



# Vectren 2018 GRI Standards Content Index





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In 2018, CenterPoint Energy and Vectren Corporation announced a merger agreement between the two companies. The merger closed on February 2, 2019, creating a combined company with nearly 14,000 employees. The combined company has regulated electric and natural gas utility business in eight states that serve more than 7 million metered customers and a competitive energy businesses' footprint in nearly 40 states. At the close of the merger agreement in 2019, Vectren Corporation as a separate corporate entity ceased to exist, so this final report covers Vectren's legacy activities as of year-end 2018. Legacy Vectren's 2018 GRI Content Index is available on the Investors section of [CenterPointEnergy.com](http://CenterPointEnergy.com). For 2019, please look to our combined company Corporate Responsibility Report of CenterPoint Energy, which will be published in the summer of 2020.

Respectfully,

**Angila Retherford**

**Vice President Environmental & Corporate Responsibility**

A handwritten signature in black ink that reads "Angila Retherford". The signature is fluid and cursive, written in a professional style.





# GENERAL DISCLOSURES

## ORGANIZATIONAL PROFILE

102-1

**Report the name of the organization.**

Vectren Corporation

102-2

**Report the primary brands, products, and services.**

Vectren Corporation is an energy holding company. Vectren's wholly owned subsidiary, Vectren Utility Holdings, Inc., serves as the intermediate holding company for three operating utilities: Vectren Energy Delivery of Indiana–North (Vectren Indiana–North), Vectren Energy Delivery of Indiana–South (Vectren Indiana–South) and Vectren Energy Delivery of Ohio (Vectren Ohio).

Vectren Indiana–North provides energy delivery services to 592,400 natural gas customers located in central and southern Indiana. Vectren Indiana–South provides energy delivery services to 145,200 electric customers and 111,500 gas customers located in southwestern Indiana. Vectren Indiana–South also owns and operates electric generation to serve its electric customers and optimizes those assets in the wholesale power market. Vectren Ohio provides energy delivery services to approximately 318,100 natural gas customers located in west central Ohio.

Vectren's Nonutility Group is involved in Infrastructure Services and Energy Services. Infrastructure Services provides underground pipeline construction and repair services (Miller Pipeline and Minnesota Limited). Energy Services provides energy performance contracting and sustainable infrastructure services, such as renewables, distributed generation, and combined heat and power projects (Energy Systems Group).

102-3

**Report the location of the organization's headquarters.**

Vectren Corporation is based in Evansville, Indiana. Additional information can be found on the About Vectren page on Vectren.com (<http://www.vectren.com/corporate/about>).

102-4

**Report the number of countries where the organization operates.**

Vectren solely operates in the United States of America.

102-5

## Report the nature of ownership and legal form.

Vectren Corporation is an investor-owned corporation trading on the New York Stock Exchange under the symbol, VVC.

In 2018, CenterPoint Energy and Vectren Corporation announced a merger agreement. The merger closed Feb. 2, 2019, creating a combined company with nearly 14,000 employees. The company currently has regulated electric and natural gas utility businesses in eight states that serve more than 7 million metered customers and a competitive energy businesses' footprint in nearly 40 states. This report covers Vectren's legacy activities as of year-end 2018. Legacy Vectren's 2018 GRI Standards Index is available on the Investors section of CenterPointEnergy.com. For 2019, please look to our combined company Corporate Responsibility Report of CenterPoint Energy, which will be published in the summer of 2020.

102-6

## Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).

Vectren energy delivery subsidiaries provide natural gas and/or electricity to more than 1 million customers in the adjoining service territories which cover nearly two-thirds of Indiana and about 20 percent of Ohio, primarily in the west-central area. While the energy delivery subsidiaries serve residential, commercial and industrial customers within a regulated footprint of Indiana and Ohio, Vectren's nonutility subsidiaries and affiliates offer energy-related products and services to customers throughout the United States. The infrastructure services division serves the pipeline industry by providing underground pipeline construction and repair to utility infrastructure. The targeted business sectors include natural gas, oil, gasoline/petroleum, water and sewer. Vectren's energy services division serves schools, hospitals, governmental facilities and other private institutions across America.

102-7

## Report the scale of the organization.

As of December 31, 2018, the Company and its consolidated subsidiaries had approximately 5,731 employees. Of those employees, 713 are subject to collective bargaining arrangements negotiated by Utility Holdings and 2,843 are subject to collective bargaining arrangements negotiated by the Infrastructure Services.

102-8

## Breakdown of employee type.

**Total Workforce by Gender and Territory (2018)\***

	Males	Females	Total
Vectren Indiana-North	382	70	452
Vectren Indiana-South	789	478	1,267
Vectren Ohio	152	35	187
<b>Total Employee Headcount</b>	<b>1,323</b>	<b>583</b>	<b>1,906</b>

\*Excludes subsidiaries. Vectren does not track this information for contractors.

102-9

## Describe the organization's supply chain.

### Role of Supply Chain

Supply Chain partners with other business units to develop strategic relationships that provide the best value to the company. Sourcing decisions are based on the total cost of ownership which includes quantitative and qualitative considerations. Our collaborative, comprehensive approach ensures supplier agreements look beyond the price paid and are reflections of Vectren's core values.



### How Vectren Buys Smart

Supply Chain practices are governed by a strategic plan that brings transparency and sound management principles into the procurement process. Our procurement policies provide clear direction to our colleagues that make purchasing decisions on when and how to involve Supply Chain to fulfill requirements for goods and services. Information systems are leveraged to ensure defined processes are followed and desired results are achieved.

Vectren provides new suppliers with the Corporate Code of Conduct, demonstrating external business partners are expected to conduct business with the same level of integrity as our employees.

### Risk Mitigation

During 2017, Vectren spent more than \$450 million to modernize our natural gas and electric infrastructure. To ensure this work is carried out safely, Supply Chain utilizes Oracle's Supplier Life Cycle Management (SLM) application to monitor each contractor's compliance with Vectren's qualification criteria. SLM alerts Supply Chain and other groups of pending expiries, allowing for proactive supplier management. A cross-functional committee meets monthly to review the status of contractor relationships and remove non-compliant contractors from the supply base.

Formal contracts are used extensively with at-risk contractors due to the complexity of the agreements. Supply Chain leverages an electronic contract management system which serves as the central repository for agreements pertaining to materials and services. Supply Chain receives automatic notifications of contract expiration dates, ensuring agreements remain current. In addition, the contract management application ensures agreements follow Vectren's contract review process.

### Supplier Diversity and Development

Vectren Corporation recognizes that a diverse and inclusive corporate culture is an essential asset for maintaining a competitive advantage in the marketplace. Our company's commitment to integrating diversity and inclusion into all aspects of our operations strengthens our business capacity, maximizes shareholder value, connects us to our community, and positions us as leaders in the utilities industry.

Our proactive procurement processes allowed us to provide equitable opportunities to minority, women, veteran, service disabled veteran business owned enterprises and HUB Zone businesses to compete in our procurement opportunities.

Vectren Corporation spent \$60 million in 2018 with Tier I (direct) diverse business enterprises to support its operations and collected an additional \$23 million in Tier II (indirect) thus closing the year with 12.4% of total sourceable spend. Our direct diverse spend is inclusive across all three operating utilities with our total spend reflective of our operational activities in Indiana (\$38M) and Ohio (\$22M). The diverse business enterprise makeup of our total dollars spent resulted in 30% with Minority Owned, 67% with Women Owned, 3% with Veteran and Service-Disabled Veteran Owned.

Our Supplier Diversity outreach efforts extends from local Chamber groups in Indiana and Ohio, to regional councils of the National Minority Supplier Development Council (NMSDC), Women Business Enterprise National Council (WBENC), Elite Veteran and Service-Disabled Veteran Owned Business Network and the National Association of Women Business Owners (NAWBO) Indianapolis. In addition to collaborative outreach, events planned and executed by the Indiana Energy Association's (IEA) Supplier Diversity Committee.

102-10

***Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.***

In 2018, CenterPoint Energy and Vectren Corporation announced a merger agreement. The merger closed Feb. 2, 2019, creating a combined company with nearly 14,000 employees. The company currently has regulated electric and natural gas utility businesses in eight states that serve more than 7 million metered customers and a competitive energy businesses' footprint in nearly 40 states. While this report covers Vectren's legacy activities as of year-end 2018, the 2019 CenterPoint Energy report will include data for the combined company. Legacy Vectren's 2018 GRI Index is available on the Investors section of CenterPointEnergy.com.

102-11

*Report whether and how the precautionary approach or principle is addressed by the organization.*

Please see our 2017 Annual Report and Form 10-K for an assessment on company risk (<http://investors.vectren.com>).

102-12

*List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.*

Vectren supports the programs of the United Way. Please see response to Standard Disclosures indicator 102-13 for additional information.

102-13

*List memberships of associations (such as industry associations) and national or international advocacy organizations.*

American Association of Blacks in Energy , American Gas Association, Association of Energy Services Professionals, Better Business Bureau of the Miami Valley, Boston College Center on Corporate Citizenship, Builders Association of Greater Indianapolis, Central Indiana Clean Cities Alliance, Central Indiana Corporate Partnership, Common Ground Alliance, Dayton Building Owners and Managers Association, Downtown, Dayton Partnership, Dayton Society of Nat. History, Edison Electric Institute, Evansville Sports Corp, Greater Dayton Air Conditioning and Heating Association, Greater Indianapolis Progress Committee, Indiana 811, Indiana Association of Cities and Towns, Indiana Chamber of Commerce (and a variety of local state Chambers of Commerce), Indiana Coal Council, Inc., Indiana Economic Development Association, Indiana Association of Community Economic Development, Indiana Fiscal Policy Institute, Indiana Industry Liaison Group, Indiana Legal Foundation, Indiana Manufacturing Association, Indiana Philanthropy Alliance, Indiana Recycling Coalition, Indiana Sports Corporation, Indiana State University, Indiana Technology Partnership, Institute for Supply Management, Kentucky 811, Main Street Marion, Mid-States Minority Supplier Development Council, Midwest Energy Association, Midwest Energy Efficiency Alliance, Multicultural Professional Network, The Nature Conservancy, National Association of Manufacturing, National Coal Alliance, National Fuel Funds Network, Ohio 811, Ohio Chamber of Commerce (and a variety of local state Chambers of Commerce), Ohio Gas Association, Ohio Minority Suppliers Development Council, One Southern Indiana, One Zone Commerce Connected, Philanthropy Ohio, Society for Diversity, Southern Indiana Builders Association, Tri-State Better Business Bureau, Urban Land Institute, Utility Solid Waste Activities Group, United States Chamber of Commerce

## STRATEGY

102-14

*Provide a statement from the most senior decision-maker of the organization.*

In 2018, CenterPoint Energy and Vectren Corporation announced a merger agreement between the two companies. The merger closed on February 2, 2019, creating a combined company with nearly 14,000 employees. The combined company has regulated electric and natural gas utility business in eight states that serve more than 7 million metered customers and a competitive energy businesses' footprint in nearly 40 states. At the close of the merger agreement in 2019, Vectren Corporation as a separate corporate entity ceased to exist, so this final report covers Vectren's legacy activities as of year-end 2018. Legacy Vectren's 2018 GRI Content Index is available on the Investors section of [CenterPointEnergy.com](http://CenterPointEnergy.com). For 2019, please look to our combined company Corporate Responsibility Report of CenterPoint Energy, which will be published in the summer of 2020.





## ETHICS & INTEGRITY

102-16

*Describe the organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics.*

Corporate audit is responsible for promoting the Corporate Code of Conduct (the Code) and training employees regarding the Code and ethical behavior in general. Employees, including all corporate officers, complete an annual certification stating they have read the Code and agree to abide by it. This annual awareness training familiarizes employees with 1) the Code, 2) the responsibility of Vectren representatives to demonstrate ethical behavior, and 3) the communication lines available to report violations or seek advice. Various annual awareness processes exist for different employee groups, but all of them result in communication, acknowledgment and acceptance of the Code. No waivers from the Code's provisions were granted in 2018.

On a periodic basis, employees participate in an employee engagement survey that encompasses the entire employee experience. A survey was conducted in 2016. Certain questions gauge the employee's ethical perception of whether Vectren is a good place to work, whether senior management "walks the walk" and whether employees are treated with respect and know how to address ethical issues. Employee responses are compared to a benchmark of high-performing companies. For the ethics-related questions, engagement scores compared favorably to these benchmarks and increased compared to the last survey conducted in 2014.

102-17

*Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.*

The Code lists the communication lines available for seeking advice or reporting concerns about unethical or unlawful behavior. Employees are informed of the various methods for seeking advice or reporting violations in the annual Code awareness training. In addition, posters publicizing where to find the Code, how to report issues and how to seek advice are located in break rooms and on intranet sites where company policy and procedures are maintained.

Employees can report concerns about unethical or unlawful behavior without fear of retaliation. Certain internal and external mechanisms listed in the Code allow stakeholders to report concerns or request advice anonymously, including the third-party ethics hotline and direct correspondence with the chair of the Audit Committee. The third-party ethics hotline is available 24 hours a day, 7 days a week.

Vectren's fraud and misconduct reporting framework ensures Code violations are investigated and questions are addressed in a timely, consistent manner, regardless of how issues are reported. The ultimate outcome of this framework is Vectren's ability to monitor overall adherence to its established standards and to elevate material issues to senior leadership and the Board. Investigations of Tier 1 issues are led by corporate audit. Tier 1 issues are characterized by the following: officer or Board member involvement, manipulation of financial results, theft that exceeds \$30,000, or outside legal costs that exceed \$250,000, or a pattern of lower tier violations either in terms of offender or offense.

## GOVERNANCE

102-18

*Report the governance structure of the organization, including committees of the highest governance body.*

Mr. Carl Chapman holds the combined position of Board chair, president and chief executive officer (CEO). The Board has determined that with the exception of Mr. Chapman, all members of the Board are independent and satisfy Vectren's director independence standards. The Board's composition continues to evolve due to changes in



risk and corporate strategy. The election of three new directors in the past four years and the succession of a new lead director demonstrate the Board’s ability to embrace new perspectives while maintaining a balanced mix of skills and experiences.

The Board is ultimately responsible for risk oversight across the organization. That responsibility is shared by the committees of the Board in addressing financial, compensation, reputational and governance risks, with specific responsibility for reviewing management’s risk oversight function delegated to the Audit and Risk Management (Audit) Committee, as provided for in its charter.

The Nominating and Corporate Governance (Governance) Committee is a standing committee of the Board primarily responsible for corporate governance matters affecting Vectren and our subsidiaries. The Compensation and Benefits (Compensation) Committee is a standing committee of the Board responsible for administering Vectren’s management incentive and stock-based compensation plans as well as overseeing the administration of Vectren’s retirement and welfare plans. Additionally, this committee is responsible for establishing the base salary, incentive compensation and any other compensation for Vectren’s president and CEO, as well as each of the other executive officers.

The Finance Committee is a standing committee of the Board responsible for ensuring the discharge of the Board’s duties relating to the financial activities of our utility and nonutility businesses. The Corporate Responsibility and Sustainability (CRS) Committee is a standing committee of the Board responsible for oversight of policies and strategies fostering the sustainability of Vectren to meet the evolving needs of our stakeholders.

102-22

**Report the composition of the highest governance body and its committees.**

As of December 31, 2018, the eleven-member Board consists of two women and two minorities. The non-employee Board members are elected to various committees. The standing Board level committees are: the Governance Committee, the Audit Committee, the Compensation Committee, the Finance Committee and the Corporate Responsibility and Sustainability (CRS) Committee.

**The Name, Tenure, Age, Gender and Board Committee Membership of the Current Board Members are Summarized in the Following Table:**

**Board Composition and Committee Membership (2018)**

Director	Team Start	Age (Gender)	Committee(s)
Carl L. Chapman	2009	63 (M)	
Derrick Burks	2017	62 (M)	Audit; Finance
James H. DeGraffenreidt, Jr.	2010	65 (M)	Governance; CRS
John D. Engelbrecht	2000	67 (M)	Chair of CRS; Finance
Anton H. George	2000	59 (M)	Compensation; CRS
Robert G. Jones	2011	62 (M)	Chair of Finance; CRS
Patrick K. Mullen	2014	54 (M)	Compensation; Governance
R. Daniel Sadlier	2003	71 (M)	Audit; Chair of Compensation
Michael L. Smith	2006	70 (M)	Chair of Audit; Governance
Teresa Tanner	2015	50 (F)	Compensation; Finance
Jean L. Wojtowicz	2000	61 (F)	Audit; Chair of Governance; Lead Director



The Name, Primary Job Function and Other Commitments of the Current Board Members are Summarized in the Following Table:

**Board Commitments (2018)**

Director	Director
Carl L. Chapman	Chairman, President & CEO of Vectren Corporation <i>Other Commitments:</i> Director and Board Chair of VUHI, Vectren Infrastructure Services Corporation (VISCO) and Vectren Energy Services Corporation (VESCO); Director of IGC, SIGECO and Vectren Ohio
Derrick Burks	Retired Managing Partner, Ernst & Young, LLP (Indianapolis) <i>Other Commitments:</i> Indiana University’s Kelley School of Business Dean’s Advisory Council, Indianapolis Metropolitan Academy, Children’s Museum of Indianapolis, Heart Change Ministries, Super Bowl Host Committee, and Visit Indy
James H. DeGraffenreidt, Jr.	Retired Chairman & CEO of WGL Holdings, Inc. <i>Other Commitments:</i> Director of Massachusetts Mutual Life Insurance Company and Harbor Bankshares Corporation; President of the Walters Art Museum Board of Trustees; and Open Society Institute – Baltimore
John D. Engelbrecht	Chairman & President of South Central Communications Corporation <i>Other Commitments:</i> Treasurer and Director of Deaconess Health Systems, Inc.
Anton H. George	Principal of Vision Investments, LLC <i>Other Commitments:</i> Board Chair of Hulman and Company and its Affiliates Clabber Girl Corporation, Indianapolis Motor Speedway Corporation and Indy Racing League, LLC; Director of Hulman and Company Foundation, First Financial Corporation, Indianapolis Motor Speedway Foundation, R.J. Oil Company Inc., Vision Racing, LLC, Vision Real Estate, LLC, Riley Children’s Foundation, Terre Haute Boys and Girls Club, Indiana State University Foundation, and First Financial Corporation; and Serves on the Board of Rose Hulman Institute of Technology
Robert G. Jones	Chairman & CEO of Old National Bancorp <i>Other Commitments:</i> Serves on the Board of the University of Evansville; Director of Old National Bancorp, International City Management Association, WNIN Public Broadcasting, and Evansville Regional Business Council
Patrick K. Mullen	President and CEO of Chicago Bridge & Iron <i>Other Commitments:</i> Interfaith of the Woodlands and Interfaith Community Clinic
R. Daniel Sadlier	Retired President & CEO of Fifth Third Bank (Western Ohio) <i>Other Commitments:</i> Director of Fifth Third Bank (Greater Cincinnati); Trustee Chair-Elect of Sinclair Community College, Salvation Army of Dayton, Trait Foundation, and Air Camp, Inc.
Michael L. Smith	Retired Executive Vice President & CFO of Anthem, Inc. <i>Other Commitments:</i> Director and Compensation Committee Chair of Envision Healthcare Holding, Inc. (Formerly Known as Emergency Medical Services Corp.); Director of Hulman & Company, LDI Ltd., LLC, Carestream Health Services, Inc., Agilon, Inc., Norvax, Inc., Drive Medical Corporation, and DePauw University,
Teresa Tanner	Executive Vice President & Chief Administrative Officer of Fifth Third Bancorp <i>Other Commitments:</i> Arts Wave, Ronald McDonald House, Freestore Food Bank, and Cincinnati Health Collaboration
Jean L. Wojtowicz	President & Founder of Cambridge Capital Management Corporation <i>Other Commitments:</i> Director of First Merchants Corporation, First Internet Bancorp, American United Mutual Insurance Holding Company, Visionary Enterprises Inc., Pacific World Trade, Civic Science, Oak Security Group, LLC, Goodwill Industries of Central Indiana Inc., Indiana State Chamber of Commerce and Indiana State Chamber Foundation, Central Indiana Community Foundation, Indianapolis Chamber of Commerce, Rose Hulman Institute of Technology – Indianapolis Board of Associates, United Way of Central Indiana Inc., Sagamore Institute Trustee, Greater Indianapolis Progress Committee, Double Down Spirits, LLC, Assurance Health System, LLC, Indiana Department of Financial Institutions, and NABDC

102-23

***Report whether the Chair of the highest governance body is also an executive officer.***

Mr. Carl Chapman is the Board chair as well as the president and CEO. The combination of the Board chair and CEO positions positively serves Vectren's interests. Based upon Mr. Chapman's performance since he assumed leadership of the company, the Board continues to believe combining the responsibilities of the Board chair and CEO is in the best interest of Vectren and our stakeholders. Mr. Chapman's insights and perspective resulting from his first-hand knowledge of Vectren's operations are beneficial to the Board during its deliberations on company affairs.

To ensure the preservation of good governance, the Board has and will continue to maintain the position of an independent lead director who is elected by independent Board members and is charged with the responsibility to coordinate the activities of the non-employee, independent directors.

102-25

***Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.***

Vectren monitors transactions with related persons (directors and executive officers or their immediate family members, or shareholders owning 5 percent or greater of our outstanding stock). The approach to monitoring related party transactions with Board members is described in our Corporate Code of Conduct, Code of Ethics for the Board and annual disclosure practices by Board members. Vectren's Corporate Code of Conduct directs Board members to avoid relationships with, and financial interests in, business partners and those who are seeking to become business partners. Board members complete an annual acknowledgment stating that they agree to abide by the Code of Conduct. In addition, Board members complete annual questionnaires requesting information about, among other matters, related person transactions. Vectren policy requires Board members to promptly disclose to the chair of the Governance Committee any situation that involves or may potentially involve a conflict of interest. The Governance Committee reviews all relationships that exist between Vectren and the non-management Board members, other than relationships relating to service on the Board.



## STAKEHOLDER ENGAGEMENT

102-40

List of stakeholder groups.

The Following Table Includes the Identified Stakeholder Groups and Key Topics of Concern Identified in Our Materiality Survey:

**Stakeholder Groups and Key Topics of Concern (2018)**

Stakeholder	Key Topics of Concern
Communities	Community Impact; Environmental Compliance; Environmental Stewardship; Community Engagement; Customer Health and Safety; Effluents and Waste
Customers	Emissions; Effluents and Waste; Environmental Compliance; Non-Discrimination; Anti-Corruption; Customer Health and Safety; Customer Satisfaction; Customer Privacy
Employees	Economic Performance; Environmental Compliance; Employee Hiring, Turnover, Benefits and Retention; Employee Health and Safety; Training and Education; Diversity and Equal Opportunity; Non-Discrimination; Customer Health and Safety; Customer Satisfaction
Government	Economic Performance; Indirect Economic Impacts; Energy Consumption and Conservation; Emissions; Compliance; Occupational Health and Safety; Diversity and Equal Opportunity; Public Policy; Customer Health and Safety; Customer Privacy
Investors	Economic Performance; Energy Consumption and Conservation; Emissions; Environmental Compliance; Community Engagement; Customer Satisfaction
Non-Governmental Agencies	Indirect Economic Impacts; Energy Consumption and Conservation; Compliance; Customer Satisfaction; Customer Privacy
Suppliers	Economic Performance; Environmental Compliance; Employee Health and Safety

102-41

Report the percentage of total employees covered by collective bargaining agreements.

**Total Workforce by Employment Type/Contract and Territory (2016-2018)\***

	2016	2017	2018
Total Bargaining Headcount	704	708	713
– Vectren Indiana-North Bargaining Headcount	274	277	279
– Vectren Indiana-South Bargaining Headcount	311	307	309
– Vectren Ohio Bargaining Headcount	119	124	125
Total Non-Bargaining Headcount	1,160	1,187	1,213
<b>Total Employee Headcount</b>	<b>1,864</b>	<b>1,895</b>	<b>1,906</b>
– % Bargaining	37.8%	37.4%	37.4%

\*Excludes subsidiaries. Vectren does not track this information for contractors.



102-42

*Report the basis for identification and selection of stakeholders with whom to engage.*

Vectren defines a stakeholder as any person or group impacted by or impacting company operations. Please see response to Standard Disclosures indication 102-40 for a list of identified stakeholder groups.

102-43

*Report the organization's approach to stakeholder engagement.*

Stakeholder	Methods of Engagement
Communities	Vectren Foundation; Online Grant Applications; Community Events and Sponsorships; Low Income Energy Assistance; Employee Volunteerism; Community Partnerships to Revitalize Lower Income Neighborhoods; City and County Council Meeting Presentations
Customers	Call Center; Vectren Website; Customer Service Online Webchat; Social Media; Television, Radio, Email and Marketing Campaigns; Mobile Application to Report Outages and Make Payments; Speaker's Bureau (Presentations to Local Clubs and Agencies on Energy Efficiency and Understanding the Bill); Bill Inserts; Email Newsletters; Customer Surveys and Focus Groups; Energy Efficiency/Demand Side Management Initiatives; Trade Shows; Large Business Customer Forums; Business and Commercial Account Managers
Employees	Call Center; Vectren Website; Customer Service Online Webchat; Social Media; Television, Radio, Email and Marketing Campaigns; Mobile Application to Report Outages and Make Payments; Speaker's Bureau (Presentations to Local Clubs and Agencies on Energy Efficiency and Understanding the Bill); Bill Inserts; Email Newsletters; Customer Surveys and Focus Groups; Energy Efficiency/Demand Side Management Initiatives; Trade Shows; Large Business Customer Forums; Business and Commercial Account Managers
Government	Comments on Proposed Rules; Regulatory Filings and Hearings; State and Federal Government Affairs Staff; Corporate Lobbying Efforts; Trade Organization Participation
Investors	Quarterly Earnings Calls, Webcasts, Presentations and Press Releases; Analyst and Investor Meetings; Industry Conferences; Shareholders Services Online and by Phone; Annual Shareholders' Meeting; Annual Report to Shareholders; Availability of Investor Relations Staff
Non-Governmental Agencies	Vectren Website; Sustainability Reporting; Annual Reporting; Stakeholder Dialogues
Suppliers	Request for Proposals; Periodic Meetings with Key Suppliers to Review Key Performance Indicators (KPIs); Supplier Diversity Events; Industry Trade Show Participation; Fair Dealing; Timely Payments; Competitive Bidding Processes; Supplier Code of Conduct; Ethics Call-In Line; Supplier Diversity and Development Program

Vectren values customers' opinions and consistently seeks feedback to help shape customer experience initiatives. Customers are offered opportunities throughout the year to give feedback about Vectren and the services we provide through a variety of channels.

Internal and external research consists of both quantitative and qualitative feedback using several methods. Monthly phone and online surveys are conducted by a third party vendor to gauge customers' overall perception of Vectren and satisfaction with their recent experience. In 2018, approximately three-quarters (74.7%) of our customers reported being highly satisfied with Vectren. Additionally, 83.9% of customers were highly satisfied with their recent service experience.

A quarterly online study is also conducted to identify specific areas of improvement within customer touch points (e.g., billing, communications, customer service, etc.). Regardless of survey method, customer comments are monitored to identify any breakdowns in specific processes and reported to managers throughout the company for follow-up.

In 2018, Vectren also subscribed to independent research conducted by firms such as J.D. Power to track year-over-year improvement and performance relative to other utilities.



102-44

*Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.*

Please see response to Standard Disclosures indicator 102-47 for stakeholder material topics and concerns. These topics are addressed through indicators within this report and through publicly available reports such as the 2017 Annual Report and Form 10-K.

## REPORTING PRACTICES

102-45

*List all entities included in the organization's consolidated financial statements or equivalent documents.*

Vectren Corporation is an energy holding company headquartered in Evansville, Indiana. Vectren's wholly owned subsidiary, Vectren Utility Holdings, Inc. (Utility Holdings or VUHI), serves as the intermediate holding company for three public utilities: Vectren Energy Delivery of Indiana–North (Vectren Indiana–North), Vectren Energy Delivery of Indiana–South (Vectren Indiana–South) and Vectren Energy Delivery of Ohio (Vectren Ohio). Vectren's consolidated utility operations are collectively referred to as the Utility Group.

Vectren is also involved in nonutility activities in two primary business areas: infrastructure services and energy services. Infrastructure services are provided through the company's wholly owned subsidiaries Miller Pipeline, LLC, and Minnesota Limited, LLC. Energy services are performed through Vectren's wholly owned subsidiary Energy Systems Group, LLC. Vectren's nonutility operations are collectively referred to as the Nonutility Group.

The GRI responses in this report focus solely on the Utility Group comprised of Vectren's energy delivery subsidiaries (Vectren Indiana–North, Vectren Indiana–South and Vectren Ohio), with the exception of the Economic Performance indicators which include data on both the Utility Group and the Nonutility Group.

102-46

*Explain the process for defining the report content and the Topic Boundaries.*

Vectren conducted a materiality survey in accordance with GRI guidelines to determine which aspects were most important to our stakeholder groups. Each stakeholder group was asked to rank the aspects in order of importance (see response to Standard Disclosures indicator 102-40 for identified stakeholder groups).

Results from this exercise identified public safety, employee safety, emissions and compliance as the highest-ranked materiality aspects (see Standard Disclosures indicator 102-47 for a complete list of identified material topics).

102-47

List all the material Topics identified in the process for defining report content.

Material Topics	Scope	Topic Boundary
Economic Performance	Meeting and Exceeding Performance Targets While Driving Efficiency and Managing Costs	Employees, Communities, Suppliers, Investors, Government
Indirect Economic Impacts	Continuing to Economically Grow Indiana and Ohio Through Infrastructure and Capital Investments	Communities, Government, Non-Governmental Agencies (NGOs)
Energy	Providing Energy Efficient Solutions for Our Customers and Maximizing Energy Efficiency in Our Own Operations	Investors, Government, Customers
Emissions	Monitoring and Reducing Harmful Emissions	Customers, Investors, Government, NGOs
Effluents and Waste	Monitoring Our Effluents and Waste While Keeping in Compliance with All Regulations	Customers, Communities, NGOs
Environmental Compliance	Complying with All Local, State and Federal Environmental Laws	Customers, Employees, Communities, Suppliers, Investors, Government, NGOs
Environmental (Overall)	Engaging in Environmentally Friendly Practices to Create a More Sustainable Business and Community	Communities, Government
Employment	Maintaining and Retaining a Skilled and Engaged Workforce	Employees
Occupational Health and Safety	Keeping Employees Healthy and Safe On and Off the Clock	Employees, Suppliers, Government
Training and Education	Maintaining a Safe, Educated and Well Trained Workforce	Employees, Investors
Diversity and Equal Opportunity	Ensuring Equal Opportunity Employment and Maintaining a Diverse Workforce	Employees, Government
Non-Discrimination	Ensuring No Stakeholder will be Treated Differently Regarding Race, Gender, Ethnicity, etc.	Customers, Employees
Local Communities	Benefiting the Communities in which We Operate	Communities, Investors
Anti-Corruption	Demonstrating Ethical Business Behavior	Customers, Government
Public Policy	Engaging with Local, Regional and Federal Leaders to Maintain Compliance	Government, NGOs
Customer Health and Safety	Ensuring the Safety, Security and Privacy of All Residential and Commercial Customers	Customers, Employees, Investors, Communities, Government, NGOs



102-48

**Report the effect of any restatements of information provided in previous reports, and the reason for such restatements.**

None.

102-49

**Report significant changes from previous reporting periods in the list of Material Topics and Topic Boundaries.**

None.

102-50

**Report period for information provided.**

January 1, 2018–December 31, 2018 (data from additional years provided where appropriate)

102-51

**Date of most recent report.**

Released Vectren's 2017 Sustainability Report in accordance with GRI G4 in June 2017.

102-52

**Reporting cycle.**

Annual

102-53

**Provide a contact point for questions regarding the report or its contents.**

sustainability@vectren.com

102-54

**Report the 'in accordance' option the organization has chosen.**

This report has been prepared in reference to the GRI Standards for the disclosures included herein.

102-55

**Report the GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.**

This document is organized by GRI Indicators and serves as our GRI Content Index.

102-56

**Describe the organization's policy and current practice with regard to seeking external assurance for the report.**

This report has not been externally assured. However, all aspects referencing the 2017 Annual Report and Form 10-K have been externally assured by Deloitte.





## TOPIC SPECIFIC STANDARDS

### 201: ECONOMIC PERFORMANCE 2016

103-1,2,3

#### Management Approach

Vectren's utility business remains the core of the company and is the key driver of achieving consistent earnings growth by focusing on the execution of infrastructure programs and cost control strategies. The company considers these next several years as a time of transformation for the utility. This transformation involves three components. The first component is the continuation of Vectren's successful gas infrastructure investment programs to further improve the company's ability to deliver safe and reliable service to its gas customers in Indiana and Ohio. The company earns current returns on a large percentage of the new infrastructure investments as provided in Indiana and Ohio legislation/regulation. The second component is a 7-year electric infrastructure plan to modernize and upgrade Vectren's electric transmission and distribution grid that will improve the reliability of the electric system, reduce the frequency and duration of service outages, and enhance the overall customer experience. This component of the transformation plan began in 2017 and is off to a successful start. The third component is the diversification of Vectren's generation fleet that will improve our overall fuel-source flexibility, further reduce emissions, and enhance the utility's ability to adapt to new technologies and changing customer needs. In February 2018, the company filed its generation transition plan with the Indiana Utility Regulatory Commission, which proposes construction of an approximate 800-900 megawatt combined cycle natural gas turbine to replace approximately 70% of the company's existing coal-fired generation. This filing is in line with the Integrated Resource Plan (IRP) filed in December 2016. The IRP and electric infrastructure plans, combined with our ongoing gas investments, will transform and prepare the utility business for a smart energy future. The 2016 IRP can be viewed at <http://www.vectren.com/IRP>.

In addition to these strategic long-term investments, the utility is aggressively managing costs through performance management and strategic sourcing activities. Together, these initiatives allow the utility companies to earn at or near Vectren's allowed rate of return, which is key to achieving the Company's financial targets.

In the Nonutility business, organic growth is expected to be the principal driver of earnings growth with the completion of commodity business divestitures and key acquisitions between 2011 and 2015. Infrastructure Services is well positioned in this strong demand environment. Infrastructure Services' distribution business is focused on utility pipeline replacement and modernization work, while maintenance and integrity work remains the focus in the transmission business. Infrastructure Services' organic growth strategy is focused on adding high quality, highly skilled field personnel to serve existing and new customers exceptionally well.

Energy Services' platform for energy performance contracting and sustainable infrastructure growth has well positioned the business to compete in all market segments (federal, public sector, and sustainable infrastructure) and meet the long-term demands as the national focus on energy conservation, security, renewable energy, and



sustainability continues to grow given the expected rise in power prices across the country and customer focus on efficiency.

The combination of business mix and focused strategies will enable Vectren to continue achieving its established financial targets and provide excellent shareholder returns.

### Financial Targets

Over the past several years, Vectren has developed a utility growth strategy focused on infrastructure replacement throughout its service territories, while narrowing its nonutility business mix by exiting commodity-based businesses and making key acquisitions within the Infrastructure and Energy Services business sectors. The goal of these initiatives is to achieve consistent and higher earnings growth, while simplifying the business structure and reducing risk. The company communicated its plan for a Smart Energy Future in early 2017 reflecting increased capital investment needs at our electric utility coupled with our continuing gas infrastructure investments and supplemented by a strong nonutility group outlook. As a result of this focus, Vectren affirmed in February 2018 the increased financial targets communicated in 2017 and announced the following generation plan:

- Provide Total Annual Shareholder Return of 9-11 percent
- Deliver Consolidated Earnings and Dividend Growth of 6-8 percent
- Deliver Utility Earnings Growth of 5-7 percent
- Deliver Long-term Nonutility EPS growth of approx. \$0.06-0.10/year
- Target a Consolidated Payout Ratio of 60-65 percent with a Utility Payout Ratio of 70 percent

See Disclosure 102-2 for Boundary.

201-1

*Direct economic value generated and distributed.*

### Selected Financial and Corporate Data for Vectren Corporation (2016-2018)

(In Millions Except per Share Data)	2018	2017	2016
Total Operating Revenues	\$2,693.3	\$2,657.3	\$2,448.3
Total Operating Expenses	\$2,380.4	\$2,338.9	\$2,066.8
Net Income	\$204.6	\$216.0	\$211.6
Total Assets	\$6,595.4	\$6,239.3	\$5,800.7
Total Liabilities	\$4,692.0	\$4,390.0	\$4,032.6
Total Shareholders' Equity	\$1,903.4	\$1,849.3	\$1,768.1
Basic and Diluted Earnings per Share of Common	\$2.46	\$2.6	\$2.55
Net Cash from Operating Activities	\$498.8	\$498.8	\$524.1
Payments to Capital Providers and the Government	\$357.8	\$305.1	\$272.7
– Dividends on Common Stock	\$152.0	\$141.9	\$134.2
– Interest Paid	\$99.5	\$86.4	\$86.6
– Taxes Paid	\$106.3	\$76.8	\$51.9
Capital Expenditures, Excluding AFUDC Equity	\$624.6	\$602.6	\$542.0
Community Investments*	\$5.8	\$5.6	\$5.2

Data from 2017 Vectren Form 10-K filed with the SEC on 2/21/2018, 2016 Vectren Form 10-K filed with the SEC 2/23/2017 and 2015 Vectren Form 10-K filed with the SEC on 2/23/2016

\*Includes Community Sustainability O&M, Low Income Assistance, as well as Foundation Contributions

## 203: INDIRECT ECONOMIC IMPACTS

103-1,2,3

### Management Approach

Vectren is committed to enhancing the communities in which we operate. Our community investments, volunteer work, and philanthropic giving creates jobs, promotes gross domestic product growth, and elevates overall social well-being for the people and businesses within our service territory

#### Enhancing Our Communities is Accomplished Through:

- proactive community engagement,
- designing and constructing infrastructure to serve new sites,
- reliable electrical and natural gas delivery, and
- continuous engagement of all internal and external stakeholders.

#### Economic Development Initiatives Within Vectren's Indiana Service Territory

In 2018, Vectren saw continued economic growth throughout its Indiana and Ohio service territories. This was facilitated by continued partnerships with the Indiana Economic Development Corporation, Jobs Ohio, and regional/local economic development organizations.

Specific to Vectren Indiana-North, these partnerships resulted in the announced investment of approximately \$1.27 billion, with the projected creation of over 8,252 full-time jobs over the next several years. A large majority of announced new projects (~68%) were the result of existing business expansions, with the rest (~32%) coming from new business attraction. The 5 largest capital investment projects announced for 2019 include Caterpillar (\$86.9M expansion), POET Biorefining (\$160M attraction), Frito Lay (\$145M expansion), DS Smith (\$107M attraction) and Monosol (\$72M expansion).

In Vectren Indiana-South, announced capital investment was \$261 Million, with the projected creation of approximately 1000 new jobs. 2018 was the year of the industrial expansion, with existing industries stepping up to invest further in their hometowns. Two companies announced the creation of over 100 new jobs including Vuteq USA (400) and Berry Global (150). Five other existing industries announced plans to hire 50 or more. The plastics industry continues to thrive in Southwest Indiana with two expansions underway. Other sectors showing growth include automotive, defense, professional services, plating, and food production. Entrepreneurism is on the rise, with co-working spaces opening in Evansville and Princeton and Pike County completed its master plan of 3,000 acres surrounding I-69 in Petersburg.

#### Economic Development Initiatives Within Vectren's Ohio Service Territory

In 2018, the Vectren Ohio economic development team worked with regional and local economic development partners resulting in \$854.8 million in new capital investment. The new investment was distributed around the Dayton Region with multiple counties experiencing a recording breaking total growth of approximately 3,880 new jobs. These jobs accounted for \$202.8 million in new annual payroll, resulting in an average annual salary of \$52,300 per new job. The region also retained approximately 13,363 jobs. The 36 economic development projects were led by Chewy.com., Crown, Conagra, Airstream, Inteva, and Wright Patterson Air Force Base.

Vectren is committed to enhancing the communities in which we operate. Our community investments, volunteer work, and philanthropic giving creates jobs, promotes gross domestic product growth, and elevates overall social well-being for the people and businesses within our service territory.

#### Enhancing Our Communities is Accomplished Through:

- proactive community engagement,
- designing and constructing infrastructure to serve new sites,
- reliable electrical and natural gas delivery, and
- continuous engagement of all internal and external stakeholders.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.



203-1

### *Infrastructure investments and services supported.*

Vectren invests substantially in natural gas and electric system infrastructure upgrade and replacement programs. The gas programs include the replacement of aged bare steel and cast iron (BS/CI) distribution pipelines, gas storage upgrades, as well as improvements to transmission and other distribution gas system infrastructure assets. The gas investments are driven by existing or pending pipeline safety regulations and existing transmission and distribution integrity management program requirements. The electric program includes transmission and distribution system improvements to enhance system reliability, reduce system risk, improve customer experience, and optimize the grid to accept new technology.

Since 2008, Vectren has invested approximately \$694 million in the replacement of aged BS/CI gas distribution pipeline infrastructure in Indiana and Ohio. Vectren has also invested approximately \$329 million on improvements to its gas transmission pipeline infrastructure since 2012, and \$103 million on improvements to its gas distribution and storage system infrastructure since 2013. Vectren's total investment in gas infrastructure modernization programs in Indiana and Ohio is approximately \$1.1 billion.

In 2018, Vectren completed the second year of its seven-year electric transmission and distribution system improvement program. This program proactively addresses aging assets, supports enhanced reliability and safety, and enables integration of newer technologies to better serve customers. Since 2017, Vectren invested approximately \$58 million in electric distribution system improvements, and approximately \$32 million in electric transmission system improvements. Vectren's total investment since 2017 in electric system reliability, safety, and modernization programs within Indiana is approximately \$90 million.

Since their inception in 2008, Vectren's gas and electric infrastructure modernization programs have had a significant economic impact, supporting hundreds of direct, indirect, and induced jobs each year. In 2018, there were approximately 900 jobs in Indiana and approximately 480 jobs in Ohio to directly support these programs. Business to business and household spending linked to this work also help to lift the economy with indirect and induced effects that create additional jobs. Additionally, our programs have supported our communities via local, state, and federal taxes over the 11-year investment period.

## 205: ANTI-CORRUPTION 2016

103-1,2,3

### *Management Approach*

The vice president of corporate audit oversees Vectren's ethics program and monitors the company's overall adherence to the ethical standards established in our Corporate Code of Conduct. The vice president of corporate audit reports functionally to the Audit Committee of the Board and administratively to the executive vice president and chief legal and external affairs officer. The direct line of communication to the Audit Committee and the executive vice president emphasizes the vice president of corporate audit's governance role within the organization.

#### **Vectren's Ethics Program Employs the Following Instruments for Avoiding and Managing Corruption:**

- Our Corporate Code of Conduct directs employees to avoid relationships with, and financial interest in, business partners and those who are seeking to become business partners. Further, our Code requires employees owning or acquiring a financial interest in a vendor, supplier, or contractor to report such relationships to their immediate supervisor using a prescribed form. If the supervisor determines a conflict exists, the supervisor is required to contact the appropriate executive officer and the corporate audit department for resolution. For information on how conflicts of interest for the highest governance body are avoided and managed, please see response to Standard Disclosures indicator 102-25.



- Our Corporate Code of Conduct prohibits employees from accepting gifts, favors, or entertainment that compromise, or appear to compromise their ability to make objective business decisions. Employees are required to report gifts, business meals or entertainment, services, or anything else from a single business partner, of more than a nominal value, to their immediate supervisor using a prescribed form.
- Significant vendors, suppliers, and contractors are kept aware of our Code provisions regarding conflicts of interests and inappropriate gifts, favors, entertainments via an annual letter.
- Vectren provides various methods for employees to seek advice or report compliance issues. For more information on the internal and external mechanisms for seeking advice or reporting concerns about unethical or unlawful behavior, please see response to Standard Disclosures indicator 102-17.
- Vectren has adopted a fraud and misconduct reporting framework to ensure Code violations are investigated and questions are addressed in a timely, consistent manner. This framework ensures communication channels are known among the business units, subsidiaries and the corporate office. The framework affirms theft and corruption of any size violates trust is not tolerated and will be dealt with swiftly.

See Disclosure 102-2 for Boundary.

205-1

### *Operations assessed for risks related to corruption.*

Vectren's operations are assessed for risks related to corruption on a regular basis.

205-2

### *Communications and training about anti-corruption policies and procedures.*

The Vectren Code of Conduct contains Vectren's anti-corruption policies and procedures. All employees receive Code of Conduct training which includes as part of new hire orientation. On an annual basis officers and Board members, utility bargaining, and non-bargaining employees, with a minor exception regarding job classification, complete Code of Conduct acknowledgments. Vectren's intranet provides information related to our Code of Conduct and how to report issues including anti-corruption. Issues may be reported by contacting a manager or the vice president of corporate audit, and can also be reported anonymously by email, internet, or hotline. Any deliberate failure to disclose violations may result in disciplinary action.

As part of the annual Code of Conduct training, all governance body members, employees, contractors, and business partners have had the organizations' anti-corruption policies and procedures communicated to them.

205-3

### *Confirmed incidents of corruption and actions taken.*

The corporate audit department monitored the completion of 13 investigations or allegations made anonymously and/or through the ethics hotline. Upon conclusion of the investigations by corporate audit, no confirmed incidents of corruption were identified, and no employees or business partners were dismissed or disciplined for corruption.

## 302: ENERGY 2016

103-1,2,3

### *Management Approach*

Vectren actively monitors the consumption of energy, water and fuel to evaluate issues as they arise while simultaneously developing and implementing energy efficient plans. All new utility, corporate and remodeled buildings are designed to meet ENERGY STAR® standards and with the minimization of energy use in mind. Through the implementation of new, relevant fleet vehicle technology, Vectren continuously works towards building a more sustainable fleet with lower overall fuel consumption.



Vectren provides our customers with greater choice and control over their energy consumption via our numerous customer electric and natural gas energy efficiency programs. We are encouraging innovative products and services that give customers greater insight into how they use energy. We also promote the installation of energy efficiency measures.

Vectren is executing an integrated, multi-year business transformation initiative focused on the technologies which allow us to provide excellent customer experience as well as improved strategic operations. Program ExCEL (Excellent Customer Experience Lifecycle) includes enhancements to technology systems and processes associated with electric and natural gas metering as well as customer care and billing systems.

In order to support the energy grid infrastructure improvements, the strategic operations enhancements include technology added to the electric distribution system to help manage electric outage information and customer data. When fully deployed, these systems will help pinpoint causes and locations of system interference, allowing field crews to respond faster and provide better restoration times to those impacted customers. Program ExCEL launched in 2017 with a multi-year phased approach.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

302-4

**Reduction of energy consumption.**

**2018 Facility Improvements** – In 2018, we made the following improvements to Vectren facilities:

- Replaced existing lighting with LED lighting at the following facilities Dayton West (OH), Centerville (OH), Troy (OH), Fairborn (OH), Bellefontaine (OH)
- Replaced the following lighting fixtures in Evansville resulting in a carbon savings of ~98,832 Kg per year
- Greenfield IN ceiling insulation installation
- Replaced various heaters and furnaces in field offices (Greencastle, Shelbyville, Marion, Dayton West, Troy, Vincennes)
- Replaced pneumatic controllers on half of the Variable Air Valve control box's (VAV box) giving greater control over HVAC in the Wagner building including temperature set points and system monitoring

Area/Project	Lights Removed	LED Lights Installed	Quantity
Storeroom	400 W Metal Halide	150W LED	200
Fleet Garage	400 W Metal Halide	150W LED	6
SSC/Wagner Parking Lot Lights	250W-400W Metal Halide	150W LED	16
Bergdolt Storage Building	175W Metal Halide	27W LED	12
Bergdolt Barn	175W Metal Halide	27W LED	6
Wagner Entrance	175W Metal Halide	100W LED	12
Fleet Garage Exterior	200W Sodium	100W LED	20

**Customer Energy Efficiency:**

- Since 2010, Vectren electric energy efficiency programs, have saved over 1.3 million megawatt hours which equals enough energy to power 115,422 homes for a year.
- Since 2007, Vectren gas energy efficiency programs in Indiana have saved a total of over 167 million therms which would heat 208,443 homes for a year.
- Since 2009, Vectren gas energy efficiency programs in Ohio have save a total of over 38 million CCFs which would heat 49,885 homes for a year
- All of these programs together equal a carbon savings 1.2 million tons of carbon dioxide.

## 303: WATER 2016

103-1,2,3

### Management Approach

Vectren recognizes water related issues are a growing global concern and is committed to use water in a responsible manner and minimize impact on local water supplies. We understand that water is a fundamental, shared resource. Here at Vectren we employ best industry practices for conserving and managing our water supply. We continually evaluate and monitor our systems and processes to ensure the water we return to local waterways is safe and meets the discharge limits contained in our Clean Water Act permits.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

303-1

### Water withdrawal by source.

Water is withdrawn from the Ohio River and groundwater sources. It is utilized primarily as non-contact cooling water, ash transport water, process water in the scrubbers, floor and equipment drains, and sanitary uses. Water is discharged following any treatment that is necessary to meet regulatory requirements and minimize impact. Most contact storm water is routed through the plants and receives treatment prior to discharge. Treatment can include an oily water separator, settling, and a physical-chemical treatment system that is optimized for mercury removal. Discharge water is monitored regularly, as required by the NPDES permits. If a water impact is detected through the monitoring data or visual inspections, the facility works with interested parties and facility representatives to determine the cause and implement appropriate corrective and preventive measures as expeditiously as practicable. Vectren makes a concerted effort to comply with all environmental laws and regulations and works with regulatory agencies as part of the overall compliance effort.

A.B. Brown, water withdrawal is calculated using circulating water flows, outside temperature, percentage of evaporation loss, cooling tower cycles and generating hours. At F.B. Culley, water withdrawal is calculated using circulating temperature and flow data.

#### Surface and Ground Water Usage (2018)

	Surface Water*	Ground Water
A.B. Brown	2,002.4 Million Gallons	412.3 Million Gallons
F.B. Culley	84,417.6 Million Gallons	133.27 Million Gallons
<b>Total</b>	<b>86,420 Million Gallons</b>	<b>545.57 Million Gallons</b>

\*Surface Water includes water from wetlands, rivers, lakes and oceans.



303-3

**Water recycled and reused.****Water Recycling and Reuse (2018)**

	Water Recycled or Reused
A.B. Brown	135,408.71 Million Gallons
F.B. Culley	0.34 Million Gallons
<b>Total</b>	<b>135,409.05 Million Gallons</b>

While F.B. Culley utilizes a once-through cooling system, A.B. Brown recirculates water in the cooling towers and has the ability to reuse ash pond water at the plant.

**305: EMISSIONS 2016**

103-1,2,3

**Management Approach**

Vectren has a long-standing commitment to environmental performance. Since the 1990's, Vectren's coal-fired generation fleet has shown a steady reduction of sulfur dioxide, nitrogen oxide, mercury and particulate emissions through its investments in scrubbers, selective catalytic reduction technology and fabric filters. In addition to reductions of these traditional pollutants, the Company has reduced its emissions of carbon by 35% below 2005 levels (on a tonnage basis) through the retirement of F.B. Culley 1, expiration of municipal contracts, successful execution of electric conservation programs, the addition of renewable generation, and the installation of more efficient dense pack turbine technology.

All emission tonnage measured data from EPA's certified Continuous Emission Monitoring System (CEMS) and are as reported for the various emissions allowance programs. CEMS are the utility industry standard emission measurement process.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

305-1

**Direct (Scope 1) GHG emissions.**

Electric generation data measurement is made by Certified Continuous Emission Monitors as required by federal rule. These numbers are reported to EPA via the Clean Air Market Division. Natural gas peaking turbines are calculated using the engineering calculation and air emission factor. CO<sub>2</sub> emissions from natural gas LDC operations are determined using emission factors and calculations as required by the EPA mandatory greenhouse gas reporting rule.

**Annual CO<sub>2</sub> Emissions (2018)**

Source	2018 (Metric Tons CO <sub>2</sub> e)
Electric Generation	6,016,006
Natural Gas LDC Operations	191,692
<b>Total</b>	<b>6,207,698</b>



305-7

*Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>2</sub>), and other significant air emissions.*

### Annual Electric Generation System Emissions (2016 – 2018)

	2016 (Tons)	2017 (Tons)	2018 (Tons)
Sulfur Oxide (SO <sub>2</sub> )	6,004	5,559	6,040
Nitrogen Oxide (NO <sub>x</sub> )	4,325	3,908	5,179
Particulate Matter (PM)*	279	238	264
<b>Total</b>	<b>10,608</b>	<b>9,705</b>	<b>11,483</b>

\*Totals include Vectren's share (50 percent) of total Warrick Unit 4 emissions.

## 306: EFFLUENTS & WASTE 2016

103-1,2,3

*Management Approach*

Vectren is committed to conducting operations in compliance with all applicable laws and regulations. Waste is managed through regular site visits conducted by both Vectren and waste vendor representatives. Operator training may also be conducted during site visits. Vectren tracks all waste to ensure proper management and seek opportunities for waste reduction and beneficial reuse. Most of our facilities are small quantity or very small quantity generators.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

306-2

*Waste by type and disposal method.*

### Total Weight of Waste (2018)

Power Plant Waste 2018 – Hazardous Waste		
EPA Disposal Method	Pounds	Tons
H010 – Metals Recovery	0	0
H040 – Incineration	0	0
H110 – Stabilized Prior to Land Disposal	0	0
H141 – Stored/Bulked and Transferred	2,018	1.01
H132 – Landfill	0	0
<b>Total</b>	<b>2,018</b>	<b>1.01</b>



#### Power Plant Waste 2018 – Non-Hazardous Waste

EPA Disposal Method	Pounds	Tons
H010 – Metals Recovery	0	0
H040 – Incineration	0	0
H110 – Stabilized Prior to Land Disposal	0	0
H141 – Stored/Bulked and Transferred	580	0.29
H132 – Landfill	0	299.82
<b>TOTAL</b>	<b>580</b>	<b>300.11</b>

#### Electric/Gas Transmission Distribution 2018 – Hazardous Waste

EPA Disposal Method	Pounds	Tons
H010 – Metals Recovery	0	0
H040 – Incineration	0	0
H110 – Stabilized Prior to Land Disposal	0	0
H141 – Stored/Bulked and Transferred	8,308.8	4.15
H132 – Landfill	0	0
<b>Total</b>	<b>8,308.8</b>	<b>4.15</b>

#### Electric/Gas Transmission Distribution 2018 – Non-Hazardous Waste

EPA Disposal Method	Pounds	Tons
H010 – Metals Recovery	0	0
H040 – Incineration	0	0
H110 – Stabilized Prior to Land Disposal	0	0
H141 – Stored/Bulked and Transferred	18,581	9.29
H132 – Landfill	0	627.64
<b>Total</b>	<b>18,581</b>	<b>636.93</b>

## Recycling Totals by Types of Waste (2018)

	Pounds Recycled
Paper	544,324
Aluminum	28,763
Plastic	35,515
Cardboard	392,795
Fly Ash	266,561,400
Gypsum	516,049,260
Lamps	2,565
Batteries	1,687
Electronics	29,878
Scrap Metals	965,279
Transformers	945,908
Oil	5,899
Glycol	35,104
Industrial Plastics	101,040
Wood Pallets and Reels	53,070
Tree Trimmings	1,050,000
Automotive Batteries	10,550
Tires	90,894
<b>Total</b>	<b>786,903,841</b>

306-4

### *Transport of hazardous waste.*

Vectren generates hazardous waste but does not transport the waste. Transportation is handled by transporters registered with EPA and DOT.

## 307: ENVIRONMENTAL COMPLIANCE 2016

103-1,2,3

### *Management Approach*

Vectren seeks to maintain 100 percent compliance with all environmental regulations. A reportable environmental incidents matrix is used to document and communicate potential environmental concerns. Regular meetings are held with operations, management and engineering staff to review expectations and provide guidance on how to avoid deviations.



Vectren's compliance status is important to the company's reputation in the community, amongst stakeholders, and with regulators. The company's compliance status applies to all aspects of the business, ranging from daily operations to investor relations. Environmental compliance is managed by operations representatives and their managers, in addition to environmental regulatory compliance specialists providing operations with regulatory compliance, reporting, and training. Vectren's management approach is evaluated by regularly reviewing the compliance status of operating entities and corporate compliance responsibilities.

307-1

### *Non-compliance with environmental laws and regulations.*

Vectren did not receive any fines or enter into Agreed Orders for non-compliance with environmental laws and/or regulations. Vectren makes a concerted effort to comply with all environmental laws and/or regulations and works with regulatory agencies as part of the overall compliance effort.

## 401: EMPLOYMENT 2016

103-1,2,3

### *Management Approach*

Given the rapidly evolving energy industry in which we operate, Vectren understands investing in its workforce is critical to our future success. We know great companies are made up of great people and we're committed to providing employees the tools and resources necessary for success and safety.

#### **Learning and Development**

Vectren fosters a work environment which encourages ongoing learning and development. Online learning programs are offered to employees through a personalized learning and development system, Learn Connection. Learn Connection houses an extensive library of online courses, which cover everything from competency-based training to modules specific to the energy industry. Employees interested in furthering their education may participate in Vectren's tuition reimbursement program for qualifying education expenses. Onsite training sessions are used to meet the unique needs of our workforce. Career development tools and resources help employees grow and develop the right skills to meet their career goals and the changing requirements of the business.

Vectren's Emerging Leaders mentoring program pairs less experienced employees who demonstrate leadership capabilities and a commitment to company values with more experienced employees in leadership roles. The purpose of the program is to develop the leadership skills of emerging talent and ensure Vectren has an appropriate supply of talented leadership and a continuity of culture.

#### **Health and Wellness**

Vectren has continually devoted its energy in preserving a culture of health and wellness for all of its employees by offering programs and services to support their physical and emotional well-being. Vectren promotes a positive work-life balance due to the physical and mental demands placed on their workforce by offering paid holidays, vacation days and paid time off for approved volunteer projects. Vectren offers a 401(k) Savings Plan to current and new hire employees.

Employees and eligible family members receive health, dental and vision insurance options as well as long term disability, short term disability and life insurance options. Flexible Pre-Tax Spending Accounts and Health Savings Accounts are also available to employees.

Vectren's Employee Assistance Program (EAP) offers a wide range of employee assistance and well-being services. Employees and eligible family members have access to free and confidential professional care, self-help programs, interactive tools and educational resources addressing life and work issues. The program can help with family support, substance abuse, counseling services, relationships and financial and legal advice. The Employee Assistance Program is available around the clock to support employees with everyday challenges or more serious complex problems.



Vectren offers numerous established wellness programs to support employees. Participation in wellness programs have achieved high levels of participation and continue to increase primarily due to upper management involvement and support, two comprehensive worksite health and wellness centers staffed with a physician, nurse practitioners, licensed practical nurses, wellness nurse, health specialist, health coach and a dietitian, an established wellness committee with wellness Champions for our outlying area and incentives for health achievements and participation in programs.

Vectren offers employees onsite biometric screenings, including cholesterol, blood pressure, blood sugar, tobacco usage and body mass index (BMI) checks, with simultaneous online Health Risk Appraisals for employees and spouses and influenza vaccinations to employees. An extensive wellness portal with exercise and calorie trackers, health articles and various behavior modification courses such as weight loss, nutrition, exercise, tobacco cessation, stress management and alcohol abuse is available to help employees reach their health goals. Lunch and learn webinars focusing on important wellness topics are offered as well as healthy cooking classes and healthy nutrition stations for food sampling. Fitness and self-defense classes, wellness walks and basketball leagues help employees stay active. Challenges such as a Maintain Don't Gain, a pedometer challenge and an annual Get Down campaign entices employees to focus on wellness to achieve wellness incentives. Each month, Vectren recognizes a Wellness Person of the Month that highlights employees that have overcome a health challenge or maintained a healthy lifestyle. Vectren's approach of positive reinforcement continues to drive positive results as evidenced in our biometric screening results.

## **Safety**

We have gained considerable momentum in terms of safety culture improvement and injury prevention in recent years by increasing collaboration, communication and engagement with employees at all levels of the organization.

### **Safety – Collaboration**

Vectren continues to empower our Safety Culture Teams at the grassroots level and provide two-way communication between the local teams and the jointly-led safety culture advisory team. The advisory team, which is a mix of executive, operations and union leadership, meets quarterly to review any over-arching concerns that surface from guidance teams and provides guidance and support of the strategic vision to improve culture and keep our employees, contractors and the public safe.

To help the local teams improve processes and solve problems autonomously, the advisory team has been working with Vectren's performance management and continuous improvement department to provide formal training and continuous improvement events that enable cross-functional process mapping, root cause analysis and structured problem solving so issues can be addressed by those involved with the work. These tools are inspiring and enabling our workforce to promote changes necessary to enhance safety.

### **Safety – Communication**

Based on feedback from the safety culture advisory team and a safety culture assessment completed in 2013, we decided to focus our attention on improving communication and employee recognition in 2015. We send routine and formal communication including weekly Near Misses and Lessons Learned, safety reports, the Safety Buzz newsletter, as well as monthly motor vehicle incident summary with preventative measures and an injury prevention update. We communicate less content more frequently and leverage technology to its fullest potential since all field employees now have email and mobile devices.

### **Safety – Engagement**

The growth of our Safety Management System continues to help employees protect our workforce, assets and the public from risk while aligning us with future regulation. The Safety Management System Vision is to empower others to live safely by actively reducing risks, aligning priorities throughout the organization and focusing on the everyday journey to zero incidents.

Our long-term vision for colleague engagement includes continued growth of current safety initiatives relative to collaboration, communication and continuous improvement. We believe by involving our workforce in activities that support the mission and vision of our organization, we can learn from the past and work together toward a more effective, safe and efficient future for all.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.



401-1

**New employee hires and employee turnover.****New Employee Hires by Gender (2016 – 2018)**

	2016	2017	2018
Male External Hires	99	127	142
Female External Hires	68	58	88
<b>Total External Hires</b>	<b>167</b>	<b>185</b>	<b>230</b>
– Total Female External Hires (% of total)	40.7%	31.4%	38.3%

**New Employee Hires by Age Group (2016 – 2018)**

	2016	2017	2018
Under 25	20	24	71
25-30	38	34	41
30-35	29	41	36
35-40	24	25	25
40-45	20	16	17
45-50	14	15	20
50-55	9	14	13
55-60	7	13	5
60-65	6	3	1
<b>Total External Hires</b>	<b>167</b>	<b>185</b>	<b>229</b>

**New Employee Minority Hires (2016 – 2018)**

	2016	2017	2018
<b>Total Minority External Hires</b>	<b>21</b>	<b>27</b>	<b>31</b>
– Total Minority External Hires (% of total)	12.6%	14.6%	13.5%

**Turnover (2016 – 2018)**

	2016	2017	2018
Voluntary Separations	106	114	131
– Voluntary Retirements	52	56	55
– Voluntary Resignations	54	58	71
Involuntary Separations	15	26	22
<b>Total Separations (Voluntary and Involuntary)</b>	<b>121</b>	<b>140</b>	<b>153</b>

## Retirements and Resignations by Gender (2016 – 2018)

	2016	2017	2018
Retirements	52	56	55
– Male Retirements	37	38	46
– Female Retirements	15	18	9
Resignations	54	58	71
– Male Resignations	26	35	41
– Female Resignations	28	23	30

## Retirements and Resignations by Age (2016 – 2018)

	2016	2017	2018
Retirements	52	56	55
– 50-54 Retirements	0	3	0
– 55-64 Retirements	36	42	36
– 65 and Over Retirements	16	11	10
Resignations	54	58	71
– Under 25 Resignations	2	3	33
– 25-34 Resignations	18	19	18
– 35-44 Resignations	16	18	12
– 45-54 Resignations	9	12	5
– 55-64 Resignations	6	6	3
– 65 and Over Resignations	3	0	0

## 402: LABOR / MANAGEMENT RELATIONS 2016

103-1,2,3

### Management Approach

#### Early Negotiations Strategy

Since 2014, Vectren has utilized an “*early negotiations*” strategy to eliminate the need to prepare for any potential work stoppages. This has been accomplished by renegotiating current contracts three to six months in advance of the expiration date. These early negotiations were successfully accomplished for the North bargaining group in 2014 and 2017; the VEDO and Teamsters bargaining groups in 2015 and 2018; and the South Bargaining group in 2016 and 2019. In essence, we have completed early negotiations for two full contract cycles, and have avoided a potential work stoppage during this period. This approach has saved the company millions of dollars, and was possible due to the positive relationship that we have developed with all of our bargaining groups.

#### Labor Management Conferences

In 2015, we implemented quarterly *Labor Management Conferences* which are rotated between Evansville, Dayton and Indianapolis. The purpose of these LMCs is to provide a forum for all of our union leadership to discuss



issues of mutual interest with the company's Labor Relations team. We do not discuss issues related to pending grievances or arbitrations. We do discuss issues that impact all bargaining groups equally. Some examples include uniforms; CDL monitoring; dispatch communications; training; new HR policies; changes to orientation process and fleet utilization. The meetings are held at either our Corporate Office or one of the various union offices either in Dayton or Indianapolis.

**Day to Day Engagement/Collaboration**

Over the past five (5) years, Vectren has made a conscious effort to take a less strident approach with our bargaining unit employees as it relates to administering discipline. We eliminated our High Risk Safety Discipline Program, and have chosen to be more proactive than reactive as it relates to dealing with day to day employee issues. We encourage union leadership to bring issues to our attention immediately, and allow us the opportunity to address them prior to elevating them to grievances.

This approach has significantly reduced the volume of grievances received and arbitrations held. For example, in 2015 the company went to arbitration two times. There were no arbitrations in 2016 and 2017, and we had two in 2018. This shows that the company and union leadership were able to resolve potential arbitration cases the vast majority of the time. Changes in Union Leadership/Company Labor Relations Staff: The union leadership has changed for the VEDO, Teamsters and both Steelworker groups over the past several years, as has the role of Director of Labor Relations and Labor Relations Consultant has with the company. This allowed for a fresh start for the parties and the leaving behind of older issues that may have caused consternation between the parties in the past. This has led to better communication and an increased willingness between the parties to resolve issues in a less contentious manner. There is a multiple step grievance in each contract that allows for multiple opportunities to resolve grievances prior to arbitration.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

402-1

**Minimum notice periods regarding operational changes.**

With respect to "minimum notice" requirements, none of the four (4) collective bargaining agreements at Vectren contain any specific language requiring this. However, whenever there is any significant operational change that may impact our bargaining groups, we try to provide a minimum of thirty (30) day's notice of such.

**403: OCCUPATIONAL HEALTH & SAFETY 2016**

103-1,2,3

**Management Approach**

Vectren is dedicated to providing a safe and healthy workplace and to conducting business with the utmost regard for the health and safety of our employees, customers and the public. This philosophy is in accordance with our mission to integrate a strong focus on safety and health into day-to-day business management and process design. No aspect of operations is more important than the health and safety of our stakeholders.

Vectren is committed to complying with all applicable government regulations and internal health and safety requirements and maintaining management systems designed to ensure compliance. We commit to continual improvements of these health and safety management systems and strive for best-in-class performance within the energy industry. In order to accomplish this, we establish health and safety objectives and targets, conduct regular management system and performance evaluations and frequently report the results to employees, customers and the public for accountability.

We encourage interested parties, including employees and the public, to voice safety concerns and suggestions. To promote transparency, we openly communicate and share information regarding our health and safety systems and the impacts of our activities, services and products.



Within Vectren, departmental leadership is primarily responsible for implementing our Health and Safety Policy and allocating resources to establish and support health and safety programs. Management, at all levels, will take actions to ensure all employees understand the meaning and importance of the policy.

While management must provide the leadership and support essential to maintaining a safe and healthy work environment, it is the responsibility of every Vectren employee to make safety an integral part of his or her daily work. Each employee will be held accountable for his/her individual safety performance in alignment with our health and safety procedures and programs.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

403-1

## **Workers representation in formal joint management — worker health and safety committees.**

Vectren emphasizes a commitment to safety across all of our utility operations. A safety team comprised of senior leaders, safety personnel and key members of operations meets regularly to discuss safety strategy. At the director level, we have formal safety committees which are spearheaded by operations personnel and include both bargaining unit and non-bargaining unit employees. Approximately 11 percent of the workforce is involved in these formal safety committees.

Vectren complies with applicable laws and collective bargaining agreements.

403-2

## **Types of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.**

### **Rules for Reporting Accident Statistics and Definitions:**

Vectren reports and records safety statistics in accordance with the Occupational Safety and Health Administration (OSHA) recordkeeping standards. Please see Recording and Reporting Occupational Injuries and Illness to review the OSHA standards related to recordkeeping. (Source: OSHA Recordkeeping Standard 1904)

- **OSHA Recordable Cases:** Definition of “recordable” per OSHA Recordkeeping Standard 1904 (i.e., “a work-related injury or illness resulting in medical treatment beyond first aid”). Calculation: Total OSHA cases YTD
- **OSHA Recordable Rate:** Incidence rate of OSHA recordables based on number of man-hours. Calculation: # of OSHA recordables x 200,000/man-hours
- **DART Cases:** OSHA Recordable resulting in Days Away, Restricted or Transferred. Calculation: Total DART cases YTD
- **DART (Incidence) Rate:** Incidence rate of DART cases based on number of man-hours. Calculation: # of DART cases x 200,000/man-hours
- **DART Severity Rate:** Severity rate of DART cases based on lost time (more days away = more severe cases) Calculation: # of DART days x 200,000/man-hours

### **Injury Tracking**

We track first-aid injuries requiring on-site first-aid intervention and first-aid medial injuries which require treatment at a medical facility but does not result in an OSHA recordable case (based on the OSHA Recordkeeping Standard describing the difference between first-aid and cases – 29CFR1904). In addition, we track near miss events which could have resulted in an injury.

### **Injury Time**

Per the OSHA recordkeeping standard, “days away” means calendar days, and the count begins on the first day after the illness or injury.

### **Injury Rate for Total Workforce**

The Injury Rate for Total Workforce is equivalent to the “OSHA Rate” on Vectren reports. See the following chart:



### OSHA Recordables and Rate (2018)

Group/Location	OSHA Recordables	OSHA Rate
Energy Delivery	22	2.86
Power Supply	2	1.26
Corporate	1	0.12
<b>Total</b>	<b>25</b>	<b>Total Average: 1.41</b>

#### Injury Rate by Gender

Vectren does not currently track Injury Rate, or OSHA Rate, by gender.

#### Injury Rate for Independent Contractors

A portion of Injury Rate data for independent contractors is tracked by the Coalition for Construction Safety, Inc. (CCS), to manage our contractor's safety pre-qualification. Contractors must be certified before they can work for Vectren. CCS data is not available for this report as its database is shared amongst many companies and the data is not aggregated to exclusively include contractors hired by Vectren.

#### Occupational Diseases Rate

The Occupational Diseases Rate (ODR) for total workforce (total employees plus supervised workers) is zero. This rate is not tracked for independent contractors.

#### Lost Day Rate

The Lost Day Rate is equivalent to the "DART Rate" on Vectren reports. The DART data in the following chart does not include independent contractors.

### DART Rate and DART Severity Rate (2018)

Group/Location	DART Rate	DART Severity Rate
Energy Delivery	1.43	24.40
Power Supply	0.00	0.00
Corporate	0.00	0.00
<b>Total</b>	<b>0.62</b>	<b>38.15</b>

#### Fatalities

No workforce fatalities were recorded during the reporting period. This is not tracked for independent contractors.

403-4

*Health and safety topics covered in formal agreements with trade unions.*

#### Topics Covered in Formal Labor Agreements Related to Safety Include:

- Membership support of a safe working environment
- Provision to provide personal protective equipment/uniforms
- Formation of safety committees
- Additional benefits for employees who suffer work related injuries beyond state workers compensation provisions
- Implementation of safety rules

## 404: TRAINING & EDUCATION 2016

103-1,2,3

### *Management Approach*

Vectren provides training to ensure employees have the knowledge and skills necessary to perform their work safely and efficiently. Training is a requirement for all field employees to acquire the knowledge and skills to perform job functions, improve upon existing competencies, capitalize on increased efficiencies and ensure a safer work environment.

Vectren's Technical Training Department develops, coordinates and provides instruction on job-specific training and qualifications, including (but not limited to) designing, constructing, operating and maintaining Vectren's gas and electric infrastructure. The training and qualifications are tracked and reported by the Technical Training Department and are evaluated to determine performance gaps and mitigating measures necessary to meet workforce needs.

Vectren's Operator Qualification (OQ) Program and training materials are reviewed on an annual basis. In addition, Technical Training continually monitors triggers that may necessitate additional reviews of the OQ Program and/or training materials. These triggers include modifications to policies or procedures, changes in state or federal regulations, individual performance problems and the use of new equipment, technology and information from equipment or product manufacturers.

Technical training is typically conducted in one of three locations – Evansville, Indiana for both gas and electric operations, Franklin, Indiana and Centerville, Ohio for gas operations. Training is also provided at each of Vectren's local operating centers. Field employees receive initial training through the apprenticeship programs and receive subsequent training based on the type of work being performed. To meet Vectren's OQ requirements, employees demonstrate task-specific competencies by successfully completing the required performance evaluations, which are pass/fail.

In 2017, we completed construction of the Yankee Learning Center in Ohio and plans are underway for construction of a new learning center in Evansville. These two new learning centers will join our existing training center in Franklin, Ind. to drive a consistent approach to formalized hands-on learning in a controlled environment and will continue to drive success for years to come.

404-2

### *Programs for upgrading employee skills and transition assistance programs.*

Vectren is committed to providing colleagues with the tools and resources needed to meet their career goals and the changing requirements of the business. This begins with Vectren's online talent management system, Talent Connection, which houses a robust collection of free online courses as well as a career planning tool that helps colleagues gain a better understanding of the competencies and experience required for various positions throughout the company so that they may develop a career path that's right for them.

Employees may take advantage of Vectren's tuition reimbursement program, which helps cover qualifying educational expenses, or attend one of the many onsite training sessions scheduled throughout the year. In addition, Vectren's leadership development program - "Leading with Energy" – is designed to help the company's leaders meet the unique challenges they face in today's workplace.

Vectren also has a formal mentoring program that pairs less experienced employees who demonstrate leadership capabilities and a commitment to company values with more experienced employees in leadership roles. The purpose of the program is to develop the leadership skills of emerging talent and ensure Vectren has an appropriate supply of talented leadership and a continuity of culture.



404-3

**Percentage of employee receiving regular performance and career development reviews.**

All non-bargaining employees receive an evaluation of their skills and/or performance on an annual basis.

## 405: DIVERSITY & EQUAL OPPORTUNITY 2016

103-1,2,3

**Management Approach**

Over the past two and a half years, the Human Resources Advisory Committee (HRAC) has been working to ensure that our diversity and inclusion initiatives continue to support our corporate goal of being a leader in diversity and inclusion. At Vectren, we recognize that people are what differentiate a high performing company resulting in better communities, customer service, innovative energy solutions and financial outperformance relative to our peers. In order to be successful as a company, it is our people that drive that differentiation and success.

What sets us apart is how intentional and deliberate our efforts and actions are in this area, driven by our Human Equity Strategy. We believe that moving from "Diversity" to "Inclusion" and, ultimately, "Human Equity" (D,I & HE) is a required shift. Our strategy aims to ensure that each employee feels valued, included and is an integral part of our organization's success. This positions us to leverage the unique skills, attributes and talents of each individual.

The required shift starts from the top down, with all our senior executives leading the way and supporting Vectren's Human Equity Vision. The D,I, & HE strategy is divided into four key focus areas. Each area focuses on defined strategic initiatives, projects and programs to drive our transformation and are led by our executive team.

**The 4 Focus Areas Are:**

- **Talent Attraction and Retention** – Enabling the organization to identify, attract, recruit, develop and retain the best talent is key to a successful human equity strategy. This area focuses on Vectren becoming a talent magnet and an employer of choice for all.
- **Culture and Environment** – Culture includes Vectren's Vision, Mission, Core Values, norms, working language, systems, symbols, beliefs and habits. This area focuses on the collective behaviors of our leadership and associates and the meanings that they attach to their actions. "Culture is what individuals do when no one is looking".
- **Customer Focus, Supplier Diversity and Recognition** – Understand and recognize that the diversity of our clients and suppliers enable Vectren to improve customer satisfaction and enhance economic opportunity. This area also focuses on the external recognition for being an employer and supplier of choice and an advocate for human equity with our various external stakeholders.
- **Leadership Development** – Leadership behavior is key to achieving human equity within Vectren. This area focuses on ensuring Vectren leaders exhibit Equitable Leader competencies and are engaged in the execution of the human equity strategy and plans.

Human Equity is about organizational effectiveness not just the right thing to do. A culture of human equity drives how we assess talent, evaluate organizational/departmental needs, and align employees with positions and roles that align with their skills, knowledge and intangibles. Organizations that have a sustainable, strong, productive culture have something that endures beyond any specific leader. Human Equity will positively affect Vectren's culture, engagement, empowerment and sustainability.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

405-1

**Diversity of governance bodies and employees.**

**The Following Tables Detail the Gender and Ethnicity Breakdown of Our Total Workforce. Please See Response to Standard Disclosures Indicator 102-22 for a Breakdown of the Board:**



## Gender Analysis (2018)

	Female (% of Total Females)	Male (% of Total Males)	Total (Female % of Total)	Total % of Total Headcount
Senior Executive	1 (0.2%)	6 (0.5%)	7 (14.3%)	0.4%
Vice President/Director	19 (3.3%)	40 (3.0%)	59 (32.2%)	3.1%
Manager/Supervisor	65 (11.1%)	175 (13.2%)	240 (27.1%)	12.6%
Customer Service	115 (19.7%)	27 (2.0%)	142 (81.0%)	7.5%
Office and Clerical	151 (25.9%)	20 (1.5%)	171 (88.3%)	9.0%
Other Non-Bargaining	193 (33.1%)	381 (28.8%)	574 (33.6%)	30.1%
Bargaining	39 (6.7%)	674 (50.9%)	713 (5.5%)	37.4%
<b>Total</b>	<b>583 (100.0%)</b>	<b>1,323 (100.0%)</b>	<b>1,906 (30.6%)</b>	<b>100.0%</b>

## Minority Analysis (2018)

	Minority (% of Total Minorities)	Non-Minority (% of Total Non-Minorities)	Total (Minority % of Total)	Total % of Total Headcount
Senior Executive	0 (0.0%)	7 (0.4%)	7 (0.0%)	0.4%
Vice President/Director	7 (3.1%)	52 (3.1%)	59 (11.9%)	3.5%
Manager/Supervisor	18 (8.0%)	222 (13.2%)	240 (7.5%)	12.6%
Customer Service	30 (13.3%)	112 (6.7%)	142 (21.1%)	7.5%
Office and Clerical	72 (32.0%)	99 (5.9%)	171 (42.1%)	9.0%
Other Non-Bargaining	34 (15.1%)	540 (32.1%)	574 (5.9%)	30.1%
Bargaining	64 (28.4%)	649 (38.6%)	713 (9.0%)	37.4%
<b>Total</b>	<b>225 (100.0%)*</b>	<b>1,681 (100.0%)*</b>	<b>1,906 (11.8%)*</b>	<b>100.0%</b>

\*Five employees in 2018, respectively, did not specify an ethnicity.

## Females and Minority as Percentage of Workforce (2016 – 2018)

	2016	2017	2018
Regular Headcount	1,864	1,895	1,906
– Regular Headcount - Female	572	577	583
– Regular Headcount - Minority	206*	214*	225*
– % Female	30.7%	30.4%	30.6%
– % Minority	11.1%	11.3%	11.8%

\*Four, seven, and five employees in 2016, 2017, and 2018, respectively, did not specify an ethnicity.



### Ethnicity as Percentage of Employee Group (2016 – 2018)

	2016	2017	2018
White	1,654	1,674	1,681
– % White	88.9%	88.67%	88.4%
Black/African-American	138	142	149
– % Black/African-American	7.4%	7.52%	7.8%
Hispanic/Latino	24	23	22
– % Hispanic/Latino	1.3%	1.22%	1.2%
Asian	16	17	17
– % Asian	0.9%	0.9%	0.9%
American Indian/Alaska Native	4	5	3
– % American Indian/Alaska Native	0.2%	0.3%	0.2%
Native Hawaiian/Other Pacific Islander	1	1	1
– % Native Hawaiian/Other Pacific Islander	0.1%	0.1%	0.1%
Two or More Races (Not Hispanic or Latino)	23	26	28
– % Two or More Races (Not Hispanic or Latino)	1.2%	1.4%	1.5%
<b>Total</b>	<b>1,860*</b>	<b>1,888*</b>	<b>1,901*</b>

\*Four, seven, and five employees in 2016, 2017, and 2018, respectively, did not specify an ethnicity.

### 2018 Statistical Snapshot of Vectren Corporation Diversity (as of 12/31/2018)

Employee Categories	Age Group		
	< 30	30-50	> 50
Senior Executives	0	0	7
Vice President/Director	0	34	25
Manager/Supervisor	5	150	85
Customer Service	29	66	47
Office and Clerical	14	94	63
All Other Non-Bargaining	69	335	170
Bargaining	74	329	310
<b>Total</b>	<b>191</b>	<b>1,008</b>	<b>707</b>

## 406: NON-DISCRIMINATION 2016

103-1,2,3

### *Management Approach*

The purpose of the Vectren Anti-Harassment and Non-Discrimination Policy is to establish Company requirements for a work environment in which all individuals are treated with respect and dignity. It is also the purpose of this Policy to establish awareness as to the definition and forms of various types of discrimination and harassment.

Each individual has the right to work in a professional atmosphere that promotes equal opportunity and prohibits discrimination and harassment. Therefore, the Company expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and discrimination.

The Company prohibits discrimination and harassment, whether engaged in by fellow employees; a supervisor, manager or individuals they supervise or manage; or a third party who does business with the Company (e.g., an outside vendor, consultant or customer).

Conduct prohibited by this Policy is unacceptable in the workplace, on company property, and in any work-related setting outside the workplace, such as during business trips, meetings and business-related social events. All employees are expected to refrain from discrimination and harassment of others.

See Disclosure 102-2 for Boundary.

406-1

### *Incidents of discrimination and corrective actions taken.*

Vectren had no substantiated legal claims of discrimination in 2018.

## 413: LOCAL COMMUNITIES 2016

103-1,2,3

### *Management Approach*

One of Vectren's core values is a commitment to the communities in which we live and serve. Our commitment to community is demonstrated by our financial and human resource contributions. As a company, Vectren is committed to making a positive difference in the communities we touch. Lending a helping hand is a strong part of our company culture, and we are proud to serve as a responsible corporate citizen.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

413-1

### *Operations with local community engagement, impact assessments, and development programs.*

Each of our operating units employs a system for handling community concerns on a local level. We also share issues among units and develop shared solutions where appropriate.

#### **Vectren Foundation**

The Vectren Foundation was established in 2000 to provide support for the many nonprofit organizations in the communities served by our utility operations. Since 2000, we provided over \$45 million in grants and contributions to nonprofits in Indiana and Ohio.



Annually, Vectren allocates a percentage of a 3-year trailing average of pre-tax income to fund the Foundation and corporate contributions. In 2018, Vectren and the Vectren Foundation contributed \$5 million to more than 400 organizations in three primary areas of focus: access to and advancement in education, energy conservation and environmental stewardship and community revitalization and sustainability.

Community Catalyst, a key program initiated by the Vectren Foundation, uses an asset-based community development model to focus resources on revitalizing high-stress neighborhoods. Through this effort, Vectren partners and collaborates with like-minded entities across a number of fields including education, healthcare, faith and non-profit, as well as neighborhood residents. In 2018, the Foundation collaborated with the following communities in Vectren's service territory: Anderson, Dayton, Evansville, Lafayette, Marion, Muncie and Terre Haute. An estimated 9,500 homes were impacted.

To promote equitable, healthy and sustainability communities, Vectren supports programs that improve performance in education, advance community development, growth and revitalization and promote energy conservation and environmental stewardship.

**Improve Performance in Education** – We invest in programs that measurably advance grade-level readiness, develop soft skills, and prepare students and adults for gainful employment, focusing on:

- Quality Preschool and K-12 Education
- Quality After-school and Summer Programs
- STEM / STEAM Learning and Career Exploration
- Post-Secondary Access and Certifications

**Vectren has Invested \$1.4 Million in Reaching:**

- 316,000 Students
- 24,000 Teachers
- 77,500 Parents
- 9,400 Mentors
- 36,000 Books Distributed to Children

**Advance Community Development, Growth and Revitalization** – We invest in programs that measurably advance economic development, restore, and maintain neighborhoods, and revitalize the core of a community, focusing on:

- Quality, Affordable and Energy Efficient Housing
- Community Engagement Initiatives
- Placemaking and Sustainability Projects
- Business and Entrepreneurship Growth

**Vectren has Invested \$3.1 Million Impacting:**

- 4,600 Jobseekers
- 350 Houses
- 255,000 Families
- 450,000 Sq Ft of Redevelopment

**Promote Energy Conservation and Environmental Stewardship** – We invest in programs that measurably reduce environmental impact, drive long-term conservation behaviors, and restore natural resources, focusing on:

- Weatherization and Energy Efficiency Upgrades
- Environmental Conservation Education
- Green Space and Natural Habitat Preservation

**Vectren has Invested \$.3 Million Impacting:**

- 9,300 Educated
- 51,000 Sq Ft of New Green Space
- 4,300 Trees
- 79,000 Lbs of Trash
- Removed/Recycled



## Human Resources

Vectren employees share in the commitment to community by volunteering their time and talents, whether by serving on a nonprofit board, contributing personal funding to a local charity, or spending a day volunteering at a local agency. Our employees are community-minded and highly engaged. Volunteer hours continue to increase annually—approaching more than 53,000 hours (combined on-the-clock and off-the-clock) in 2018. The Vectren Foundation provides matching programs for hours invested by employees as well as contributions made to colleges and universities. These programs accounted for over \$74,000 dollars in 2018. Finally, a matching program also exists for contributions to local United Way organizations within Vectren’s service territory. The 2018 United Way campaign generated nearly \$500,000 in employee giving and Foundation matching.

Employees are also encouraged to engage in leadership positions in the communities we serve. In 2018, Vectren officers, directors and managers held board and committee positions in 200 community-minded organizations.

## Relocation Assistance Program

Vectren makes every effort to minimize the impact on property owners in our service territory. However, circumstances arise when relocation is required in order to maintain the integrity of our energy delivery system to ensure safety and reliability for neighboring property owners and customers.

Vectren’s Relocation Assistance Program is designed to help minimize any hardships residential or commercial property owners may experience when relocation is required. All property owners displaced by a pipeline or similar utility project undertaken by Vectren are offered relocation assistance services for the purpose of locating a suitable replacement property.

## A Relocation Agent is Available for Each Impacted Property Owner and has the Ability to Assist with the Following:

- Determine any special needs and requirements;
- Explain the relocation process and entitlements;
- Offer relocation advisory assistance;
- Ensure the availability of a comparable property in advance of displacement;
- Provide referrals to comparable properties;
- Provide the amount of maximum replacement housing entitlement in writing 90 days or more before the required vacate date;
- Inspect replacement homes for decent, safe and sanitary (DSS) standards;
- Supply information about other federal, state and local programs offering assistance to displaced persons; and
- Provide assistance to minimize hardships.

## 415: PUBLIC POLICY 2016

103-1,2,3

### Management Approach

The Vectren Corporation Federal Employees' Political Action Committee (Vectren PAC) provides our employees a voice in the political process. The Vectren PAC is a voluntary employee political action committee and, through the Vectren PAC, we make bipartisan political contributions where permitted by law. We comply with all Federal Election Commission and state regulations, and Vectren PAC contributions are publicly disclosed in our filings with state and federal election commissions and agencies. In recognition of various stakeholder interests, all Vectren PAC activities are overseen by the Vectren PAC Board.

We voluntarily prohibit corporate dollars from being used to directly benefit a candidate or party. We also do not make corporate expenditures, as authorized by the Citizens United decision, and do not have any plans to do so at this time. As part of our commitment to contemporary governance practices, we regularly report our corporate political activities to the Board’s Corporate Responsibility and Sustainability Committee.

See Disclosure 102-2 for boundary limits.



415-1

**Political contributions.**

Information on the Vectren Corporation Federal PAC can be found on the Federal Election Commission site. <https://www.fec.gov/data/committee/C00240069/>

## 416: CUSTOMER HEALTH & SAFETY 2016

103-1,2,3

**Management Approach**

The safety of our customers, employees and the public is our highest concern, and Vectren maintains industry-leading energy safety outreach and education programs which engage and educate the public, emergency-responders and excavators.

We actively engage to educate contractors and municipalities on the importance of marking the underground locations of natural gas pipeline and other utilities. Additionally, we clarify safe digging laws and regulations and promote contact with the state’s One-Call contact center. Permitting packets containing “811” and “Call Before You Dig” materials are distributed to city permitting offices, which provide the packets to individuals requesting work permits.

Across our service territory, we invite local excavators, emergency responders, locators and Vectren employees to “Safety Days” featuring pipeline safety resources and opportunities to interact with local damage prevention specialists. Additionally, we host annual emergency responder group meetings to help ensure emergency responders are prepared to respond to related incidents.

Each fall, we offer the Energy Safe Kids program to area fourth-grade classrooms across our service territory. This program provides valuable electric and natural gas safety information, including demonstrations on how to detect a natural gas leak and what to do if a natural gas leak is suspected.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

416-1

**Assessment of health and safety impacts of product and service categories.**

Health and safety impacts are assessed for improvement across all product and services.

## 418: CUSTOMER PRIVACY 2016

103-1,2,3

**Management Approach**

Vectren understands the need to protect our customers’ personally identifiable information and has implemented a number of physical and cybersecurity controls to protect customer data. Vectren also has documented response procedures that are reviewed and tested on a regular basis. In 2018 there were no identified instances of misuse, leaks, thefts, or losses of customer data.

Vectren collects information from our users through several methods, including phone, website, email and letter in order to understand how to better serve our customers. Vectren is the sole owner of the information collected and will not sell, share or rent this information to others, except as disclosed in our privacy statement. The information may be used to access customer services, respond to or communicate with customers, address issues, improve services, or forward to another agency or entity for appropriate action.

We work with outside companies to process customer billing. These companies, by contract, are required to protect customer data and may do not retain share, store, or use personally identifiable information for any secondary purposes. In the event we partner with another party to provide specific services, we will only share names and contact information of those users who sign up for these services. These parties can only use personally identifiable information for the purpose of providing these specific services.

The boundary on this disclosure is applicable to the Utility Group operating units (Vectren Indiana-North, Vectren Indiana-South and Vectren Ohio) identified in the scope of this report under Disclosure 102-2.

418-1

## Substantiated complaints concerning breaches of customer privacy and losses of customer data.

Vectren had no significant breaches of customer privacy or losses of customer data in 2018.



## ELECTRIC UTILITY SECTOR SUPPLEMENT

G4-EU1

### Installed Capacity

#### Capacity (2018)

	MW
Installed Capacity	1,252
– Installed Capacity: Coal	1,000
– Installed Capacity: Natural Gas	245
– Installed Capacity: Landfill Gas	3
– Installed Capacity: Landfill Solar	4
Purchased Capacity	112
– Purchased Capacity: Coal	32
– Purchased Capacity: Wind	80



G4-EU2

**Net Energy Output****Net Energy Output (2018)**

	Total (GWh)
Coal	5,238,660
Natural Gas	42.624
Landfill Gas	10.863
Purchased Coal	148.653
Purchased Wind	204.162
<b>Solar</b>	<b>0.350</b>
<b>Total Energy Output</b>	<b>5,645.312</b>

G4-EU3

**Number of Residential, Industrial, and Commercial Customer Accounts****Customer Accounts by Territory (2018)**

	Residential	Commercial	Industrial	Other	Total
Vectren Indiana–North	546,234	51,981	963	--	<b>599,178</b>
Vectren Indiana–South (Natural Gas)	101,475	10,342	112	--	<b>111,929</b>
Vectren Indiana–South (Electric)	127,439	18,677	115	40	<b>146,271</b>
Vectren Ohio	295,729	23,689	680	--	<b>320,098</b>

G4-EU4

**Length of Above and Underground Transmission and Distribution Lines by Regulatory Regime**

We calculate circuit lengths and transmission circuits in circuit-miles (not pole or line miles). Vectren's electric system is in one regulatory regime (Indiana).

**Transmission and Distribution Primary Circuit-Miles (All Voltages – 2018)**

	Miles
Transmission (All Voltages)	1,007.75
Distribution (All Voltages)	4,326.89
<b>Total Transmission and Distribution</b>	<b>5,334.64</b>
– Overhead Transmission and Distribution	4,039.58
– Underground Transmission and Distribution	1,295.07

## Transmission and Distribution Primary Circuit-Miles by Voltage Category (2018)

Type	Line Voltage	Circuit Miles
Distribution OH	12kV	2,970.91
Distribution OH	4kV	62.16
Distribution UG	12kV	1,289.56
Distribution UG	4kV	4.27
Transmission UG	69kV	1.24
Transmission OH	69kV	567.28
Transmission UG	138kV	0.00
Transmission OH	138kV	375.48
Transmission UG	345kV	0.00
Transmission OH	345kV	63.75

G4-EU5

*Allocation of CO<sub>2</sub> Emissions Allowances or Equivalent, Broken Down by Carbon Trading Framework*

Not applicable in the United States or the State of Indiana.

G4-EU10

*Planned Capacity Against Projected Electricity Demand*

Planned capacity and projected demand are addressed in our IRP, which is submitted to state regulatory agencies. The 2016 IRP can be viewed at [www.vectren.com/IRP](http://www.vectren.com/IRP).

G4-EU11

*Average Generation Efficiency of Thermal Plants*

### Fleet Efficiency (2018)

	Efficiency
Coal Fleet Annual Efficiency	10,983.56 BTU per kWh (31.06% Efficient)
Natural Gas Peaking Unit Fleet Efficiency	13,651.45 BTU per kWh (24.99% Efficient)





### Federal Energy Regulatory Commission (FERC) Form 1 Heat Rates (2018)

	Fuel Burned	Avg. Fuel Heat Content	Ave. BTU per kWh of Next Generation
A.B. Brown Units 1 & 2: Coal	1,156,886 Tons	11,409 BTU/lb	11,061
A.B. Brown Units 1 & 2: Natural Gas	248,029 Mcf	1,048 BTU/cf	--
A.B. Brown Unit 3: Natural Gas	141,637 Mcf	1,052 BTU/cf	14,196
A.B. Brown Unit 3: Oil	82,033 Gallons	139,000 BTU/gal	--
A.B. Brown Unit 4: Natural Gas	303,592 Mcf	1,049 BTU/cf	13,393
BAGS* 2: Natural Gas	97,735 Mcf	1,047 BTU/cf	13,620
F.B. Culley: Coal	908,745 Tons	11,357 BTU/lb	10,966
F.B. Culley: Natural Gas	317,090 Mcf	1,047 BTU/cf	--
Northeast Turbines (1 & 2): Natural Gas	606 Mcf	1,040 BTU/cf	21,000
Warrick Unit 4: Coal	427,286 Tons	11,468 BTU/lb	10,817
Warrick Unit 4: Natural Gas	103,118 Mcf	1,047 BTU/cf	--

Heat rates shown are annual operating heat rates and include start up shutdown and the effects of low load operation. Full load heat rates are better than the annual rates shown.  
\*Broadway Avenue Generating Station

#### G4-EU12

#### Transmission and Distribution Losses

Transmission and distribution energy losses were 2.75 percent and 3.14 percent respectively, as a percentage of total available energy for the twelve months ending December 31, 2018.

#### G4-EU15

#### Employees Eligible for Retirement

##### As of December 31, 2018:

- 462 or 24 percent of employees are eligible for retirement (age 55 and 10 years of service).
- 650 or 34 percent of employees will be eligible for retirement in five years (age 55 and 10 years of service).
- 966 or 51 percent of employees will be eligible for retirement in 10 years (age 55 and 10 years of service).

#### G4-EU22

#### Individuals Physically or Economically Displaced and Compensation

There were no physically or economically displaced persons in 2018.

#### G4-EU25

#### Injuries and Fatalities to the Public Involving Company Assets

Vectren does not disclose information that may refer to potential litigation.

G4-EU27

## Residential Disconnections for Non-Payment

### Number of Residential Disconnections for Non-Payment:

**A.** Report the number of customers broken down by total length of time between disconnection and arrangement of payment following five categories: <48 hours, 48 hours – 1 week, 1 week – 1 month, 1 month – 1 year, >1 year.

- Less than 48 hours: 20,056 Customers
- 48 hours to one week: 4,630 Customers
- One week to one month: 4,207 Customers
- One month to one year: 15,563 Customers
- More than one year: 22 Customers

**B.** Report the number of customer broken down by total length of time between arrangement of payment and reconnection following three categories: <24 hours, 24 hours – 1 week, >1 week.

- Less than 24 hours: 21,055 Customers
- 24 hours to one week: 19,965 Customers
- More than one week: 69 Customers

G4-EU28

## Power Outage Frequency

In 2018, Vectren recorded a System Average Interruption Frequency Index (SAIFI) of 0.81. The SAIFI score is calculated by dividing the total number of customers interrupted by a power outage by the total number of customers served.

G4-EU29

## Average Power Outage Duration

In 2018, Vectren recorded a System Average Interruption Duration Index (SAIDI) score of 78.34. The SAIDI score is calculated by dividing the number of “customer-minutes” (the product of the total number of customers interrupted by a power outage and restoration time) by the total number of customers served.

