

2019 Sustainability Report

GRI Content Index

The following disclosures are included as required to be in accordance with GRI Standards at the Core level.

GRI Standard Disclosures

General Disclosures

Name of the organization	102-1	Otter Tail Power Company
Activities, brands, products, and services	102-2	About Us Our Operations
Location of headquarters	102-3	About Us
Location of operations	102-4	About Us
Ownership and legal form	102-5	About Us
Markets served	102-6	Our Operations
Scale of the organization	102-7	About Us Our Team Our Operations
Information about employees and other workers	102-8	Our Team Safety & Training
Supply chain	102-9	Our Operations Code of Conduct Otter Tail Corporation
Significant changes to the organization and its supply chain	102-10	None
Precautionary principle or approach	102-11	Otter Tail Corporation 2019 Annual Report* , Risk factors, 27-33, Item 1A
External initiatives	102-12	Edison Electric Institute; EEI ESG/Sustainability Report
Membership of associations	102-13	Our top-four industry membership associations are Edison Electric Institute, Lignite Energy Council, North Central Electric Association, and Electric Power Research Institute, Inc.
Statement from senior decision-maker	102-14	Home page
Key impacts, risks, and opportunities	102-15	Otter Tail Corporation 2019 Annual Report* , Risk factors, 27-33, Item 1A
Values, principles, standards, and norms of behavior	102-16	Vision, Mission, and Values; Code of Conduct Otter Tail Corporation
Collective bargaining agreements	102-41	Our Team
Entities included in the consolidated financial statements	102-45	Otter Tail Corporation 2019 Annual Report* , 4
Defining report content and topic boundaries	102-46	Sustainability Reporting
List of material topics	102-47	Sustainability Reporting
Restatements of information	102-48	None
Changes in reporting	102-49	Moved to an annual reporting basis
List of stakeholder groups	102-40	Sustainability Reporting
Identifying and selecting stakeholders	102-42	Sustainability Reporting
Approach to stakeholder engagement	102-43	Sustainability Reporting
Key topics and concerns raised	102-44	Sustainability Reporting
Reporting period	102-50	2019
Date of most recent report	102-51	2018 published in 2019
Reporting cycle	102-52	Annual
Contact for questions regarding the report	102-53	Sustainability Reporting
Claims of reporting in accordance with the GRI Standards	102-54	Sustainability Reporting
GRI accordance	102-55	Sustainability Reporting
Governance structure	102-56	ottertail.com/overview

Management Approach

Explanation of the material topic and its boundary	103-1	Sustainability Reporting
The management approach and its components	103-2	See following material topics
Reliability	Management	Grid Reliability & Security

	approach	
Customer satisfaction	Management approach	Customer Satisfaction
Cost	Management approach	Electric Rates
Economic impact	Management approach	Economic Development & Value
Energy efficiency	Management approach	Energy Efficiency & Load Management
Emissions	Management approach	Efficiency Improvements & Emission Reductions
Workforce investments	Management approach	Our Team
Community engagement	Management approach	Community
Charitable contributions	Management approach	Donations & Volunteerism
Evaluation of the management approach	103-3	See 103-2

The following General Disclosures are not required but are included in this report.

Mechanisms for advice and concerns about ethics	102-17	Sustainability Reporting Code of Conduct Otter Tail Corporation
Governance Structure	102-18	EEI ESG/Sustainability Report
Delegating authority	102-19	ottertail.com/overview
Executive-level responsibility for economic, environmental, and social topics	102-20	Sustainability Reporting
Consulting stakeholders on economic, environmental, and social topics	102-21	Sustainability Reporting
Composition of the highest governance body and its committees	102-22	EEI ESG/Sustainability Report
Chair of the highest governance body	102-23	Otter Tail Corporation 2020 Proxy* , Election of Directors, 2-9
Nominating and selecting the highest governance body	102-24	Otter Tail Corporation 2020 Proxy* , Election of Directors, 2-9
Role of highest governance body in setting purpose, values, and strategy	102-26	Otter Tail Corporation 2020 Proxy* , Corporate Governance, 9-11
Collective knowledge of highest governance body	102-27	Otter Tail Corporation 2020 Proxy* , Election of Directors, 2-9
Evaluating the highest governance body's performance	102-28	Otter Tail Corporation 2020 Proxy* , Corporate Governance, 9-11
Identifying and managing economic, environmental, and social impacts	102-29	EEI ESG/Sustainability Report; Economic Development & Value, Environment, Donations & Volunteerism
Effectiveness of risk management processes	102-30	Otter Tail Corporation 2019 Annual Report* , Risk factors, 27-33, Item 1A
Review of economic, environmental, and social topics	102-31	EEI ESG/Sustainability Report
Highest governance body's role in sustainability reporting	102-32	EEI ESG/Sustainability Report
Communicating critical concerns	102-33	Sustainability Reporting
Remuneration policies	102-35	Otter Tail Corporation 2020 Proxy* , Director Compensation, 12-14, Compensation Discussion and Analysis, 15-25
Process for determining remuneration	102-36	Otter Tail Corporation 2020 Proxy* , Director Compensation, 12-14, Compensation Discussion and Analysis, 15-25
Stakeholders' involvement in remuneration	102-37	Otter Tail Corporation 2020 Proxy* , Director Compensation, 12-14, Compensation Discussion and Analysis, 15-25

Economic

Economic performance 2019

Direct economic value generated and distributed	201-1	Economic Development & Value
Financial implications and other risks and opportunities due to climate change	201-2	Environment
Defined benefit plan obligations and other retirement plans	201-3	Otter Tail Corporation 2019 Annual Report* , 47
Financial assistance received from government	201-4	Otter Tail Corporation 2019 Annual Report* , Income Taxes, 93-94

Market presence

Ratios of standard entry level wage by gender compared to local minimum wage	202-1	We don't track salary by gender. However, we've included work levels by gender to provide some insight.
Indirect economic impacts		
Infrastructure investments and services supported	203-1	Economic Development & Value
Significant indirect economic impacts	203-2	Economic Development & Value
Procurement practices		
Proportion of spending on local suppliers	204-1	Economic Development & Value

Anti-Corruption

Anti-corruption

Communication and training about anti-corruption policies and procedures	205-2	Safety & Training
Confirmed incidents of corruption and actions taken	205-3	None

Tax

Tax

Approach to tax	207-1	Otter Tail Corporation 2019 Annual Report* , Taxation, 47; Income Taxes, 60.
Tax governance, control, and risk management	207-2	Otter Tail Corporation 2019 Annual Report* , Taxation, 47; Income Taxes, 60.
Country-by-country reporting	207-4	Otter Tail Corporation 2019 Annual Report* , Consolidated Income Taxes, 41.

Environment

Materials

Materials used by weight or volume	301-1	Energy Generation
Recycled input materials used	301-2	Waste Management

Energy

Energy intensity	302-3	Efficiency Improvements & Emission Reductions
Reduction of energy consumption	302-4	Energy Efficiency & Load Management
Reductions in energy requirements of products and services	302-5	Energy Efficiency & Load Management

Water

Water withdrawal by source	303-1	Water Resources
Water sources significantly affected by withdrawal of water	303-2	Water Resources
Water recycled and reused	303-3	Water Resources

Biodiversity

Operational sites owned, leased, and managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	304-1	Biodiversity
Significant impacts of activities, products, and services on biodiversity	304-2	Biodiversity
Habitats protected or restored	304-3	Biodiversity

Emissions

Direct (Scope 1) GHG emissions	305-1	Efficiency Improvements & Emission Reductions
Energy indirect (Scope 2) GHG emissions	305-2	Efficiency Improvements & Emission Reductions
Other indirect (Scope 3) GHG emissions	305-3	Data not available
GHG emissions intensity	305-4	Efficiency Improvements & Emission Reductions
Reduction of GHG emissions	305-5	Efficiency Improvements & Emission Reductions
Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	305-7	Efficiency Improvements & Emission Reductions

Effluents and waste

Water discharge by quality and destination	306-1	Water Resources
Waste by type and disposal method	306-2	Water Resources
Significant spills	306-3	Waste Management
Transport of hazardous waste	306-4	None
Water bodies affected by water discharges and/or runoff	306-5	Water Resources

Environmental compliance

Noncompliance with environmental laws and regulations	307-1	Waste Management
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Supplier Environmental Assessment

New suppliers that were screened using environmental criteria	308-1	Our Operations
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Negative environmental impacts in the supply chain and actions taken	308-2	None
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Social

Employment

New employee hires and employee turnover	401-1	Our Team
Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	Our Team
Parental leave	401-3	Available as defined by state and federal law

Labor/Management Relations

Minimum notice periods regarding operational changes	402-1	We do not include notice periods in our bargaining agreements.
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Occupational Health and Safety

Worker representation in formal joint management–worker health and safety committees	403-1	Safety & Training
Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403-2	Safety & Training
Health and safety topics covered in formal agreements with trade unions	403-4	Safety & Training

Training and Education

Average hours of training per year per employee	404-1	Safety & Training
Programs for upgrading employee skills and transition assistance programs	404-2	Safety & Training
Percentage of employees receiving regular performance and career development reviews	404-3	Our Team

Diversity and Equal Opportunity

Diversity of governance bodies and employees	405-1	Our Team
Ratio of basic salary and remuneration of women to men	405-2	Do not utilize this metric in reporting

Nondiscrimination

Incidents of discrimination and corrective actions taken	406-1	None
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Freedom of Association and Collective Bargaining

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	None
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Local Communities

Operations with local community engagement, impact assessments, and development programs	413-1	Sustainability Reporting
Operations with significant actual and potential negative impacts on local communities	413-2	None

Supplier Social Assessment

New suppliers that were screened using social criteria	414-1	Our Operations
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Public Policy

Political contributions	415-1	None
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Customer Health and Safety

Assessment of the health and safety impacts of product and service categories	416-1	Safety & Training
Incidents of noncompliance concerning the health and safety impacts of products and services	416-2	None

Customer Privacy

Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	None
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Socioeconomic Compliance

Noncompliance with laws and regulations in the social and economic areas	419-1	None
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The following are GRI indicators cited in the Electric Utilities Sector guidance document and therefore are considered material.

Organization Profile

Report on total contractor workforce (contractor, subcontractor, independent contractor) by employment type, employment contract, and regulatory regime	G4-10	Our Team , Total number not available
Report on percentage of contractor employees (contractor, subcontractor, independent contractor) working for the reporting organization covered by collective bargaining agreements by country or regulatory regime	G4-11	Contractor data not tracked
Installed Capacity by primary energy source and regulatory regime	EU-1	Energy Generation
Net energy output by primary energy source and regulatory regime	EU-2	Energy Generation
Number of residential, industrial, institutional, and commercial customer accounts	EU-3	Our Operations
Length of above and underground transmission and distribution	EU-4	Transmission & Distribution
Allocation of CO2 emissions allowances or equivalent by carbon trading framework	EU-5	None

Availability and Reliability

Planned capacity against projected electricity demand over the long term by energy source and regulatory regime	EU-10	Energy Generation
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Demand Side Management

Demand-side management programs, including residential, commercial, institutional, and industrial programs	Management approach/EU-7	Energy Efficiency & Load Management
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Research and Development

Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Management approach	Transmission & Distribution
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Plant Decommissioning

Management approach to plant decommissioning	Management approach	Not applicable in 2019
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System Efficiency

Average generation efficiency of thermal plants by energy source and regulatory regime	EU-11	Efficiency Improvements & Emission Reductions
Transmission and distribution losses as a percentage of total energy	EU-12	Transmission & Distribution

Environmental

Materials

Long-term strategy for managing and phasing out high-level and low-level in-service PCBs	Management approach	Waste Management
In-use inventory of solid and liquid high-level and low-level PCBs contained in equipment	EN-1	Waste Management

Water

Collaborative approaches to managing watersheds and reservoirs for multiple uses (irrigation, drinking water, and water resources for meeting the needs of the utility and other stakeholders)	Management approach	Water Resources
Overall water use for processing, cooling, and consumption in thermal and nuclear power plants	EN-8	Water Resources

Biodiversity

See guidance	Management approach	Biodiversity
Significant impacts of activities, products, and services on biodiversity in protected areas and areas of biodiversity value outside protected areas	EN-12	Biodiversity
Biodiversity of offset habitats compared to the biodiversity of the affected area	EU-13	Biodiversity

Emissions

Direct GHG emissions (SCOPE 1) by regulatory regime for net generation from all generating capacity, net generation from all fossil fuel generation, and estimated net delivery to end users	EN-15	Efficiency Improvements & Emission Reductions
Energy GHG emissions (SCOPE 2) MWh broken down by regulatory regime	EN-16	Efficiency Improvements & Emission Reductions
Emissions per MWh for net generation from all generating capacity and net generation from all combustion power plants	EN-21	Efficiency Improvements & Emission Reductions

Effluents and Waste

Thermal discharges as part of the total volume of planned and unplanned water discharges	EN-22	Water Resources
PCB waste as part of the total weight of hazardous and nonhazardous waste	EN-23	Waste Management

Social

Labor Practices and Decent Work

Employment		
Programs and processes to ensure a skilled workforce; Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Management approach	Our Team Safety & Training
The average length of tenure of employees leaving during the reporting period by gender and age group	LA-1	Our Team
Percentage of employees eligible to retire in the next 5 and 10 years by job category and region	EU-15	Our Team
Days worked by contractor and subcontractor workers involved in construction, operation, and maintenance activities	EU-17	Data not available
Percentage of contractor and subcontractor workers that have undergone relevant health and safety training	EU-18	Data not available
Occupational Health and Safety		
Health and safety performance of contractors and subcontractors working onsite or on behalf of the reporting organization offsite	Management approach/LA-6	Data not available

Human Rights

Freedom of Association		
Management mechanisms to address the right to organize, bargain, and strike	Management approach	Approximately 50% of our work force is represented by a bargaining unit. We follow all U.S. laws regarding union organizing and operating.

Society

Local Communities		
See guidance	Management approach	Community
Number of people physically or economically displaced and compensation broken down by type of project	EU-22	Zero
Disaster/Emergency Planning & Response		
Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Management approach	Safety & Training

Customer health and safety	Management approach	Safety & Training
Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements, and pending legal cases of diseases	EU-25	Zero
Access		
Programs, including those in partnership with government to improve or maintain access to electricity and customer support services	Management approach /EU-23	Not applicable
Percentage of population unserved in licensed distribution or service areas	EU-26	Data not available
Number of residential disconnections for non-payment broken down by duration of disconnection and by regulatory regime	EU-27	In 2019 we disconnected approximately 1,090 residential customers for nonpayment. Of those, approximately 340 had service restored within 24 hours, and 750 were disconnected for more than 24 hours.
Power outage frequency	EU-28	Grid Reliability & Security , Reliability Results
Average power outage duration	EU-29	Grid Reliability & Security , Reliability Results
Average plant availability factor by energy source and by regulatory regime	EU-30	Grid Reliability & Security , Reliability Results
Provision of Information		
Practices to address language, cultural, low literacy, and disability related barriers to accessing and safely using electricity and customer support services	Management approach	None

* Information applies to Otter Tail Power Company via corporate guidelines.