



NEXT GENERATION SUSTAINABILITY

2017 **Vectren Corporation** Sustainability Report



VECTREN
Live Smart

— NEXT — GENERATION SUSTAINABILITY

Our 2017 Sustainability Report reflects the new direction that Vectren is taking as it transitions its electric generation portfolio from nearly total reliance on baseload coal to a fully diversified portfolio of fuels, along with our grid modernization plan that we believe will provide Vectren's future long term electric supply needs in a safe, reliable and lower-emitting manner.



VECTREN
Live Smart

NEXT GENERATION SUSTAINABILITY

2017 Vectren Corporation Sustainability Report

WELCOME

- SECTION 01
CORPORATE 
- SECTION 02
FINANCIAL HIGHLIGHTS 
- SECTION 03
ENERGY 
- SECTION 04
CUSTOMERS 
- SECTION 05
COLLEAGUES & COMMUNITY 
- SECTION 06
PAGES 15-62 

In 2011, Vectren published its inaugural sustainability report. The title – Sustainability in Practice – was selected because we believe that Vectren was leading with sustainable business practices before the concept of sustainability became as widely recognized as it is today. In subsequent reports Vectren focused on its sustainable business practices relating to such things as environmental stewardship, electric reliability, energy conservation, safety, financial performance and its successful community sustainability programs.

We are excited to release our latest report entitled – Next Generation Sustainability – which reflects the evolving direction that Vectren is taking as it transitions its electric generation portfolio from nearly total reliance on baseload coal to a fully diversified and balanced energy mix that, along with our grid modernization plan, we believe will ensure Vectren meets its long term electric supply needs in a safe and reliable manner while dramatically lowering our carbon emissions. Our plan for a diversified generation portfolio is the result of a comprehensive integrated resource planning process, which included multiple opportunities for stakeholder input, and provides for the retirement of three aging coal-fired units and exit of a fourth, replacement of those units with new highly-efficient natural gas-fired generation and investment in utility solar projects commencing as early as 2018. Our new generation portfolio is expected to reduce Vectren's emissions of carbon 60% from 2005 levels, well below the emission targets called for in international accords, as well as provide for significant reductions of other air emissions and wastewater.

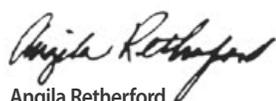
In addition to planning for a diversified fuel portfolio, in 2017 Vectren released its future electric grid modernization plan, another significant step toward Next Generation Sustainability. Vectren's multi-year grid modernization plan consists of more than 800 infrastructure projects through 2024 and joins its existing gas infrastructure investment plan to ensure Vectren continues to provide safe, reliable, service that meets the needs of its customers.

And finally, in furtherance of our continued efforts to enhance our corporate and sustainability governance and transparency, we have included a detailed discussion in this report of our current corporate governance structure, including the formation of a new Corporate Sustainability Disclosure Committee to ensure our stakeholders can continue to rely on the consistency and accuracy of the information contained in this and future sustainability reports and across all public disclosures by the Company on such matters.

Respectfully,


Carl L. Chapman
Chairman, President & CEO


John D. Engelbrecht
Chair, Corporate Responsibility & Sustainability
Committee of the Board of Directors


Angila Retherford
Vice President, Environmental Affairs
& Corporate Sustainability



OUR BOARD

Our Board of Directors consists of ten independent directors and our Chairman and Chief Executive Officer. The Board includes 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.



Carl L. Chapman
Chairman, President &
CEO, Vectren Corporation



Derrick Burks
Retired Managing Partner,
Ernst & Young, LLP



James DeGraffenreid, Jr.
Retired Chairman &
CEO, WGL Holdings, Inc.



John D. Engelbrecht
Chairman & President, South
Central Communications Corp



Anton H. George
Principal, Vision
Investments, LLC.



Robert G. Jones
President & CEO,
Old National Bancorp



Patrick K. Mullen
President & CEO,
Chicago Bridge & Iron



R. Daniel Sadlier
Retired President & CEO,
Fifth Third Bank (Western Ohio)



Michael L. Smith
Retired Executive Vice
President & CFO, Anthem, Inc.



Teresa J. Tanner
Executive Vice President
& CAO, Fifth Third Bank



Jean L. Wojtowicz
President & Founder, Cambridge
Capital Management Corp.



CORPORATE GOVERNANCE

Board Committees & Risk Management

The Board is ultimately responsible for risk oversight across the organization. That responsibility is shared by five standing committees comprised solely of non-employee directors which oversee financial, compensation, compliance, reputational and governance risks with specific responsibility for reviewing management's risk oversight function delegated to the Board's Audit and Risk Management Committees.

- **Nominating and Corporate Governance.** This committee is primarily responsible for corporate governance matters affecting the Company and its subsidiaries. Responsibilities include overseeing the succession planning process for the Board, chief executive officer, senior management and the leadership of Company's subsidiaries.
- **Audit and Risk Management.** This committee oversees the Company's financial reporting process. Responsibilities include overseeing the integrity of the Company's financial statements, the Company's internal audit function, Company's system of internal controls and disclosures, and Company's practices and processes relating to strategic risk assessment and risk management.
- **Compensation and Benefits Committee.** This committee is responsible for establishing compensation for the Company's executive officers and administering the Company's management compensation plans.
- **Finance Committee.** This committee provides oversight relating to the financing activities of the Company's utility and nonutility businesses.
- **Corporate Responsibility and Sustainability.** This committee is primarily responsible for both ensuring the discharge of the Board's duties relating to oversight of the Company's sustainability initiatives, as well as monitoring the Company's policies, practices and procedures designed to ensure compliance with governmental regulations.

Enterprise Risk Management

The Company has an enterprise Risk Management Committee composed of senior level management whose purpose is to ensure an enterprise-wide approach to managing risk and compliance. The primary responsibility of the Committee is to anticipate, identify, prioritize and proactively manage the Company's material risks and report the results of the Committee's activities to the Audit and Risk Management Committee of the Board. Under this enterprise risk management approach, the Committee oversees and approves a comprehensive company-wide risk assessment every two years, including an assessment of which risks are significant and provides assistance to business unit managers with risk monitoring and the implementation of strategies to mitigate risk in their areas. **The Committee periodically reviews and reports the following to the Audit and Risk Management Committee of the Board, as well as the full Board:**

1. All material business risks;
2. The processes, procedures & controls in place to manage material risks; and
3. The overall effectiveness of the enterprise risk management process.

Corporate Code of Conduct

The Audit and Risk Management Committee is responsible for reviewing and updating the Corporate Code of Conduct, as well as ensuring that management enforces and monitors compliance with the Code and that the Code complies with all applicable rules and regulations.

Sustainability Governance

Environmental, social and governance initiatives are integrated into the policies and principles that govern our company and reflect our commitment to sustainable growth. The Company initiated its corporate sustainability program in 2011 with the publication of its initial corporate sustainability report. Since that time the Company continues to develop strategies that focus on those environmental, social and governance factors that contribute to the long-term growth of the Company's sustainable business model. The Company's sustainability policies and procedures are designed to assure compliance with applicable laws and regulations, and are directly overseen by the Corporate Responsibility and Sustainability Committee. The Corporate Responsibility and Sustainability Committee meets at least three times a year.

The Committee charter requires that the Vice President of Environmental Affairs and Corporate Sustainability provide a report as to the Company's environmental compliance and sustainability strategies at each of the three regular Committee meetings, and the Vice President of Environmental Affairs and Corporate Sustainability meets with the full Board on an as-needed basis to discuss sustainability strategies, sustainability reporting and any issues that may arise throughout the year. In 2017 the Company established a Corporate Sustainability Disclosure Committee composed of management employees and overseen by the Company's Chief Financial Officer whose purpose is to ensure accuracy and consistency of the Company's sustainability disclosures across all of the Company's sustainability reporting platforms.

In 2015 the Corporate Responsibility and Sustainability Committee was renamed (formerly the Corporate Affairs Committee), and the Committee charter modified to emphasize the Committee's sustainability responsibilities.

The Committee shall oversee the Company's policies, practices and procedures relating to sustainability, including monitoring of current and emerging political and social action, and public policy and environmental issues that may affect the business operations, material financial performance or public image of the company. Such oversight shall also consider policies for sustainability consistent with long-term preservation and enhancement of the Company's financial, environmental and social capital.

Company's 2017 sustainability disclosure data meets the G4 Core option established by the Global Reporting Initiative's (GRI).
Company's GRI data, as updated annually, can be found at vectren.com/sustainability.
Company's 2018 Proxy and Form 10-K can be found online at investors.vectren.com.



FINANCIAL HIGHLIGHTS

Highlights of a Successful 2017

Vectren achieved another year of solid earnings growth in 2017, extending our record of consistent earnings growth to seven years. Reported net income was \$216.0 million, or \$2.60 per share. The foundation for this performance continues to be Vectren's utility group, which earned its overall allowed return on equity for the sixth straight year. Our electric utility also achieved a successful start to its 7-year grid modernization plan in 2017. The utility performance was supplemented with strong years from our two nonutility businesses, energy services and infrastructure services.

2017 also marked Vectren's 58th consecutive year of dividend increases, a record we are very proud of and that was extended in November when the Company raised the dividend 7.1%, in line with our long-term target. Earnings and dividend growth over the next 10 years remain targeted at 6-8%, in line with our seven percent compounded annual growth rate achieved over the last several years.

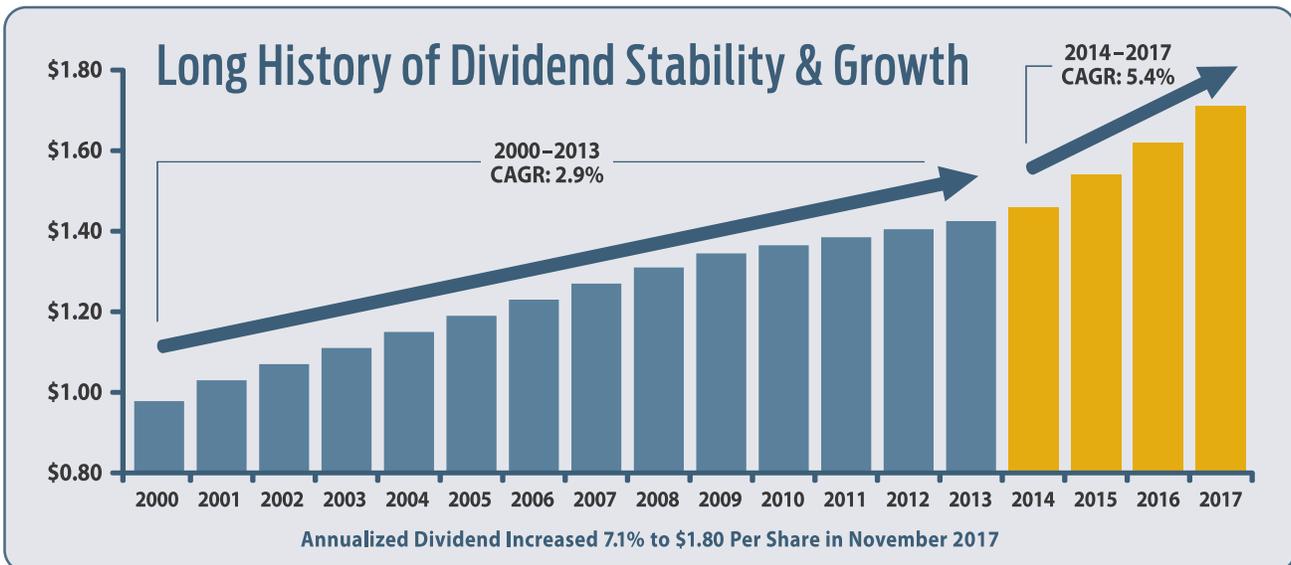
"Results for 2017 were on plan at \$2.60 per share, reflecting yet another year of earnings growth. The Utility Group performed as expected, largely driven by our continued investment in gas infrastructure programs," said Carl Chapman, Vectren's chairman, president and CEO. "Infrastructure Services and Energy Services also performed very well this year, each with record annual revenues."

"Late in 2017, we saw the enactment of the first major tax reform legislation in over three decades. The lower federal corporate income tax rate will allow us to flow back that reduction to our customers. We are working with regulators in both Indiana and Ohio to implement those bill reductions timely. The lower tax rate also provided an earnings benefit to the non-rate-regulated operations. That benefit, I'm pleased to announce, has allowed us to make a nearly \$70 million contribution to fund the Vectren Foundation for over a decade and demonstrates our longstanding commitment to the communities we serve, while eliminating the need for Foundation funding expense over the same period."

“ Results for 2017 were on plan at \$2.60 per share, reflecting yet another year of earnings growth. The Utility Group performed as expected, largely driven by our continued investment in gas infrastructure programs.

Carl Chapman

Chairman, President & CEO of Vectren Corporation ”





DIVIDEND INCREASED 7.1% IN NOVEMBER 2017 – 58 CONSECUTIVE YEARS OF DIVIDEND INCREASES

Natural Gas & Electric Infrastructure Investment Plan

Vectren's multi-year grid modernization plan consists of over 800 infrastructure projects through 2024 and joins its existing natural gas infrastructure investment plan to ensure Vectren continues to provide safe, reliable, service that meets the needs of its customers.

Smart Energy Future

Investment Plans for Gas & Electric Businesses of \$6.5 Billion

GAS
INFRASTRUCTURE:
~\$3.8 BILLION
of CapEx (2018-2027)

ELECTRIC GRID
MODERNIZATION:
~\$1.1 BILLION
of CapEx (2018-2027)

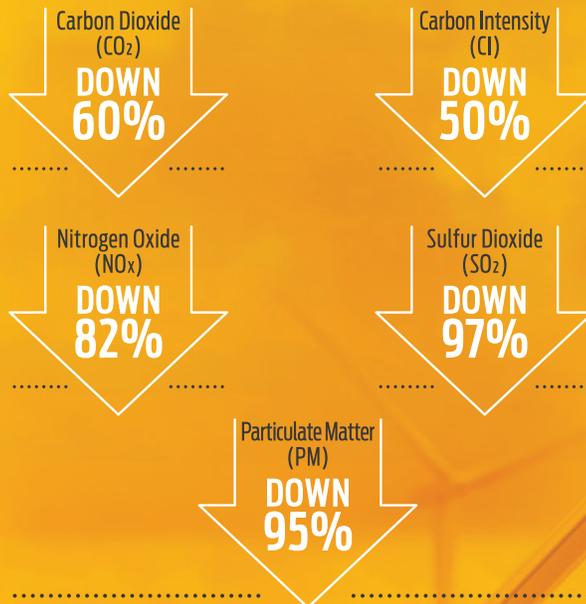
GENERATION
TRANSITION:
~\$1.3 BILLION
of CapEx (2018-2027)



VECTREN'S NEW ENERGY PORTFOLIO

- Lower Emitting Fleet
- Zero Emission Renewables
- Energy Efficiency Programs

Projected 2024 Emission Reductions:



*Assumptions based on Vectren's preferred Integrated Resource Plan portfolio with reductions from a 2005 emissions baseline.

Vectren's New Energy Portfolio

Today Vectren owns and operates approximately 1,000 megawatts of coal-fired generation, 245 megawatts of natural gas-fired peaking units and a 3-megawatt landfill gas-to-electricity facility. The Company also has 80 megawatts of wind power through two long-term purchase agreements and 32 megawatts of coal generation through its ownership in the Ohio Valley Electric Corporation. This portfolio, dependent largely on coal, is about to change dramatically. On February 20, 2018, Vectren filed a request with the Indiana Utility Regulatory Commission seeking authority to implement changes to its generation portfolio. These proposed changes would transition our electric generation portfolio from nearly total reliance on baseload coal to a fully diversified and balanced portfolio of fuels, including coal, natural gas and renewables.

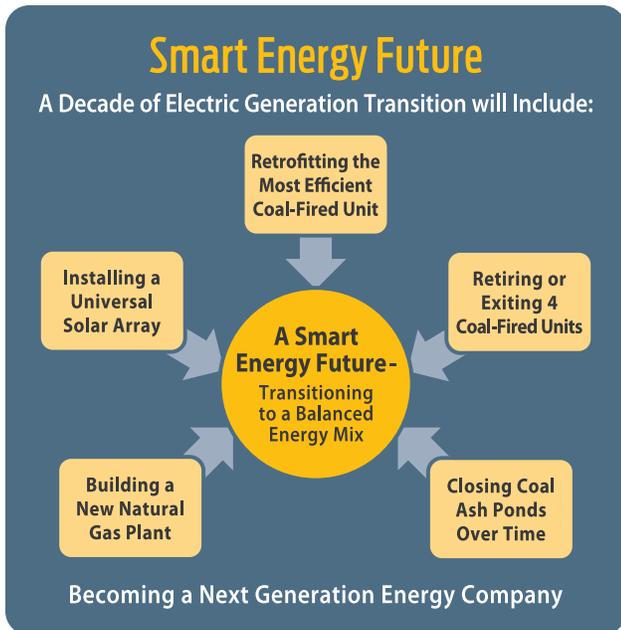
If authorized by the Indiana Utility Regulatory Commission, Vectren plans to construct a 800-900 megawatt natural gas combined cycle plant to replace the coal-fired generation which the Company has slated for retirement.

Vectren will also be upgrading the wastewater treatment equipment at its coal-fired unit at the F.B. Culley 3 plant and commencing closure of the Culley West ash pond. Vectren will commence closure of its two remaining ash ponds in 2024 upon the retirement of the A.B. Brown coal-fired units and completion of the planned upgrades to F.B. Culley's wastewater discharge equipment; however, the Company is currently exploring potential recycling opportunities that could result in commencement of preliminary pond closure activities as early as 2019.

These steps, combined with our continuing efforts to modernize the critical infrastructure required to provide electric service to our customers and provide customers with the tools to manage their energy usage, will ensure that Vectren continues its steady progress toward its goal of becoming a next generation energy company, offering a safe, reliable and lower carbon electric service that our customers demand over the long term. Since 2011, Vectren has kept its promise to hold electric rates flat, and as it transforms its generation portfolio, the Company will continue its efforts to mitigate impacts to customer bills.



GENERATION TRANSITION



Vectren’s Solar Projects

Not only is Vectren upgrading its electric system, but we are also continuing our path toward a balanced energy mix with universal solar projects. Vectren will partner with First Solar, Inc. to build a 50-megawatts (MW) solar array that will be situated on approximately 300 acres and will consist of about 150,000 solar panels. The array will be mounted on a single-axis tracking system, which enables the panels to automatically pivot to enhance energy generation as the sun’s rays move across the surface of the Earth. The facility, which should be operational in the fall of 2020, is expected to generate enough power to meet the needs of more than 11,000 households per year. The project will provide up to 250 jobs at its peak, many of which will be union labor. Construction will begin after the Indiana Utility Regulatory Commission authorizes the project; a decision is expected in the first half of 2019. “This significant renewable resource will be connected to our system to serve our local customers, which will bring one of the largest single-sited solar farms in the Midwest to southern Indiana,” said Chapman.

Vectren Planned Solar Projects:

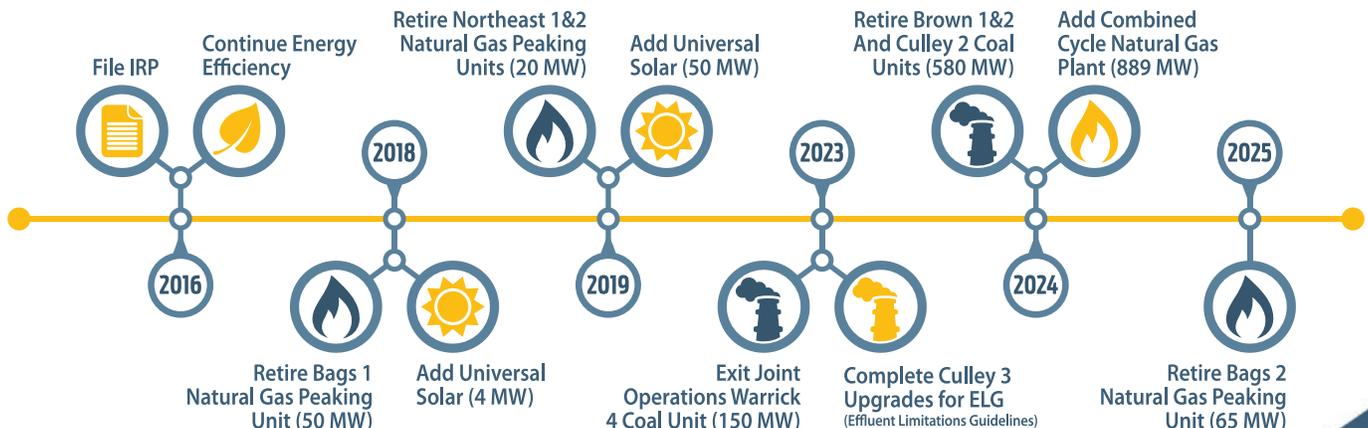
- **50MW** Utility-Scale Solar Array Built in Spencer County, Indiana
- **(2) 2MW Projects** that will be built in 2018, one near Highway 41 in Evansville, Indiana and the second near Oakhill Cemetery in Evansville, Indiana. These two combined will supply enough renewable energy to power 600 homes each year.

Vectren’s Planning Process

In 2016, Vectren completed an extensive year-long integrated resource planning process, which considered a broad range of potential resources and variables to ensure the plan offered a long-term reliable and reasonably priced generation portfolio as well as a balanced energy mix. In arriving at a preferred generation portfolio we considered the costs to continue operating our existing coal-fired generation units in a manner that complies with current and anticipated future environmental requirements, as well as various resource alternatives, such as the use

of energy efficiency programs and renewable resources as part of the overall generation portfolio. The Company received robust stakeholder participation and feedback, holding three public stakeholder meetings. Vectren’s generation transition plan was presented to the public in November 2016 and includes the retirement of A.B. Brown Units 1 & 2, F.B. Culley Unit 2 and exiting joint operations of Warrick Unit 4 with Alcoa, the construction of a new natural gas-fired combined cycle unit and the addition of 54 megawatts of solar by 2025.

Vectren’s Preferred IRP Portfolio





OUR APPROACH TO CARBON

Carbon strategy is a cornerstone in Vectren's corporate planning process. Vectren regularly assesses the risks and opportunities associated with carbon as part of our overall strategic business planning and enterprise risk management processes. **Under Vectren's smart energy future transition plan the Company has identified three critical components of a sustainable carbon strategy:**

- 1. Reducing our own emissions and compliance with environmental standards.**
- 2. Ensuring our infrastructure is resilient to changing climate. See page 8 in our report for more information on steps the Company is taking to modernize its grid.**
- 3. Helping our customers reduce their emissions. See page 9 in our report for more information on steps the Company is taking to help customers meet their own carbon reduction goals.**

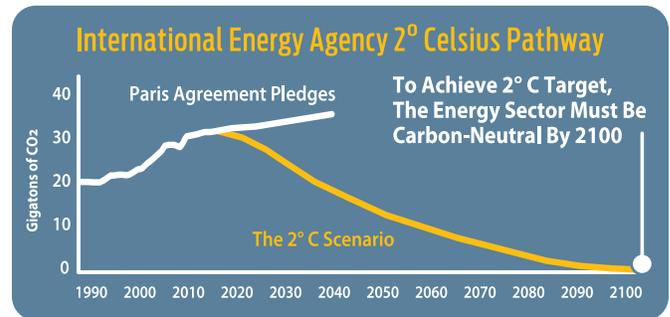
Reducing Our Own Emissions

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.

But our commitment to carbon emission reductions does not stop there. Once approved and with the successful execution of Vectren's electric generation transition plan, Vectren will achieve its goal of 60% reduction of carbon emissions below 2005 levels by 2024. Moreover, the carbon intensity of Vectren's generation fleet will drop from 1,950 lbs CO₂/MMBtu to 980 lbs CO₂/MMBtu, well below the intensity targets set in EPA's Clean Power Plan. While it is still unclear as to the short-term future of any carbon regulation, Vectren's smart energy future transition plan will position the Company to successfully comply long-term with carbon reduction requirements.

Science-Based Goal

With its smart energy future transition plan, Vectren is taking action to reduce its own carbon emissions consistent with the international community's goal of preventing global temperatures from rising more than two degrees Celsius by the year 2100. Using guidance from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency's 450 parts per million (ppm) scenario, the Company assumes a 50% carbon emission reduction from 2005 levels by 2050 would be required to align with the IPCC goal. Vectren's actions being taken today as part of our electric generation transition plan will exceed the IPCC emission reduction targets meant to limit global temperature increases to two degrees Celsius by 2100 as depicted in the chart below.



EPA Natural Gas STAR Methane Challenge Program

Vectren is a founding member of the U.S. Environmental Protection Agency's Natural Gas STAR Methane Challenge Program, whereby natural gas utilities are working on an effort to reduce carbon emissions through voluntary commitments to reduce methane emissions. The natural gas companies participating in the program represent 66% of the natural gas customers served in the United States.

Vectren has committed to replacing unprotected steel and cast iron mains and services at a rate of at least five percent annually through 2021.

Further, Vectren expects to have eliminated all such piping on its system by 2023. Moreover, Vectren Infrastructure Services Company assists other natural gas utilities to do the same.





VECTREN'S CARBON REDUCTION GOAL: 60% REDUCTION OF CO₂ EMISSIONS FROM 2005 LEVELS BY 2024

Modernizing Electric & Natural Gas Infrastructure for a Smart Energy Future

As electric assets continue to age and new, more reliable and efficient technologies emerge, we must continue making essential investments in our system. Continued electric system reliability and safety, shorter electric power outages, faster electric outage identification, fewer estimated customer bills, quicker service and more information to improve customer control over energy use are all pieces of Vectren's plan to continue delivering reliable electric service to our 145,000 customers as part of our Smart Energy Future.

In 2017, Vectren sought and received approval to begin enhancing our electric system by investing approximately \$450 million in new infrastructure. Encompassing more than 800 projects over the next seven years, Vectren's energy grid modernization plan is an integral part in the company's strategy to become a next generation energy company. This robust electric infrastructure improvement strategy will enhance reliability and modernize the electric grid that delivers power to Southwestern Indiana. These electric system improvements include upgrades to portions of Vectren's substations as well as the transmission and distribution networks. This work will also prepare the grid to accept advanced technology, improving service to customers and providing them with access to better information about their energy use.

According to a study conducted by Indiana University, this grid modernization plan will provide significant benefits for the economy, including a positive economic impact of nearly

\$650 million over the investment period. Studies show this plan will generate around \$20 million in state and local government tax revenue effects through 2023, and at its peak it will support approximately 1,000 jobs.

Enhancements will also be done at the meter level. In December 2017, Vectren began a year-long program to install smart meter technology to all electric customers. Smart meters will not only provide and improve system reliability and resiliency, they also enhance the customer experience by virtually eliminating estimated bills, enabling quicker service, faster electric outage identification and more tools to manage energy use. Full deployment is expected by December 2018.

While Vectren recently received approval for its grid modernization program, work continues on its existing gas infrastructure plan. Vectren gas programs include the replacement of bare steel and cast iron distribution pipelines, as well as improvements to transmission and other distribution gas system assets. Since 2008, Vectren has invested approximately \$581 million in the replacement of aged bare steel and cast iron gas distribution pipeline infrastructure in Indiana and Ohio. Vectren has also invested approximately \$233 million on improvements to its gas transmission pipeline infrastructure since 2012, and \$78 million on improvements to its gas distribution system infrastructure since 2013. Vectren's total investment in gas infrastructure modernization programs in Indiana and Ohio is approximately \$892 million.

Changes in weather patterns resulting in more frequent and severe weather increase the risk of interruptions to service for Vectren customers. Modernizing and strengthening of the Vectren system infrastructure builds resilient service for our customers.



CUSTOMER PROGRAMS / SMART METERING / ENERGY EFFICIENCY

Transforming Our Customers' Experience

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. Systems will begin to come online in 2018 with new enhancements and offerings coming online in subsequent years.

Benefits for Customers

- Access to detailed energy usage information
- Accurate billing data due to virtual elimination of estimated meter reads
- Power outage alerts
- More precise outage restoration information

Warehouse Upgrades Lead to Increased Energy Efficiency

In 2017, Park Creek J.V. LLC made the decision to improve their heating system in their 150,000 sq. ft., Plainfield, Ind., warehouse facility. After an energy assessment and rebate from Vectren, the company was able to install six rack unit heaters to replace their previous 27 inefficient unit heaters. This replacement will allow Park Creek to use less energy and better manage their energy costs. Vectren rebates were able to offset the total project cost by more than 30 percent.

"Finding ways for businesses to manage energy costs makes a positive impact on not only their overall financial state, but also the environment as a whole since they are burning less natural gas," said Rina Harris, Vectren director of energy efficiency. "Vectren has been offering energy efficiency programs to customers for nearly a decade."

Customer Energy Efficiency

Since 2010, Vectren electric energy efficiency programs, have saved more than 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 more than 167 million therms which would heat

208,443
Homes for a Year

Since 2009, Vectren gas energy efficiency programs in Ohio have saved a total of more than 38 million CCFs which would heat

49,885
Homes for a Year

**All of These Programs Together
Equal a Carbon Savings of**

**1.2 Million Tons
of Carbon Dioxide**



Energy Systems Group Water Resource Recovery Project - Niskayuna, New York

The Town of Niskayuna, New York partnered with Energy Systems Group, Vectren's leading energy services provider, to serve as the prime contractor of a multi-year project that will include improvements to its 3 million gallons per day (MGD) wastewater treatment plant. In addition to meeting New York State Department of Environmental Conservation (NYSDEC) wet weather management obligations, the plant improvements will expand the plant's treatment capacity to 3.5 MGD, positioning Niskayuna for future economic growth.

www.energysystemsgroup.com/niskayuna/

The new systems will improve treatment during storms and wet weather, ensuring the protection of the nearby Mohawk River. The plant upgrades address much needed infrastructure renewal and will improve operational efficiency and reduce the wastewater treatment plant's carbon footprint by incorporating renewable energy. One aspect of the project will leverage the existing anaerobic digesters' excess capacity to accept organic waste, produce additional biogas and use it as fuel for onsite electricity production. The plant's new ability to produce energy on-site will make it a energy net zero facility and will create a new source of revenue for the town.

Key Installed Technologies

- New influent wet weather improvements – 300,000 gallon storm water storage tank and associated infrastructure
- Activated sludge aeration system
- New UV disinfection system and plant water system
- New biogas-driven cogeneration system



CURRENTLY 30% OF OUR FIELD WORKFORCE IS ENROLLED IN FORMAL APPRENTICESHIP PROGRAMS, WITH 48 SLATED TO GRADUATE IN 2018.



SAFETY –

ENSURING SAFETY THROUGH EMPLOYEE ENGAGEMENT & CONSTANT LEARNING

Safety culture is the collective set of attitudes, norms, beliefs and practices that are shared with respect to risk and safety. Vectren is committed to a positive safety culture that creates collaboration, positive attitudes toward compliance, responsibility for the safety of each other and the public, protection of the environment and collective investment in the health of the business. **Vectren's safety culture is visible within the organization through:**

- **Routine and Formal Communications** about risk identification, awareness and mitigation activities
- **Fostering Mutual Trust** at all levels from all levels from the Board of Directors and CEO to management to the individual colleague, with open and honest communication
- **Allocating Resources** to enable continuous improvement of safety performance
- **Inspiring and Enabling Our Workforce** to promote changes necessary to enhance safety
- **Cultivating Organizational Excellence** by encouraging a learning environment and employee ownership
- **Pursuing Operational Excellence** through consistent and efficient business processes and data-driven decision making
- **Prompt and Effective Incident Response** to minimize the adverse impacts
- **Leadership Commitment and Stakeholder Engagement** to enable the effective implementation and continuous improvement of safety

Vectren's Safety Management System (SMS) is a framework of goals, objectives, processes and procedures. It enables us to execute strategies using risk management, established controls, assessment and continuous improvement to meet safety and business objectives. It is built on processes providing more discipline in the use of data and other information for better decision making. Our SMS objectives strengthen and broaden Vectren's safety culture. Our overall safety performance will improve by making risk-reducing decisions.

In 2017, Vectren met with the Indiana Pipeline Safety Division and PHMSA as a courtesy to review Vectren's SMS and for PHMSA to formulate SMS audit plans based on Vectren's SMS. Vectren has demonstrated that its Safety Management System is an industry leading program. PHMSA confirmed that in its on-site program review in 2017. Vectren has participated in the American Gas Association (AGA) Safety Management System Pilot Program with twelve other utilities over the last two years. Vectren has been a leader in the program and continues to present at AGA, National Association of Pipeline Safety Representatives, and other industry conferences about the SMS journey. Every member of our workforce is expected to be a champion of Safety. With clear expectations of ownership and accountability, Vectren has seen increased engagement across the organization and outside the organization with our contractors, excavators and first responders.

Vectren is committed to keeping employees and the communities we serve safe. One of the pillars of employee safety is education, and Vectren strives to provide a continual learning environment. At Vectren, learning starts at the hiring and apprenticeship stage and continues with advanced training throughout an employee's career. Vectren currently has ten formal apprenticeship programs. These programs have evolved over time based upon employee feedback and the continued evolution of technology advancement, and include a significant portion of time in the field with mentors. The Company shows its commitment to employee learning with regional learning centers. 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.

Safety from the Ground Up

While employee knowledge and skill are critical to ensuring safety, Vectren's workforce development strategy also focuses on employee awareness and engagement. Vectren has standing Safety Teams at the power plants and divisional levels. These teams drive common business unit plans that enable teams to learn from each other and solve problems holistically. A Safety Culture Advisory Team consisting of representatives from both Vectren and Union leadership monitor the activities of the Safety Teams and set collaborative strategy. The Safety Teams work to solve problems locally, but also have the ability to move up and down the organization as needed to resolve concerns. And we are not just focused on safety for employees in the field. Each physical area of the corporate and call center facilities have designated Safety Captains, which help to promote safe activities and training for office roles, and includes risk reduction with ergonomic assessments, emergency planning and hazard recognition.

Structured Safety Meetings

One example of the collaborative approach to employee safety between teams is the creation of Structured Safety Meetings, which was a concept proposed by Union leadership to increase participation and ownership of local safety meetings. The teams employ standard work instructions and visual management boards to communicate safety issues, training and metrics. Conversation is not limited to employee safety, but also has a focus on public and infrastructure safety awareness – expanding the idea that overall risk management is all of our jobs.



DIVERSITY, INCLUSION & HUMAN EQUITY

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 organizations success. This positions us to leverage the unique skills, attributes and talents of each individual.

The transition 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.

VECTREN FOUNDATION

One of Vectren's core values is a commitment to the communities in which we serve. Vectren and its employees support the communities in which we live and work via the Vectren Foundation, employee giving and volunteerism.

In 2017, Vectren funded the Vectren Foundation from earnings as the result of recent tax reform. The \$70 million infusion will be used to help local communities grow in their quality of life and take place over a 10-year period.

2017 Vectren Community Impact

Using Everyday Opportunities to Achieve Extraordinary Outcomes

With \$5 Million in Grants and Sponsorships to 400+ Organizations, Here's How We Impacted Our Communities in 2017:

Education:

\$1,300,000 Invested

Supported 209,000 Students and 2,800 Teachers



Community Sustainability:

\$3,940,000 Invested

14,500 Workforce Trained and Assisted 35,000 with Services

Environmental + Energy Conservation:

\$323,500 Invested

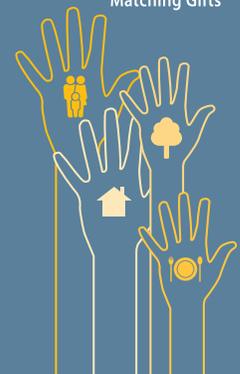
Planted 255 Trees and Removed 79,200 lbs. of Trash



Team Vectren:

56,000+ Hours Contributed by

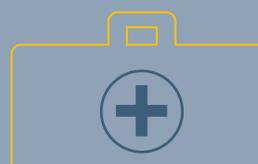
1,500 Team Members Sparking \$93,000 Matching Gifts



Disaster Assistance:

\$205,000 Invested

Supported Disaster Relief Efforts for Hurricanes Harvey, Irma and Maria



Learn more at vectren.com/foundation



Community Catalyst Program

Vectren’s community sustainability strategy centers upon Vectren’s ability to bring participants together to revitalize neighborhoods. Community Catalyst is a key program initiated by the Vectren Foundation to drive targeted sustainability efforts across the Vectren service territory. Through this effort, Vectren builds strategic partnerships with community stakeholders in a variety of fields including education, healthcare, non-profit organizations and neighborhood residents. Stakeholders in partnership with Vectren work together to organize neighborhoods into partnerships, develop strategic action plans driven by residents, and invest time and funds to make an impact in communities served by Vectren.

Cities & Neighborhoods

Served by our Community Catalyst Program:

Anderson, Indiana

Sweet 16
Neighborhoods
(Near West Side)

Lafayette, Indiana

Wabash Neighborhood

Marion, Indiana

Mag 7 Area

Dayton, Ohio

McCook Field &
Old North Dayton
Neighborhoods

Muncie, Indiana

Thomas Park/Avondale
& South Central
Neighborhoods

Evansville, Indiana

Jacobsville &
Tepe Park
Neighborhoods

Terre Haute, Indiana

Ryves Neighborhood

Making an Impact In Terre Haute, Indiana

In 2015, Vectren brought together local leaders with a vested interest in revitalizing the Ryves Neighborhood in Terre Haute, Ind. The group is focused on business development and employment, beautification, housing and access to services. Vectren was the catalyst which fostered new partnerships which began to make positive differences in the local community. Through this collaboration, it is possible to make a bigger, lasting impact and serve more families in the Ryves Neighborhood.

Habitat for Humanity was one partner organization who has been able to make a significant impact in the Ryves Neighborhood. In 2017, they were able to complete their first revitalization project with the help of a grant from the Vectren Foundation. The first project was an aging home which required a variety of exterior projects ranging from replacement of siding to fixing a garage door opener. The most beneficial enhancement was the installation of a new porch and railing on the front of the home. This replaced an uneven leaky porch which posed challenges for the homeowner and concerns about the impact to the overall structural foundation.

This grant from Vectren will further allow Habitat to repair homes and restore dignity to the surface of neighborhoods, assist other partners with community gardens and education and most importantly empower neighborhood residents.

Another supporting partner of the Ryves neighborhood revitalization effort joining Vectren is Rose-Hulman Institute of Technology. With funding from the Vectren Foundation, Rose-Hulman partnered with Benjamin Franklin Elementary for the Ryves Up! initiative. Ryves Up! is an afterschool program dedicated to helping students learn about STEAM (science, technology, engineering, arts and mathematics) and empowering the students in an impoverished area through gardening. The gardening program gives students social and environmental context for problem solving.

The food raised in the garden is used in the school or sold at low cost to area residents to raise funds and awareness for the program. If students can learn about growing food and see the process in their own playground, perhaps their enthusiasm could trickle out to their families and other community members. The Ryves community has some of the most intense poverty in Terre Haute and residents lack access to grocery stores and other sources for healthy, natural food. Ryves Up! is helping to close the gap for this neighborhood.





ABOUT THIS REPORT

This report is 'In Accordance' with the Global Reporting Initiative (GRI) G4 Guidelines – Core option. GRI is a sustainability framework aimed at increasing transparency among businesses and organizations worldwide.

This index includes the Electric Utility Sector Supplement (EUSS). Indicators specific to the EUSS are shown as EU (#) and can be found in the 'Standard Disclosures' section.

The reporting period for most information is 2017. Data from additional years is provided where appropriate.

STANDARD DISCLOSURES	15
ECONOMIC	29
ENVIRONMENTAL	35
LABOR PRACTICES	41
HUMAN RIGHTS	50
SOCIETY	50
PRODUCT RESPONSIBILITY	53
GRI G4 CONTENT INDEX	56

STANDARD DISCLOSURES

This section of indicators contains fundamental information about our organization, details about basic strategy and analysis and descriptions of our management structure and stakeholders.

STRATEGY & ANALYSIS

G4-1 Statement from the Most Senior Decision-Maker of the Organization

In 2011, Vectren published its inaugural sustainability report. The title – Sustainability in Practice – was selected because we believe that Vectren was leading with sustainable business practices before the concept of sustainability became as widely recognized as it is today. In subsequent reports Vectren focused on its sustainable business practices relating to such things as environmental stewardship, electric reliability, energy conservation, safety, financial performance and its successful community sustainability programs.

We are excited to release our latest report entitled – Next Generation Sustainability – which reflects the evolving direction that Vectren is taking as it transitions its electric generation portfolio from nearly total reliance on baseload coal to a fully diversified and balanced energy mix that, along with our grid modernization plan, we believe will ensure Vectren meets its long term electric supply needs in a safe and reliable manner while dramatically lowering our carbon emissions. Our plan for a diversified generation portfolio is the result of a comprehensive integrated resource planning process, which included multiple opportunities for stakeholder input, and provides for the retirement of three aging coal-fired units and exit of a fourth, replacement of those units with new highly-efficient natural gas-fired generation and investment in utility solar projects commencing as early as 2018. Our new generation portfolio is expected to reduce Vectren's emissions of carbon 60% from 2005 levels, well below the emission targets called for in international accords, as well as provide for significant reductions of other air emissions and wastewater.

In addition to planning for a diversified fuel portfolio, in 2017 Vectren released its future electric grid modernization plan, another significant step toward Next Generation Sustainability. Vectren's multi-year grid modernization plan consists of over 800 infrastructure projects through 2024 and joins its existing gas infrastructure investment plan to ensure Vectren continues to provide safe, reliable, service that meets the needs of its customers.

And finally, in furtherance of our continued efforts to enhance our corporate and sustainability governance and transparency, we have included a detailed discussion in this report of our current corporate governance structure, including the formation of a new Corporate Sustainability Disclosure Committee to ensure our stakeholders can continue to rely on the consistency and accuracy of the information contained in this and future sustainability reports and across all public disclosures by the Company on such matters.

Carl L. Chapman
Chairman, President & CEO

John D. Engelbrecht
Chair, Corporate Responsibility & Sustainability
Committee of the Board of Directors

Angila Retherford
Vice President, Environmental Affairs
& Corporate Sustainability

ORGANIZATIONAL PROFILE

G4-3 Name of the Organization Vectren Corporation

G4-4 Primary Products, Services & Divisions

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).

G4-5 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) (www.vectren.com/corporate/about).

G4-6 Countries of Operation

Vectren solely operates in the United States of America.

G4-7 Ownership & Legal Form

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

G4-8 Markets Served

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. For a detailed description of the company, please see our 2017 Annual Report and Form 10-K (investors.vectren.com).

G4-9 Scale of the Reporting Organization

Workforce

As of December 31, 2017, Vectren and its consolidated subsidiaries had approximately 5,500 employees. Of those employees, 700 are subject to collective bargaining arrangements negotiated by Vectren's utility division and 2,800 are subject to collective bargaining arrangements negotiated by the infrastructure services division. Please see response to Standard Disclosures indicator G4-10 for a detailed breakdown of Vectren utility and corporate employees by region.

Shareholders

As of December 31, 2017, Vectren had 83.0 million shares outstanding and approximately 7,800 registered shareholders. Vectren had a market capitalization of 5.4 billion and our largest shareholder was BlackRock, Inc. which held approximately 8.3 million shares, or 10 percent.

Financial Information

All revenues are sourced from operations within the U.S. In 2017, Vectren reported operating revenue of \$2,657.3 million. For additional financial data, please see the response to Economic indicator G4-EC1 and our 2017 Annual Report and Form 10-K (investors.vectren.com).

Products & Services

Vectren provides energy delivery services of natural gas and electric to customers in Indiana and Ohio. For a detailed breakdown of our customers by fuel source and region, please refer to indicator G4-EU3.



G4-10 Total Utility & Corporate Workforce

Total Workforce by Gender & Territory (2017)*

	Males	Females	Total
Vectren Indiana–North	380	68	448
Vectren Indiana–South	786	477	1,263
Vectren Ohio	152	32	184
Total Employee Headcount	1,318	577	1,895
*Excludes subsidiaries. Vectren does not track this information for contractors.			

G4-11 Percentage of Employees Covered by Collective Bargaining Agreements

Total Workforce by Employment Type/Contract & Territory (2015-2017)*

	2015	2016	2017
Total Bargaining Headcount	706	704	708
-Vectren Indiana-North Bargaining Headcount	267	274	277
-Vectren Indiana-South Bargaining Headcount	324	311	307
-Vectren Ohio Bargaining Headcount	115	119	124
Total Non-bargaining Headcount	1,117	1,160	1,187
Total Employee Headcount	1,823	1,864	1,895
-% Bargaining	38.7%	37.8%	37.4%
*Excludes subsidiaries. Vectren does not track this information for contractors.			

G4-12 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 ensure 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 expires, 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 & Development

Vectren 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, small disadvantaged business owned enterprises and HUB Zone businesses to compete in our procurement opportunities.

Our Supplier Diversity commitment includes encouraging our primary, large non-minority suppliers to utilize diverse businesses in the fulfillment of their contracts with us, as Tier II diverse spend reporting has become a best practice among many utilities. This practice expands our overall supplier diversity efforts and spurs a much larger impact across the industry.

Vectren spent \$58 million in 2017 with Tier I and Tier II diverse business enterprises to support its operations, thus closing the year with 9.5% of total sourceable spend with diverse business enterprises. Our diverse spend is inclusive across all three operating utilities with our total spend reflective of our operational activities in Indiana (\$35M) and Ohio (\$23M). The diverse business enterprise makeup of our total dollars spent resulted in 29% with Minority Owned, 61% with Women Owned, 2% with Veteran and Service-Disabled Veteran Owned, and 7% with Small Disadvantaged and HUB Zone Businesses.

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

NAWBO Indianapolis recognized Vectren's outreach efforts with the 2017 Indianapolis Choice Award, for being a powerful advocate for inclusion on behalf of their certified members and women-owned businesses throughout the state.

Supply Chain's Impact

Supply Chain efforts resulted in over \$10 million in direct savings and cost avoidance in 2017. Procurement strategies resulted in over \$325 million spent with Indiana and Ohio suppliers.



G4-13 Significant Changes During the Reporting Period Regarding Size, Structure, Ownership or Supply Chain

None

G4-14 Precautionary Approach

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

G4-15 External Initiatives & Endorsements

Vectren supports the programs of the United Way. Please see response to Standard Disclosures indicator G4-16 for additional information.

G4-16 Memberships in Associations

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

IDENTIFIED MATERIAL ASPECTS & BOUNDARIES

G4-17 Operational Structure

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.

G4-18 Process for Defining Report Content

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 G4-24 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 G4-19 for a complete list of identified material topics).

G4-19 Material Aspects Identified in the Process of Defining Report Content

Material Aspects	Scope	Aspect 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	Benefitting 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
Product Service and Labeling	Correctly labeling products and services for health and safety concerns	Customers



G4-20 Aspect Boundary Within the Organization

The material aspects identified in Standard Disclosures indicator G4-19 are applicable to the Utility Group operating units (Vectren Indiana–North, Vectren Indiana–South and Vectren Ohio) identified within the scope of this report. Please see Standard Disclosures indicator G4-19 for material aspects inside the boundary of the organization.

G4-21 Aspect Boundary Outside of the Organization

Material aspects identified in Standard Disclosures indicator G4-19 affect many of our external stakeholders outside the actual Utility Group operating units (Vectren Indiana–North, Vectren Indiana–South and Vectren Ohio). Our external

stakeholders, including customers and local communities, identified the following aspects as highest priority: customer health and safety, product services and labeling, environmental issues and local communities. Please see Standard Disclosures indicator G4-19 for more information on material aspects and the external stakeholders that each material aspect affects outside of the organization.

G4-22 Restatements of Information

None

G4-23 Significant Changes in Scope & Boundaries

None

STAKEHOLDER ENGAGEMENT

G4-24 Stakeholder Groups

The following table includes the identified stakeholder groups and key topics of concern identified in our materiality survey.

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

G4-25 Identification of Stakeholders

Vectren defines a stakeholder as any person or group impacted by or impacting company operations. Please see response to Standard Disclosures indication G4-24 for a list of identified stakeholder groups.

G4-26 Approaches to Engaging Stakeholders

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

G4-27 Response to Stakeholder Concerns

Please see response to Standard Disclosures indicator G4-19 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 (investors.vectren.com).



REPORT PROFILE

G4-28 Reporting Period (E.G., Fiscal/Calendar Year) for Information Provided

January 1, 2017– December 31, 2017 (data from additional years provided where appropriate)

G4-29 Date of Most Recent Previous Report

Released Vectren's 2016 Sustainability Report in accordance with GRI G4 in November 2017.

G4-30 Reporting Cycle

Annual

G4-31 Contact Point for Questions

sustainability@vectren.com

G4-32 GRI Content Index

This report was developed using the GRI G4 Guidelines reporting framework with the Electric Utilities Sector Supplement. This report is "In Accordance" with the GRI G4 Guidelines – Core option. The GRI G4 Content Index is contained within this listing.

G4-33 External Assurance

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.

GOVERNANCE

G4-34 Governance Structure

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.

G4-38 Composition, Mandate & Responsibilities of the Board of Directors

As of December 31, 2017, 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 & Committee Membership (2017)

Director	Term Start	Age (Gender)	Committee(s)
Carl L. Chapman	2009	62 (M)	
Derrick Burks	2017	61 (M)	Audit; Finance
James H. DeGraffenreidt, Jr.	2010	64 (M)	Governance; CRS
John D. Engelbrecht	2000	66 (M)	Chair of CRS; Finance
Anton H. George	2000	58 (M)	Compensation; CRS
Robert G. Jones	2011	61 (M)	Chair of Finance; CRS
Patrick K. Mullen	2014	53 (M)	Compensation; Governance
R. Daniel Sadlier	2003	70 (M)	Audit; Chair of Compensation
Michael L. Smith	2006	69 (M)	Chair of Audit; Governance
Teresa Tanner	2015	49 (F)	Compensation; Finance
Jean L. Wojtowicz	2000	60 (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 (2017)

Director	Primary Job Function & Other Commitments
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

Continued on Next Page



Board Commitments (2017) Continued

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

G4-39 Board Chair

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. More information on the lead director's responsibilities can be found in the Corporate Governance Guidelines on the Corporate Governance page on Vectren.com (www.vectren.com/corporate/governance).

G4-41 Board Processes for Resolving & Avoiding Conflicts of Interest & Disclosure Practices

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. Material relationships are disclosed annually to stakeholders in the Report of the Nominating and Corporate Governance Committee posted on the Corporate Governance page on Vectren.com (www.vectren.com/corporate/governance).

ETHICS & INTEGRITY

G4-56 Organizational Values & Code of Conduct

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. New employees receive training and acknowledge acceptance of the Code as part of the on-boarding process. The Code is posted on the Corporate Governance page on Vectren.com (www.vectren.com/corporate/governance). No waivers from the Code's provisions were granted in 2017.

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. The next survey will be conducted in 2019.

G4-57 Mechanisms for Ethical Consultation

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.

G4-58 Reporting Ethical Concerns & Violations

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.



ELECTRIC UTILITY SECTOR SUPPLEMENT

G4-EU1 Installed Capacity

Capacity (2017)

	MW
Installed Capacity	1,248
– Installed Capacity: Coal	1,000
– Installed Capacity: Natural Gas	245
– Installed Capacity: Landfill Gas	3
Purchased Capacity	112
– Purchased Capacity: Coal	32
– Purchased Capacity: Wind	80

G4-EU2 Net Energy Output

Net Energy Output (2017)

	Total (MWh)
Coal	4,538,667
Natural Gas	27,426
Landfill Gas	11,670
Purchased Coal	141,341
Purchased Wind	220,685
Total Energy Output	4,939,789

G4-EU3 Number of Residential, Industrial, Institutional & Commercial Customer Accounts

Customer Accounts by Territory (2017)

	Residential	Commercial	Industrial	Other	Total
Vectren Indiana–North	540,013	51,514	957	-	592,484
Vectren Indiana–South (Natural Gas)	101,064	10,304	112	-	111,480
Vectren Indiana–South (Electric)	126,443	18,648	112	40	145,243
Vectren Ohio	293,736	23,662	674	-	318,072

G4-EU4 Length of Above & Underground Transmission & Distribution Lines by Regulatory Regime

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

Transmission & Distribution Primary Circuit-Miles (All Voltages - 2017)

	Miles
Transmission (All Voltages)	1,007.3
Distribution (All Voltages)	4,311.4
Total Transmission and Distribution	5,318.7
– Overhead Transmission and Distribution	4,037.2
– Underground Transmission and Distribution	1,281.5

Transmission & Distribution Primary Circuit-Miles by Voltage Category (2017)

Voltage	Miles
4.16kV	81.7
12.47kV	4,229.7
69kV	568.0
138kV	375.5
345kV	63.8

G4-EU5 Allocation of CO₂ Emissions Allowances or Equivalent, Broken Down by Carbon Trading Framework

Not applicable in the United States.



ECONOMIC

This section of indicators contains information about our economic performance and position and how we directly and indirectly impact markets and communities.

ECONOMIC PERFORMANCE

G4-DMA Economic Performance

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 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 a generation plan.

- Provide total annual shareholder return of 9-11%
- Deliver consolidated earnings & dividend growth of 6-8%
- Deliver utility earnings growth of 5-7%
- Deliver long-term nonutility EPS growth of approx. \$0.06-0.10/year
- Target a consolidated payout ratio of 60-65% with a utility payout ratio of 70%

G4-EC1 Direct Economic Value Generated & Distributed

Selected Financial & Corporate Data for Vectren Corporation (2015-2017)

(In millions except per share data)	2017	2016	2015
Total Operating Revenues	\$2,657.3	\$2,448.3	\$2,434.7
Total Operating Expenses	\$2,338.9	\$2,066.8	\$2,072.9
Net Income	\$216.0	\$211.6	\$197.3
Total Assets	\$6,239.3	\$5,800.7	\$5,409.9
Total Liabilities	\$4,390.0	\$4,032.6	\$3,726.1
Total Shareholders' Equity	\$1,849.3	\$1,768.1	\$1,683.8
Basic and Diluted Earnings per Share of Common	\$2.60	\$2.55	\$2.39
Net Cash from Operating Activities	\$498.8	\$524.1	\$505.2
Payments to capital providers and the government	\$305.1	\$272.7	\$370.7
– Dividends on common stock	\$141.9	\$134.2	\$127.3
– Interest Paid	\$86.4	\$86.6	\$84.2
– Taxes Paid	\$76.8	\$51.9	\$159.2
Capital expenditures, excluding AFUDC equity	\$602.6	\$542.0	\$476.9
Community investments*	\$5.6	\$5.2	\$5.5

Data from 2017 Vectren Form 10-K filed with the SEC on 2/21/2018, 2016 Vectren Form 10-5 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

Our 2017 Annual Report and Form 10-K, which was filed with the SEC on 2/21/2018, and our 2018 Proxy Statement can be found online at investors.vectren.com.



INDIRECT ECONOMIC IMPACTS

G4-DMA Indirect Economic Impacts

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. **This is accomplished through:**

- Proactive community engagement
- Designing & constructing infrastructure to serve new sites
- Reliable electrical & natural gas delivery
- Continuous engagement of all internal & external stakeholders

Economic Development Initiatives Within Vectren's Indiana Service Territory

In 2017, 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 \$2 billion, with the projected creation of over 11,500 full-time jobs over the next several years. A large majority of announced new jobs (~85%) were the result of existing business expansions, with the rest (~15%) coming from new business attraction. The 5 largest capital investment projects announced in 2017 include United Postal Service (\$261M expansion), Grotec Aquaculture (\$144M expansion), NTK Precision Axle (\$100M expansion), BWI North America (\$82M new location) and Fukai (\$57M expansion).

In Vectren Indiana-South, announced capital investment was approximately \$1 billion, with the projected creation of around 1,200 jobs. Most new investment came from expansions (~90%), with the rest coming from new location projects (~10%). Several companies announced the creation of over 100 new jobs including Eagle Railcar Services (100), Toyota Motor Manufacturing Indiana (400), BWXT (110), and Alcoa (196). In 2017, Vectren Indiana-South was a microcosm of Indiana's diverse economy, with a wide variety of industries announcing growth projects. Examples of these sectors include automotive, railroad, pharmaceuticals, plastics, information technology, and defense.

Economic Development Initiatives Within Vectren's Ohio Service Territory

In 2017, the Vectren Ohio economic development team worked with regional and local economic development partners resulting in a record, \$949.7 million in new capital investment. The new investment was centered in Montgomery County, with nine surrounding counties experiencing a total growth of approximately 2,078 new jobs. These jobs accounted for \$112.3 million in new annual payroll, resulting in an average annual salary of \$54,000 per new job. The region also retained approximately 10,207 jobs. The 37 economic development projects were led by Hematite, Inc., Midmark Corp., and Alkermes, Inc. creating a total of 289 new jobs.

G4-EC7 Development & Impact of Infrastructure Investments

Vectren invests substantially in natural gas pipeline 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, 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 \$581 million in the replacement of aged BS/CI gas distribution pipeline infrastructure in Indiana and Ohio. Vectren has also invested approximately \$233 million on improvements to its gas transmission pipeline infrastructure since 2012, and \$78 million on improvements to its gas distribution system infrastructure since 2013. Vectren's total investment in gas infrastructure modernization programs in Indiana and Ohio is approximately \$892 million.

In 2017, Vectren completed the first 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. During the year, Vectren invested approximately \$28 million in electric distribution system improvements, and approximately \$12 million in electric transmission system improvements. Vectren's total investment during 2017 in electric system reliability, safety, and modernization programs within Indiana is approximately \$40 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 2017, there were approximately 730 jobs in Indiana and approximately 400 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 10 year investment period.

G4-DMA Availability & Reliability

Vectren maintains its generation fleet for reliable operation. An all-inclusive maintenance management process for work identification, prioritization and scheduling allows us to achieve reliable operation of our generating units. Continuous improvement projects and employee training are also key elements of our short and mid-term reliability strategy. In the long term, the Integrated Resource Plan (IRP) helps to assure the best resource plan is in place to reliably meet future load requirements, please see Vectren's IRP plan at www.vectren.com/IRP.

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.

No new capacity is currently under construction, however the 2016 IRP release tells of future changes to our generation portfolio. Vectren's existing coal fired generators are 100 percent equipped with sulfur dioxide (SO₂) scrubbers and 90 percent are equipped with selective catalytic reduction systems for nitrogen oxide (NO_x) removal.

G4-DMA Demand Side Management

Energy efficiency (EE) has generally been accepted as a critical function of utilities to mitigate climate change, delay the need to build new generation, save customers money on their utility bills and improve customer satisfaction. Vectren's commitment to EE programs continues to achieve significant energy savings.

Vectren's gas and electric EE programs encourage customers to manage their energy use through a variety of approaches including: residential and business audits which help customers identify energy savings opportunities; in-store lighting discounts which apply utility-sponsored rebates at the time of purchase; appliance recycling which encourages customers to remove their inefficient refrigerators and freezers; rebates on equipment and services which reduce the initial higher costs for efficient products; home energy reports that utilize behavioral science to influence energy usage; and commercial equipment upgrades and maintenance. In 2017, the Vectren EE portfolio achieved more than 44,000 MWh electric savings and approximately 4.4 million therms for measures implemented or installed in that year. Most of these measures will continue to reap savings for many years to come. Since their inception in 2010, Vectren's electric EE programs have saved enough energy to power over 115,000 homes. Vectren's natural gas EE programs have saved enough energy to heat over 250,000 homes since their inception in 2006.

Vectren's EE programs are generally separated into two groups: residential and commercial. In 2017, the residential electric programs achieved over 24 million kWh of savings and the natural gas residential programs achieved approximately 3.5 million therms of savings. The Commercial electric programs achieved 20 million kWh of savings and the natural gas business programs achieved an estimated 883 thousand therms of savings.

As evidence of its commitment to long-term EE, in 2017, Vectren Indiana-South completed implementation of its Conservation Voltage Reduction (CVR) program. The CVR technology was deployed on the Buckwood Substation in 2017, with the plan for another substation to follow in 2020. The CVR program is an energy savings and demand response (DR) program that achieves conservation through automated monitoring and control of voltage levels provided on distribution circuits. With the CVR, the utility systematically reduces voltages in its distribution network, resulting in a proportional reduction of load on the network. Consumers receive a lower but still acceptable voltage and use less energy to accomplish the same tasks. End use customers realize lower energy and demand consumption when CVR is applied to the distribution circuit from which they are served. The CVR strategy can provide benefits for emergency load relief, sub-station voltage reduction, peak load management and customer end-use efficiency.

Vectren continues to offer integrated EE programs, meaning that its electric and natural gas programs are jointly delivered to best penetrate customer markets. With combined efforts, the same home or business may be given deeper savings in the same retrofit rather than having to participate in separate programs.

Demand Response

Vectren's DR program, referred to as Summer Cycler, is a voluntary energy management program which uses direct load control (DLC) switches to briefly cycle air conditioning and water heating units in customer homes during periods of peak electricity demand. Summer Cycler participants earn \$5 monthly bill credits during the cooling season of June through September. By cycling off major electric appliances for short periods of time, peak power demand can be trimmed with little or no customer discomfort or inconvenience. As of 2017, about 23,000 residential customers have switches installed. Today, our DLC program is able to curtail 19.2 MW in peak demand savings during times of high use.

Future of Demand Side Management

With changes in technology, there are many opportunities for Vectren to position itself to provide customers with actionable steps for better managing their energy usage and costs. Vectren's EE and DR programs are expanding by integrating smart/Wi-Fi thermostats into the program mix. In 2018, Vectren's Income Qualified Weatherization and Multi-Family Programs will begin installing Nest thermostats in homes to help improve efficiency, in lieu of programmable thermostats.

As the market shifts towards all things smart, Vectren will also launch a "Smart Cycle" initiative. Smart Cycle encompasses various avenues for customers to participate in EE and DR related smart thermostats programs. This initiative includes the 2,000 smart thermostat units which were installed in eligible homes in 2016. Beginning in 2018, Vectren will offer two additional ways to engage customers in this initiative.



1,000 direct load control (DLC) Summer Cycler Switches will be changed out for Nest Thermostats in 2018. These thermostats provide two-way communication and serve as a strategic option for cost effective load control solutions. As an alternative to the older DLC switches, the thermostats provides customers more control over their energy use through optimization of heating and cooling of a home. Over the next decade, Vectren plans to replace all DLC switches with smart thermostats.

The Bring Your Own Thermostat Program, also planned to kick off in 2018, allows customers who have their own Smart/Wi-Fi enabled device from multiple potential vendors to participate in DR and other load curtailing programs managed through the utility.

Empowering and engaging the customer can significantly improve participation and satisfaction with the program.

G4-DMA Research & Development

Vectren actively monitors and tracks trends and advancements in both conventional and emerging energy technologies as a normal part of its operations. Vectren employs a cross functional approach to engage multiple departments in sharing information and discoveries, and jointly delving into market research and strategic analysis of emerging technologies. Vectren's research activities play an important role in understanding the future of the utility industry and how to better serve its customers.

Vectren colleagues actively develop and maintain relationships with industry peers, new technology and solution providers, and research organizations. Vectren also cultivates connections with public and private market and technical research organizations. The company's research activities cover a broad range of subject areas including distributed grid operations and energy resources, environmental control technologies such as carbon capture and storage, and other cutting edge solutions such as microgrids, energy storage and resource aggregation. In addition, Vectren is actively exploring innovative service offerings to increase customer access to renewable energy sources and to increase quality of life through smart city solutions.

Vectren is leading multiple projects to advance the company's research and pilot emerging technologies. Vectren is leading the design of exploratory energy technologies in the new Urban Living Research Center, a mixed use development that will host a variety of emerging technologies including solar, lithium-ion battery energy storage, electric vehicle charging, high-efficiency HVAC and water heating, smart home technologies, and customer energy management solutions. The facility will demonstrate the feasibility of these technologies and provide a platform for ongoing validation and verification of the energy savings and customer benefits achievable with emerging energy technologies. Vectren will engage with independent third parties to verify the accuracy of the experimental design and to ensure consistent and reliable findings.

G4-EU11 Average Generation Efficiency of Thermal Plants

Fleet Efficiency (2017)

	Efficiency
Coal Fleet Annual Efficiency	11,001 BTU per kWh (31.0% efficient)
Natural Gas Peaking Unit Fleet Efficiency	13,449 BTU per kWh (25.4% efficient)

Federal Energy Regulatory Commission Form 1 Heat Rates (2017)

	Fuel Burned	Avg. Fuel Heat Content	Avg. BTU per kWh of Net Generation
A.B. Brown Units 1 & 2: Coal	929,116 Tons	11,575	11,307
A.B. Brown Units 1 & 2: Natural Gas	183,717 Mcf	1,050	-
A.B. Brown Unit 3: Natural Gas	110,201 Mcf	1,050	13,548
A.B. Brown Unit 3: Oil	5,020 Gallons	139,000	-
A.B. Brown Unit 4: Natural Gas	182,039 Mcf	1,050	13,037
BAGS* 2: Natural Gas	49,566 Mcf	1,050	13,639
F.B. Culley: Coal	854,191 Tons	11,408	10,773
F.B. Culley: Natural Gas	351,014 Mcf	1,050	-
Northeast Turbines (1 & 2): Natural Gas	6,732 Mcf	1,050	19,801
Warrick Unit 4: Coal	362,464 Tons	11,486	10,862
Warrick Unit 4: Natural Gas	96,344 Mcf	1,050	-
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 & Distribution Losses

Transmission and distribution energy losses were 2.83 percent and 3.65 percent respectively, as a percentage of total available energy for the twelve months ending December 31, 2017.



ENVIRONMENTAL

This section of indicators contains information about our energy conservation initiatives and land and habitat management efforts.

ENERGY

G4-DMA Energy

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.

G4-EN6 Energy Efficiency Initiatives

2017 Facility Improvements

In 2017, we made the following improvements to Vectren facilities:

- Replaced the variable speed drives on the HVAC units at our NP Wagner & SSC complexes to provide better control
- Replaced the boilers at the NP Wagner complex which can result in a 760 ton reduction in annual carbon output (Calculations provided by Johnson Controls per the estimated reduction in natural gas usage)
- Replaced numerous older model heaters throughout Vectren's field office garages
- Installed window tinting throughout various areas of the NP Wagner complex to reduce heat from sunlight

2017 Fleet Upgrades

In 2017, the following efficiency upgrades were made to Vectren's vehicle fleet:

- Purchased 1 plug-in, hybrid electric bucket truck
- Purchased 1 plug-in, electric fork lift
- Replaced 24 light-duty vehicles with E85-complaint vehicles
- Replaced 30 medium-duty vehicles with E85-complaint vehicles
- Overall, fuel economy increased by ~0.86%

G4-EN8 Water Usage

Please see the following table for information for water withdrawal by source. At 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 & Ground Water Usage (2017)

	Surface Water*	Ground Water
A.B. Brown	2,039.6 million gallons	348.6 million gallons
F.B. Culley	77,454.2 million gallons	127.1 million gallons
Total	79,493.8 million gallons	475.7 million gallons

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

G4-EN10 Water Recycling & Reuse

Water Recycling & Reuse (2017)

	Water Recycled or Reused
A.B. Brown	125,481.4 million gallons
F.B. Culley	0.2 million gallons
Total	125,481.6 million gallons
The variance between plants is primarily attributable to recirculation in the cooling towers; in addition to the ability to reuse ash pond water at the A.B. Brown plant.	

G4-EN21 Air Emissions

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.

Annual System Emissions (2015-2017)

	2015 (Tons)	2016 (Tons)	2017 (Tons)
Sulfur Oxide (SO ₂)	12,894	6,004	5,559
Nitrogen Oxide (NO _x)	4,639	4,325	3,908
Particulate Matter (PM)*	219	279	238
Total	17,752	10,608	9,705
* Totals include Vectren's share (50 percent) of total Warrick Unit 4 emissions.			

G4-EN25 Transported Hazardous Waste

None

G4-EN33 Significant Negative Environmental Impacts in the Supply Chain

Vectren strives to reduce the consumption of new materials and the waste streams resulting from its extensive supply chain. Our robust reuse and recycle program for hazardous and non-hazardous waste has diverted more than a half million tons of waste from the landfill each year, reducing the need to purchase new materials and generating new revenue streams which help offset disposal costs. This program has been effective in reducing environmental impacts while utilizing materials already in our supply chain.

For more about Vectren's recycling programs, please see Environmental DMA Effluents and waste indicator and Environmental indicator G4-EN23.

G4-EN34 Environmental Grievances Filed, Addressed & Resolved Through Formal Grievance Mechanisms

None



EMISSIONS

G4-DMA Emissions

Vectren is dedicated to environmental stewardship. Our employees and their families live and work in the same cities and towns, breathe the same air and utilize the same natural resources as our customers. We are committed to fully complying with all environmental regulations and providing energy products and services that not only meet customer needs, but also enhance the quality of life in each of our communities.

Vectren's power system is one of the best controlled in the Midwest. By investing millions of dollars in new emissions control technology, we have been able to dramatically reduce emissions at existing facilities.

- Since 2005 and through 2017, we have achieved reduced emissions of CO₂ of 30% (on a tonnage basis). With a three year average emission reduction for the period of 2015 to 2017 is 35% from 2005 levels.
- SO₂ emissions are down more than 90% since 1970. All units in the Vectren system are equipped with scrubbers for SO₂ control.
- NO_x emissions are down 80% since 1970. All units in the Vectren system are controlled for NO_x, with four of the five units having selective catalytic reduction technology for advanced NO_x control.
- All units in Vectren's system have advanced controls for particulate matter, with two units having state-of-the-art fabric filters which remove 99% of soot and dust.

Current initiatives to increase conservation and reduce emissions include:

- Implementing conservation initiatives in Vectren's Indiana & Ohio natural gas utility service territories
- Implementing conservation and demand side management initiatives in our electric service territory
- Adding to a renewable energy portfolio to complement base load generation in advance of mandated renewable energy portfolio standards
- Evaluating potential carbon requirements with regard to new generation, other fuel supply sources & future environmental compliance plans
- Reducing Vectren's carbon footprint by utilizing hybrid vehicles & optimizing generation efficiencies through dense pack technology
- Reducing methane emissions through the continued replacement of bare steel & cast iron gas distribution pipeline & other actions such as implementing distribution integrity management measures, installing more excess flow & remote control valves on service lines & transmission systems & enhancing damage prevention programs

G4-EN15 Direct Greenhouse Gas (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. CO₂ emissions from natural gas LDC operations are determined using emission factors and calculations as required by the EPA mandatory greenhouse gas reporting rule.

Annual CO₂ Emissions (2017)

	Metric Tons of CO ₂
Electric Generation	5,229,365
Natural Gas LDC Operations	213,763
Total	5,443,128

EFFLUENTS & WASTE

G4-DMA Effluents & Waste

Vectren continues to seek commercial opportunities to recycle and reuse its waste products wherever possible and has a robust recycling program in place across all business units.

In the Energy Delivery business, the gas distribution operations collect unused and expired natural gas pipeline for plastic recycling. In the Power Supply business, the generating facilities have recycled nearly 90 percent of the fly ash they have generated since 2009 for use by a cement kiln as a replacement for virgin materials. In addition, our F. B. Culley plant has recycled nearly 100 percent of the synthetic gypsum it has produced since 1996. Construction

routing for new gas or electric transmission lines is planned to avoid or minimize disturbance of environmentally sensitive areas. Vectren has engaged in these partnerships with an understanding that a focus on recycling and conservation during the planning and design phase of a project can yield significant savings by limiting the long-term environmental impact.

Additional waste streams diverted from the landfill include paper, aluminum, plastic, cardboard, lamps, batteries, ballasts, electronic waste, scrap metal, oil, wood debris and other items recycled, reused and donated to local charities.

G4-EN22 Water Discharge

Water Discharges (2017)

	Amount Discharged
A.B. Brown Planned Discharge	635.60 million gallons
A.B. Brown Unplanned Discharge	0.00 million gallons
F.B. Culley Planned Discharge	71,700.08 million gallons
Total	72,335.68 million gallons

Volumes derived from flow, measuring and calculations utilized for monthly National Pollutant Discharge Elimination System permit reporting. Thermal discharges included. The variance between plants is primarily attributable to the cooling towers at A.B. Brown. A.B. Brown has the ability to reuse ash pond water. Additionally, F.B. Culley's lowered ash pond levels resulted in higher-than-normal discharge.

G4-EN23 Total Weight of Waste

Total Weight of Waste (2017)

	Hazardous (Tons)	Non-hazardous (Tons)
Power Plant Waste	2.24	473.36
– A.B. Brown Waste	1.64	441.70
– F.B. Culley Waste	0.60	31.66
Energy Supply Waste	6.65	873.06
Total	8.89	1,346.42



Recycling Totals by Type of Waste (2017)

	Pounds Recycled
Paper	525,583
Aluminum	22,041
Plastic	19,873
Cardboard	359,520
Fly Ash	294,876,000
Gypsum	469,096,000
Lamps	2,771
Batteries	950
Electronics	9,334
Scrap Metals	899,800
Transformers	978,067
Oil	11,354
Glycol	37,104
Industrial Plastics	54,890
Wood Pallets and Reels	63,080
Tree Trimmings	780,000
Automotive Batteries	11,450
Tires	68,103
Total	767,815,920

ENVIRONMENTAL COMPLIANCE

G4-DMA Environmental Compliance

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.

G4-EN29 Fines & Sanctions Related to Environmental Laws & Regulations

None

ENVIRONMENTAL (OVERALL)

G4-DMA Environmental

Vectren strives to protect and preserve the environment which hosts our facilities and carries our pipelines and powerlines. Our environmental policy requires us to operate in full compliance with applicable legal requirements and we hold ourselves and those working on our behalf accountable for this commitment. We constantly seek out ways to improve energy delivery while reducing our impact on the environment. We have made strides to protect air, water and land quality by installing emissions control equipment on our power plants, improving the efficiency of our materials purchasing process,

participating in stewardship projects and substantially reducing our waste streams through reuse and recycle programs (see G4-EN23 for details on waste volumes diverted from the landfill). We work with environmental stakeholders at the national, state and local levels to identify and advance environmental and energy policies which benefit customers, shareholders and communities. We make environmental performance metrics available on an annual basis to reiterate our commitment to transparency in operations, aid in open discussions on environmental issues and build trust in the community.

G4-EN31 Environmental Protection Expenditures & Investments

Vectren's environmental protection expenditures include annual costs for environmental compliance, ongoing operations and maintenance, chemicals and capital improvements.

Environmental Protection Expenditures & Investments (2017)

Expenditure Type	Expenditure Amount
Manufactured Gas Plant (MGP) Remediation	\$431,119
Air Protection Expenditures	\$30,812,325
Waste and Water Expenditures	\$16,346,966
Permit Expenditures	\$402,677
Total 2017 Environmental Protection Investment	\$47,993,087



LABOR PRACTICES

This section of indicators contains information about the composition of our workforce, compensation practices and labor relations initiatives.

EMPLOYMENT

G4-DMA Employment

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 & 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 & 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 EAP 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 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.

As a result of creating a culture of Wellness, Vectren was awarded the American Heart Association's Fit Friendly Platinum award in April 2016 and achieved the Gold Wellness Council of America "Well Workplace" Award in May 2014.

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.

G4-LA1 New Employee Hires & Employee Turnover

New Employee Hires by Gender (2015-2017)

	2015	2016	2017
Male External Hires	146	99	127
Female External Hires	68	68	58
Total External Hires	214	167	185
– Total Female External Hires (% of total)	31.8%	40.7%	31.4%



New Employee Hires by Age Group (2015-2017)

	2015	2016	2017
Under 25	24	20	24
25-30	50	38	34
30-35	47	29	41
35-40	33	24	25
40-45	18	20	16
45-50	19	14	15
50-55	13	9	14
55-60	9	7	13
60-65	1	6	3
Total External Hires	214	167	185

New Employee Minority Hires (2015-2017)

	2015	2016	2017
Total Minority External Hires	42	21	27
– Total Minority External Hires (% of total)	19.6%	12.6%	14.6%

Turnover (2015-2017)

	2015	2016	2017
Voluntary Separations	120	106	114
– Voluntary Retirements	52	52	56
– Voluntary Resignations	68	54	58
Involuntary Separations	15	15	26
Total Separations (Voluntary and Involuntary)	135	121	140

Retirements & Resignations by Gender (2015-2017)

	2015	2016	2017
Retirements	52	52	56
– Male Retirements	38	37	38
– Female Retirements	14	15	18
Resignations	68	54	58
– Male Resignations	41	26	35
– Female Resignations	27	28	23

Retirements & Resignations by Age (2015-2017)

	2015	2016	2017
Retirements	52	52	56
– 50-54 Retirements	0	0	3
– 55-64 Retirements	33	36	42
– 65 and Over Retirements	19	16	11
Resignations	68	54	58
– Under 25 Resignations	5	2	3
– 25-34 Resignations	33	18	19
– 35-44 Resignations	14	16	18
– 45-54 Resignations	9	9	12
– 55-64 Resignations	5	6	6
– 65 and Over Resignations	2	3	0

G4-LA2 Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees

Vectren does not provide benefits to temporary or part-time employees. Please see the Benefits & Compensation page on Vectren.com for more information on our employee benefits (www.vectren.com/careers/compensation).

G4-EU15 Employees Eligible for Retirement

As of December 31, 2017:

- 473 (or 25%) of employees are eligible for retirement
- 666 (or 35%) of employees will be eligible for retirement in five years
- 978 (or 52%) of employees will be eligible for retirement in 10 years

OCCUPATIONAL HEALTH & SAFETY

G4-DMA Occupational Health & Safety

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.



G4-LA5 Workforce Representation in Formal Joint Management-Worker Health & 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.

G4-LA6 Injuries, Occupational Diseases, Absenteeism & Work-Related Fatalities

Rules for Reporting Accident Statistics & 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: Number 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: Number 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: Number of DART Days x 200,000/Man-Hours

Injury Tracking

We track first-aid injuries requiring on-site first-aid intervention and first-aid medical 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 & Rate (2017)

Group/Location	OSHA Recordables	OSHA Rate
Energy Delivery	29	3.87
Power Supply	5	2.94
Utility Support	0	0.00
Corporate	0	0.00
Total	34	1.96

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.

Fatalities

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

DART Rate & DART Severity Rate (2017)

Group/Location	DART Rate	DART Severity Rate
Energy Delivery	2.67	32.27
Power Supply	1.18	54.11
Corporate	0.00	0.00
Total	1.27	69.69

G4-LA8 Health & 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

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.

TRAINING & EDUCATION

G4-DMA Training & Education

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

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.

Vectren currently has 170 apprentices enrolled in one of our ten apprenticeship programs. Total headcount for field employees in 2017 was approximately 590, approximately 1/3 are in apprenticeship programs.



G4-LA10 Skills Management & Lifelong Learning 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.

Colleagues 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.

Please see the Careers page on **Vectren.com** for additional information on skills and learning opportunities for employees (www.vectren.com/careers).

G4-LA11 Percentage of Employees Receiving Regular Performance & Career Development Reviews

Our philosophy and expectations are that all non-bargaining employees receive an evaluation of their skills and/or performance on an annual basis.

DIVERSITY & EQUAL OPPORTUNITY

G4-DMA Diversity & Equal Opportunity

Over the past year and a half, 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 & Retention** – Enabling the organization to identify, attract, recruit, develop & retain the best talent is key to a successful human equity strategy. This area focuses on Vectren becoming a talent magnet & an employer of choice for all.
- **Culture & Environment** – Culture includes Vectren’s Vision, Mission, Core Values, norms, working language, systems, symbols, beliefs & habits. This area focuses on the collective behaviors of our leadership & associates & the meanings that they attach to their actions. “Culture is what individuals do when no one is looking”.
- **Customer Focus, Supplier Diversity & Recognition** – Understand & recognize that the diversity of our clients and suppliers enable Vectren to improve customer satisfaction & enhance economic opportunity. This area also focuses on the external recognition for being an employer & 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 & are engaged in the execution of the human equity strategy & 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.

G4-LA12 Composition & Diversity of Governance Bodies & Workforce

The following tables detail the gender and ethnicity breakdown of our total workforce. Please see response to Standard Disclosures indicator G4-38 for a breakdown of the Board.

Gender Analysis (2017)

	Female (% of Total Females)	Male (% of Total Males)	Total (Female % of Total)
Senior Executive	1 (0.2%)	6 (0.5%)	7 (14.3%)
Vice President/Director	19 (3.3%)	39 (3.0%)	58 (32.8%)
Manager/Supervisor	81 (14.0%)	222 (16.8%)	303 (26.7%)
Customer Service	116 (20.1%)	17 (1.3%)	133 (87.2%)
Office and Clerical	146 (25.3%)	19 (1.4%)	165 (88.5%)
Other Non-bargaining	178 (30.9%)	343 (26.0%)	521 (34.2%)
Bargaining	36 (6.2%)	672 (51.0%)	708 (5.1%)
Total	577 (100.0%)	1,318 (100.0%)	1,895 (30.4%)

Minority Analysis (2017)

	Minority (% of Total Minorities)	Non-minority (% of Total Non-minorities)	Total (Minority % of Total)
Senior Executive	0 (0.0%)	7 (0.4%)	7 (0.0%)
Vice President/Director	7 (3.3%)	51 (3.0%)	58 (12.1%)
Manager/Supervisor	19 (8.9%)	284 (17.0%)	303 (6.3%)
Customer Service	31 (14.5%)	102 (6.1%)	133 (23.3%)
Office and Clerical	33 (15.4%)	132 (7.9%)	165 (20.0%)
Other Non-bargaining	57 (26.6%)	459 (27.4%)	516 (11.0%)
Bargaining	67 (31.3%)	639 (38.2%)	706 (9.5%)
Total	214 (100.0%)*	1,674 (100.0%)*	1,888 (11.3%)*

* Seven employees in 2017 did not specify an ethnicity.



Females & Minorities as Percentage of Workforce (2015-2017)

	2015	2016	2017
Regular Headcount	1,823	1,864	1895
– Regular Headcount - Female	554	572	577
– Regular Headcount - Minority	194*	206*	214*
– % Female	30.4%	30.7%	30.4%
– % Minority	10.6%*	11.1%*	11.3%

* Five, four and seven employees in 2015, 2016 and 2017, respectively, did not specify an ethnicity.

Ethnicity as Percentage of Employee Group (2015-2017)

	2015	2016	2017
White	1,624	1,654	1,674
– % White	89.3%	88.9%	88.7%
Black/African-American	132	138	142
– % Black/African-American	7.3%	7.4%	7.5%
Hispanic/Latino	22	24	23
– % Hispanic/Latino	1.2%	1.3%	1.2%
Asian	13	16	17
– % Asian	0.7%	0.9%	0.9%
American Indian/Alaska Native	5	4	5
– % American Indian/Alaska Native	0.3%	0.2%	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)	21	23	26
– % Two or More Races (Not Hispanic or Latino)	1.2%	1.2%	1.4%
Total	1,818*	1,860*	1,888*

* Five, four and seven employees in 2015, 2016 and 2017, respectively, did not specify an ethnicity.

HUMAN RIGHTS

This section of indicators contains information regarding our non-discrimination policies and provides insight into incidents of discrimination.

NON-DISCRIMINATION

G4-DMA Non-Discrimination

The purpose of Vectren’s Anti-Harassment and Non-Discrimination Policy is to establish a work environment in which all individuals are treated with respect and dignity by spreading awareness as to the definition and various forms of discrimination and harassment.

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

Vectren prohibits discrimination and harassment by fellow employees, whether it be a supervisor, manager, supervised employee, or a third party who does business with the company (e.g., an outside vendor, consultant or customer).

According to our policy, discriminatory conduct is prohibited in the workplace, on company property and in any work-related setting outside the workplace, such as during business travel, meetings and business-related social events. All employees are expected to refrain from discrimination and harassment of others.

The company prohibits retaliation against any individual who, in good faith, reports discrimination or harassment or participates in an investigation of such reports.

G4-HR3 Incidents of Discrimination & Corrective Actions Taken

Vectren had no substantiated legal claims of discrimination in 2017.

SOCIETY

This section of indicators contains information about our impact on the communities we serve, how we mitigate the risk of bribery and corruption in our operations and our approach to public policy.

LOCAL COMMUNITIES

G4-DMA Local Communities

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.

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. Annually, Vectren allocates a percentage of a 3-year trailing average of pre-tax income to fund the Foundation and corporate contributions. This percentage grew from 1 percent in 2015, to 1.2 percent in 2017, and growth is targeting 1.5 percent by 2020. In 2017, Vectren and the Vectren Foundation contributed \$4.1 million to 418 organizations in three primary areas of focus: access to and advancement in education, energy conservation and environmental stewardship and community revitalization and sustainability.

In 2017, Vectren funded the Vectren Foundation from earnings as the result of recent tax reform. The \$70 million infusion will be used to help local communities grow in their quality of life and take place over a 10-year period.

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 2017, 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.



Ongoing Community Catalyst Initiatives (2017)

Location	Organize <i>Build relationships, identify partners</i>	Decide <i>Visioning, working groups, action planning, early actions</i>	Act <i>Action plan, implementation, evaluation</i>
Anderson, IN	✓	(Current Stage)	
Dayton, OH	✓	(Current Stage)	
Lafayette, IN	✓	(Current Stage)	
Terre Haute, IN	✓	✓	(Current Stage)
Evansville, IN	✓	✓	(Current Stage)
Marion, IN	✓	✓	(Current Stage)
Muncie, IN	✓	✓	(Current Stage)

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 & requirements
- Explain the relocation process & 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 & sanitary (DSS) standards
- Supply information about other federal, state & local programs offering assistance to displaced persons
- Provide assistance to minimize hardships

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 nearly 57,000 hours (combined on-the-clock and off-the-clock) in 2017. The Vectren Foundation provides matching programs for hours invested by employees as well as contributions made to colleges and universities. These programs accounted for \$85,737 dollars in 2017. Finally, a matching program also exists for contributions to local United Way organizations within Vectren's service territory. The 2017 United Way campaign generated \$710,300 in employee giving and Foundation matching.

Employees are also encouraged to engage in leadership positions in the communities we serve. In 2017, Vectren officers, directors and managers held board and committee positions in 200 community-minded organizations.

G4-S01 Operations with Local Community Engagement, Assessments & 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.

G4-EU22 Individuals Physically or Economically Displaced & Compensation

There were no physically or economically displaced persons in 2017.

G4-DMA Disaster/Emergency Planning & Response

Disaster/Emergency Preparedness & Response

Vectren has comprehensive emergency management and response plans designed to ensure we react timely and appropriately to disasters, maintain or resume critical business functions, and communicate effectively with internal and external stakeholders. Disaster/emergency preparedness and response are key components of Vectren's risk management and business continuity programs. Our personnel are trained to identify, evaluate, and manage a wide variety of hazards including, but not be limited to, those caused by fires, earthquakes, floods, storms, tornadoes, acts of civil unrest or workplace violence, pandemic/infectious disease, physical attacks, cyber-attacks, or other similar occurrences that adversely affect our stakeholders. Vectren also participates in industry groups to develop preparedness, monitoring, and response protocols for emerging hazards in our industry, including electromagnetic pulses and geomagnetic disturbances.

Our plans are tested by conducting drills, tabletop exercises, and educational sessions internally and with local, regional, and national organizations in the areas of operations, communications, and corporate support. These exercises include participation by our senior leadership, emergency responders, and operational stakeholders. Lessons learned and best practices are reviewed in incorporated into the plans as part of our continuous improvement exercises. As an example, Vectren participates in the North American Electric Reliability Corporation's biennial Grid Exercise, which simulates a cyber/physical attack on critical infrastructure across North America. The exercise includes internal participants across the organization, including, but not limited to operations, engineering, information technology, cybersecurity, physical security, communications, compliance, enterprise risk, government affairs, and our executive team.

Physical & Cybersecurity

Vectren is committed to operational security and compliance. Resilience is necessary to reliably deliver energy in today's world of ever-evolving threats. Vectren relies on our highly capable and trained workforce, technology, best practices and processes to align with the core security activities – Identify, Protect, Detect, Respond, and Recover. Vectren has dedicated internal and third-party physical and cybersecurity teams to identify, protect and detect both physical and cyber-attacks. These events could include attacks on company facilities, malicious cyber-attacks, data breaches, or other activities which impact operations or disclose customer, employee, or company sensitive data. Vectren assess plans and controls when new threats are identified.

Vectren participates in local, state and national information sharing programs to share and receive indicators of compromises and lessons learned. In addition, Vectren has joined the national level Cyber Mutual Assistance program where utilities across the country provide aid to member utilities during a cybersecurity event.

ANTI-CORRUPTION

G4-DMA Anti-Corruption

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, & financial interest in, business partners & 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 & the corporate audit department for resolution. For information on how conflicts of interest for the highest governance body are avoided & managed, please see response to Standard Disclosures indicator G4-41.
- 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 & contractors are kept aware of our Code provisions regarding conflicts of interests & 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 & external mechanisms for seeking advice or reporting concerns about unethical or unlawful behavior, please see responses to Standard Disclosures indicators G4-57 & G4-58.
- Vectren has adopted a fraud & misconduct reporting framework to ensure Code violations are investigated & questions are addressed in a timely, consistent manner. This framework ensures communication channels are known among the business units, subsidiaries & the corporate office. The framework affirms theft & corruption of any size violates trust is not tolerated & will be dealt with swiftly.



G4-SO4 Anti-Corruption Training, Communication, Policies & Procedures

Employees receive Code of Conduct training as part of new hire orientation. On an annual basis officers and Board members, utility bargaining, and non-bargaining, 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 and seek advice. 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.

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.

PUBLIC POLICY

G4-DMA Public Policy

Public policy decisions can affect businesses, and at Vectren we believe engaging in the political process is in the best interest of our company, employees and stakeholders. We track proposed legislation at the federal, state and local level and advocate our positions when appropriate. We strive to educate public officials about our businesses, the impacts of potential policy decisions and participate in industry trade associations to assist in developing industry-wide positions, including memberships in the Edison Electric Institute, American Gas Association, Indiana Energy Association and Ohio Gas Association.

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.

G4-SO5 Confirmed Incidents of Corruption & Actions Taken

The corporate audit department monitored the completion of 28 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.

G4-SO6 Political Contributions

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.

PRODUCT RESPONSIBILITY

This section of indicators contains information on how we measure customer satisfaction, improve the customer experience and protect customer data.

CUSTOMER HEALTH & SAFETY

G4-DMA Customer Health & Safety

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.

G4-PR1 Significant Product Categories for Which Health & Safety Impacts Are Assessed for Improvement

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

G4-EU25 Injuries & Fatalities to the Public Involving Company Assets

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

.....

PRODUCT & SERVICE LABELING

G4-DMA Product & Service Labeling

Vectren’s third party vendor for customer satisfaction research follows the Council of American Survey Research Organizations Code of Standards and Ethics for Survey Research, which has long been the benchmark for the research industry. Monthly phone surveys are conducted by our vendor to gauge customers’ overall perception of Vectren and satisfaction with their recent experience. In 2017 our vendor conducted two studies, perception and contact, speaking with approximately 7,000 customers. The perception survey is given to a random sample of residential, commercial and key account customers, while the contact study is a transaction based survey used to rate the customer experience for power outages, gas leaks and customer move-ins.

Additionally, our market research department conducts over 4,000 residential email surveys annually to identify specific areas of improvement within customer touch points (e.g., billing, communications, customer service, etc.). Residential customers are randomly selected to participate in this survey using known email addresses.

G4-PR5 Results of Surveys Measuring Customer Satisfaction

Vectren is committed to continuously improving the customer experience and 2017 was another successful year for Vectren’s Improving Customer Experience (ICE) initiatives, which included updating the company’s website and Automated Telephone System to enhance communications and automated processes for customers. Led by the Senior Vice President, Customer Experience, the ICE team meets regularly to discuss progress on projects aimed at improving the customer experience and evaluates and prioritizes new projects. Vectren continues to include ICE initiatives in business plans throughout the company. Two significant projects launched in 2017 to benefit customers by improving energy reliability and restoration was the Advanced Metering Infrastructure Technology Smart Meter deployment and the new Outage Management System.

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 research consists of both quantitative and qualitative feedback collected using several methods. Monthly phone surveys are conducted by a third party vendor to gauge customers’ overall perception of Vectren and satisfaction with their recent experience. In 2017, over three-quarters (78.6%) of our customers reported being highly satisfied with Vectren. Additionally, 85.6% 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 2017, Vectren also subscribed to independent research conducted by firms such as J.D. Power and E Source to track year-over-year improvement and performance relative to other utilities.

G4-DMA Access to Electricity & Customer Support

With a focused effort on keeping low-income customers safe, comfortable and secure, Vectren embraces programs and relationships which maximize federal, state and third-party financial support. We were the first utility in the United States to have a certified Bridges Out of Poverty trainer, which has allowed us to focus on the challenges faced by our most vulnerable customers and how communities can collaborate to break the cycle.

Vectren’s Universal Service Program (USP) provides discounts of 15 to 32 percent to Indiana customers receiving Energy Assistance whose household income is 150 percent of the Federal Poverty Level (\$36,900 for a family of four). Identified as a best practice, enrollment in USP is automatic when applying for energy assistance. An additional crisis/hardship component is available to households up to 200 percent of the Federal Poverty Level (\$49,200 for a family of four). Vectren funds 30 percent of the total cost of the program. Special payment arrangements are also available.

Nearly 12,000 customers participated in the Ohio regulated Percentage of Income Payment Plan Plus program. This program allows low-income customers to pay 6 percent of their income toward utility bills while providing a credit for on-time payments.

As a result of continued collaboration with our agency partners, outreach representatives made 175 visits to 48 counties served in 2017. Assistance agencies recognize our agency website as the premiere tool to provide an efficient means to obtain accurate information for assisting customers.

Vectren established Share the Warmth, Inc., as a private foundation to assist income-eligible households with energy conservation measures to reduce their utility bills. Due to growth, Share the Warmth was reclassified as a public charity in 2014. Each year, Vectren matches all public donations up to \$200,000. Funds are distributed to Indiana and Ohio Low Income Weatherization Assistance programs and combined with other funding for a whole house approach. Since 2007, more than \$1,850,000 has been raised to weatherize 758 homes.



G4-EU27 Residential Disconnections for Non-Payment

Time Between Disconnection of Service & Arrangement of Payment

- Less than 48 hours: **23,280 Customers**
- 48 hours to one week: **4,678 Customers**
- One week to one month: **4,168 Customers**
- One month to one year: **16,386 Customers**
- More than one year: **127 Customers**

Time Between Arrangement of Payment & Reconnection of Service

- Less than 24 hours: **20,677 Customers**
- 24 hours to one week: **20,328 Customers**
- More than one week: **59 Customers**

G4-EU28 Power Outage Frequency

In 2017, Vectren recorded a System Average Interruption Frequency Index (SAIFI) of 0.64. 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 2017, Vectren recorded a System Average Interruption Duration Index (SAIDI) score of 58.8. 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.

G4-DMA Provision of Information

Vectren considers the needs of a diverse set of customers and stakeholders when determining important safety and account information. Annually, Vectren provides customers with a complete brochure detailing their utility service. The brochure includes information related to financial assistance programs, gas supplier options, billing/payment, electric outage reporting, natural gas safety, gas piping and safe digging. The documents are available in both English and Spanish via our company website. Throughout the year, Vectren communicates via bill inserts and messages and online content regarding gas and electric safety. In addition, each year we engage nearly 15,000 fourth-grade students in an Energy Safe Kids classroom program, which

teaches natural gas and electricity safety. The program materials are available in both English and Spanish with access to numerous other languages. An interactive demonstration of how a live electric line works is also available for students, the community and emergency response training.

Customer bills are available in both print and online versions. Customers with special visual needs may request a large-font printed bill. Vectren's contact center staffs both English and Spanish-speaking representatives. Through the company's low income programs team, Vectren actively engages community organizations who help address customers' financial needs. They provide information on safety, budget programs, energy efficiency, payment plans and other available assistance options.

CUSTOMER PRIVACY

G4-DMA Customer Privacy

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 data breaches that are reviewed and tested on a regular basis. To date, there have been 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, as disclosed in our privacy statement. The information will 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 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.

G4-PR8 Substantiated Customer Privacy & Data Loss Complaints

None

GRI G4 CONTENT INDEX



This report is 'In Accordance' with the Global Reporting Initiative (GRI) G4 Guidelines – Core option. GRI is a sustainability framework aimed at increasing transparency among businesses and organizations worldwide.

STANDARD DISCLOSURES

Strategy & Analysis

ID	Indicator Name	Page
G4-1	Statement from the Most Senior Decision-Maker of the Organization	15

Organizational Profile

ID	Indicator Name	Page
G4-3	Name of the Organization	16
G4-4	Primary Products, Services and Divisions	16
G4-5	Headquarters	16
G4-6	Countries of Operations	16
G4-7	Ownership and Legal Form	16
G4-8	Markets Served	16
G4-9	Scale of the Reporting Organization	16
G4-10	Total Utility and Corporate Workforce	17
G4-11	Percentage of Employees Covered by Collective Bargaining Agreements	17
G4-12	Supply Chain	18
G4-13	Significant Changes During the Reporting Period Regarding Size, Structure, Ownership or Supply Chain	19
G4-14	Precautionary Approach	19
G4-15	External Initiatives and Endorsements	19
G4-16	Memberships in Associations	19



Identified Material Aspects & Boundaries

ID	Indicator Name	Page
G4-17	Operational Structure	19
G4-18	Process for Defining Report Content	19
G4-19	Material Aspects Identified in the Process of Defining Report Content	20
G4-20	Aspect Boundary Within the Organization	21
G4-21	Aspect Boundary Outside of the Organization	21
G4-22	Restatements of Information	21
G4-23	Significant Changes in Scope and Boundaries	21

Stakeholder Engagement

ID	Indicator Name	Page
G4-24	Stakeholder Groups	21
G4-25	Identification of Stakeholders	21
G4-26	Approaches to Engaging Stakeholders	22
G4-27	Response to Stakeholder Concerns	22

Report Profile

ID	Indicator Name	Page
G4-28	Reporting period (E.G. Fiscal/Calendar Year) for Information Provided	23
G4-29	Date of Most Recent Previous Report	23
G4-30	Reporting Cycle	23
G4-31	Contact Point for Questions	23
G4-32	GRI Content Index	23
G4-33	External Assurance	23

Governance

ID	Indicator Name	Page
G4-34	Governance Structure	23
G4-38	Composition, Mandate and Responsibilities of Board of Directors	24
G4-39	Board Chair	26
G4-41	Broad Processes for Resolving and Avoiding Conflicts of Interest and Disclosure Practices	26

Ethics & Integrity

ID	Indicator Name	Page
G4-56	Organizational Values and Code of Conduct	26
G4-57	Mechanisms for Ethical Consultation	26
G4-58	Reporting Ethical Concerns and Violations	26

Electric Utility Sector Supplement

ID	Indicator Name	Page
G4-EU1	Installed Capacity	27
G4-EU2	Net Energy Output	27
G4-EU3	Number of Residential, Industrial, Institutional and Commercial Customer Accounts	28
G4-EU4	Length of Above and Underground Transmission and Distribution Lines by Regulatory Regime	28
G4-EU5	Allocation of CO ₂ Emissions Allowances or Equivalent, Broken Down by Carbon Trading Framework	28

ECONOMIC

Economic Performance

ID	Indicator Name	Page
G4-DMA	Economic Performance	29
G4-EC1	Direct Economic Value Generated and Distributed	30
G4-DMA	Indirect Economic Impacts	31
G4-EC7	Development and Impact of Infrastructure Investments	31
G4-DMA	Availability and Reliability	32
G4-EU10	Planned Capacity Against Projected Electricity Demand	32
G4-DMA	Demand Side Management	32
G4-DMA	Research and Development	33
G4-EU11	Average Generation Efficiency of Thermal Plants	33
G4-EU12	Transmission and Distribution Losses	34



ENVIRONMENTAL

Energy

ID	Indicator Name	Page
G4-DMA	Energy	35
G4-EN6	Energy Efficiency Initiatives	35
G4-EN8	Water Usage	35
G4-EN10	Water Recycling and Reuse	36
G4-EN21	Air Emissions	36
G4-EN25	Transported Hazardous Waste	36
G4-EN33	Significant Negative Environmental Impacts in the Supply Chain	36
G4-EN34	Environmental Grievances Filed, Addressed and Resolved Through Formal Grievance Mechanisms	36

Emissions

ID	Indicator Name	Page
G4-DMA	Emissions	37
G4-EN15	Direct Greenhouse Gas (GHG) Emissions	37

Effluents & Waste

ID	Indicator Name	Page
G4-DMA	Effluents and Waste	38
G4-EN22	Water Discharge	38
G4-EN23	Total Weight of Waste	38

Environmental Compliance

ID	Indicator Name	Page
G4-DMA	Environmental Compliance	39
G4-EN29	Fines and Sanctions Related to Environmental Laws and Regulations	39

Environmental (Overall)

ID	Indicator Name	Page
G4-DMA	Environmental	40
G4-EN31	Environmental Protection Expenditures and Investments	40

LABOR PRACTICES

Employment

ID	Indicator Name	Page
G4-DMA	Employment	41
G4-LA1	New Employee Hires and Employee Turnover	42
G4-LA2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	44
G4-EU15	Employees Eligible for Retirement	44

Occupational Health & Safety

ID	Indicator Name	Page
G4-DMA	Occupational Health and Safety	44
G4-LA5	Workforce Representation in Formal Joint Management-Worker Health and Safety Committees	45
G4-LA6	Injuries, Occupational Diseases, Absenteeism and Work-Related Fatalities	45
G4-LA8	Health and Safety Topics Covered in Formal Agreements with Trade Unions	46

Training & Education

ID	Indicator Name	Page
G4-DMA	Training and Education	46
G4-LA10	Skills Management and Lifelong Learning Programs	47
G4-LA11	Percentage of Employees Receiving Regular Performance and Career Development Reviews	47

Diversity & Equal Opportunity

ID	Indicator Name	Page
G4-DMA	Diversity and Equal Opportunity	47
G4-LA12	Composition and Diversity of Governance Bodies and Workforce	48



HUMAN RIGHTS

Non-Discrimination

ID	Indicator Name	Page
G4-DMA	Non-Discrimination	50
G4-HR3	Incidents of Discrimination and Corrective Actions Taken	50

SOCIETY

Local Communities

ID	Indicator Name	Page
G4-DMA	Local Communities	50
G4-SO1	Operations with Local Community Engagement, Assessments and Development Programs	51
G4-EU22	Individuals Physically or Economically Displaced and Compensation	51
G4-DMA	Disaster/Emergency Planning and Response	52

Anti-Corruption

ID	Indicator Name	Page
G4-DMA	Anti-Corruption	52
G4-SO4	Anti-Corruption Training, Communication, Policies and Procedures	53

Public Policy

ID	Indicator Name	Page
G4-DMA	Public Policy	53
G4-SO5	Confirmed Incidents of Corruption and Actions Taken	53
G4-SO6	Political Contributions	53

PRODUCT RESPONSIBILITY

Customer Health & Safety

ID	Indicator Name	Page
G4-DMA	Customer Health and Safety	53
G4-PR1	Significant Product Categories for Which Health and Safety Impacts Are Assessed for Improvement	54
G4-EU25	Injuries and Fatalities to the Public Involving Company Assets	54

Product & Service Labeling

ID	Indicator Name	Page
G4-DMA	Product and Service Labeling	54
G4-PR5	Results of Surveys Measuring Customer Satisfaction	54
G4-DMA	Access to Electricity and Customer Support	54
G4-EU27	Residential Disconnection for Non-Payment	55
G4-EU28	Power Outage Frequency	55
G4-EU29	Average Power Outage Duration	55
G4-DMA	Provision of Information	55

Customer Privacy

ID	Indicator Name	Page
G4-DMA	Customer Privacy	55
G4-PR8	Substantiated Customer Privacy and Data Loss Complaints	55



ABOUT VECTREN

Vectren Corporation is an energy holding company headquartered in Evansville, Ind. Our energy delivery subsidiaries provide gas and/or electricity to more than one million customers in adjoining service territories that cover nearly two-thirds of Indiana and about 20 percent of Ohio, primarily in the west-central area. Our nonutility subsidiaries and affiliates currently offer energy-related products and services to customers throughout the U.S. These include infrastructure services and energy services.

Vectren Earnings Mix



Breakdown of Utility Earnings



Vectren Utility Service Areas



