

The ATCO logo is positioned in the top right corner of the page. It consists of the letters "ATCO" in a bold, white, sans-serif font. A horizontal orange line is positioned directly beneath the letters, extending slightly beyond their width on both sides.

2020 SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT 2020

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FORWARD-LOOKING INFORMATION

Certain statements contained in this Sustainability Report constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

The Company’s actual results could differ materially from those anticipated in any forward-looking information contained in this Sustainability Report as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions (including as may be affected by the COVID-19 pandemic) and other factors, many of which are beyond the control of the Company.

Any forward-looking information contained in this Sustainability Report represents the Company’s expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

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MESSAGE FROM THE CHAIR AND CEO

To our share owners, customers, partners, neighbours and the ATCO family,

If one thing has become clear in the wake of the COVID-19 crisis, it is that we are all connected as one global community. This has accelerated the need for a different approach to commerce—one that considers not just near-term economic pressures, but strives to create truly inter-generational and sustainable prosperity.

For many, this approach is new and unfamiliar territory. For ATCO, it has been our course for more than seven decades. Our decisions have always been based upon a holistic, long-term perspective. And, despite the immense disruption of the pandemic, we have continued to prioritize our environmental, social and governance performance while reliably delivering essential products and services to our customers, each and every day.

ATCO’s reputation is built on being there for our people, our customers and our communities in the most critical times. The pandemic, while unfamiliar, is no different. Our companies and our people were tested in 2020—and continue to be tested as the crisis persists. However, as they have time and time again, our people have persevered, banding together to provide uninterrupted essential services on several fronts.

As the exponential spread of COVID-19 strained critical medical infrastructure, we built rapidly deployable mobile health units for victims of the virus, constructed modular hospitals and mobilized hundreds of rapid-response rentals to help governments manage the unique demands of the pandemic. And, within our group of companies, we brought in safety protocols in accordance with public health guidelines and redoubled our focus on mental health support for our greatest assets—our people.

Concurrently, the people of ATCO responded with exacting precision to natural disasters, such as floods in Fort McMurray, Alberta and the devastating bush fires across Australia. Our incredible teams worked around the clock to respond to these crises, all while abiding necessary public health measures to ensure that our customers stayed safe.

When I reflect on their actions, I marvel at our people’s courage, heart and determination.

In an era when disasters have become more severe and frequent, their unrelenting focus on operational excellence, safety, and preparedness is truly a source of immense pride and our greatest competitive advantage.

Energy and the Environment

Energy innovation is a central pillar of ATCO’s strategy. The nature of energy production and consumption is transforming in parallel with our own operations and we have never stopped reimagining the “art of the possible.” Today, we continue to pioneer the innovative energy solutions our customers and partners are looking for, with a focus on enabling the transition to a net-zero emissions future.

Our strategy is predicated upon the production of cleaner fuels, renewable electricity, energy efficiency and critical energy infrastructure. This strategy, paired with our existing footprint, assets and expertise, uniquely positions ATCO to enable our customers to affordably achieve their own emissions and energy goals.

Take, for example, northern Alberta, where we recently completed Canada’s largest off-grid solar project, providing the remote Indigenous community of Fort Chipewyan with a reliable, sustainable alternative to diesel fuel. Or consider our global focus on hydrogen, including the first-of-its-kind hydrogen blending project now under development in the community of Fort Saskatchewan, Alberta, which will blend hydrogen into the natural gas distribution system. Once completed, it will be Canada’s largest hydrogen blending project, paving the way for broader application across the province.

While enabling customers to reduce their emissions, we have also pivoted our electricity generation business to focus on lower-emitting technologies. Primarily as a result of the strategic divestiture of our Canadian fossil fuel-based electricity generation business, we were able to



remove 90 per cent of direct greenhouse gas emissions from our portfolio. At the same time, we are actively growing our renewable energy footprint and recently completed the first phase of our El Resplandor solar project in Chile.

People: Our Social Responsibility

Our success depends not only on operational excellence and technical ingenuity, but also upon people and respectful and meaningful relationships. These principles are fundamentally and inextricably linked.

It manifests in myriad ways, from the Indigenous partnerships we forge to the day-to-day customer interactions of our utility crews in hundreds of communities around the globe. At times, it is simply about being aware of how to best support our customers; hence, our request for regulatory approval to defer electricity and natural gas distribution rate increases to support affordability for our customers in Alberta.

“With APL, we pioneered a new model for infrastructure development and advancing economic reconciliation with Indigenous Peoples—testament to the commitment of our partners, the exemplary project execution of our people, and a communal vision for creating shared and sustainable prosperity along the route.”

Take, as just one example, our award-winning Fort McMurray 500-kV West Transmission Project, completed by Alberta PowerLine (APL), in northern Alberta. In September 2020, we received the prestigious International Edison Award for our innovative approach to completing the line—a true made-in-Canada success story. With APL, we pioneered a new model for infrastructure development and advancing economic reconciliation with Indigenous Peoples—testament to the commitment of our partners, the exemplary project execution of our people, and a communal vision for creating shared and sustainable prosperity along the route.

Global events of the past year have also brought renewed focus to the inequalities that remain pervasive in many communities across the globe—putting into stark relief the need for corporates to champion diversity and inclusion, both within and outside the workplace.

I am proud to say that ATCO has long been a champion of diversity and inclusion at home and around the world. I firmly believe that inclusion is not only a moral imperative of the highest order, but a source of customer centricity and innovation. Furthermore, we have long found great value in collaboration. We listen carefully to different perspectives and actively look for new approaches that will continue to challenge the status quo. There is no doubt we can always do better and, over the past year, we have engaged our people to help broaden the aperture on our diversity and inclusion efforts. Their enthusiastic response has been truly inspiring.

I am often awestruck by the unquenchable spirit of our people, perhaps best demonstrated by ATCO EPIC (Employees Participating in Communities), our long-standing employee-led program that rallies the spirit of our people all over the world. Through these challenging times, it is more important than ever to show compassion and give back to our communities. In 2020, ATCO and our people pledged more than \$2.9 million to help hundreds of charities across the globe.

While immensely challenging, the past year has conferred many powerful lessons for our group of companies. We embraced change, instead of bracing for change. We overcame extraordinary disruption—setting new precedents for excellence, while staying true to our values. Most importantly, we never lost sight of our vision of delivering inspired solutions for a better world.

Sincerely yours,



Nancy Southern
Chair & Chief Executive Officer





OUR APPROACH TO SUSTAINABILITY

Driven by strong governance, a dedicated leadership team and a rigorous management approach, sustainability is woven into all aspects of our business. Our core values—integrity, agility, caring and collaboration, help us deliver on our sustainability promise, every day and in every context.

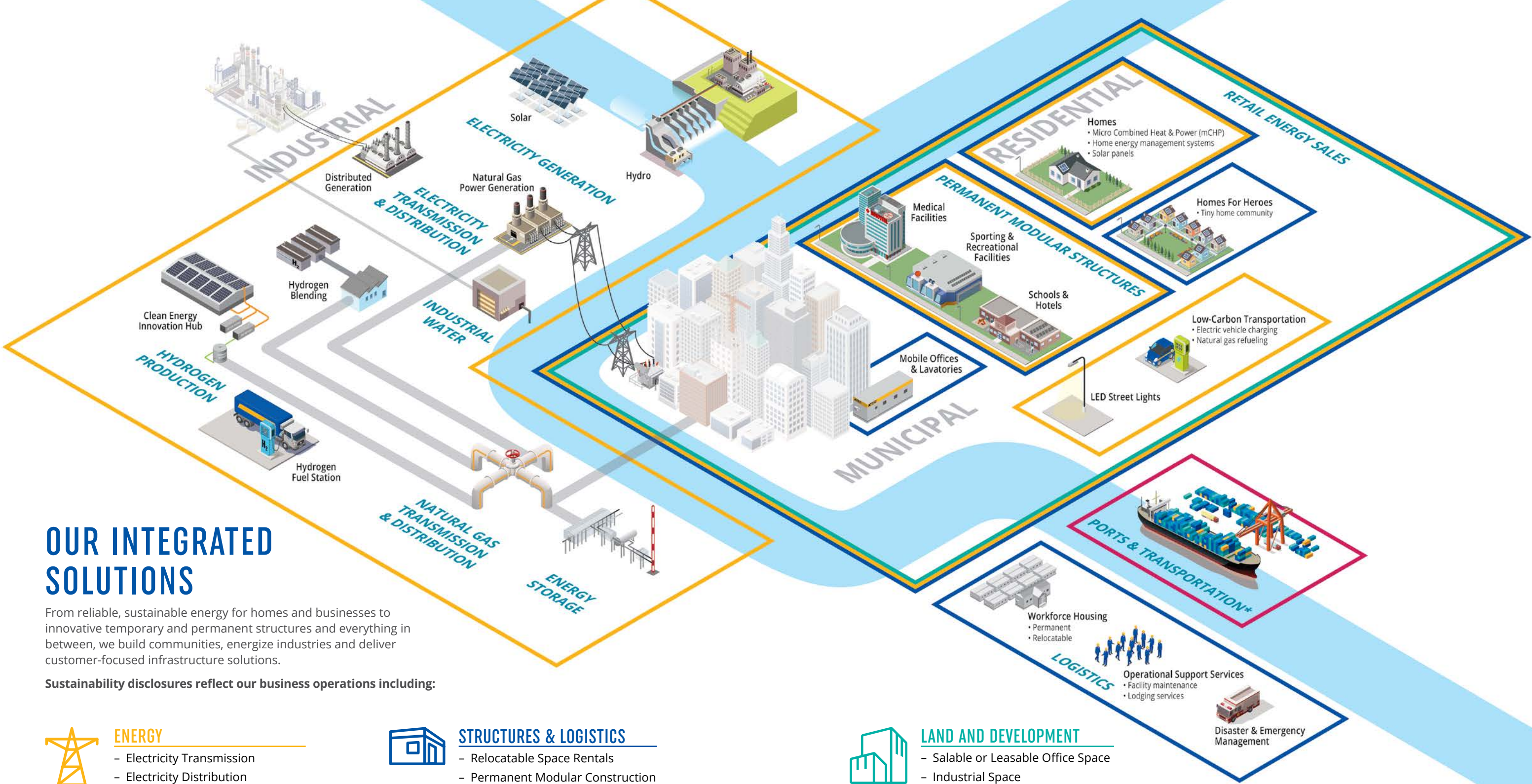
Within our group of companies, we balance the short- and long-term economic, environmental and social considerations of our businesses, while creating value for our customers, employees, share owners, and Indigenous and community partners. As a provider of essential services in diverse communities around the world, we operate in an inclusive manner to meet the needs of society, today and for generations to come.

Our Sustainability Report provides both qualitative and quantitative performance updates for 2020 on nine material topics. This report references the internationally recognized Global Reporting Initiative (GRI) Standards. Our reporting is also guided by the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

As a provider of energy, structures, logistics and other essential services, ATCO contributes to all 17 of the UN Sustainable Development Goals (SDGs). In this report we highlight in each category how our initiatives contribute to select UN SDGs. For more information on how we contribute to all the UN SDGs, see the UN SDGs section of [ATCO.com](https://www.atco.com).

CORE VALUES	
	<p>INTEGRITY</p> <ul style="list-style-type: none"> • We are honest, ethical and treat others with fairness, dignity and respect. • We make good decisions, take personal ownership of tasks, are responsible for our actions and deliver on our commitments.
	<p>AGILITY</p> <ul style="list-style-type: none"> • We are creative, innovative and take a measured approach to opportunities and risk, balanced with a long term perspective. • We stay relevant, reward action and learn from failure.
	<p>CARING</p> <ul style="list-style-type: none"> • We care about our customers, our employees and their families, our communities and the environment. • We seek to understand and care enough to challenge each other.
	<p>COLLABORATION</p> <ul style="list-style-type: none"> • We work together, share ideas, recognize the contribution of others and learn from our successes and failures. • We are clear about our intentions and communicate openly, especially when problems or issues arise. • We value and encourage diversity and different perspectives. • We work together to build strong networks.

It is ATCO’s core values that drive the company’s approach to service reliability and product quality; employee, contractor and public safety; and environmental stewardship. Our pursuit of excellence governs the way we act and make decisions. We strive to live by these core values.



OUR INTEGRATED SOLUTIONS

From reliable, sustainable energy for homes and businesses to innovative temporary and permanent structures and everything in between, we build communities, energize industries and deliver customer-focused infrastructure solutions.

Sustainability disclosures reflect our business operations including:

- ENERGY**
- Electricity Transmission
 - Electricity Distribution
 - Electricity Generation
 - Natural Gas Distribution
 - Natural Gas Transmission
 - Hydrogen Production
 - Energy Storage
 - Industrial Water
 - Retail Electricity and Natural Gas (Home and Business)

- STRUCTURES & LOGISTICS**
- Relocatable Space Rentals
 - Permanent Modular Construction
 - Workforce Accommodations
 - Disaster and Emergency Management
 - Operations and Maintenance
 - Lodging Services
 - Site Services

- LAND AND DEVELOPMENT**
- Salable or Leasable Office Space
 - Industrial Space
 - Land
- ATCO also has investments in:**
- PORTS & TRANSPORTATION***
- Port Facilities
 - Port Operations Services

* Not included in the sustainability operational control reporting boundary.

CURRENT OPERATIONS



\$22B
IN ASSETS

\$3.9B
IN REVENUES

\$352M
ADJUSTED EARNINGS

\$1.1B
CAPITAL INVESTMENTS



2M+
GLOBAL CUSTOMERS



6,200
EMPLOYEES



■ Current Operations and Investments



400,000M³
NATURAL GAS LIQUIDS CAPACITY

64,000KM
NATURAL GAS PIPELINES

85,200M³/D
WATER INFRASTRUCTURE CAPACITY*

52PJ
NATURAL GAS STORAGE CAPACITY**



22,000
RENTAL FLEET UNITS



6
MODULAR BUILDING
MANUFACTURING FACILITIES



75,000 KM
ELECTRIC POWERLINES



293-MW
POWER GENERATION
OWNERSHIP

MATERIALITY ASSESSMENT

In 2020, with the support of an external consultant, we assessed the material topics we use to report our sustainability activities. The assessment was timely, following the sale of our Canadian fossil fuel-based electricity generation business in 2019, which changed the nature of our portfolio.

Our sustainability reporting now focuses on five categories with nine key material topics and four additional subtopics. Overall, the categories and topics that emerged from the materiality assessment align not only with our approach and our values, but also with our business strategies.

An important aspect of our assessment was engagement with internal and external groups, including employees, investors, customers, regulators, academics, and Indigenous and community partners.

While this prioritization allows us to focus our reporting, other topics remain important to ATCO. We remain committed to managing issues such as business ethics, governance, biodiversity and others.

For more information on our full materiality assessment process, as well as topics not highlighted in this report, please see our website at [ATCO.com](https://www.atco.com).


		MATERIAL TOPICS	SUBTOPICS
	ENERGY TRANSITION	<ul style="list-style-type: none"> Energy transition and innovation 	<ul style="list-style-type: none"> Energy access and affordability Government relations and political advocacy
	CLIMATE CHANGE & ENVIRONMENTAL STEWARDSHIP	<ul style="list-style-type: none"> Climate change and GHG emissions 	<ul style="list-style-type: none"> Environmental incidents and spills
	OPERATIONAL RELIABILITY & RESILIENCE	<ul style="list-style-type: none"> System reliability and availability Emergency preparedness and response 	<ul style="list-style-type: none"> Supply chain resilience and responsibility
	PEOPLE	<ul style="list-style-type: none"> Diversity, equity and inclusion Occupational health and safety Public health and safety 	
	COMMUNITY & INDIGENOUS RELATIONS	<ul style="list-style-type: none"> Indigenous engagement, economic opportunity and reconciliation Community engagement and investment 	





ENERGY TRANSITION


THE INITIATIVES IN THIS SECTION ALIGN WITH THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:

- 7** AFFORDABLE AND CLEAN ENERGY


- 8** DECENT WORK AND ECONOMIC GROWTH


- 9** INDUSTRY, INNOVATION AND INFRASTRUCTURE


- 11** SUSTAINABLE CITIES AND COMMUNITIES



We enable the transition to cleaner fuels and electricity, without sacrificing the safety, reliability or affordability of energy, by developing a suite of solutions from which our customers can choose. Solutions are driven by innovative technologies that will be integrated into a modern energy infrastructure.

\$904M
 spent on new and refurbished energy infrastructure.

10%
 hydrogen blended with natural gas as part of the Clean Energy Innovation Hub in Australia, with a long-term goal of blending up to 15%.

OVER 2.3-MW
 of solar energy installed for our customers.

OVER \$3M
 invested globally to affordably reduce GHG emissions from natural gas.

Energy is essential: People need affordable and reliable energy to enjoy a good quality of life—that isn't changing. But how that energy is produced and delivered is experiencing a fundamental shift. As we move through the energy transition to lower-emitting alternatives, we must balance affordability, reliability and sustainability for our customers.

Striking this balance involves offering multiple solutions so that our customers can choose the innovation that is tailored to their specific needs. Our strategy is to pursue cleaner fuels, renewable energy and energy efficiency improvements, all while modernizing our energy infrastructure. With this approach, we continue to support the energy transition for years, even decades to come.

“We are uniquely positioned to help our customers achieve their decarbonization goals. In today’s context of change, our forward-focus is on cleaner fuels and renewable energy, modernizing our energy infrastructure to integrate decentralized sources of energy, and digitalization to harness the power of technology to manage and optimize energy systems.”

— **Siegfried Kiefer**

President and CEO, Canadian Utilities Limited

A successful energy transition requires the support of government policy and regulation. We work constructively with all levels of government to provide input into their frameworks, with the goal of ensuring government interventions allow for innovation and an effective and affordable transition.

The importance of affordability in the balance of solutions came to the forefront in 2020. In Alberta, our 1.5 million customers’ lives and livelihoods experienced the impacts of both the pandemic and a historic collapse in oil prices.

We actively searched for ways to support our communities and requested regulatory approval to defer compulsory electricity and natural gas distribution rate increases set to come into effect at the start of 2021. Our hope is that, by keeping rates as low as possible during this difficult period, we can provide some stability and certainty for our customers.

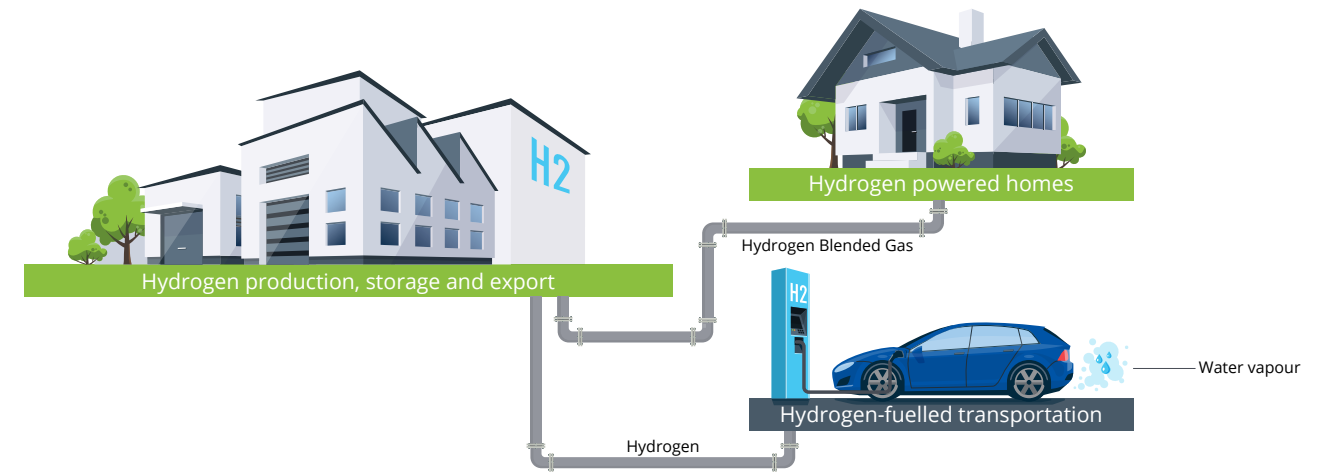
CLEANER FUELS

One of our strategies to support the transition to a low-carbon energy system is to enable the switch to cleaner fuels, such as hydrogen. We are actively investing in hydrogen research to understand better ways to power the world.

We are building Alberta’s first hydrogen blending project in a section of Fort Saskatchewan’s residential natural gas distribution network, with \$2.8 million in assistance from Emissions Reduction Alberta’s Natural Gas Challenge. By blending five per cent hydrogen into the conventional natural gas system, we will be lowering carbon intensity, because hydrogen emits only water when it combusts.

In addition to investing in our own hydrogen projects, we collaborate with others to resolve some of the broader implementation challenges as hydrogen becomes a viable energy source. We support the Transition Accelerator, a pan-Canadian organization that is working to develop a hydrogen economy, as well as other energy transition initiatives, such as a robust electric vehicle (EV) market, grid integration and compressed natural gas development with the Alberta Motor Transport Association.

Renewable natural gas (RNG), another energy alternative, produces 85 per cent fewer emissions than conventional natural gas. We continued to pursue RNG projects in 2020, applying to the Alberta Utilities Commission (AUC) for a producer rate that will enable the injection of RNG into the Alberta natural gas distribution system. In Australia, we are conducting a feasibility study to assess the viability of injecting RNG into the Albany gas network, one of three main gas distribution systems we operate in Western Australia.



Hydrogen can be blended to fuel industrial, commercial, residential and transportation needs, reducing GHG emissions. When burned, hydrogen produces water vapour and no carbon emissions.

Also in Australia, we continue to build on our work at the Clean Energy Innovation Hub (CEIH), our test bed for hybrid energy solutions integrating natural gas, solar panels, battery storage and hydrogen production. This industry-leading facility uses solar energy to generate hydrogen through water electrolysis and is providing valuable insights into how hydrogen can be blended into existing natural gas distribution infrastructure. In 2020, we were able to successfully blend 10 per cent hydrogen as part of the CEIH, doubling the amount of hydrogen successfully blended in 2019. We have a long-term goal of blending up to 15 per cent hydrogen.

Building on the research from the CEIH, we conducted a feasibility study into the development of a commercial-scale hydrogen production plant, with support from the Government of Western Australia, to be named the Clean Energy Innovation Park (CEIP). We submitted a funding application to the Australian Renewable Energy Agency (ARENA) as one of seven shortlisted projects. If successful, we would work with ARENA to reach a final decision to proceed with the project by the end of 2021, with the CEIP expected to begin operation in 2023.

Expanding our focus to include transportation, we are working with Fortescue Metals Group in Australia to develop vehicle fuelling infrastructure. In 2020, we were awarded funding by the Government of Western Australia to support the development of the Hydrogen Vehicle Refuelling System.

Construction started in April 2021, with operations expected to begin in August. The H2 Refueller will fill a hydrogen vehicle’s tank in less than five minutes, allowing it to travel up to 500 kilometres (km) emissions-free.

In line with our strategy to provide customers with energy choices, public EV charging stations allow EV owners to drive with confidence knowing there is readily available electricity, further supporting EV adoption. To date, we have installed a total of 25 public EV charging stations, including 20 fast-charging stations for the Peaks to Prairies project in southern Alberta, powered by renewable energy from ATCOenergy. We also installed five dual-port curbside charging stations in the City of Edmonton.

RENEWABLE ENERGY

Critical to our energy transition strategy is the development and integration of renewable energy and battery storage solutions.

In Australia, Source Energy Co., a part of the ATCO Group of Companies, continues to make strides. The company provides expertise in managing energy needs for high-density apartment buildings using a mix of rooftop solar panels and energy from the grid, matched with smart metering technology. In 2020, Source Energy generated approximately 400-megawatt hours (MWh) of energy from solar at its sites, equivalent to removing 276 tonnes (t) of greenhouse gas (GHG) emissions.

31%
reduction in GHG emissions
at EQUUS' new headquarters using
energy-efficient technologies.

9,600t
GHG emissions reduced at the
Edmonton International Airport
using CHP technology.

OVER \$2M
in savings for a customer using
our Construction Energy Services.

12,520
Renewable Energy Certificates redeemed
on behalf of ATCOenergy customers.

In Canada, we completed the country's largest off-grid solar project, providing the remote northern Alberta community of Fort Chipewyan (Fort Chip) with renewable energy, reducing local diesel use by approximately 800,000 litres (l) annually. In partnership with Three Nations Energy (3NE), which is jointly owned by the Athabasca Chipewyan First Nation, Mikisew Cree First Nation and Fort Chipewyan Métis Association, we designed and built the project that includes a 600-kilowatt (kW) solar farm, owned and operated by ATCO, and a 2,200-kW solar farm owned by 3NE and operated by ATCO.

Fort Chip, located about 150 km away from the nearest tie-in to Alberta's electric grid, is home to nearly 1,000 residents who have relied solely on diesel-fueled electricity generation. Each year, diesel is transported by trucks on a winter ice road, which is only open for a six-week period. The solar project will provide about 25 per cent of Fort Chip's electricity needs annually, reducing trucking and consumption of diesel fuel, eliminating the equivalent of 2,145 t of GHG emissions annually.

The Old Crow solar project in Yukon with the Vuntut Gwitchin First Nation was connected to the Old Crow microgrid in 2020. The community will benefit from approximately 100 days of electricity production from the project in the summer months of each year. While the Vuntut Gwitchin owns the solar farm, we buy the solar energy, feed it into the grid and redistribute it to the community. It's a win-win, and a model for collaboration in the utilities sector.

There are many other examples of our work with Indigenous communities that support their energy independence. We provided turnkey solutions for Montana First Nation to develop a 5-megawatt (MW) solar farm; the Dene Tha' First Nation for a 92-kW solar project; and a 100-kW school roof-top solar array for the Sunchild First Nation. These projects are now owned and operated by the respective First Nations.



Our customer EQUUS, Alberta's largest cooperative power utility, uses a variety of energy efficient technologies to reach 'near net-zero' emissions performance at their head office.

We are continuing to work with Sunchild and several other Indigenous communities to conduct feasibility studies for expanded or new cleaner energy solutions. For more information on these initiatives and others with Indigenous groups, please see the [Community & Indigenous Relations section](#) later in this report.

Our vision of cooperation has also extended to EQUUS, Alberta's largest cooperative power utility. EQUUS constructed a new head office in Innisfail, Alberta and wanted to showcase a "near net-zero" facility using energy-efficient technologies. Working with EQUUS, we installed 35-kW of Combined Heat and Power (CHP), 55-kW of solar energy with 39-kilowatt hours of battery storage, an EV fast-charging station and a building management control system. We ensured optimal performance for this

innovative, flagship building that has resulted in a 95 per cent reduction in grid-electricity consumption, 59 per cent reduction in utility cost and 31 per cent reduction in GHG emissions.

Like EQUUS, many of our ATCOenergy retail customers want the option to use electricity from renewable sources. A Renewable Energy Certificate (REC) is a tradable energy commodity that represents one-MWh of energy generated from a renewable source. We offer our Alberta-based customers the option to choose a 'Green Energy' electricity plan, allowing customers to purchase 25 or 100 per cent renewable energy. In 2020, ATCOenergy redeemed 12,520 RECs on behalf of these consumers.

ENERGY EFFICIENCY

Energy efficiency often brings a win-win for customers, as both their environmental footprint and operating costs decrease. CHP technology can be an excellent solution when both electricity and heating are required by utilizing natural gas to produce electricity while capturing energy that would otherwise be lost for overall heating and hot water needs.

This was the case for the aquatic centre in Rocky Mountain House, Alberta, where we installed two 35-kW CHP units and two high-efficiency condensing boilers. These energy efficiency improvements are expected to result in utility savings of approximately \$40,000 a year and a reduction of 170 t of GHG emissions a year for the community.

Also in Alberta, ATCO installed three 1.4-MW CHP units to support the Edmonton International Airport's vision for energy management that would enable them to create power on-site using more efficient technology. After helping to secure \$1.8 million in funding from Energy Efficiency Alberta, ATCO's integrated solution results in a reduction of 9,600 t of GHG emissions a year.

In our second year of microCHP, or mCHP, commercialization, we provided six mCHP units to customers across Canada. We also completed a project with the Government of Alberta and Alberta Milk to provide mCHP units to 12 dairy farms.

In 2020, we continued to support our customers by converting more than 4,000 streetlights to high-efficiency light emitting diode (LED) lighting. Across our entire electricity service area, over 40 per cent of streetlights have now been converted to LED, reducing GHG emissions by over 855 t per year.

Improving energy efficiency can begin as early as construction. With our Construction Energy Services, we provide natural gas for on-site heat and power. We are currently providing construction energy to PCL Construction as they construct the new cancer centre at Foothills Medical Centre in Calgary, Alberta. The use of reliable, affordable and cleaner natural gas for construction energy on the project has already eliminated over 7 million litres of propane, reduced 1,996 t of GHG emissions and created savings of over \$2 million for the customer.

ENERGY INFRASTRUCTURE UPGRADES

Although we sold our Canadian fossil fuel-based electricity generation business in 2019, we continue to support the transition to a cleaner electricity system. Converting coal-fired electric generation facilities to natural gas reduces GHG emissions while maintaining a reliable electric baseload as renewable sources continue to grow. One example of how we support this transition is the successful construction and commissioning of the Pembina-Keephills Transmission Line in 2020. This line connects natural gas production to former coal-fired facilities, which have the capacity to power 30 per cent of Alberta's electric grid.

We begin a new journey with the \$255 million acquisition of the Pioneer Pipeline, which is expected to close in mid-2021. The 131 km natural gas pipeline west of Edmonton, Alberta will facilitate the conversion of two additional coal-fired electricity generating plants to cleaner-burning natural gas.

For information on grid modernization, see the [Operational Reliability & Resilience section](#) later in this report.

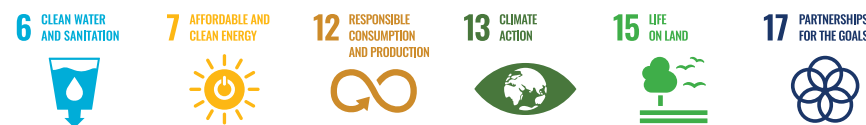


ATCO installed CHP units at the Edmonton International Airport to enable them to create power on-site using efficient technology.



CLIMATE CHANGE & ENVIRONMENTAL STEWARDSHIP

THE INITIATIVES IN THIS SECTION ALIGN WITH THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



We minimize our environmental impacts and reduce emissions to do our part in tackling climate change. Critical to this approach is our focus on exploring new and more efficient ways to generate, transport and conserve energy.

23%

of our global power generation portfolio is now renewables, including hydroelectric and solar.

90%

removal of direct GHG emissions from our portfolio since 2019, almost 7.5 million tonnes.

17%

reduction in direct GHG emissions from retained assets since 2019.

3-MW

of the El Resplandor Solar Project became operational in 2020, providing renewable energy to the Chilean electricity grid.

As a provider of energy, structures and logistics services, we have always had a long-term approach to managing and minimizing our environmental impacts. We understand that we contribute to climate change through our operations and, indirectly, through the suppliers we choose and the products and services we offer.

We carefully manage our GHG emissions and the risks associated with climate change, from leveraging technology to advocating for appropriate policy and regulatory approaches from government. We stand behind our reputation as an innovator and leader in environmental stewardship and work hard in all aspects of our business to maintain it.

CLIMATE CHANGE STRATEGY

It is important that we understand and mitigate our impact on climate change, as well as manage the impact climate change has on us. As part of this, we continue our climate change resiliency efforts, testing our systems to ensure we have mitigated risks.

At an enterprise level, we take a holistic approach that aligns with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). This includes:

- evaluating climate-related risks regarding transitional challenges (policy, regulatory, market, technology and reputational) and physical factors,
- evaluating climate-related opportunities (resource efficiency, cleaner energy sources, innovative products and services, access to markets, and climate change resilience and adaptation),
- oversight of climate-related issues by senior management,
- integration of sustainability throughout our enterprise strategy, and
- the development of metrics and targets to monitor performance.

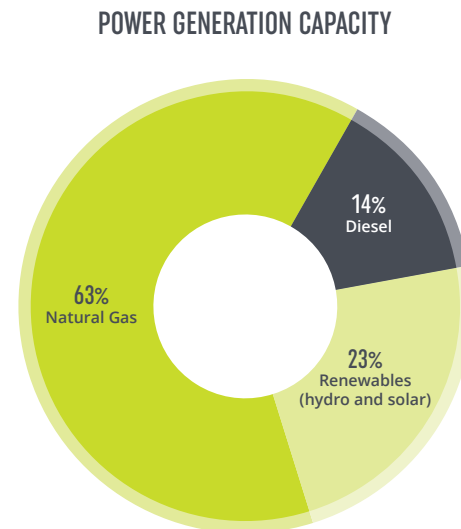
For more information on our alignment with the four TCFD pillars, please see the TCFD table in our Sustainability Framework Index and the TCFD section at [ATCO.com](https://www.atco.com).

In 2020, we continued to further integrate sustainability into our enterprise strategy.

Driven by a team of experts collaborating from across the company, the work encompassed the development and integration of investment criteria, considerations for mergers, acquisitions and divestments, and sustainability goals and targets. This team will continue to analyze how we can further integrate sustainability, including decarbonization scenario analysis and the calculation of Scope 3 Emissions.

TRANSITIONING OUR PORTFOLIO

We are actively growing our renewable energy expertise and portfolio, including providing cleaner energy solutions to communities around the world. Currently, we own 293-MW of power generation in Australia, Canada, Mexico and Chile. Including hydroelectricity and solar, 23 per cent of our power generation is from renewable energy.



Our current power generation capacity highlights the growing percentage of renewable energy including solar and hydroelectricity in our portfolio.

In Chile, we have partnered with solar developer IMPULSO to build and operate the 9-MW El Resplandor Solar Project. In 2020, the first phase of the plant commenced operations with peak generation capacity of 3-MW. Sheep roam outside the plant of 7,000 solar panels that generate enough renewable energy to support 4,000 households without noise or emissions of any kind. Planning is underway for the 6-MW Phase 2 expansion of this project.

In addition to solar energy development, we are currently investigating projects that would use technology such as pumped-storage hydro. Early in 2021, we acquired the rights to develop the 325-MW Central West Pump Storage Hydro Project in Australia. This project, in the very early stages of development, is integral as we transition to more renewable generation capacity.

See our [Energy Transition section](#) for more information on how we are progressing toward cleaner fuels, renewable solutions for our customers, energy efficiency and the coal-to-gas transition.

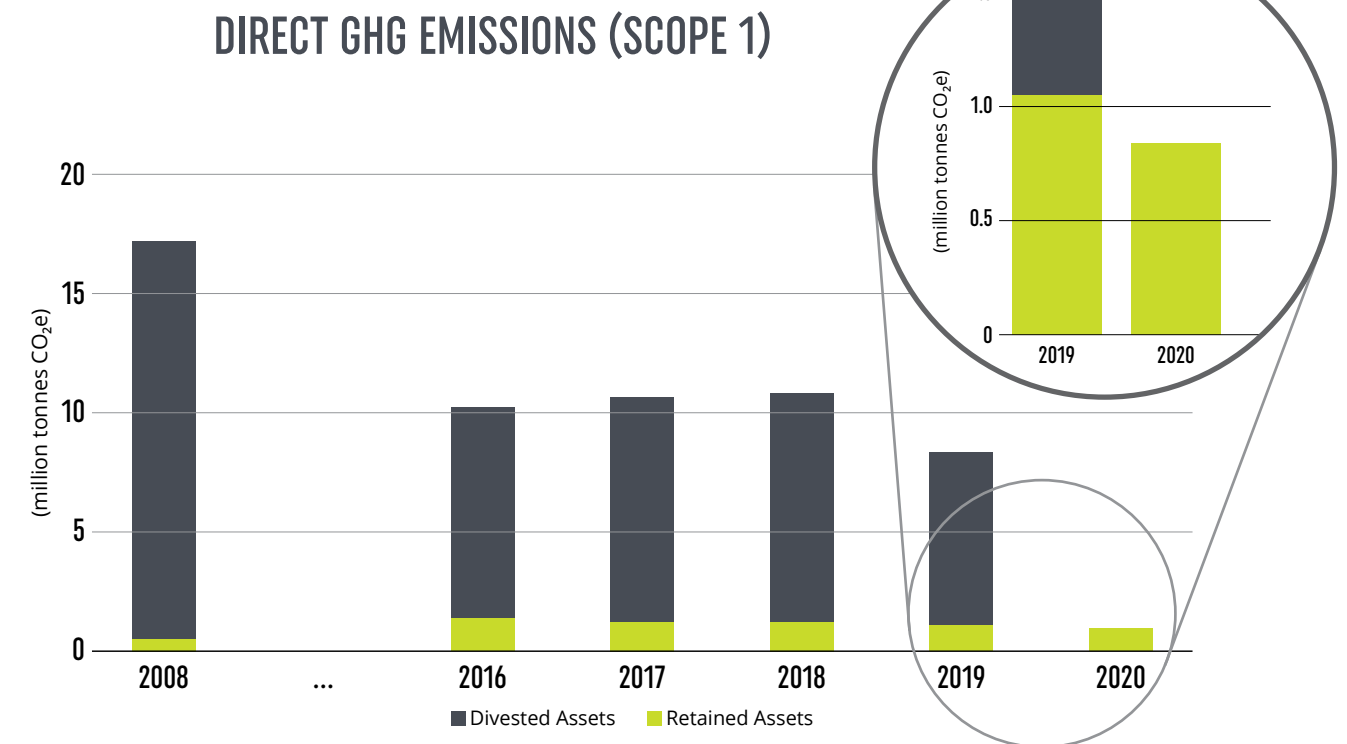
GHG AND AIR EMISSIONS

As our portfolio of assets evolves, so too does our environmental footprint. Our direct (Scope 1) GHG emissions were reduced by 90 per cent from 2019 to 2020, primarily as a result of Canadian Utilities' sale of its Canadian fossil fuel-based electricity generation business in 2019, eliminating coal-fired generation from our portfolio. While these assets are still in operation, we continue to support their transition to lower-emitting energy sources. The sale of our Canadian fossil fuel-based

electricity generation business allows us to focus and prioritize emission reduction efforts on our retained assets and expand our renewable generation capacity moving forward.

Our direct (Scope 1) GHG emissions from retained assets have been reduced by 17 per cent since 2019. Our natural gas electricity generation in Australia accounted for approximately half of our direct GHG emissions in 2020, with just over 50 per cent of the reduction from 2019 related to decreased power generation. The remaining reductions are due to a series of initiatives related to methane reduction and operational efficiency, and we continue to look for new opportunities to reduce our GHG emissions. More information on indirect (Scope 2) GHG emissions can be found in the Performance Summary later in this report.

In addition to significantly decarbonizing our portfolio, the sale of our Canadian fossil fuel-based electricity generation business resulted in a significant decrease in our air emissions and water consumption. In 2020, we reduced our sulphur dioxide emissions by almost 100 per cent, nitrogen oxide emissions by 80 per cent, and water use by 91 per cent from 2019.



2020 was the first year we saw the full impact of the divestment of our Canadian fossil fuel-based electricity generation business. Direct (Scope 1) GHG emissions from our portfolio have been reduced by 90 per cent since 2019, with 73 per cent of this reduction as a result of the divestment. The inset graph zooms into the emissions reductions from our remaining portfolio. Direct GHG emissions from retained assets have been reduced by 17 per cent since 2019.



ATCO's focus on renewable energy includes solar and hydroelectric, including our project in Veracruz, Mexico.

GHG REDUCTION INITIATIVES

METHANE EMISSION REDUCTIONS

Within our operations, methane emissions are predominantly related to venting (the controlled release of gases, such as during start-up or maintenance) and fugitive emissions (unintended vapours from pressurized equipment) from our natural gas transmission and distribution infrastructure in Australia and Canada. We continually look for ways to reduce or eliminate venting and fugitive emissions and, as a result, our methane emissions have decreased 19 per cent since 2019, almost 66,000 t of GHG emissions. In 2020, fugitive emissions decreased by 20 per cent and venting emissions decreased by five per cent.

In 2020, we progressed several initiatives that reduced or eliminated methane emissions from our operations, including routine maintenance supplemented by targeted leak detection and repair programs. Our Fugitive Emission Management Plans include creating complete inventories of pneumatics—a common source of these emissions—so they can be closely monitored.

In 2020, a new method was introduced to estimate and report Unaccounted for Gas (UAFG) emissions resulting from natural gas distribution activities in Australia. This approach allows us to use site- and network-specific UAFG values so we can translate network maintenance and replacement activities into reportable reductions. The use of the new, more accurate estimation method was facilitated by changes to the regulations that determine how emitters can calculate their UAFG emissions. As a result, we were able to quantify a 32 per cent reduction in reported UAFG emissions in 2020.

EMISSION PERFORMANCE CREDITS

Emission Performance Credits (EPCs) are generated by projects that have voluntarily reduced their GHG emissions. These credits can then be sold to other companies that are not otherwise able to meet regulatory benchmarks for GHG reductions. ATCO participates in carbon offset markets in Canada and Australia. In 2020, ATCO was able to generate over 40,000 and sell over 85,000 EPCs as a result of projects such as the Oldman River Hydroelectric facility, providing over \$2.7 million in additional revenue through carbon offset markets.

ENVIRONMENTAL STEWARDSHIP

Our environmental stewardship approach aligns with our core values of agility, integrity, caring and collaboration. We act responsibly, minimizing and mitigating our environmental impacts through best practices and environmental management systems, which are International Organization for Standardization (ISO) 14001 certified or equivalent. Whether preventing pollution, reducing environmental incidents or protecting biodiversity, we meet or exceed environmental regulations and operational standards.

Spill prevention is a priority. We prevent and manage spills through a variety of measures, including equipment design, training, and operating and maintenance procedures. In the event a spill does occur, we ensure all comprehensive procedures are taken and use tailored remediation plans to minimize any potential environmental impacts.

As 99 per cent of our pipelines transport natural gas, the small amount of hydrocarbon liquids we manage are related to fuel management solutions in northern communities and hydrocarbon storage solutions in Alberta's Industrial Heartland, in addition to small volumes in electrical transmission and distribution equipment. The majority of our reported spills in 2020 were a result of vandalism to our electricity transmission and distribution infrastructure.

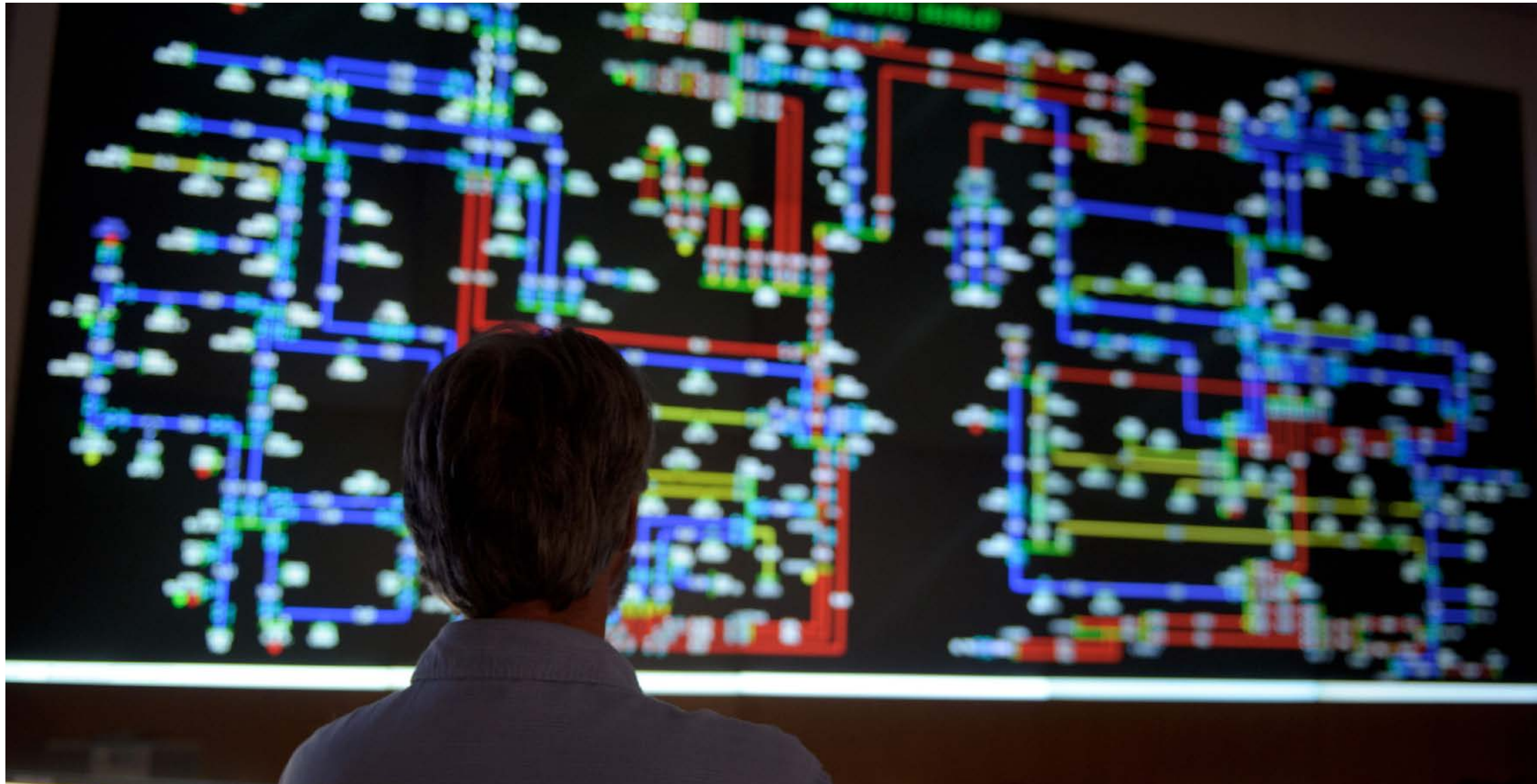
We will always strive to be stewards of the environment, carefully managing our impacts on biodiversity, land use, water and air. For more information on our environmental approach, see the [Performance Summary](#) later in this report and the sustainability information in the Climate Change & Environmental Stewardship section at [ATCO.com](#).

7,000
solar panels installed as part of our El Resplandor Solar Project.

73%
decrease in direct GHG emissions of our portfolio as a result of the sale of Canadian power generation assets.

19%
reduction in methane emissions in 2020.

OVER 85,000
EPCs sold in 2020.



OPERATIONAL RELIABILITY & RESILIENCE

THE INITIATIVES IN THIS SECTION ALIGN WITH THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



We prepare for the future, so that even in times of crisis, our system continues to provide the essential services our customers need. We are committed to providing reliable energy, working around the clock to minimize service outages and ensuring our assets are resilient for decades to come.

OVER 900

electricity and natural gas employees have completed ICS 100, 200 and 300 level training to date. Increased training is planned for 2021.

74%

progress toward our goal of completing in-line inspections on natural gas transmission lines.

2,800 beds

provided across Louisiana and Alabama within six days of Hurricanes Laura and Sally.

6,000

advanced meters, or 18 per cent of all meters, installed in Grande Prairie, Alberta.

Any company that provides essential services must be prepared to respond to unexpected emergencies so that customers continue to receive the critical products and services that support not just quality of life, but survival.

It begins with emergency preparedness for our operations and then transfers out as a service we provide to support others in their times of crisis. Reacting efficiently and effectively in crisis is just part of the equation. Proactive initiatives to ensure our infrastructure is resilient, whatever nature has in store, is the key to being prepared for the future.

COVID-19 RESPONSE

As a global company facing a global pandemic, every part of our business was touched by COVID-19. In times of crisis, the essentials of housing, transportation and logistics, energy, and community become even more critical, and we needed to keep our organization running smoothly.

Our Pandemic Response Plan, in place since 2009, was critical in guiding our actions during an unprecedented time. After activating the plan in February 2020, our objectives were clear: the health and safety of our people, customers and communities. At the same time, we needed to ensure the continuity of our critical business functions and have the trust of our partners that we would continue to meet their needs in a crisis situation. But it wasn't just about business—we also took measures to support our communities.

The risks we managed covered a spectrum, from the economic impacts of the pandemic to issues that would reduce the availability of employees, such as a lack of childcare, government restrictions or the need to self-isolate. We brought in safety protocols in accordance with local health regulations to protect our people. We monitored and responded to supply chain disruptions and the impacts of the pandemic on our key contractors and customers.

To effectively move through the pandemic and meet our objectives, we collaborated across our business. From safety to procurement to communications to government relations, everyone was actively involved. The actions we took and the conversations we fostered led to

an effective response to an unprecedented challenge that transformed our business. We believe we will emerge from the pandemic as a more agile and resilient organization.

OUR COVID-19 RESPONSE INCLUDED:

OVER 120 ATCO-WIDE EMPLOYEE COMMUNICATIONS about ATCO's COVID-19 response and changing health regulations and impacts.

MENTAL HEALTH SUPPORTS in place for employees and contractors.

SELF AND HOUSEHOLD SCREENING APP to ensure safety of our workers.

6,200 SAFETY KITS distributed to employees globally.

IMPROVED TECHNOLOGY SYSTEMS to meet the needs of more employees working from home.

OUR EMERGENCY PREPAREDNESS AND RESPONSE

We have long had Crisis Management Teams across our operations to implement emergency coordination and incident management plans. These teams are overseen by an enterprise-wide Crisis Management Committee, allowing us to coordinate our efforts and resources organizationally. In 2020, our enterprise-wide Crisis Management System was activated by floods in Fort McMurray, Alberta and the global pandemic.

In April 2020, waters reached flood levels in the northern Alberta community of Fort McMurray. Our electricity crews worked 24 hours a day for eight days, then 12 hours a day for an additional seven. About 2,500 customers were impacted, and over 4,500 related sites were inspected. On the natural gas side of our business, with many of our team focused on the pandemic, our crews



A mobile health unit designed, built and equipped by Weatherhaven in partnership with ATCO in Brockville, Ontario, as part of Canada's pandemic response planning.

followed the Incident Command System (ICS) structure—an internationally recognized and standardized management system—and pulled together resources from across the province to complete their work safely, efficiently and effectively.

The success of this emergency response was a result of collaboration and formal training. To improve our preparedness and response, we continue to expand our ICS training in our natural gas and electricity businesses.

EMERGENCY PREPAREDNESS AND RESPONSE SERVICES

In addition to focusing on reliability and resiliency of our infrastructure, we also provide aid to others when disaster strikes. We offer disaster and emergency management services around the globe, partnering with governments, militaries and first responders.

We are expanding our international presence in emergency preparedness, infrastructure and response services, including building partnerships and providing support in North America, South America and the Caribbean. Following our emergency response in the Bahamas in 2019 after Category 5 Hurricane Dorian, we continued to support the country as it recovered by building a 40-person modular office complex.

Additional extreme-weather events, such as Hurricanes Laura and Sally, created crisis in the communities they hit—and we were there to help. We deployed and mobilized modular housing units with 2,800 beds across Louisiana and Alabama within six days of those hurricanes to assist with disaster and emergency response.

Expanding Canadian communities' medical capacity by bringing in functioning healthcare facilities has been key to supporting public health during the pandemic. In 2020, we were contracted to build up to ten Mobile Health Units with Weatherhaven Global Resources Ltd. in support of the Government of Canada's COVID-19 pandemic response. Together, we developed hybrid modular and soft-walled medical facilities designed to accommodate as many as 100 patients, as well as accompanying workforce housing for medical and support staff if required.

While supporting those directly suffering from the virus, we also operated a COVID-19 health screening checkpoint at Alberta's largest border crossing with the United States. Coordinating with local government agencies, we operated the checkpoint with a rotating team working 24/7.

Through our Partnering 4 Resilience program, we work alongside Indigenous communities throughout Alberta following best practices to prepare for, respond to and recover from, emergency events. Creating resilience is about building capacity and developing relationships in a way that is tailored to each individual community—understanding unique circumstances, aspirations and the tools that may be available to assist in the process.

We have worked particularly closely with Siksika Nation to build capacity based on lessons learned in recent years. We have supported the Nation's program in several ways including the development of an integrated communications program and the design of an interagency tabletop exercise.

As the year progressed, we supported communities in looking back on their initial pandemic response to find opportunities to improve resilience for the next waves.

Our partnerships have grown to include a research project on investigating emergency preparedness and emergency management resources available to 48 Indigenous communities potentially impacted by a large-scale infrastructure project.

SYSTEM RELIABILITY AND RESILIENCY

NATURAL GAS ASSET MANAGEMENT

We own and operate more than 9,000 km of natural gas transmission pipelines and 55,000 km of natural gas distribution pipelines in Canada and Australia. Ensuring the safety and reliability of this critical energy infrastructure is integral to our business.

In 2020, we brought the total length of our in-line inspected transmission pipeline to more than 3,135 km as part of a continuing pipeline integrity program. We continue to progress in our goal to inspect all transmission lines of more than eight inches in diameter and five km in length.

We are continually assessing our pipeline network and replacing infrastructure to ensure safe and reliable energy. Initiated in 2011, our Urban Pipeline Replacement Project replaces and relocates our high-pressure natural gas pipelines located in the densely populated areas of Calgary and Edmonton, Alberta into the Transportation Utility Corridors around both cities. As the final part of this project, in 2020, we began constructing approximately 14 km of natural gas pipeline called the Northwest Calgary Connector.

GRID MODERNIZATION

Customer expectations and behaviours about electricity production and consumption are quickly changing. As our society moves to lower-emitting energy sources, people are incorporating solar panels, batteries, EVs, on-site charging equipment and other distributed energy sources into their homes and businesses. To enable this work across the larger system, we must modernize our grid.

WHY MODERNIZE THE GRID?

ENERGY EFFICIENCY

Real-time readings allow us to analyze information and optimize customer energy use.

DECARBONIZATION

Maintains affordability, reduces our GHG emissions and further enables the integration of renewable energy.

RELIABLE ENERGY

We see outages, without customers needing to notify us, and proactively begin repairs.

To achieve full grid modernization, we are focused on three critical elements: advanced meters that give real-time data about customers' energy usage, sensors and devices to monitor and analyze grid conditions, and an Automated Distribution Management System (ADMS) to orchestrate the movement of electricity to where it is needed.

In the City of Grande Prairie, Alberta, we have taken a foundational step to modernizing their electric grid by replacing all meters in the city with advanced meters, with communications modules that provide real-time information detailing how customers are using electricity.



Every detail is tracked to ensure reliability and resiliency, from pipeline construction to operation and eventual replacement.

In 2020, we installed 6,000 meters, or 18 per cent of all meters in Grande Prairie.

We aren't stopping at advanced meters. We are installing Distribution Supervisory Control and Data Acquisition (SCADA) systems to remotely monitor and control critical points in Grande Prairie's urban distribution system, allowing us to avoid and reduce the impact of power outages. This is also one of the first steps in evolving Grande Prairie's grid, from the distribution systems that power homes and workplaces to EV charging and street lighting that responds to local conditions.

GRID RESILIENCE

While we are taking steps to modernize our electric grid, we also take a risk-based approach to manage grid resilience and the impacts climate change can pose to an electric utility. For example, our distribution system in Jasper, Alberta, faces exposure to wildfires and windstorms. We have been using remote sensors to accurately identify where the forest is encroaching on our powerlines and creating a higher risk of fire. We are then able to strategically implement measures to manage wildfire risk and reduce outages.

In 2020, we piloted a program in high-risk fire areas to replace 18 of our standard fuses with a new type of technology that minimizes the possibility of starting a wildfire. These devices have been successfully protecting our powerlines, and we plan to expand the program with 187 more devices in 2021.

Our expertise in reliability and resiliency was a key factor in our successful bid to support Puerto Rico's power system after Hurricane Maria. LUMA Energy, LLC (LUMA Energy), a partnership with Quanta Services, was chosen to transition Puerto Rico's aged and inefficient electric grid to one that is safe, reliable, resilient, sustainable and affordable. The model for this development is innovative: we provide operational expertise to a jurisdiction that continues to own the utility assets.

OUTAGE RESPONSE AND MANAGEMENT

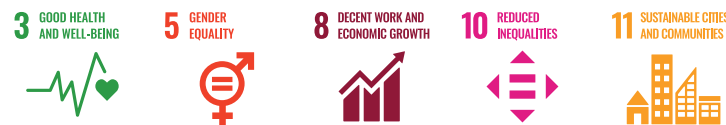
Whether utilities outages are planned or unexpected, we respond safely and efficiently to restore power. To easily connect with customers, we have new outage maps managed by control centres for natural gas in Australia and electricity in Canada. If customers find they have no gas or electricity, they can go online or visit an app and check the status of the system in their area.

A variety of metrics are used to measure the reliability of our systems, including system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). For example, our Alberta electricity distribution business reported a SAIDI of 4.09 and SAIFI of 1.58 in 2020. This falls well below requirements set for ATCO by the regulator, and compares favourably to peers with similar customer profiles. We plan to expand external disclosures around reliability metrics in the future.



PEOPLE

THE INITIATIVES IN THIS SECTION ALIGN WITH THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



The health and safety of people is the first consideration in everything we do. And, while we protect the people in our workforce and communities, we know we must also reflect the people in our communities by promoting diversity, equity and inclusion.

28%

decrease in our employee TRIF and 5% decrease in contractor TRIF compared to 2019.

OVER 1,000

employees have participated in our global health and well-being initiative since its launch in the fall of 2020.

OVER 350

damage prevention, industry and contractor meetings attended by our Canadian natural gas division to discuss safe digging practices near natural gas lines in 2020.

51%

more women in senior management positions since 2016.

We are focused on listening to people inside, outside and alongside our business. Speaking to our customers and business partners and taking the pulse of our employees through engagement sessions and regular surveys help to guide our vision and strategies.

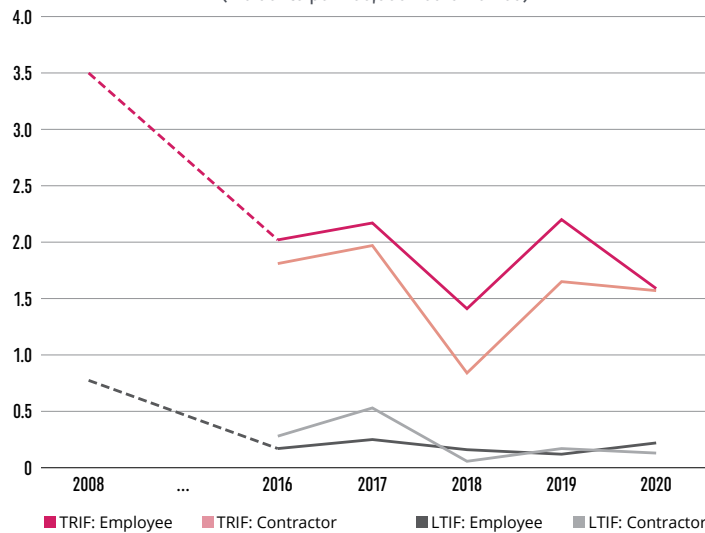
SAFETY

We are committed to the highest safety standards across all our products and services. Providing a safe work environment for our people is ingrained in our culture—a shared belief that directs our day-to-day priorities and decisions, with safety and wellness training built into our everyday jobs and career development for our employees. Outside of our workplaces, we actively engage with first responders, regulators, government, and the communities we serve to promote the importance of safety.

EMPLOYEE AND CONTRACTOR HEALTH AND SAFETY

On the worksite and in the community, the safety of our employees and contractors is top-of-mind. We continually assess our safety systems to ensure that our employees and contractors are part of an integrated approach and that they benefit from lessons learned and best practices, regardless of work location.

INCIDENT FREQUENCY RATES
(incidents per 200,000 hours worked)



In 2020, we saw a decrease in three key metrics: employee TRIF, contractor TRIF and contractor LTIF and an increase in employee LTIF.

We monitor our safety performance with multiple metrics, including total recordable incident frequency (TRIF) and lost-time incident frequency (LTIF). Our employee and contractor TRIF decreased by 28 per cent and five per cent, respectively. Our LTIF performance was varied with a decrease in contractor LTIF but an increase in employee LTIF resulting from a slight increase in incident occurrences. We strive for zero incidents, and continue to focus on targeted awareness, incident-prevention programs and increased hazard assessment reporting.

Each of our divisions measure performance specific to their industries with a focus on incident prevention, including hazard identification and reporting of near-miss events. When reported and managed, these metrics help us to better understand the causes of our incidents and reduce the chance of them happening again.

In 2020—and similar to previous years—the majority of incidents we assessed were related to individual slips, trips and falls or musculoskeletal injuries. We are continuing to improve our management systems, implement training initiatives and engage our employees through a variety of preventative measures.

We are committed to working with our partners in government and third-party auditors to ensure our management systems align with or exceed standard practices in the industries we operate in. The Certificate of Recognition (COR) program in Alberta is a benchmark for occupational health and safety practices. All of our business divisions in Alberta successfully complete regular COR audits. In the middle of the COVID-19 pandemic, our Canadian natural gas business worked with COR auditors, making us the first company in Canada to provide online interviews and virtual site observation to meet the strict COR standards.

For those employees whose jobs can't be done from home, such as manufacturing and utilities maintenance, we've established worksite safety protocols and awareness programs to meet or exceed all regulations and best practices (see COVID-19 Response information on [page 24](#)). The goal is not just maintaining physical health through the pandemic, it's having confidence that every measure is being taken to protect our people, families and communities.

MENTAL HEALTH AND WELLNESS

We have always emphasized the mental health and wellness of our employees. The COVID-19 pandemic, with the impacts on our employees' and contractors' lives, has brought our mental health initiatives into sharper focus.

The mental health and wellness of our employees is extremely important to us, and we have numerous programs to ensure that it is acknowledged and addressed in a safe and supportive work environment. In addition to employee and family counselling programs for those in need, we have proactively reached out to people in our workplaces since 2017. The Not Myself Today campaign, created by the Canadian Mental Health Association, is a peer-to-peer initiative with more than 250 trained local champions who volunteer to run the program across our operations. We also have mental health first aid training that has been rolled out in Australia and Alberta.

With our people working from home, in 2020 more than 500 employees participated in mental health training and awareness sessions online. In addition, we have created 30 monthly online modules since 2017 to deliver mental health information across the company.

In 2020, we encouraged employees around the globe to step up their game physically, emotionally and intellectually with the Well-being @ ATCO initiative, bringing together and building on our existing health and wellness strategies. Through the Well-being @ ATCO app, we've created a space where employees can learn healthy habits, such as turning off lights around the house to save energy, track food and weight, start a financial health journey and join friends and co-workers in fun challenges. We have garnered over 1,000 employee participants since its launch in the fall of 2020.

HEALTH AND SAFETY INITIATIVES

96%
of employees in safety-sensitive and field-based roles in our electricity business completed SafeStart training.

25%
of utilities leaders have completed the Safety Excellence for Supervisors and Managers program.

33
employees participated in Taproot training sessions, a comprehensive root cause analysis program.

24/7
direct access across Canada to registered nurses trained in medical triage as part of a new Nurse Triage program in our utilities business.

130%
increase in preventative reports including potential hazards and near-misses in our utilities business.



Safety is the first consideration in everything we do. It is critical to understand the location of underground natural gas pipelines before any ground disturbance takes place.

PUBLIC SAFETY

As part of our overarching approach to safety, we collaborate with fellow utility providers, governments and municipalities to promote public awareness of safety around powerlines and natural gas pipelines. While these assets provide reliable and affordable access to energy for residential and commercial consumers, it is critically important the public understands the inherent danger of working near them and recognizes how to mitigate the risks.

We have been active in supporting public safety through member-driven, public safety organizations. For potentially hidden, underground risks in our largest utilities operating area, Alberta One-Call has a comprehensive awareness campaign and facilitates marking buried lines before any ground disturbance takes place. A complementary organization called the Joint Utility Safety Team (JUST) has managed the “Where’s the Line” information system for education and identification related to electric powerline risks. We helped bring both together to create a “one stop shop” to provide education and information about all potentially dangerous utility lines—electric and gas, both above and below ground.

Public safety is not just about how we work or how we support our customers, it’s also about supporting the contractors and businesses that are critical to delivering safe and reliable products and services. In our natural gas division, we participated in 48 industry meetings, 217 contractor meetings and over 100 damage prevention meetings to discuss safe digging practices near natural gas lines. These outreach and education efforts supported our second-lowest year of recorded “hits” on natural gas lines from industrial, commercial and residential building and development activities. In our electricity division, the number of powerline contacts was largely consistent with 2019.

As we work hard to ensure that our customers receive the energy they rely on while also staying safe under pandemic conditions, our existing ICWhatUC technology stands out as a physical distancing champion. The web-based application allows customers to connect digitally with ATCO experts to help troubleshoot and fix a wide variety of issues in real time, while respecting physical distancing guidelines. Users can share photos, video chat and even use augmented reality—showing what can’t be easily seen with the naked eye—to tackle fixes, often avoiding the need for one of our technicians to visit the home.

DIVERSITY, EQUITY AND INCLUSION

The people of ATCO have long been our greatest strength. Much like our business operations, our organization’s competitive advantage is due in no small part to the diversity of our people. Our Inclusive and Respectful Workforce Policy supports a diverse workforce and encourages a variety of perspectives—our ability to draw upon a range of backgrounds and experiences enables us to make more informed decisions. We hire people, partner with businesses and engage advisors based on a diversity of lived experience and learned expertise.

Our approach to diversity starts by living the ATCO values of integrity, agility, caring and collaboration. The first step is an honest assessment where we listen to our employees, remove barriers and commit to continuous improvement as part of the job.

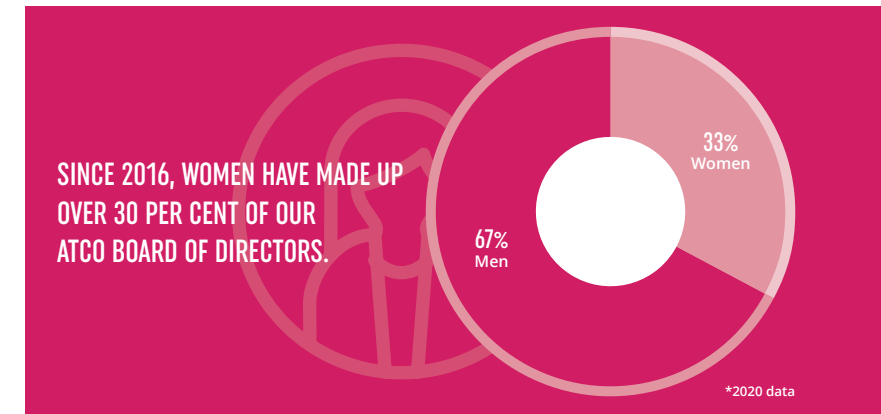
We recognize that there is progress to be made within our organization and continue to challenge ourselves to find ways to create a more inclusive environment, to provide equal opportunity for all, and to expand our externally reported metrics.

Established in 2017, the Employment Equity Advisory Committee (EEAC) in our Structures & Logistics business was created to eliminate barriers to equity and promote a more inclusive environment. Early in 2020, the EEAC conducted employee consultations across the organization with strong representation from each of four designated groups in Canada: women, Indigenous Peoples, persons with disabilities and members of visible minorities. With direct feedback and insight from employee consultations, the EEAC developed a 3-Year Employment Equity Plan. Within this plan, a special measure was put in place to commit to interviewing at least one woman for every open management role.

The efforts of the EEAC, along with parallel work with the Workplace Inclusion, Diversity and Equity (WIDE) initiative in our utilities business, has helped garner company-wide momentum. We are currently looking to build on these initiatives at an ATCO-wide scale to provide a holistic perspective.

Our focus areas include internal education to promote inclusion in the workplace and recruitment strategies to attract diverse and under-represented groups to ATCO. We’ve also launched unconscious bias training across the organization and included this training at our global One ATCO conference. We continue to offer Indigenous cultural training and plan to update content and learning opportunities in 2021.

More information about Indigenous training and employment initiatives is included in the [Community & Indigenous Relations section](#).

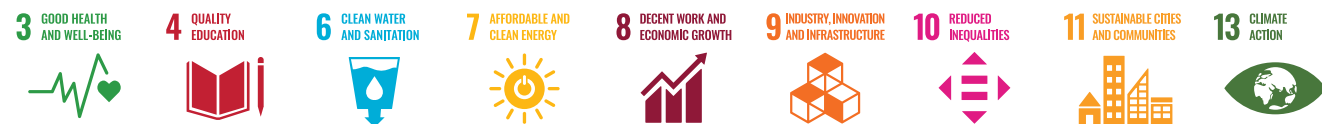


As we look to our future workforce, we are actively engaged in developing the next generation of talent. We support emPower Women in Trades to help unemployed or marginally employed women enter the trades sector, where they have historically been under-represented. We have partnered with this program for several years to offer students facility tours, practicum experience and encouragement that has led to employment on our team.



COMMUNITY & INDIGENOUS RELATIONS

THE INITIATIVES IN THIS SECTION ALIGN WITH THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



Building respectful and mutually beneficial relationships with communities, with Indigenous Peoples and with businesses has long defined how we do business. Together with our Indigenous and community partners, we are continually exploring new ways to collaborate.

\$5.5M

invested in communities through gifts in-kind, sponsorships, donations and our matching contribution to the employee-led ATCO Employees Participating in Communities (ATCO EPIC) program.

50

joint-venture partnerships, memorandums of understanding and other partnerships with Indigenous groups.

\$71.4M

in economic benefit for Indigenous groups in 2020.

OVER 900

employees completed Indigenous awareness training in 2020 in Canada, Australia and Mexico. This is in addition to offering foundational Indigenous awareness online to all Canadian employees since 2016.



We engage Indigenous communities through sponsorships with organizations like the Arctic Winter Games and Spirit North, which focus on inspiring Indigenous youth through sport.

The communities we serve are the communities where we live and work. We are more than a company that passes through town. Our success hinges on the relationships we build through engagement and community initiatives. We work hard to build and maintain critical ties with our Indigenous partners.

COMMUNITY ENGAGEMENT

Every community is different. From Fort McMurray to Perth, we conduct a significant number of community consultations to engage our neighbours early in project planning, with a focus on listening to concerns and working collaboratively to mitigate potential impacts. The success of engagement is based on providing accessible information and ample

opportunity for involvement through forums, such as meetings, information sessions, and open houses.

Over the past year, we were able to continue to engage and progress projects while following all government pandemic restrictions. For example, in 2020, we applied to the AUC for the Central East Transfer-Out Project (CETO), which involved over 1,270 consultations with impacted stakeholders. The project proposes two 240-kilovolt (kV) transmission lines and has incorporated feedback from landowners in the area.

With the ecologically sensitive Jasper National Park in our electricity service area, we regularly have consultations with the Municipality of Jasper, Parks Canada and Indigenous groups. We recently collaborated with these partners to create a renewed consultation plan covering the next four years.

COMMUNITY INVESTMENT

We listen carefully to what our communities tell us is important to them, and then look for opportunities to provide support that will make the greatest difference. Youth, sports and Indigenous initiatives all have a special place in our hearts.

Our efforts in the community were not business-as-usual in 2020. COVID-19 meant that many events we have supported for years were postponed or cancelled, so we needed to find new ways to connect.

SENIORS

Seniors were particularly vulnerable and isolated in 2020. Our Blue Flame Kitchen joined forces with the Calgary Seniors' Resource Society, Bow Centre Housing Society and the Kerby Centre to provide 11,700 nutritious and delicious meals to seniors who were financially impacted by COVID-19 and lived alone, with a caregiver or in a seniors' complex in Calgary.

For seniors living in facilities, we loaned ATCO tent pavilions to more than 30 senior care residences across Alberta so they could enjoy a safe, weather-protected outdoor space to visit their loved ones.

HOMES FOR HEROES

We also continued our partnership with the Homes For Heroes Foundation to provide housing for veterans at risk of homelessness. Following a successful launch in Calgary, in 2020, we worked towards a second veterans' community in Edmonton.

In total, we have committed a \$1.5 million gift-in-kind donation to support the Homes For Heroes Foundation. As an added gift, ATCO also matched \$100,000 in donations made to the Homes For Heroes Foundation in December.

ATCO EPIC

Community investment isn't just a corporate initiative—our employees are passionate about supporting their communities. ATCO EPIC (Employees Participating in Communities) is a long-standing employee-led program, combining volunteerism, fundraising events and individual donations.

In response to the pandemic restrictions, we leveraged technology and increased collaboration across our organization to create powerful virtual campaigns where our people could contribute to their communities without leaving their computers. This agile approach increased the number of our employees who participated, pushing us to exceed our goal from last year.

As part of ATCO EPIC, employees pledged more than \$2.9 million to support hundreds of community charities, taking the program's cumulative fundraising total to nearly \$47 million since its inception in 2006. Employees donate directly to the charities of their choice, and we enhance our people's generosity by matching donations made to health and wellness charities.

\$2.9M
raised for charities through our ATCO EPIC campaign with nearly \$47 million raised for charities since inception in 2006.

One particularly impactful area for ATCO EPIC in 2020 was its response to the bushfires in Australia. While our operations were spared any damage, our people around the world were swift to respond. ATCO EPIC raised more than \$118,000 for charities in Australia focused on three important areas: families, farmers and wildlife. Employee-led contributions were in addition to ATCO's \$1 million donation and the use of 13 modular buildings to help businesses recover from the natural disaster.

INDIGENOUS RELATIONS

We value our diverse relationships with Indigenous Peoples around the world—it has long been a hallmark of how we do business. The foundation of those relationships is respect, transparency and trust.

Our Indigenous strategy is captured by four Es: meaningful engagement, economic participation, employment and education. We believe in the importance of reconciliation, conducting ourselves and developing relationships in the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and Canada's Truth and Reconciliation Commission's Calls to Action.

In Australia, our employees and local Indigenous Elders have also developed our second Reconciliation Action Plan. This plan documents the objectives and strategies we employ to promote understanding and reconciliation by building respectful, trusting relationships with Indigenous communities. In 2020, we received confirmation from Reconciliation Australia that our plan has been conditionally endorsed: a milestone that brings us one step closer to official launch.

4E'S OF INDIGENOUS STRATEGY

Meaningful Engagement

Economic Participation

Employment

Education

MEANINGFUL ENGAGEMENT

We have genuine relationships with many Indigenous groups, where we listen and learn to truly understand their unique perspectives. Our engagement with Indigenous groups includes discussions about projects that may impact them, exploring how we can best meet their needs and developing unique approaches to partnership and collaboration.

We continued substantive conversations about a range of opportunities, including transitioning to lower-emitting energy sources. In addition to the implemented projects that shifted Indigenous and remote communities to more sustainable energy highlighted in the Energy Transition section, 2020 brought unprecedented dialogue with additional Indigenous communities regarding their future priorities. Through listening to their needs, we have opened up dialogue around multi-faceted expertise and solutions that ATCO can bring. This included everything from energy efficiency audits, renewable energy, water infrastructure and gas infrastructure to emergency preparedness and response services.

Our engagement strategy also includes 12 relationship agreements that formalize long-term strategic commitments with communities. These agreements require regular strategic discussions about how we can work together, now and in the future, and have become the foundation for project-specific memorandums of understanding (MOUs) and joint-venture (JV) partnerships.

ECONOMIC PARTICIPATION

Our business relationships with Indigenous groups are varied—from equity arrangements to JV partnerships, in addition to mutually beneficial connections with employees, customers, contractors and suppliers. Over the last several years, we have successfully expanded economic opportunities with Indigenous communities across our operations.

As of the end of 2020, we have built 50 JVs, MOUs and other partnerships with Indigenous groups—some that have lasted decades. These relationships offer direct and indirect economic participation and benefits and are an important aspect of the economic opportunities we advance. They are above and beyond what most companies are able to discuss.

In 2020, we progressed one of these long-term JVs called Nasittuq Corporation with our Indigenous partner to pursue a Government of Canada contract to operate and maintain the North Warning System (NWS). The system is a chain of radar sites spanning Canada's northern coastline that provides surveillance of North America's airspace. On January 1, 2021, the

ownership of Nasittuq Corporation was restructured so that it became a majority-owned Inuit company. Now, our partners Nunasi Corporation and Pan Arctic Inuit Logistics Corporation collectively hold a 51 per cent interest, while we hold a 49 per cent interest. It is anticipated that the NWS contract will be awarded to the successful party in 2022.

As mentioned in the Energy Transition section, we also have partnerships in Fort Chipewyan, Alberta and Yukon. These energy projects foster community ownership and self-sustaining economic development through job creation, investment in infrastructure and revenue from the sale of renewable energy.

In recognition of our approach, we received the prestigious 2020 International Edison Award for our work on the Fort McMurray West 500-kV Transmission Project, completed by Alberta PowerLine (APL). From the Arctic to the 49th parallel, we engaged extensively with Indigenous communities over three years of design and construction, building on our existing relationships while we learned meaningful historic knowledge. Today, seven Indigenous communities own a combined 40 per cent equity interest of the \$1.6 billion project, which will continue to bring them strong benefits for the 35-year life of the project. Through this investment, these Indigenous partners have become active participants in energy development occurring in their backyard, while we remain the operator. This is another important way we demonstrate innovation in long-term relationships, in addition to more traditional approaches to economic benefits that we report on.

We look for opportunities to implement Indigenous contracting strategies and develop partnerships to create jobs, opportunities for skills training and local economic development. In 2020, we saw a decrease in each of our economic participation metrics, largely due to decreased economic activity and the effects of the global pandemic. However, we continue to engage communities and improve processes for procurement and supply chain management and find new ways to expand these opportunities.



\$113.6M IN INDIGENOUS JOINT-VENTURE REVENUE

Indigenous joint-venture revenue is a metric to highlight the health of our formal JVs with our Indigenous partners. Our Indigenous JVs brought in \$271.9 million in revenue in 2020, with 41.8 per cent of that going to our Indigenous partners.

\$71.4M IN NET ECONOMIC BENEFIT

Net economic benefit to Indigenous groups captures unique benefits ranging from partnership earnings (including JVs and revenue-share agreements) to liaison work, fees and permits.

\$58.2M IN INDIGENOUS PROCUREMENT

Across our operations, we awarded contracts totalling more than \$58.2 million for Indigenous and Indigenous-affiliated contractors in 2020. This number decreased by 16 per cent from 2019 due to fewer capital projects.



Construction of the Pembina-Keeyik Transmission Line was followed by long-term plans for inspection and maintenance, including mentorship and training opportunities for Indigenous communities.

**BUILDING TOGETHER:
INCLUSION AND ECONOMIC BENEFIT**

We work with Indigenous groups to deliberately expand procurement and employment options, uncovering opportunities for inclusion and taking steps to set relationships up for success. Examples of our commitment in 2020 are the Trans Mountain Expansion Project (TMEP), Pembina-Keeyik Transmission Line and the Northwest Calgary Connector.

For TMEP, we safely built and now operate two workplace accommodation facilities through JVs between Simpcw Resources LLP and ATCO. Our work on TMEP with Simpcw Resources LLP has provided over \$3.5 million in contracts to Indigenous groups, with Indigenous employees making up an average of 7.5 per cent of the total workforce at both facilities.

We also found new ways to work together on the Pembina-Keeyik Transmission Line. We set up the Junior Pipeline Inspector Program to provide opportunities for Indigenous community members to work as informal apprentices, while being mentored by fully certified, experienced inspectors. The program successfully reduced barriers to employment by compensating junior inspectors while they were being trained, thereby providing valuable experience that can be used to apply for future employment opportunities.

One of our junior inspectors from the Pembina-Keeyik Transmission Line was brought over to the Northwest Calgary Connector to further build skills and experience. In addition, we are hiring two recent graduates of the Trade Winds to Success program for Indigenous apprenticeship positions. The graduates are two local Indigenous women wanting to pursue a career in the trades.

EMPLOYMENT AND TRAINING

Working with our Indigenous partners, we provide opportunities for life-changing experiences, training and scholarships. We continue to expand on our existing programs and develop new ones. We believe our strength comes from a diverse workforce that encourages a variety of perspectives—our ability to draw upon a range of backgrounds and experiences enables us to make more informed decisions.

EMPLOYEE EDUCATION AND AWARENESS TRAINING

We believe in the significant value of educating our employees about the unique cultural and historical status of Indigenous Peoples and communities and the importance of Indigenous Knowledge.

Over 900 employees took Indigenous cultural training in 2020, ranging from online orientations, informal virtual lunch and learn sessions, in-person and virtual full-day courses, to the University of Calgary Indigenous Relations Training Program, which we sponsor. This 900 is in addition to employees who have completed the foundational Indigenous awareness training, available online to all Canadian employees since 2016.

Training took place in Australia, Canada and Mexico. In 2020, we also offered new courses to provide topic-specific training for people who have additional involvement with Indigenous groups.

SCHOLARSHIPS



INDIGENOUS EDUCATION AWARDS

Forty-nine First Nation, Inuit and Métis students across Canada received scholarships, bursaries and merit awards totaling \$66,000 to help pursue higher education.



EMERGING ABORIGINAL LEADERS PROGRAM

Ten Aboriginal leaders graduated from this leadership program for 18- to 25-year-olds, delivered in partnership with the Western Australian Aboriginal Leadership Institute.



PERAJ MEXICO AND THE INSTITUTO TECNOLÓGICO SUPERIOR DE ZONGOLICA PARTNERSHIP

Twenty Indigenous university students were awarded scholarships and paired with Indigenous elementary students to provide mentorship and encourage them to stay in school. We also worked with Peraj Mexico to develop a distance-learning mentorship program and donated new tablets to facilitate the program in 2021.

TRAINING AND EDUCATION



INDIGENOUS SUMMER STUDENT PROGRAM

Even with the challenges of COVID-19, we safely continued our Indigenous Summer Student Program in 2020, with nine students welcomed in different roles. During the welcome session for summer students, a blessing where an Elder shared wisdom and well wishes for the students' learning journey

linked Indigenous culture with ATCO's culture. The students' contribution was appreciated by their teams, and we look forward to continuing this program in 2021.

Our culinary program that offers career and life skills and ATCO Explore were postponed in 2020 due to COVID-19. We look forward to continuing this program once it is safe to do so.



ATCO's commitment to supporting our customers through the energy transition includes converting streetlights to high-efficiency LED lighting.

SUSTAINABILITY AT ATCO

From integrated energy systems to innovative partnerships with Indigenous communities, we are solving customer challenges in a way that balances responsible development with environmental stewardship and the interests of communities and customers.

For more information on our commitment and approach to our sustainability material topics, see the [Sustainability section of ATCO.com](#).

For more information on other disclosures, including the Sustainability Framework Index, Annual Reports, and Management Proxy Circulars, see the [Investors section of ATCO.com](#).

GOVERNANCE

Effective corporate governance stewards the interests of our employees, share owners, and Indigenous and community partners over the near, medium and long term, providing review and oversight of corporate strategies and executive decisions. We regularly evaluate our governance practices to ensure they are aligned with the highest standards for assessing sustainability and climate-related issues.

At ATCO, we have a unique and effective system of corporate governance that recognizes the need to provide autonomy and flexibility to our different businesses, while accommodating the needs of both our regulated and non-regulated businesses.

BOARD OVERSIGHT

Key elements of our corporate governance system include the oversight and diligence provided by the Board of Directors, the lead director, the Audit & Risk Committee and our Corporate Governance, Nomination, Compensation and Succession Committee (GOCOM).

The Audit & Risk Committee, comprised of independent directors, has the greatest oversight of our sustainability practices. The committee reviews risks and opportunities that could materially impact our ability to achieve our strategic objectives and is responsible for ensuring that management addresses risks by implementing appropriate mitigation measures.

We have an established enterprise risk-management process that allows us to identify and evaluate risks by both severity of impact and probability of occurrence. This evaluation includes climate-related challenges relating to transitional (policy/regulatory, market, technology and reputational) and physical factors. In addition, we incorporate climate-related opportunities such as resource efficiency, developing cleaner energy sources, innovative products and services, access to markets, and climate change resilience and adaptation.

The senior executive of each operating division reports on operating results and risks to a designated audit director, who in turn reports to the Audit & Risk Committee. In addition, each division prepares Stewardship Reports, which are presented to the Audit & Risk Committee on a bi-annual basis, and include topics such as safety, environment and Code of Ethics compliance. Our How We Do Business document, available at [ATCO.com](#), is the code that sets out the behaviours and standards of conduct we expect of ourselves and each other. It provides an overview of the policies and practices that must be followed by anyone who works for or represents ATCO.

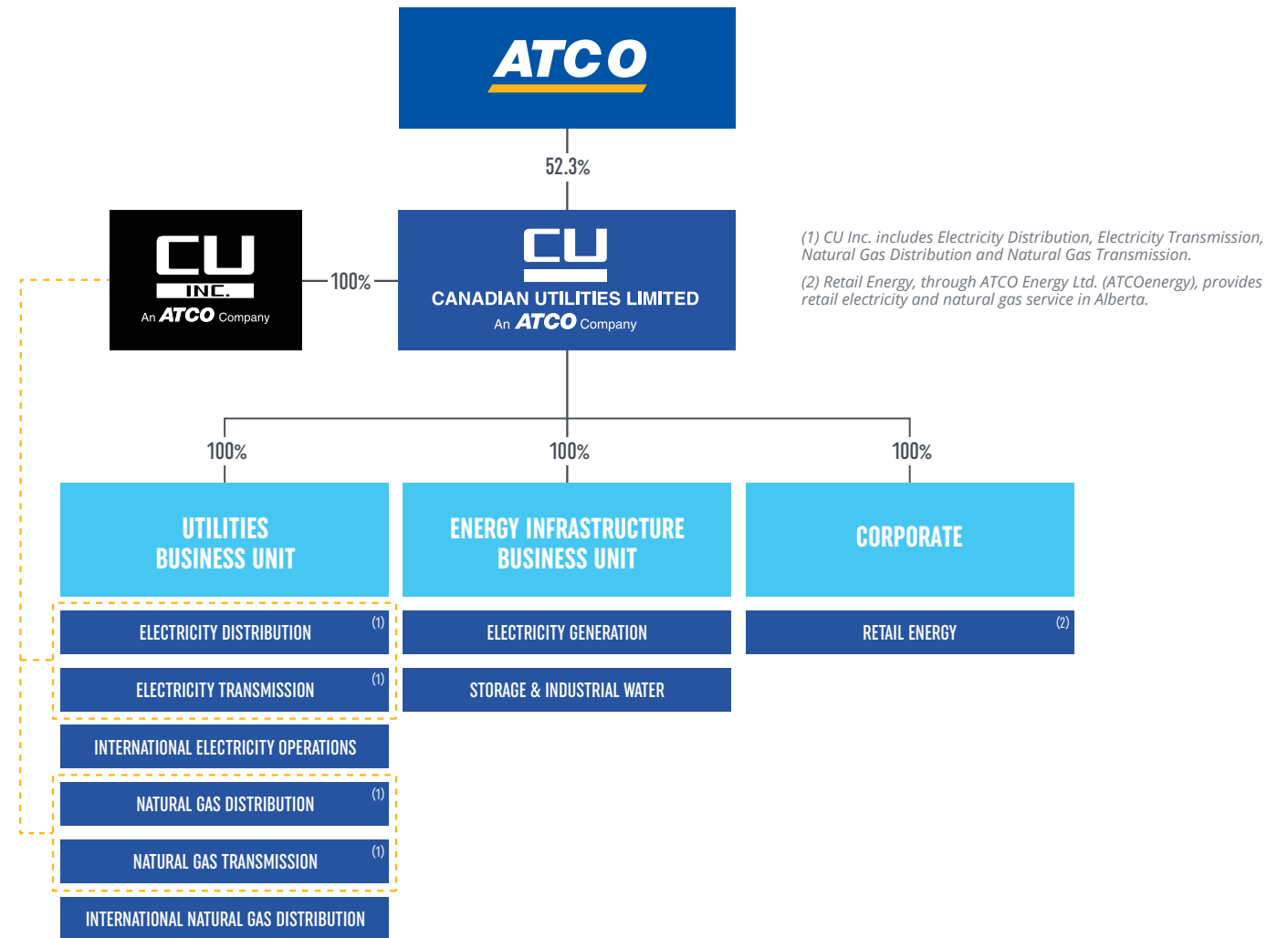
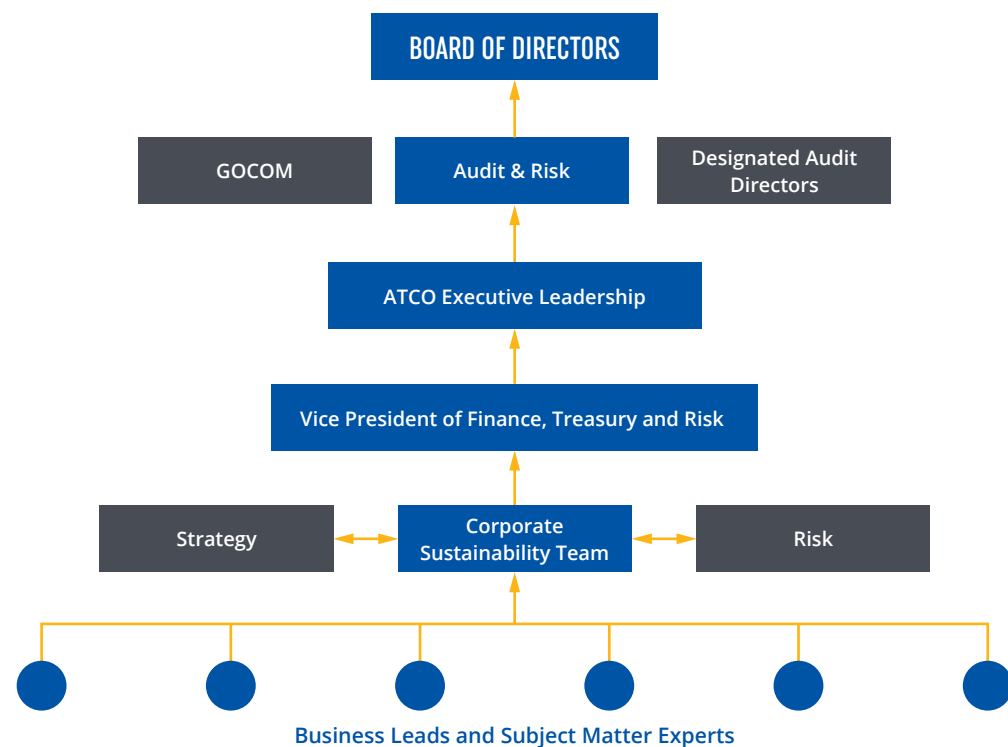
MANAGEMENT'S ROLE

At ATCO, the sustainability team reports through the Vice President of Finance, Treasury & Risk to the Chief Financial Officer. Several senior members of leadership also oversee and contribute their expertise due to the cross-functional nature of many sustainability initiatives. Sustainability is managed collaboratively across numerous groups, including Human Resources, Government Relations, Indigenous Relations, Health and Safety, Environment, Marketing and Communications, Business Development, Internal Audit and Risk Management, among others. These groups monitor best practices, develop and implement policies and standards and support our various divisions.

The daily management of sustainability commitments and programs is guided by divisional leadership through topic-specific policies, training, monitoring and other management considerations. Our executive leadership team are kept informed through quarterly internal dashboards that report key performance indicators, including data regarding environmental, safety and Indigenous relations metrics.

For more detailed information on our corporate governance and management approach, please refer to the Governance section of the Management Proxy Circular at ATCO.com.

SUSTAINABILITY OVERSIGHT



(1) CU Inc. includes Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.
 (2) Retail Energy, through ATCO Energy Ltd. (ATCOenergy), provides retail electricity and natural gas service in Alberta.

SUSTAINABILITY AT CANADIAN UTILITIES LIMITED

Canadian Utilities Limited (Canadian Utilities) is the largest principally controlled company of the ATCO Group of Companies, with operations in electricity, natural gas, energy and water infrastructure and retail energy.

Canadian Utilities' Board of Directors is independent from ATCO's; however, Canadian Utilities' approach to sustainability is fully aligned with ATCO's, as highlighted in this report, including the corporate governance system and reporting on material topics.

Specific performance data for Canadian Utilities is provided in the Performance Summary on [page 50](#).

For more information on our key policies, please see the Code of Ethics section of CanadianUtilities.com.

For more information on other disclosures, including the Sustainability Framework Index, Annual Reports, and Management Proxy Circulars, see Documents and Filings under the Investors section of CanadianUtilities.com.

SUSTAINABILITY AT CU INC.

CU Inc. is a wholly owned subsidiary of Canadian Utilities, comprised of regulated utility operations in natural gas and electricity distribution and transmission.

CU Inc.'s approach to sustainability is fully aligned with ATCO's and Canadian Utilities'. To ensure transparency to investors, starting in 2020, we are providing a sustainability Performance Summary for CU Inc. on [page 52](#).



Diversity is important. Over the years, we have championed a long list of celebrations and days of recognition, including International Women's Day, Pride Week, Orange Shirt Day and many others.

REPORTING SCOPE AND BOUNDARIES

- The terms ATCO, ATCO Group, the ATCO Group of Companies, our, we, the company and the corporation, refer to ATCO Ltd. as a whole, including its subsidiary companies Canadian Utilities Limited and CU Inc.
- Our most recent previous ATCO Sustainability Report was released in June 2020 and reflects operations as of December 31, 2019.
- This report communicates our sustainability performance in 2020 and reflects operations as of December 31, 2020.
- Our Performance Summary includes data for the three years ending December 31, 2020, unless otherwise noted, for ATCO, our subsidiaries and JVs. Exceptions are explicitly noted with the relevant information. For brevity, data from 2009 through 2017 is not included in the ATCO Performance Summary; however, this historical data is available on [our website](#). All available data for Canadian Utilities Limited and CU Inc. is included in their respective Performance Summary.
- Data for 2008, our baseline year for many reporting indicators, is included where available. Certain indicators that have been included in our sustainability reporting more recently may not have data available for 2008; however, graphs will show available trending data.
- Financial data is in Canadian dollars and environmental data is in metric units.
- Environmental performance metrics reported include 100 per cent for facilities where ATCO, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership. Operational control is defined in alignment with the GHG Protocol.
- In the third quarter of 2019, Canadian Utilities finalized the sale of its 2,276-MW Canadian fossil fuel-based electricity generation business. Following the close of the transaction, Canadian Utilities continues to own 293-MW of electricity generation assets in Canada, Mexico and Australia. Environmental data is included until the date of the sale.
- The following facilities are not currently included in the operational control reporting boundary: UQSUQ, ATCO Espaciomovil and ATCO Sabinco. We expect to include these operations in 2021.
- For select sustainability performance indicators, we also provide reporting guided by a financial control basis in our ATCO Sustainability Framework Index, available on our website. Data guided by a financial control basis includes 100 per cent of Canadian Utilities Limited, the equity share of JVs where available, and excludes non-controlling equity investments. The treatment of various entities may be addressed differently in ATCO's 2020 Annual Report with respect to financial performance.
- In 2018, ATCO acquired a 40 per cent interest in Neltume Ports, a leading port operator and developer in South America. ATCO does not have operational control of Neltume Ports, so it is not included within our sustainability reporting scope and boundaries. Neltume Ports is a subsidiary of Ultramar, already a strategic partner with ATCO, and operates primarily in Chile and Uruguay along with operations in Brazil and Argentina. As with any investment, a review of health and safety risks, including anti-bribery and corruption, was undertaken to confirm alignment of values.
- In 2020, we formed an International Electricity Operations business in Puerto Rico, which includes Canadian Utilities Limited's 50 per cent ownership in LUMA Energy. LUMA Energy does not fall under our operational control boundary, so it is not included within our sustainability reporting scope and boundaries.

ATCO LTD. PERFORMANCE SUMMARY

Indicator ^{1,2,3}	Units	2020	2019	2018	...	2008
ENVIRONMENT^{4,5}						
Air Emissions⁶						
Direct greenhouse gases (Scope 1)	kilotonnes CO ₂ e	873	8,319	10,808		17,049
Indirect greenhouse gases (Scope 2) ⁷	kilotonnes CO ₂ e	232	108	43		-
Sulphur dioxide	tonnes	36	14,564	35,242		63,182
Nitrogen oxides	tonnes	1,796	8,909	15,938		26,566
Particulate matter (PM2.5)	tonnes	22	332	458		510
Carbon monoxide	tonnes	608	1,460	2,131		3,768
Volatile organic compounds	tonnes	188	143	270		168
Mercury	kilograms	1	24	27		157
Ozone depleting substances	kilograms	0	0	0		77
Water Use ⁸	million m ³	1.5	16.0	21.2		22.1
Spills⁹						
Hydrocarbon - number ¹⁰	number	18	19	13		-
Hydrocarbon - volume	m ³	10.0	12.1	5.2		-
Non-hydrocarbon - number	number	2	1	6		-
Non-hydrocarbon - volume ¹¹	m ³	0.0	25.0	45.7		-
Hazardous Waste ¹²	tonnes	1,820	3,749	3,947		-
Environmental Fines and Penalties	\$ thousand	0	0	0		0
SOCIAL¹³						
Health and Safety^{14,15}						
Lost-time incident rate (employees) ^{16,17}	cases/200,000 hours worked	0.26	0.12	0.16		0.77
Lost-time incident rate (contractors)	cases/200,000 hours worked	0.13	0.17	0.06		-
Recordable incident rate (employees)	cases/200,000 hours worked	1.58	2.20	1.41		3.50
Recordable incident rate (contractors)	cases/200,000 hours worked	1.58	1.65	0.84		-
Fatalities (employees)	number	0	0	0		0
Fatalities (contractors)	number	0	0	0		0
Employees	number	6,183	6,556	6,241		7,781
Voluntary Turnover Rate	per cent	6.3	8.7	6.1		12.8
Employees in Employee Unions or Associations	per cent	49	48	48		54
Diversity						
Women in workforce	per cent	30	30	31		29
Women in senior management	per cent	26	21	19		14
Women on Board of Directors	per cent	33	33	30		9
Human Rights and Ethics Incidents¹⁸						
Discrimination incidents	number	0	0	0		-
Indigenous rights incidents	number	0	0	0		-
Corruption Incidents	number	0	0	0		-
Customer Privacy Breaches	number	0	0	6		40
Number of Regulatory Non-compliance Incidents	number	1	1	2		-
Fines and Penalties for Regulatory Non-compliance	\$ thousand	0.8	0.8	15.3		-
ECONOMIC						
Economic Value Generated ¹⁹	\$ million	3,944	4,706	4,888		3,266
Economic Value Distributed						
Suppliers	\$ million	1,402	1,785	2,084		1,127
Employees ²⁰	\$ million	531	538	599		466
Lenders	\$ million	413	498	485		239
Shareholders	\$ million	501	480	387		166
Governments ²¹	\$ million	346	487	448		365
Communities ²²	\$ million	6	9	8		5
Economic Value Retained ²³	\$ million	745	909	877		897
Financial Assistance Received from Governments ²⁴	\$ million	9.46	6.06	1.51		-
Coverage of Defined Benefit Pension Plan Obligations	per cent	91	91	91		99

We strive to continually improve our measurement systems, and may adjust indicator definitions and performance data to reflect current best practice. In most cases, we use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy.

INDICATOR

- This summary table consolidates data for ATCO Ltd. (ACO.X, ACO.Y). A Performance Summary for Canadian Utilities Limited (CU, C.X), ATCO's largest principally owned and independently traded entity, can be found online and on [page 50](#). New this year, we have also provided a Performance Summary for CU Inc., the wholly owned subsidiary of Canadian Utilities Limited representing the regulated utility operations in Alberta, Canada on [page 52](#).
- We have also provided a limited number of environmental performance metrics guided by financial control basis in our Sustainability Framework Index.
- This report includes performance data on indicators that were not included in all previous reports. Data for the new indicators is not provided for previous years and is denoted with a "-" symbol.

ENVIRONMENT

- Data is reported on an operatorship basis, which does not align with financial reporting. Operatorship basis means that environmental performance metrics reported include 100 per cent from operations over which ATCO, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership.
- Many environmental metrics were significantly lower as a result of Canadian Utilities' sale of its 2,276-MW Canadian fossil fuel-based electricity generation business in the third quarter of 2019.

AIR EMISSIONS

- GHG emissions are calculated and reported in line with carbon regulations where the facility is located and are also guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol).

INDIRECT GHGS

- The increase in indirect (Scope 2) emissions for 2020 is predominantly due to the inclusion of electrical distribution losses after the sale of our associated generation business, in line with the GHG Protocol.

WATER

- Water use is calculated by deducting water discharged from water withdrawn.

SPILLS

- Includes spills that meet thresholds for regulatory reporting in the jurisdiction in which they occurred. Volume spilled is often estimated due to variables such as duration, location and when the spill was identified.
- In 2020, the majority of hydrocarbon spills were related to vandalism incidents to electrical transformers.
- Non-hydrocarbon spills are often comprised of saline water or water containing small quantities of other substances. In 2020, the volume was less than 1 m³.

WASTE

- Variations in hazardous waste are mainly attributable to a fluctuation in capital projects within the business units that require additional waste disposal. Hazardous waste volume for 2019 has been restated as a result of revised data from our Canadian natural gas division.

SOCIAL

- Includes our temporary workforce but does not include joint-venture employees, unless otherwise noted.

SAFETY

- Our contractor safety rates do not cover all our contractors because some of our business units only track safety statistics for contractors conducting certain work scopes or greater than a threshold contract size. Changes to contractor incident rates year-over-year vary depending on significant capital projects which occur during that year. Work is ongoing to align contractor reporting across the organization.
- Data is included when ATCO has the governing authority and responsibility for the health and safety of the people, processes and facility.
- Increase in lost-time incident rate is mainly attributable to an increase in incidents from our Canadian electricity division.
- The lost-time incident rate disclosed in our 2020 Management's Discussion & Analysis has been updated as a result of reclassification of two incidents to lost-time as a result of the employees going on days off in early 2021.

ETHICS INCIDENTS

- We track and address concerns through several channels, including our internationally accessible ATCO Integrity Line. Only incidents that have been substantiated by an external authority have been included.

ECONOMIC

- Economic value generated includes revenues and interest income.
- Employee wages and benefits include employee salaries and amounts paid to government institutions on behalf of employees plus total benefits.
- Payments to governments include income, property, and franchise taxes.
- Distributions to communities include donations, in-kind contributions, and sponsorships.
- Economic value retained is economic value generated minus economic value distributed. This is not a financial reporting indicator and should not be confused with retained earnings.
- Financial assistance received from governments includes tax relief/credits, investment grants, research & development (R&D) grants, financial awards and subsidies.

CANADIAN UTILITIES LIMITED PERFORMANCE SUMMARY

Indicator ^{1,2}	Units	2020	2019	2018
ENVIRONMENT^{3,4}				
Air Emissions⁵				
Direct greenhouse gases (Scope 1)	kilotonnes CO ₂ e	859	8,306	10,796
Indirect greenhouse gases (Scope 2) ⁶	kilotonnes CO ₂ e	227	103	34
Sulphur dioxide	tonnes	36	14,564	35,242
Nitrogen oxides	tonnes	1,796	8,909	15,938
Particulate matter (PM2.5)	tonnes	22	332	458
Carbon monoxide	tonnes	608	1,460	2,131
Volatile organic compounds	tonnes	188	143	270
Mercury	kilograms	1	24	27
Ozone depleting substances	kilograms	0	0	0
Water Use ⁷	million m ³	1.5	15.9	21.1
Spills⁸				
Hydrocarbon - number ⁹	number	18	18	13
Hydrocarbon - volume	m ³	10.0	12.1	5.2
Non-hydrocarbon - number	number	1	1	6
Non-hydrocarbon - volume ¹⁰	m ³	0.0	25.0	45.7
Hazardous Waste ¹¹	tonnes	1,779	2,948	3,879
Environmental Fines and Penalties	\$ thousand	0	0	0
SOCIAL¹²				
Health and Safety^{13,14}				
Lost-time incident rate (employees) ^{15,16}	cases/200,000 hours worked	0.33	0.12	0.22
Lost-time incident rate (contractors)	cases/200,000 hours worked	0.09	0.06	0.07
Recordable incident rate (employees)	cases/200,000 hours worked	1.74	2.15	1.59
Recordable incident rate (contractors)	cases/200,000 hours worked	1.50	1.56	0.97
Fatalities (employees)	number	0	0	0
Fatalities (contractors)	number	0	0	0
Employees	number	4,479	4,593	4,919
Voluntary Turnover Rate	per cent	3.8	3.8	4.4
Employees in Employee Unions or Associations	per cent	50	51	52
Diversity				
Women in workforce	per cent	32	32	31
Women in senior management	per cent	28	26	22
Women on Board of Directors	per cent	36	36	40
Human Rights and Ethics Incidents¹⁷				
Discrimination incidents	number	0	0	0
Indigenous rights incidents	number	0	0	0
Corruption Incidents	number	0	0	0
Customer Privacy Breaches	number	0	0	6
Number of Regulatory Non-compliance Incidents	number	1	1	2
Fines and Penalties for Regulatory Non-compliance	\$ thousand	0.8	0.8	15.3
ECONOMIC				
Economic Value Generated ¹⁸	\$ million	3,233	3,905	4,377
Economic Value Distributed				
Suppliers	\$ million	1,025	1,306	1,833
Employees ¹⁹	\$ million	341	343	428
Lenders	\$ million	393	478	477
Shareholders	\$ million	551	536	439
Governments ²⁰	\$ million	337	466	446
Communities ²¹	\$ million	5	7	7
Economic Value Retained ²²	\$ million	581	769	747
Financial Assistance Received from Governments ²³	\$ million	4.71	6.06	1.51
Coverage of Defined Benefit Pension Plan Obligations	per cent	92	91	91

We strive to continually improve our measurement systems and may adjust indicator definitions and performance data to reflect current best practice. In most cases, we use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy.

INDICATOR

1. This summary table consolidates data for Canadian Utilities Limited (CU, CU.X). Although we have historically reported metrics for the whole ATCO Group of Companies, in 2018 we began aligning our reporting with the traded entities to help shareholders and other stakeholders make informed decisions.
2. We have also provided a limited number of environmental performance metrics guided by financial control basis in our Sustainability Framework Index.

ENVIRONMENT

3. Data is reported on an operatorship basis, which does not align with financial reporting. Operatorship basis means that environmental performance metrics reported include 100 per cent from operations over which Canadian Utilities Limited, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership.
4. Many environmental metrics were significantly lower as a result of Canadian Utilities' sale of its 2,276-MW Canadian fossil fuel-based electricity generation business in the third quarter of 2019.

AIR EMISSIONS

5. GHG emissions are calculated and reported in line with carbon regulations where the facility is located and are also guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol).

INDIRECT GHGS

6. The increase in indirect Scope 2 emissions for 2020 is predominantly due to the inclusion of electrical distribution losses after the sale of our associated generation business, in line with the GHG Protocol.

WATER

7. Water use is calculated by deducting water discharged from water withdrawn.

SPILLS

8. Includes spills that meet thresholds for regulatory reporting in the jurisdiction in which they occurred. Volume spilled is often estimated due to variables such as duration, location and when the spill was identified.
9. In 2020, the majority of hydrocarbon spills were related to vandalism incidents to electrical transformers.
10. Non-hydrocarbon spills are often comprised of saline water or water containing small quantities of other substances. In 2020, the volume was less than 1 m³.

WASTE

11. Variations in hazardous waste are mainly attributable to a fluctuation in capital projects within the business units that require additional waste disposal. Hazardous waste volume for 2019 has been restated as a result of revised data from our Canadian natural gas division.

SOCIAL

12. Includes our temporary workforce but does not include JV employees.

SAFETY

13. Our contractor safety rates do not cover all our contractors because some of our business units only track safety statistics for contractors conducting certain work scopes or greater than a threshold contract size. Changes to contractor incident rates year-over-year vary depending on significant capital projects which occur during that year. Work is ongoing to align contractor reporting across the organization.
14. Data is included when Canadian Utilities has the governing authority and responsibility for the health and safety of the people, processes and facility.

15. Increase in lost-time incident rate is mainly attributable to an increase in incidents from our Canadian electricity division.

16. The lost-time incident rate disclosed in our 2020 Management's Discussion & Analysis has been updated as a result of reclassification of two incidents to lost-time as a result of the employees going on days off in early 2021.

ETHICS INCIDENTS

17. We track and address concerns through several channels, including our internationally accessible ATCO Integrity Line. Only incidents that have been substantiated by an external authority have been included.

ECONOMIC

18. Economic value generated includes revenues and interest income.
19. Employee wages and benefits include employee salaries and amounts paid to government institutions on behalf of employees plus total benefits.
20. Payments to governments include income, property, and franchise taxes.
21. Distributions to communities include donations, in-kind contributions, and sponsorships.
22. Economic value retained is economic value generated minus economic value distributed. This is not a financial reporting indicator and should not be confused with retained earnings.
23. Financial assistance received from governments includes tax relief/credits, investment grants, R&D grants, financial awards and subsidies.

CU INC. PERFORMANCE SUMMARY

Indicator ^{1,2}	Units	2020	2019
ENVIRONMENT³			
Air Emissions⁴			
Direct greenhouse gases (Scope 1)	kilotonnes CO ₂ e	339	377
Indirect greenhouse gases (Scope 2) ⁵	kilotonnes CO ₂ e	213	72
Sulphur dioxide	tonnes	23	24
Nitrogen oxides	tonnes	689	731
Particulate matter (PM2.5)	tonnes	16	17
Carbon monoxide	tonnes	221	246
Volatile organic compounds	tonnes	25	25
Mercury	kilograms	0	0
Ozone depleting substances	kilograms	0	0
Water Use ⁶	million m ³	0	0
Spills⁷			
Hydrocarbon - number ⁸	number	18	18
Hydrocarbon - volume	m ³	10.0	12.1
Non-hydrocarbon - number	number	1	0
Non-hydrocarbon - volume ⁹	m ³	0.0	0.0
Hazardous Waste ¹⁰	tonnes	1,723	2,057
Environmental Fines and Penalties	\$ thousand	0	0
SOCIAL¹¹			
Health and Safety^{12,13}			
Lost-time incident rate (employees) ^{14,15}	cases/200,000 hours worked	0.40	0.12
Lost-time incident rate (contractors)	cases/200,000 hours worked	0.11	0.06
Recordable incident rate (employees)	cases/200,000 hours worked	2.00	2.55
Recordable incident rate (contractors)	cases/200,000 hours worked	1.48	1.51
Fatalities (employees)	number	0	0
Fatalities (contractors)	number	0	0
Employees	number	3,165	3,276
Voluntary Turnover Rate	per cent	1.3	2.3
Employees in Employee Unions or Associations	per cent	67	66
Diversity			
Women in workforce	per cent	28	26
Women in senior management	per cent	15	11
Women on Board of Directors	per cent	36	36
Human Rights and Ethics Incidents¹⁶			
Discrimination incidents	number	0	0
Indigenous rights incidents	number	0	0
Corruption Incidents	number	0	0
Customer Privacy Breaches	number	0	0
Number of Regulatory Non-compliance Incidents	number	0	0
Fines and Penalties for Regulatory Non-compliance	\$ thousand	0	0
ECONOMIC			
Economic Value Generated ¹⁷	\$ million	2,730	2,787
Economic Value Distributed			
Suppliers	\$ million	783	725
Employees ¹⁸	\$ million	215	199
Lenders	\$ million	371	379
Shareholders	\$ million	431	396
Governments ¹⁹	\$ million	308	296
Communities ²⁰	\$ million	2	4
Economic Value Retained ²¹	\$ million	620	788
Financial Assistance Received from Governments ²²	\$ million	4.09	4.91
Coverage of Defined Benefit Pension Plan Obligations	per cent	-	-

We strive to continually improve our measurement systems, and may adjust indicator definitions and performance data to reflect current best practice. In most cases, we use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy.

INDICATOR

1. This summary table consolidates data for CU Inc. This is the first year we have provided a performance summary for CU Inc., the wholly owned subsidiary of Canadian Utilities Limited.
2. We have also provided a limited number of environmental performance metrics reported include 100 per cent from operations performance metrics guided by financial control basis in our Sustainability Framework Index.

ENVIRONMENT

3. Data is reported on an operatorship basis, which does not align with financial reporting. Operatorship basis means that environmental performance metrics reported include 100 per cent from operations over which CU Inc, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership.

AIR EMISSIONS

4. GHG emissions are calculated and reported in line with carbon regulations where the facility is located and are also guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol).

INDIRECT GHGS

5. The increase in indirect (Scope 2) emissions for 2020 is predominantly due to the inclusion of electrical distribution losses after the sale of our associated generation business, in line with the GHG Protocol.

WATER

6. Water use is calculated by deducting water discharged from water withdrawn.

SPILLS

7. Includes spills that meet thresholds for regulatory reporting in the jurisdiction in which they occurred. Volume spilled is often estimated due to variables such as duration, location and when the spill was identified.
8. In 2020, the majority of hydrocarbon spills were related to vandalism incidents to electrical transformers.
9. Non-hydrocarbon spills are often comprised of saline water or water containing small quantities of other substances. In 2020, the volume was less than 1 m³.

WASTE

10. Variations in hazardous waste are mainly attributable to a fluctuation in capital projects within the business units that require additional waste disposal. Hazardous waste volume for 2019 has been restated as a result of revised data from our Canadian natural gas division.

SOCIAL

11. Includes our temporary workforce but does not include JV employees.

SAFETY

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