SaskPower's Indigenous Procurement Program provided much-needed support for KVSLP and continues to leave a positive impact on the people of northern Saskatchewan. Roberts says the SaskPower work awarded to KVSLP has provided millions in wages in the community of La Ronge: "We are grateful for the opportunities created by SaskPower."

KVSLP continues to grow as a source of steady and good paying jobs for members of the Lac La Ronge Indian Band. To date, four band members have completed the 2,400 hours of training and hands-on experience needed to earn their utility work tree trimming certification from Olds College in Alberta. The company has committed to maintain an 80% Indigenous staff complement.

KVSLP is also playing an important role in supporting SaskPower's climate change adaptation efforts. The company has started a multi-year project to widen right-of-ways along SaskPower's northern distribution and transmission lines, thanks to funding SaskPower received from the federal Disaster Mitigation and Adaptation Fund. SaskPower's Wayne Rude says KVSLP's support for the application was critical in securing the Government of Canada funding.

PERFORMANCE INDICATORS & SYSTEM MAP

FORWARD-LOOKING INFORMATION OR STATEMENTS INCLUDED IN THIS CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT ARE PROVIDED TO INFORM READERS ABOUT MANAGEMENT'S ASSESSMENT OF SASKPOWER'S FUTURE PLANS AND OPERATIONS. THEY ARE BASED ON SASKPOWER'S ESTIMATES AND ASSUMPTIONS CONCERNING FUTURE RESULTS AND EVENTS. DUE TO THE RISKS AND UNCERTAINTIES INHERENT IN ANY FORECASTED OUTLOOK, THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED. THESE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, NATURAL GAS PRICES; COAL AND HYDRO AVAILABILITY; WEATHER; ECONOMIC CONDITIONS; NUMBER OF CUSTOMERS; NEW AND CHANGING REGULATIONS; AND MARKET CONDITIONS IN OTHER JURISDICTIONS.

PERFORMANCE INDICATORS

CLIMATE CHANGE & ENVIRONMENTAL PROTECTION

Topic	2017	2018	2019	2020 Target	Notes
Carbon dioxide (CO ₂) emissions (tonnes)	16,900,000	15,900,000	15,800,000	14,800,000	Emissions from fossil fuel generation — including CO ₂ — calculated in accordance with Environment and Climate Change Canada's Greenhouse Gas Quantification Requirements.
Nitrogen oxide (NO _x) emissions (tonnes)	30,000	31,000	32,000	TBD ¹	Stack emissions from fossil fuel generation calculated in accordance with National Pollutant Release Inventory requirements.
Sulphur dioxide (SO ₂) emissions (tonnes)	77,000	76,000	77,000	TBD ¹	Stack emissions from fossil fuel generation calculated in accordance with National Pollutant Release Inventory requirements.
Number of priority spills	7	2	7	0	Priority spill refers to a petroleum spill that is over 500 litres; a spill containing PCBs over 1g; and/or any volume of petroleum-based or PCB contaminated substance that enters a water body.
Outstanding pieces of equipment subject to the PCB Action Plan	66,000	54,000	22,000	12,000	These pieces of equipment have been identified as potentially containing PCBs. They are slated for inspection, after which they will be confirmed as PCB-free, removed from service, or have their PCB-contaminated oil removed.

1. Revisions to yearly NO_x and SO₂ targets are under development due to recent methodology revisions.

Topic	2017-18	2018-19	2019-20	2020-21 Target	Notes
Renewable generation portfolio (%)	25	26	24	30	Renewable generation capacity as a percentage of total installed generation capacity (including IPP-contracted capacity).
Demand Side Management (DSM) peak demand/energy savings (MW/GWh)	14.2/56.1	11.4/54.7	6.7/46.0	— ²	The reduction in peak electricity demand is measured in MW and the volume of energy saved is measured in GWh.

2. SaskPower does not have a DSM target for 2019-20 as our company concluded its DSM offerings upon completion of the Commercial Lighting Rebate Program. Although no longer offering monetary incentives, SaskPower continues to assist customers to identify opportunities for energy savings through our Energy Assistance Pilot Program, walk-through assessments, and the Industrial Energy Optimization Plan, as well as by providing access to various online tools and resources. In addition, our company is taking advantage of energy-savings for SaskPower-owned facilities through the Internal Energy Management Program.

CUSTOMER & COMMUNITY ENGAGEMENT

Topic	2017-18	2018-19	2019-20	2020-21 Target	Notes
Total number of public fatalities	1	3	1	0	
Customer Experience Index ³ <ul style="list-style-type: none"> Residential Small & medium business Key & major account 	5.9 7.2 7.7	69 71 80	69 68 79	N/A	Due to the disruption caused by COVID-19, SaskPower will not undertake customer experience surveys in 2020-21. SaskPower will forgo this measure for 2020-21, but expects to resume customer experience surveying in 2021-22.
Competitive rates (thermal utilities) (%)	105	101	91	≤100	A comparison of customer rates against other thermal utilities within Canada using Hydro Québec's annual survey results.
System average interruption duration ⁴ index (SAIDI) (distribution) (hours)	6.9	7.0	5.9	5.9	A measure of the service interruption length in hours that an average customer experiences in one year.
System average interruption frequency ⁴ index (SAIFI) (distribution) (outages)	2.4	2.5	2.3	2.4	A measure of the number of outages that an average customer experiences in one year.
SAIDI (transmission) (minutes) ⁴	227	464	146	140	A measure of the average duration of interruptions in minutes experienced at a bulk electric service delivery point in one year.
SAIFI (transmission) (outages) ⁴	3.0	5.0	3.2	3.1	A measure of the average number of forced interruptions experienced at a bulk electric service delivery point in one year.

3. Prior to 2018-19, this metric was reported on a 10-point scale.

4. In 2019-20, SaskPower removed Major Event Days — events that exceed reasonable design and/or operational limits of the power system — from SAIDI and SAIFI performance in conformance with the Institute of Electrical and Electronics Engineers' Beta Methodology.

PEOPLE

Topic	2017-18	2018-19	2019-20	2020-21 Target	Notes
Employee engagement (%)	64	64	59	60	Percentage of employees that have a favourable level of engagement.
Workforce diversity (%)	32	42 ^{5,6}	40.9	42.5	The percentage of permanent employees that: <ul style="list-style-type: none"> Self-identify as being in one or more designated equity groups (Indigenous, visible minorities, and/or persons with disabilities), and/or; Are women in positions or occupations where there is less than 45% representation.

5. In 2018-19, a Diversity & Inclusion Census was administered to all permanent employees. Prior to this, results for Indigenous people, persons with disabilities and visible minority categories were determined based on the completion of self-declaration forms provided in new employee packages.

6. Restated from SaskPower's 2018-19 Annual Report (47.9%). Our service provider changed the methodology from reporting the number of respondents who self-identified as a visible minority as a percentage of the total employee population to extrapolate the percentage of respondents who self-identified as a visible minority to the total employee population. This change was made without SaskPower's approval and was disclosed to SaskPower after the Annual Report was published.

PERFORMANCE INDICATORS

PEOPLE (CONTINUED)

Topic	2017-18	2018-19	2019-20	2020-21 Target	Notes
Number of employee fatalities	0	0	0	0	Subsequent to year end, a workplace incident resulted in two employee fatalities which will be recorded in 2020-21.
Recordable employee injuries ¹ <ul style="list-style-type: none"> Total Frequency rate 	41 1.5	52 1.8	90 3.2	N/A 2.3	<p>A recordable injury is any occupational injury/illness that results in an employee experiencing:</p> <ul style="list-style-type: none"> a) Fatality; b) Lost-time injury; c) Medical treatment injury; d) Restricted work; e) Other injury/illness (not captured above), which has: <ul style="list-style-type: none"> i) Significant occupational injury/illness; or ii) Loss of consciousness. <p>The Recordable Injury Frequency Rate refers to the industry standard calculation of the number of recordable injuries multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Lost-time employee injuries <ul style="list-style-type: none"> Total Frequency rate 	13 0.5	19 0.7	18 0.6	N/A 0.8	<p>A lost-time injury is any occupational injury/illness that results in lost days beyond the date of injury as a direct result of an occupational injury/illness.</p> <p>The lost-time Injury Frequency Rate refers to the industry standard calculation of the number of lost-time injuries multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Lost-time employee injury severity <ul style="list-style-type: none"> Total (days) Frequency rate 	190 6.8	402 13.9	491 17.2	N/A 16.2	<p>The lost-time employee injury severity shows the number of calendar days lost as a result of a lost-time injury.</p> <p>The Lost-time Injury Severity Rate refers to the industry standard calculation of the number of lost days multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Out-of-scope employees receiving regular performance and career development reviews (%)	94.6	82.9	94.4	100	
Gender diversity of the Board (%) male (M) female (F)	50M/50F	67M/33F	67M/33F		
Gender diversity of the Executive (%) male (M) female (F)	80M/20F	80M/20F	80M/20F		
Gender diversity of employees (%) male (M) female (F)	71M/29F	71M/29F	71M/29F		

1. The Recordable Injury Rate has increased largely due to a change to the interpretation of restricted work and related process improvements for accommodation of restricted work arrangements, as well as the continuation of work for employees who sought medical attention.

FINANCIAL & OPERATIONAL RESPONSIBILITY

Topic	2017-18	2018-19	2019-20	2020-21 Target	Notes
Revenue (in millions)	\$2,586	\$2,725	\$2,771	\$2,705	Economic value generated.
Operating costs (in millions)	\$1,340	\$1,418	\$1,442	\$1,484	Includes fuel & purchased power and operating, maintenance & administration costs.
Employee salaries and benefits (in millions)	\$423 ²	\$432 ²	\$436	\$451	These costs are included in operating costs (above).
Finance charges (in millions)	\$417	\$416	\$431	\$430	Finance charges include the net interest on long-term and short-term debt; interest on finance leases; interest on employee benefit plans; interest on provisions; interest capitalized; debt retirement fund earnings; and interest income.
Direct contributions to the Province of Saskatchewan (in millions)	\$360	\$443	\$460	\$419	Direct contributions include dividends; interest charges (also included in finance charges above); Saskatchewan capital tax; coal royalties; and water usage and evaporation charges paid to the Province of Saskatchewan.
Community investments (in millions)	\$1.8	\$1.7	\$1.7	\$1.7	Educational programming and community investments throughout Saskatchewan.
Saskatchewan spend (in billions)	\$1.7	\$1.8	\$1.8		Contributions to the provincial economy through the procurement of goods and services from Saskatchewan suppliers; payment of salaries, wages and benefits to employees; purchase of coal and natural gas; and acquisition of electricity from Independent Power Producers.
Indigenous procurement (%)	10.9	8.6	8.6	8.5	Calculated as Indigenous-sourced procurement relative to total Saskatchewan procurement.

2. Results for 2017-18 and 2018-19 have been restated to reclassify non-employee credits which were previously included.

FINANCIAL SUMMARY

(in millions)	March 31 2019-20	March 31 2018-19	March 31 2017-18	March 31 2016-17	March 31 2015-16
Consolidated statement of income					
Revenue	\$ 2,771	\$ 2,725	\$ 2,586	\$ 2,402	\$ 2,304
Expense	2,566	2,528	2,440	2,346	2,323
Net income (loss)	\$ 205	\$ 197	\$ 146	\$ 56	\$ (19)
Financial indicators					
Capital expenditures	\$ 696	\$ 833	\$ 996	\$ 886	\$ 931
Total net debt	\$ 7,179	\$ 7,347	\$ 7,211	\$ 6,982	\$ 6,683
Net cash from operating activities	\$ 866	\$ 671	\$ 708	\$ 564	\$ 376
Return on equity ¹	7.8%	7.9%	6.2%	2.5%	(0.9%)
Per cent debt ratio ²	72.6%	74.1%	74.9%	75.5%	75.2%

1. Return on equity = (net income)/(average equity), where equity = (retained earnings + equity advances).

2. Per cent debt ratio = (debt)/(debt + equity), where debt = (long-term debt + short-term advances + finance lease obligations – debt retirement funds – cash and cash equivalents) and equity = (retained earnings + equity advances).

OPERATING STATISTICS

	March 31 2019-20	March 31 2018-19	March 31 2017-18	March 31 2016-17	March 31 2015-16
Net electricity supplied (GWh³)					
Gas	10,767	10,603	9,144	8,729	8,379
Coal	9,182	10,286	10,864	10,759	10,967
Hydro	3,859	3,591	3,873	3,525	3,213
Wind	815	659	765	740	682
Imports	278	490	515	478	375
Other	132	148	156	143	140
Gross electricity supplied	25,033	25,777	25,317	24,374	23,756
Line losses	(1,707)	(1,796)	(1,731)	(2,118)	(2,025)
Net electricity supplied	23,326	23,981	23,586	22,256	21,731
Available generating capacity (net MW)					
Gas	2,172	1,839	1,824	1,824	1,771
Coal	1,530	1,530	1,530	1,530	1,530
Hydro	889	889	889	889	889
Wind	241	241	221	221	221
Other	61	32	29	27	26
Total available generating capacity	4,893	4,531	4,493	4,491	4,437
Peak loads (net MW)					
Annual peak load	3,722	3,723	3,792	3,747	3,640
Minimum load	2,147	1,442	2,057	1,970	2,033
Summer peak load	3,437	3,524	3,470	3,270	3,331
Lines in service (circuit km)					
Transmission lines	14,356	14,332	14,140	14,384	13,964
Distribution lines	142,773	142,415	143,422	144,339	143,020
Total lines in service	157,129	156,747	157,562	158,723	156,984
Number of permanent full-time employees	3,178	3,167	3,144	3,178	3,143

3. One gigawatt hour (GWh) is equivalent to the energy consumed by 125 typical households in one year.

SYSTEM MAP

TOTAL AVAILABLE GENERATING CAPACITY - **4,993 MEGAWATTS (MW)**
(AT JUNE 30, 2020)

HYDRO TOTAL CAPACITY - 989 MW

- H1** Athabasca Hydroelectric System
 - H1A** Wellington Hydroelectric Station - 5 MW
 - H1B** Waterloo Hydroelectric Station - 8 MW
 - H1C** Charlot River Hydroelectric Station - 10 MW
- H2** Island Falls Hydroelectric Station - 111 MW
- H3** Manitoba Hydro Power Purchase Agreements - 125 MW
- H4** Nipawin Hydroelectric Station - 255 MW
- H5** E.B. Campbell Hydroelectric Station - 289 MW
- H6** Coteau Creek Hydroelectric Station - 186 MW

NATURAL GAS TOTAL CAPACITY - 2,172 MW

- NG1** Meadow Lake Power Station - 41 MW
- NG2** Meridian Cogeneration Station* - 228 MW
- NG3** North Battleford Generating Station* - 289 MW
- NG4** Yellowhead Power Station - 135 MW
- NG5** Ermine Power Station - 90 MW
- NG6** Landis Power Station - 78 MW
- NG7** Cory Cogeneration Station - 246 MW
- NG8** Queen Elizabeth Power Station - 623 MW
- NG9** Spy Hill Generating Station* - 89 MW
- NG10** Chinook Power Station - 353 MW

WIND TOTAL CAPACITY - 241 MW

- W1** Cypress Wind Power Facility - 11 MW
- W2** SunBridge Wind Power Facility* - 11 MW
- W3** Centennial Wind Power Facility - 150 MW
- W4** Morse Wind Energy Facility* - 23 MW
- W5** Red Lily Wind Energy Facility* - 26 MW
- W6** Western Lily Wind Energy Facility* - 20 MW

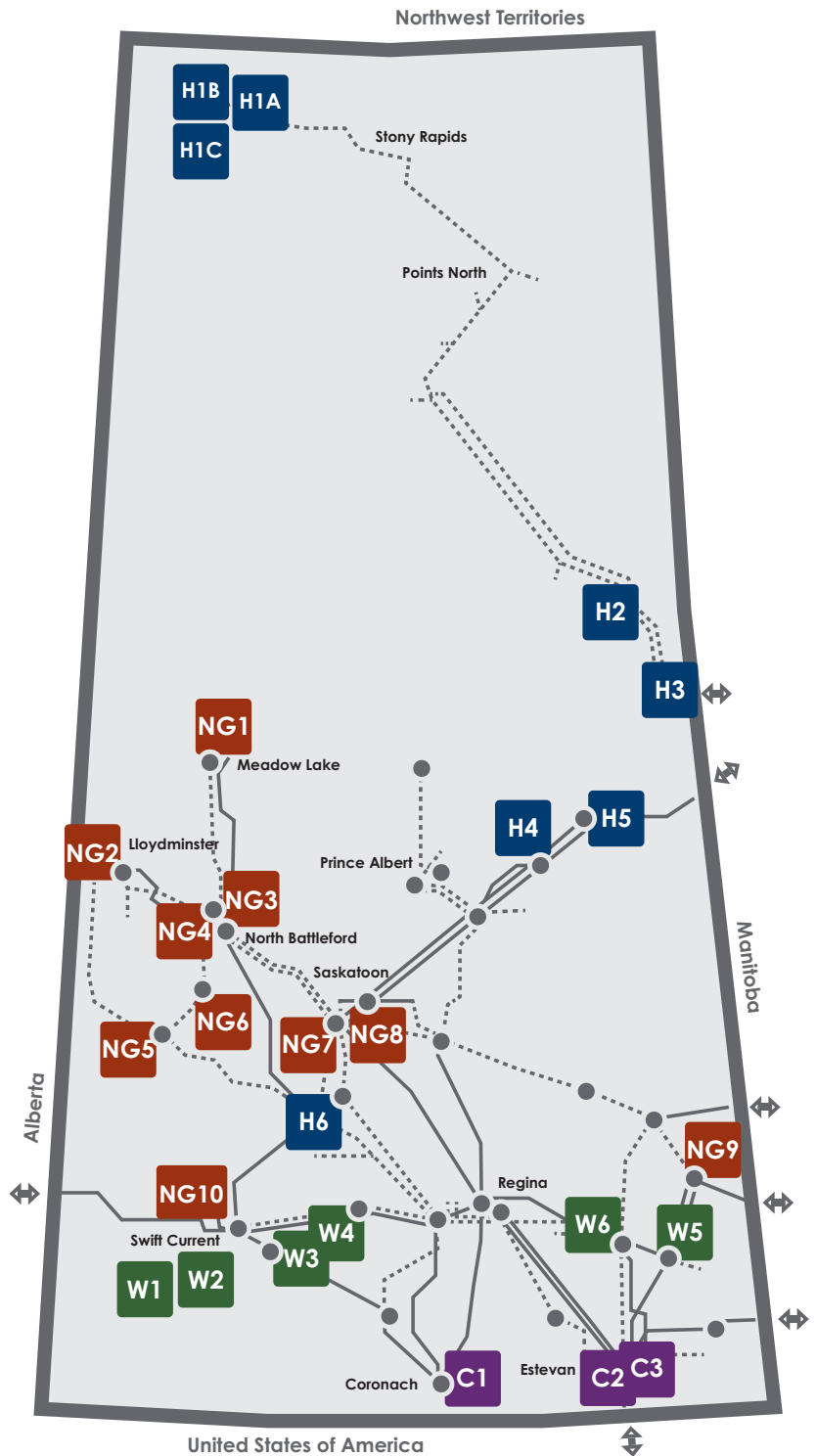
COAL TOTAL CAPACITY - 1,530 MW

- C1** Poplar River Power Station - 582 MW
- C2** Boundary Dam Power Station - 672 MW
- C3** Shand Power Station - 276 MW

SMALL INDEPENDENT POWER PRODUCERS
TOTAL CAPACITY - 61 MW (NOT SHOWN ON MAP)

TRANSMISSION

- 230 kilovolt (kV)
- 138 kV/115 kV/110 kV
- Switching station
- Interconnection



* Large Independent Power Producer

CONTACT US

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