



2021 ESG Report

AltaGas



OUR VISION

A leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy.

OUR MISSION

To improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow.

OUR VALUES

Every day, our team of approximately 3,000 people is guided by our Core Values. These values are not negotiable. They are our fuel, foundation and focus.



Work Safely,
Think Responsibly



Act With
Integrity



Make Informed
Decisions



Achieve
Results



Invest in our People
and Foster Diversity



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A MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER



Randy Crawford | President and CEO

As we publish our 2021 Environment, Social & Governance (ESG) report, I'm proud of the strategic advancements we've made as a company and am excited about our future.

We are pleased to share our ESG-related accomplishments and highlight our vision for the future. Guided by our unwavering commitment to our Core Values and mission, we remain focused and balanced to do the right thing for our stakeholders.

Few people – myself included – could have predicted the societal challenges we have faced since the COVID-19 pandemic began. It has highlighted the importance of our mission to provide safe, reliable access to affordable energy. Providing dependable energy access and the comfort of energy security is fundamental to improving our customer's quality of life. Our ability to adapt and deliver continuous service during this disruption has made us stronger and more purposeful and reinforced our critical role in the communities we serve.

As we look toward the future, the energy evolution will continue to shape our business strategy. Meeting the growing energy demand domestically and abroad while addressing global climate change is a complex challenge requiring a balanced approach, where access to affordable energy remains a societal focus and global reductions in greenhouse gas (GHG) emissions are prioritized.

We recognize that the world is transitioning to lower-carbon solutions and that natural gas and natural gas liquids (NGLs) will remain critical pieces of the global energy picture. We believe natural gas will enable the global energy transition to place affordability at the forefront and preserve optionality for a stable energy supply.

We have taken many purposeful steps to diversify our business, including expansion into energy exports and increasing the energy service options for our customers in Asia and North America. Our network of hard-to-replicate infrastructure in strategic locations and our North American West Coast export footprint provides a competitive advantage, positioning AltaGas to participate in the future energy transition.

As we look to future opportunities, the growing demand for lower-carbon solutions in Asia will continue to be a driving force behind our Midstream export business. As the energy mix in Asia evolves, we believe liquified petroleum gas (LPG) will continue to serve as a source of energy security, displacing more carbon-intensive fuel options. The steps we are taking today within our Midstream business to grow the value and scale of our leading energy export capabilities position us well for the future. We will leverage this position as we continue to diversify our product offerings to meet the demands of our global customers.

In our Utilities business, investing in the modernization of our energy delivery infrastructure improves reliability, reduces the potential for methane emissions while positioning the assets to move the fuels of the future. We recognize the importance of empowering our customers to manage their energy use and to make energy choices that are right for them. We also believe our customers deserve to play a role in the energy evolution without having to compromise on their ability to live affordably.

To provide better environmental outcomes for our customers, we're enhancing our energy efficiency programs and are planning for the use of alternative fuels in our delivery system.

It will take continued innovation for us to achieve our strategic objectives. That is why we have launched several pilot projects over the past year, including introducing certified gas and exploring the feasibility of using renewable natural gas in our energy distribution systems. Our teams are also exploring how hydrogen could be used throughout our energy value chain, from energy export and power generation to further decarbonizing our fleet vehicles. We continually look for ways to operate more effectively. For example, our advanced leak detection pilots use satellites and real-time data to identify, track and measure methane.

Our people are our greatest strength. We believe an inclusive and performance-based culture is core to achieving operational excellence across the company. The experience of our workforce in energy delivery is part of our competitive advantage. As we transform our infrastructure to deliver the low to no carbon fuels of the future, our people will continue to be a critical component in AltaGas' journey. We encourage all employees to think beyond what they know is possible today to what they believe could be possible tomorrow. At AltaGas, we believe that diversity of people and thought, together with our Core Values, enables a culture of innovation that leads to better solutions.



A Message from our President and Chief Executive Officer

This forward-thinking culture has enabled AltaGas to build and operate the first LPG export facility in Canada. It is also the reason our export business has expanded, shipping over 100,000 Bbl/d to Asia. In our Utilities business, our people have developed predictive leak modeling, resulting in accelerated pipeline replacement and reducing incoming leaks by 16% since 2019.

It is important to us that our internal diversity reflect the communities where we live and work, so we've taken many steps to expand the dimensions of our diversity at all levels of our workforce. We have made great strides to broaden our perspective and are committed to maintaining our diversity and doing more. We will continue to pursue initiatives to increase our overall diversity and have identified areas of future focus where we see opportunities to advance. Our goals are reflective of these aspirations.

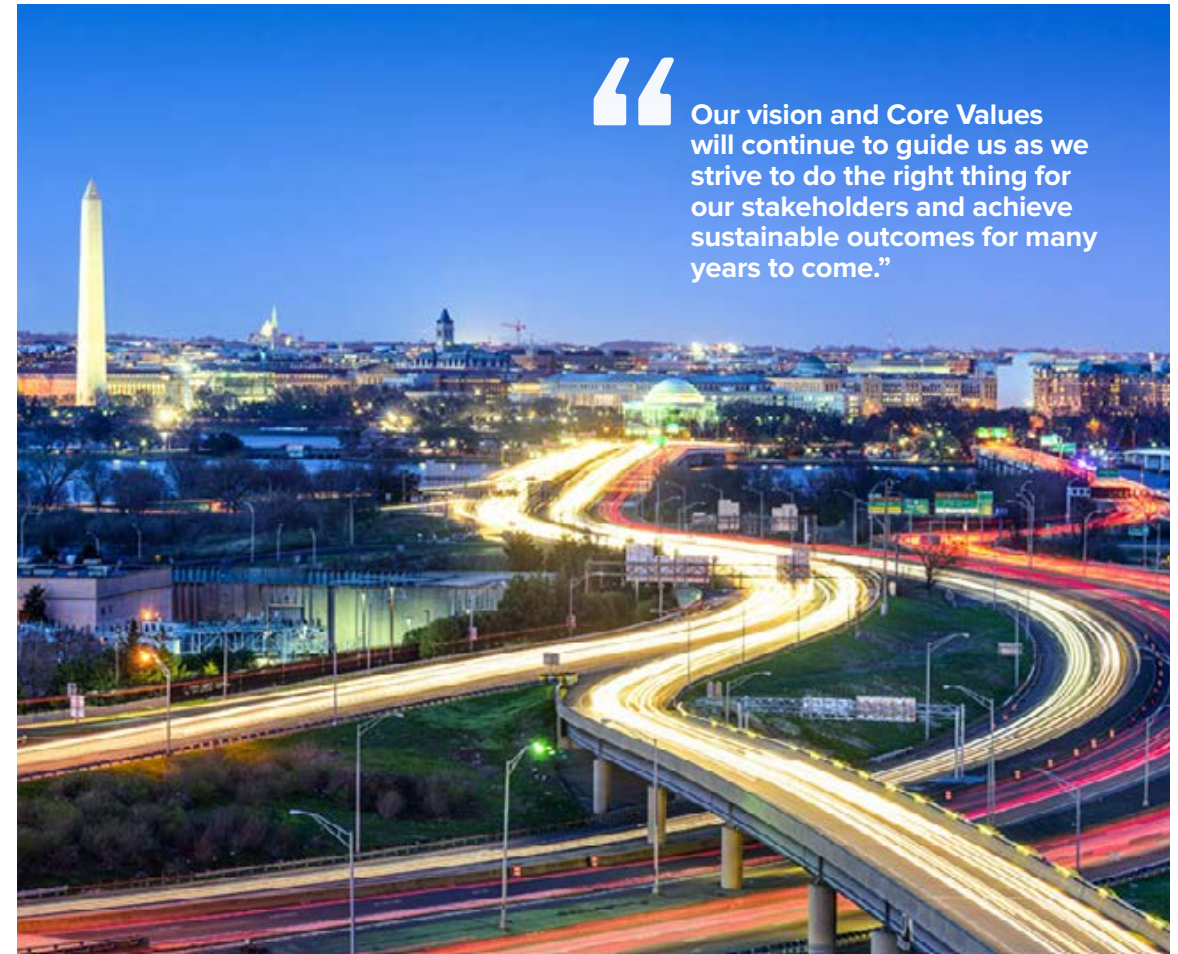
As an essential service provider, the safety of our workforce, customers, and communities is always job number one. That is why we aim for incident-

free operations. I want to thank our safety-minded, innovative, and motivated workforce for their resilience and commitment to our company. It shines through not only in the ways we responded to the pandemic but in our approach to building relationships with our customers, engaging with our communities, and will shape our future accomplishments as a team.

Our vision and Core Values will continue to guide us as we strive to do the right thing for our stakeholders and achieve sustainable outcomes for many years to come. To our stakeholders, we thank you for your interest in our company. Whether you are an employee, local community member, customer, or investor, we are committed to strengthening the connections we share.

Sincerely,

Randy Crawford
President and CEO



Our vision and Core Values will continue to guide us as we strive to do the right thing for our stakeholders and achieve sustainable outcomes for many years to come.”

A MESSAGE FROM OUR CHAIR OF THE BOARD



Pentti Karkkainen | Chair of the Board

Governance and leadership are the foundation upon which all sustainable, purpose-built enterprises grow and prosper.

Robust governance starts with trust and respect – providing the ability to listen and to challenge each other. It's from this foundation that the Board works with management to achieve AltaGas' long-term strategic objectives and deliver growth in sustainable value for all our stakeholders.

As the stewards of our company, the Board of Directors provides the necessary foresight, oversight and insight to guide the organization and ensure the highest ethical standards are maintained. Effective and inclusive decision making demands the right mix

of both business and personal backgrounds. It means having a Board of Directors with the experience, expertise, diversity of thought and curiosity necessary to guide AltaGas' longer-term sustainable ambitions.

With this objective in mind, we purposely pursued an orderly transition of the Board. Over the last three years, our transition included planned retirements and the addition of directors with the skills, diversity and attributes necessary to guide the evolving needs of the company. We are proud of the diversity we have achieved, are committed to maintaining it and ensuring diverse attributes are considered in all future director appointments.

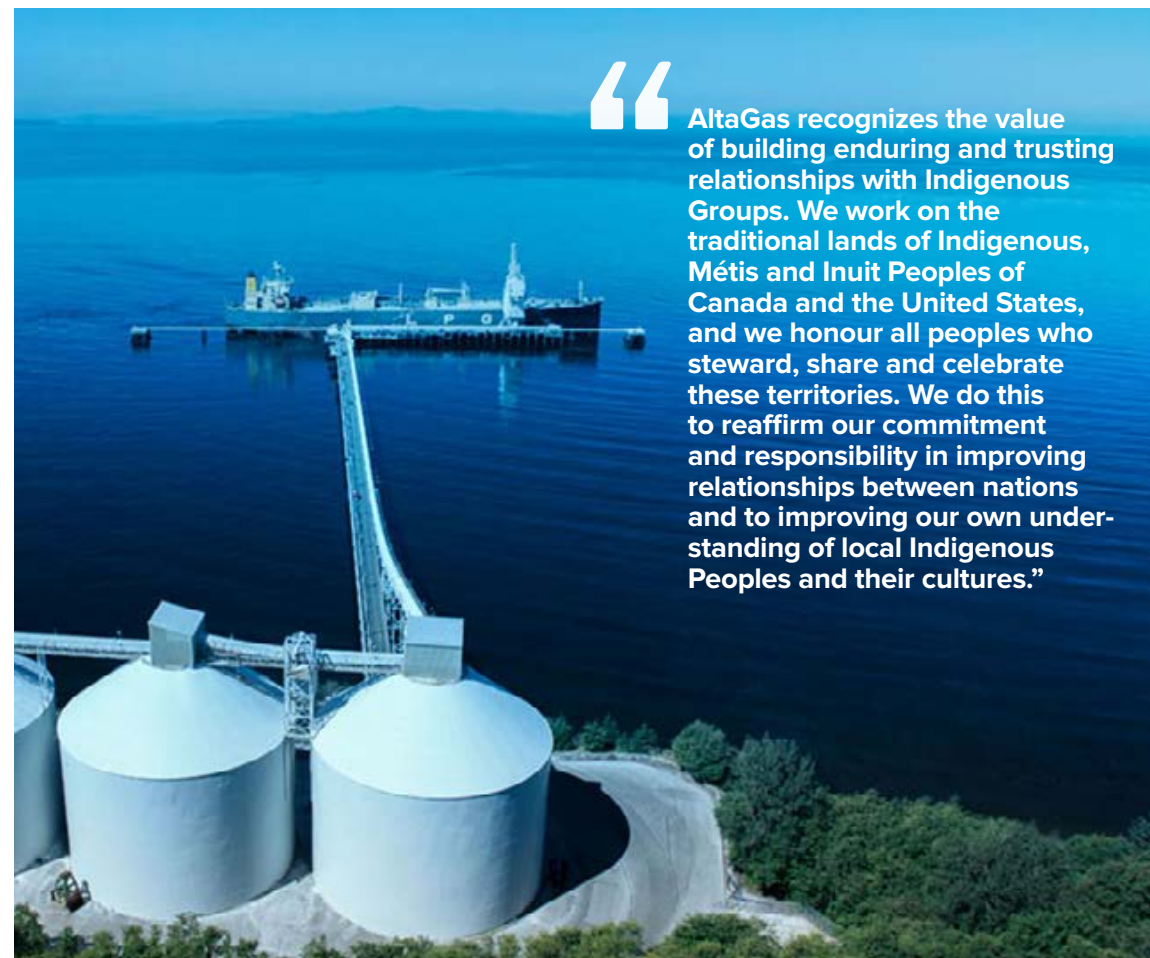
Sustainable value can only come when the principles behind ESG are integrated into every decision and objective we seek to achieve and how we incent our people. Since oversight of a company's strategic plan ultimately rests with the Board, we ensure ESG priorities are integrated into the strategic planning process and the framework from which we compensate our leadership team. When appropriately linked together, we're confident the result will be continued growth in sustainable value for all of AltaGas' stakeholders.

AltaGas has a long history of incorporating environment, social and governance considerations into its decision making. We're proud of where we've come from, excited about our future and looking forward to the role we will play in the transition to a lower-carbon world.

We are pleased to share our journey with you. Thank you for your support.

Sincerely,

Pentti Karkkainen
Chair of the Board



“AltaGas recognizes the value of building enduring and trusting relationships with Indigenous Groups. We work on the traditional lands of Indigenous, Métis and Inuit Peoples of Canada and the United States, and we honour all peoples who steward, share and celebrate these territories. We do this to reaffirm our commitment and responsibility in improving relationships between nations and to improving our own understanding of local Indigenous Peoples and their cultures.”



OVERVIEW



ABOUT THIS REPORT

SCOPE

This report is prepared with reference to international ESG reporting frameworks, including alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards for Oil & Gas sector – Midstream (Sustainable Industry Classification System (SICS) EM-MD) and Infrastructure sector – Gas Utilities & Distributors (SICS IF-GU), and supplemented with the Global Reporting Initiative (GRI) standards.

This report builds on our 2019 ESG Report and 2020 ESG Update, and covers consolidated enterprise-wide environmental, social and governance performance data for 2018, 2019 and 2020. It also covers important highlights from 2021 about AltaGas and the facilities and infrastructure that AltaGas (referred to as “we”, “us” or “our” in this report) operates. Although we acquired a controlling interest in Petrogas on December 15, 2020, we have not included those assets, or those divested in 2020 and 2021, in this report, unless otherwise noted. We plan to include the Petrogas assets more fully in subsequent updates.

FOR MORE INFORMATION:

- [Annual Information Form \(AIF\)](#)
- [Financial Statements and Management Discussion and Analysis \(MD&A\)](#)
- [Management Information Circular \(MIC\)](#)
- [SEDAR](#)



This report does not focus on our financial performance. A thorough overview of our economic and operational performance can be found in our additional disclosure documents.

DATA

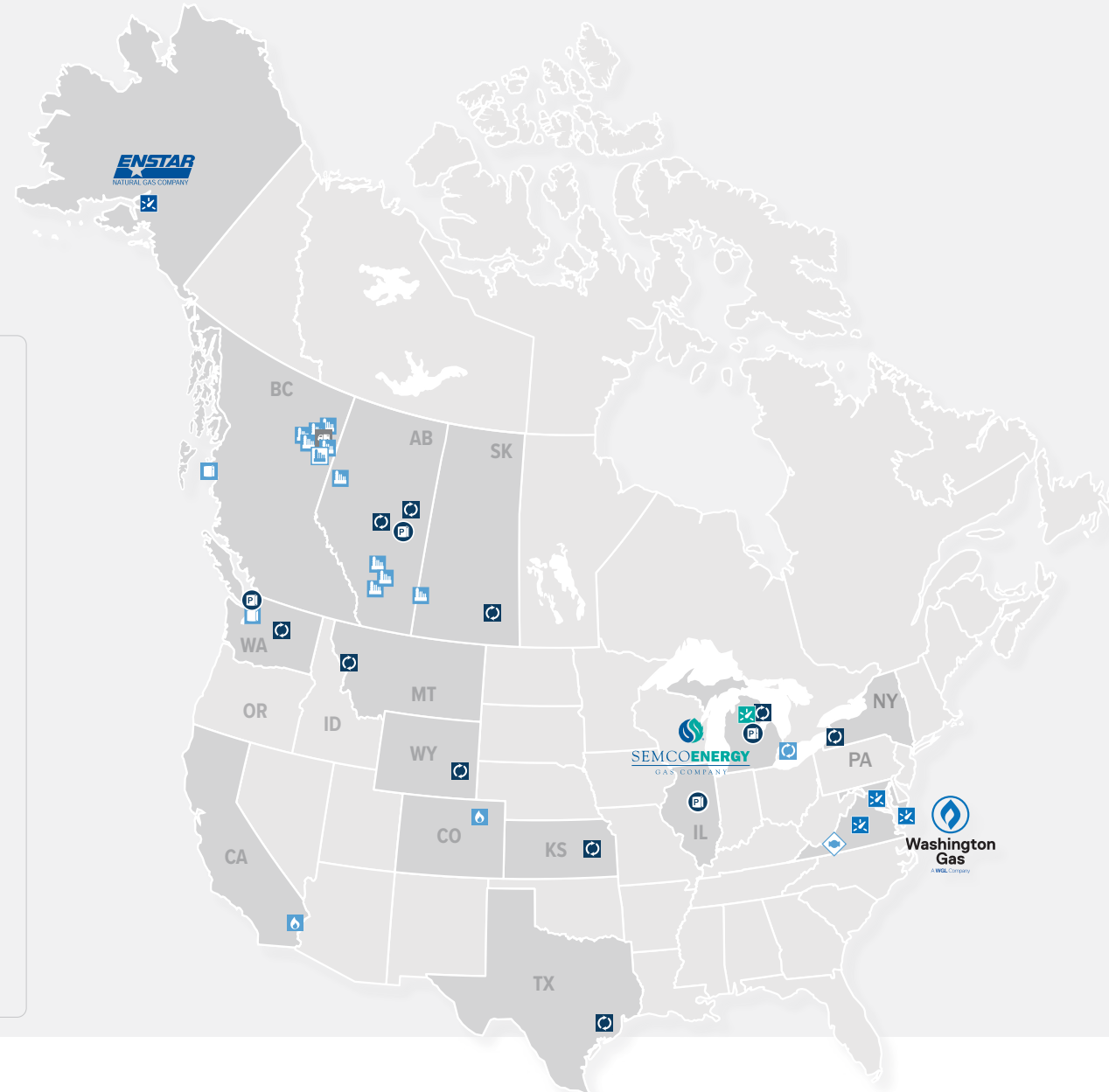
The data and information included in this report has been subject to an extensive internal evaluation process, including review by AltaGas executives responsible for the respective subject areas. The data collection methodologies used are aligned with industry leading practices and applicable regulations and standards.

AltaGas has operating assets in jurisdictions that are regulated and are subject to robust reporting obligations. For more information regarding GHG emissions and other environmental reporting requirements and protocols by jurisdiction, please refer to our [AIF](#).

Our data is assured by independent third parties in some cases. We received independent, third-party limited assurance on emissions reporting for Washington Gas and reasonable assurance on reported emissions for our Midstream and Power operations as required by regulatory reporting obligations for those assets. We also use a third-party to independently review our charitable giving. All currency in this report is in Canadian dollars (\$CAD) unless otherwise noted.



OUR FOOTPRINT



- AltaGas NGL Fractionation
- AltaGas Gas Processing
- AltaGas Processing and Fractionation
- AltaGas LPG Export Terminal
- AltaGas Storage Facility
- Petrogas Storage Facility
- Gas-fired Power Generation
- Utilities (ENSTAR)
- Utilities (SEMCO)
- Utilities (Washington Gas)
- Transmission Pipelines Under Construction
- Petrogas Key Terminals
- AltaGas Truck Terminal

Our Utilities strategy is to operate a safety-focused, digitally enabled and high-growth utility business that exceeds our customers' expectations and excels in the emerging energy ecosystem.



Our Midstream strategy is to operate a world class platform that safely connects producers to domestic and global markets and is positioned for the energy evolution.





OUR BUSINESS

UTILITIES

Through our regulated natural gas utilities – Washington Gas, SEMCO and ENSTAR – we serve approximately 1.7 million residential, commercial and industrial customers in five jurisdictions in the U.S. including the District of Columbia (D.C.), Maryland, Virginia, Michigan and Alaska. The Utilities business also comprises interests in natural gas storage facilities.

Our integrated footprint in the region provides North American producers with value-added services and the opportunity to move LPGs to premium markets in Asia through Ridley Island Propane Export Terminal (RIPET) and the Ferndale Terminal.

POWER

Although no longer core to our strategy, we maintain a small portfolio of power generation and development projects. We own and operate the Blythe Energy Centre (Blythe), a 507 megawatt power generation facility in California. Blythe is a critical backstop for the California electric grid and provider of stable and reliable power during times of intermittent renewable energy supply. It operates under a contracted tolling agreement with Southern California Edison (SCE) and is a highly efficient combined-cycle facility. We have included Blythe in this report where relevant.

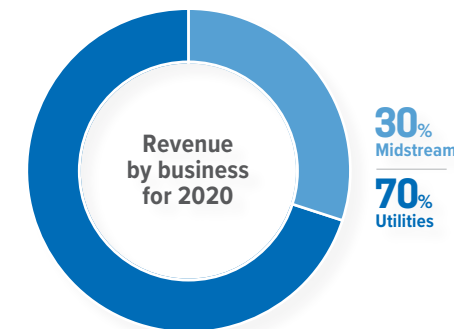
MIDSTREAM

Our Midstream business is comprised of global export facilities and strategically located processing, fractionation, and logistics infrastructure, as well as hydrocarbon storage in North America that connects North American producers from wellhead to offshore global export and domestic markets. It also includes integrated hydrocarbons handling services comprised of storage, rail logistics, pipeline, transportation services, and wellsite fluids; natural gas and NGL marketing initiatives that support the Midstream infrastructure; and three gas-fired cogeneration plants.

Business Highlights

2020 Total Capital Spend
~\$900MM

2020 Total Revenue
\$5.6B



\$21.3B¹

Assets

\$6.8B²

Market Cap

1.7MM

Utility Customers

44,000³

Total Kilometres of Pipe (Utilities)

281MM⁴

Dekatherms Delivered (Utilities)

~150MBbls/d⁵

Export Capacity (Midstream)




SUSTAINABILITY






ESG HIGHLIGHTS


85%
of employees believe AltaGas upholds a strong safety culture
(2021 Employee Engagement survey)




\$65MM
Invested in energy efficiency programs. 1.7 million dekatherms saved. Equivalent to supplying 11,000 homes with energy for one year¹ (2019-2020)
(Washington Gas and SEMCO)




25% of short-term incentive program is linked to ESG initiatives




16% Leaks reduced (2019-2020)
(Washington Gas, Grade 1 leaks)



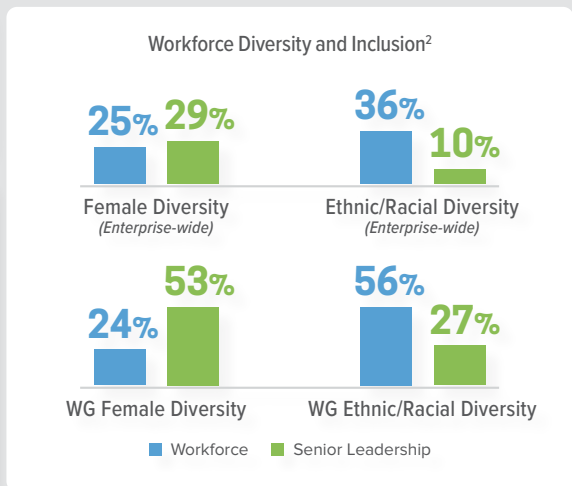
>99%
Utilities System Reliability 2018-2020
(unplanned outages per 100,000 active meters)



240k
mtCO₂e cumulative net emissions reduced from pipe replacement programs
(Washington Gas)




\$1.3B
Building resiliency through pipe replacement and system betterment (2018-2020)

\$10.6MM
contributed to communities 2018-2020
(2018 excludes Washington Gas)




33%
of total Midstream capital spent with Indigenous owned and affiliated vendors in 2020




27%
reduction in Scope 1 and 2 GHG emissions from Midstream division (2014-2020)




28%
of total supplier spend in 2020 with diverse suppliers
(Tier 1 and 2, Washington Gas)




25%
of RIPET workforce from local Indigenous communities



\$3.8MM
in energy assistance helping >6,000 households, 2019-2020



\$7.4MM
spent on workforce training and development
(At Washington Gas, 2018-2020)



100%
of employees and directors received unconscious bias training in 2020



¹ Greenhouse Gas Equivalencies Calculator | US Environmental Protection Agency. ² Senior Leaders as of December 1, 2021; Workforce as of May 31, 2021. Includes Petrogas.

ESG GOALS

Emissions



MIDSTREAM

40%↓

Reduce Overall Scope 1 and 2 GHG emissions intensity by 40% by 2030 (from a 2019 baseline)¹

15%↓

Reduce Scope 1 GHG emissions by 15% for the Harmattan facility by 2026 (from a 2019 baseline)



UTILITIES

≥ 30%↓

Reduce Washington Gas' Scope 1 and 2 GHG emissions by at least 30% by 2030 (from a 2008 baseline)

≥ 10%

Deliver at least 10% of fuel from lower carbon sources by 2030. Help Washington Gas customers reduce emissions by lowering the carbon content of the fuel delivered through the distribution system²

Safety



Striving for incident-free operations starts with setting yearly goals and a focus on continuous improvement

12%↓

Personal Safety Goal for 2022: Total Recordable Injury Frequency of 1.46, representing a 12% reduction from 2020



Diversity and Inclusion



Striving for our internal diversity to reflect the communities where we live and work

MANAGEMENT

40%

Strive to achieve at least 40% female representation at VP and above levels, enterprise-wide by 2030

40%

Maintain at least 40% male representation at VP and above levels, enterprise-wide



BOARD OF DIRECTORS

50%

Strive to increase female and ethnic/racial diversity on the Board from 45% to 50% by 2025



Q&A WITH THE CHIEF EXTERNAL AFFAIRS AND SUSTAINABILITY OFFICER



Shaheen Amirali
EVP and Chief External Affairs and Sustainability Officer

“Our goals are the next progression in our journey of continuous improvement. They provide insights to our stakeholders on our areas of focus and the road ahead.”

WHAT'S NEXT

We intend to provide annual data updates and highlights of our performance and expect to release our next full report in 2023. We're closely watching the developments with reporting frameworks to determine if we'll need to shift our cadence for full reports in the coming years.

This role was created about one year ago - how is it going?

While this is a relatively new role for me at AltaGas, I've been with the company for 14 years. In that time I have contributed to our journey in various ways, as In-House Counsel, Corporate Secretary and now as the Chief External Affairs and Sustainability Officer (CEASO). This new role is a wonderful opportunity for me to collaborate with my colleagues in a different way; to dig deeper into the ESG initiatives we have been advancing and to help shape where we're heading.

How do you integrate ESG at AltaGas?

With our Core Values as our foundation, ESG practices are ingrained in how we approach our work every day. Part of integration is drawing awareness to what we do, and that starts with focus. As an organization, we've done lots of work to narrow in and focus on what's most important to us and our stakeholders, both internal and external. A focused program makes greater impact.

We've integrated ESG practices into all decision making from risk management, to strategic planning, business development and capital allocation. Our progress is linked to compensation, which drives a performance-based culture. It's also reflected in our approach to stakeholder engagement and the clarity and consistency with which we aim to report.

What are AltaGas' greatest ESG achievements so far?

We've made great strides in many areas. From advancing our efforts to modernize our infrastructure, enhancing the safety and reliability of the services we provide, to expanding our diversity and inclusion (D&I) initiatives to broaden our reach within our company and into communities. What's most defining for us are the relationships we've built with our stakeholders. We have been part of our communities for generations. Leading with our Core Values has allowed us to maintain long lasting relationships with stakeholders across North America and beyond.

What do AltaGas' ESG goals mean for the company?

Our goals are the next progression in our journey of continuous improvement. They provide insights to our stakeholders on our focus and road ahead. Our categories of climate, safety, D&I, these are table stakes – we are only going to grow from here and expand our goals as we progress and gain further insights into stakeholder expectations.

Our approach to goal setting is to strike a balance between achievement and aspiration. Our business is diverse in many ways, including by geography. This informs how we approach our goal setting. For example, our climate goals factor in growth opportunities for our business, while recognizing local directives on decarbonization pathways may differ. With a geographically diverse platform, combined with a diversified business mix, custom, situation-

based approaches are more appropriate for our businesses to build upon than a “one size fits all” approach. We've used this strategy in setting our emissions goals. Taking this custom approach sets us up well to build upon our ambition as we gain further clarity from legislative policy, our regulators and our customer preferences. Cooperation amongst us all will be required to achieve the best solutions.

What does the future of sustainability look like for AltaGas? What are you most excited about?

We have a legacy of innovation to harness with the opportunities that new technologies can bring. Pilots like advanced leak detection within our Utilities business bring new thinking forward and new ways for many of us to work together differently, which is exciting. The opportunity to identify, track and measure methane with satellites and real-time data can lead to more accurate measurement of emissions, quicker response to leak repair and ultimately lowering methane emissions faster. This is one example of how we can use technology to advance our goals more aggressively.

As we pursue operational excellence across the enterprise, we are committed to transparent and consistent reporting. We intend to continue to provide annual highlights of our performance along with data updates and expect to release our next full report in 2023. We're closely watching the developments with reporting frameworks to determine if we'll need to shift our cadence for full reports in the coming years.

ESG AT ALTAGAS

Our Core Values reinforce our commitment to integrate strong environment, social and governance performance into every aspect of our business.

AT ALTAGAS, OUR COMMITMENT TO ESG MEANS:

- Upholding our Core Values and operating with purpose towards a shared mission
- Providing safe and reliable service – safety is job number one
- Protecting the environment and minimizing our impact including actively reducing GHG emissions
- Investing in our people and culture – building one company and one team
- Being the energy service partner of choice for our customers
- Investing in our communities and building capacity
- Building long-term relationships with Indigenous Peoples, local communities, governments and regulatory bodies
- Sound leadership and oversight with clear roles, responsibilities and accountabilities
- Robust risk management practices and disciplined capital deployment

Our
Commitment





OUR STAKEHOLDERS

Ongoing communication with our stakeholders informs our community consultation, strategy development, and risk management activities, and ensures we approach our work in a responsible way to create social value where we operate.

We look for many opportunities to engage with our stakeholders and adapt our ways to best meet their needs. Stakeholder engagement happens in various ways throughout the year, and we approach all our engagements consistently in accordance with our guiding principles and our stakeholder engagement model.


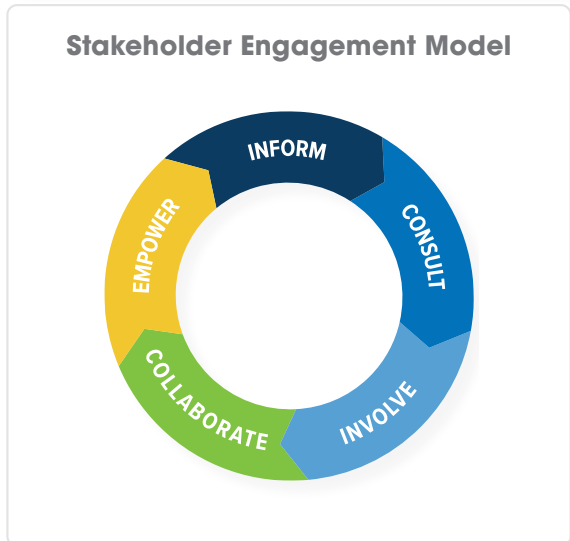
Some examples of who we engage with, how we listen and what we engage on are listed in the accompanying table.

“Engaging in meaningful dialogue with our stakeholders is how we do business.”

Stakeholder	How we listen and engage	Topics of engagement
Our People	<ul style="list-style-type: none"> Employee engagement surveys and pulse checks Town Halls, lunch and learns and senior leader talks Intranets and newsletters Employee Resource Groups (ERGs) Talent development and succession planning Through internal communications campaigns 	<ul style="list-style-type: none"> Business and operational updates Sharing of employee engagement results Resilience, change management and wellness-based learning tools Training series such as cybersecurity Safety campaigns, Life Saving Rules and emergency response training
Utilities Customers	<ul style="list-style-type: none"> Media releases Social media posts and website Walk-in offices and call centers Customer newsletters and handbooks Direct mailings and email campaigns Customer feedback surveys 	<ul style="list-style-type: none"> Energy affordability and assistance programs Assisting with access to government funding Emergency response and public safety campaigns Energy usage and efficiency programs Information sessions on climate initiatives
Midstream Customers	<ul style="list-style-type: none"> One on one meetings Industry associations and affiliations Conferences and panel discussions Customer appreciation events Facility tours 	<ul style="list-style-type: none"> Commercial and operational matters Access to export and domestic markets Project development Logistics and supply chain Safety and environmental stewardship
Communities, Including Indigenous Communities	<ul style="list-style-type: none"> Open houses Community walks Local and social media outreach Community newsletters and brochures Collaboration with local organizations 	<ul style="list-style-type: none"> Capacity building Workforce training and development Contracting and procurement Emergency response and public safety campaigns Information sessions
Shareholders and Investors	<ul style="list-style-type: none"> Annual and quarterly financial reporting and conference calls Annual shareholder meetings Management led investor conferences, meetings and presentations Board led shareholder engagement 	<ul style="list-style-type: none"> Strategic direction Business results and initiatives Leadership and governance ESG priorities and performance
Government and Regulators	<ul style="list-style-type: none"> Ongoing dialogue with regulators and policy makers (local, provincial/state, federal levels) Meetings, conferences and panel participation Trade association and industry representation Regulatory filings and written submissions Regulatory tours 	<ul style="list-style-type: none"> Energy and environmental policy Government consultations on projects Assistance with distribution of federal and state funding Programs, initiatives and rate proceedings

OUR GUIDING PRINCIPLES

- Engage early and often
- Approach all engagements from a position of seeking understanding
- Listen, learn and adapt
- Build lasting relationships

OUR MATERIAL TOPICS

Materiality in the context of this report refers to the relative significance of ESG priorities and their impacts, both positive and negative, to our business and our stakeholders. With the pace of ESG reporting continuing to accelerate and the frameworks for reporting continually evolving, we've refreshed and improved upon our materiality assessment this year to prioritize the topics reported.

For this report, we conducted a comprehensive materiality assessment with support from a third-party firm with expertise in ESG reporting and materiality assessments to gather internal and external stakeholder perspectives.

Our view of what is material to the company is informed by this consultation process and our own assessment of risk, which captures a range of stakeholder views compiled through our broader engagement practices conducted throughout the year.

The seven topics we describe in this report are the result of that consultation and prioritization process. We plan to assess these topics regularly to ensure their relevance and accuracy is maintained and a broad range of perspectives continue to be considered.

MATERIAL TOPICS



 **Safety and Reliability**

 **Energy Affordability**

 **Energy Evolution**

 **Cybersecurity**

 **Diversity and Inclusion**

 **Culture**

 **Community Partnerships**

 Environment  Social  Governance



LEADERSHIP AND GOVERNANCE



LEADERSHIP AND GOVERNANCE

Sound governance and strong leadership are core to achieving our strategy and delivering sustained value for our stakeholders. As the stewards of our company, our Board of Directors provides guidance and oversight of our business and ensures the highest ethical standards are maintained in all that we do.

OUR APPROACH

Core to our business and ESG strategy is an unwavering commitment to operational excellence; continuing to lead with strong ESG practices will remain a priority for us. ESG oversight is ultimately a Board responsibility. Each of the Board's four standing committees assist in providing oversight of these areas, with different aspects of our performance falling under each committee mandate.

25%

of 2021 annual incentive compensation is linked to advancing ESG and climate strategies



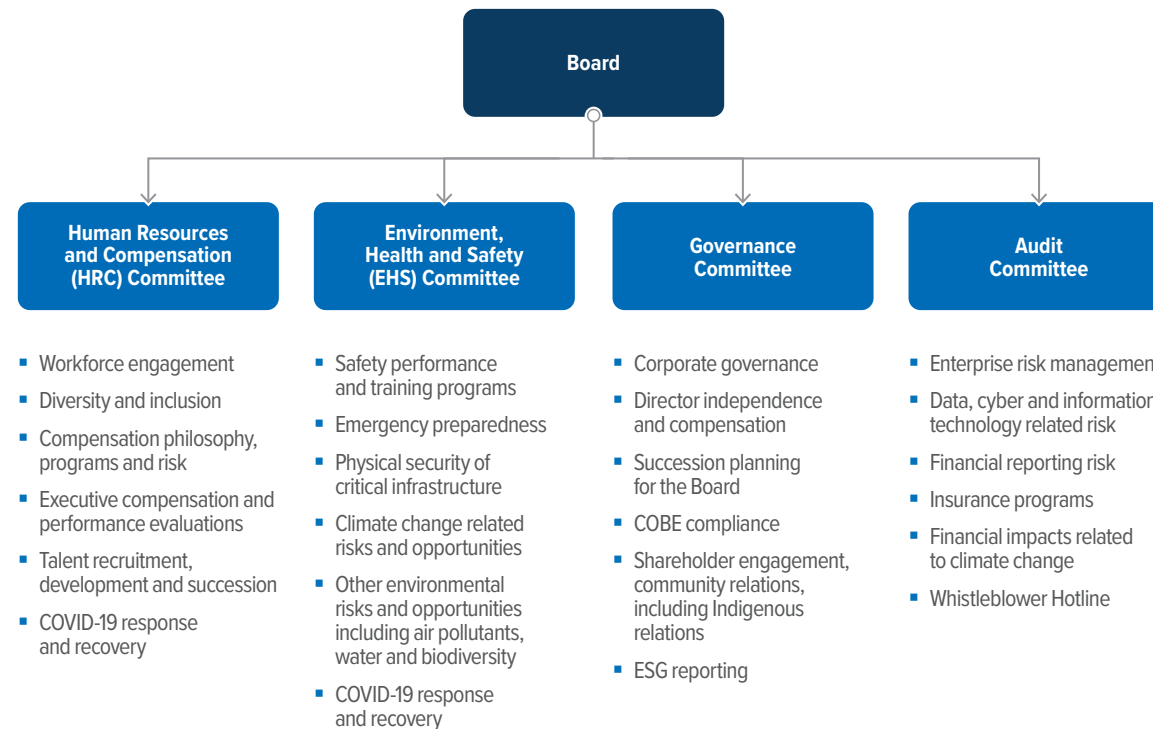
STRATEGIC OVERSIGHT

The Board oversees strategy development and evaluates and measures progress towards execution, including ESG initiatives, and short- and long-term risks to meet strategic objectives.

The CEO is ultimately responsible for the development and execution of strategic plans, with each president responsible for execution within their business. In addition, we have established an Environment, Social and Governance Steering Committee made up of a cross functional enterprise-wide team led by our EVP, Chief External Affairs and Sustainability Officer. The Committee is charged with assisting the business to identify material ESG priorities, raise awareness of internal initiatives, and report on the outcomes.

The outcomes of our internal strategic planning process are used to establish the goals and objectives for both the subsequent year and for creating future long-term value. Performance against those goals and objectives is linked to executive compensation, which is fundamental for driving a performance-based culture. Our annual cash Short-term Incentive Plan (STI plan) is tied to the achievement of corporate, divisional and individual results. The objectives (or Value Drivers) are set annually and are based on a combination of strategic, financial, capital, operational efficiency and corporate social responsibility objectives. For 2021, our Value Drivers included advancing initiatives related to ESG and our climate strategy, and were weighted at 25 per cent.

Board Oversight



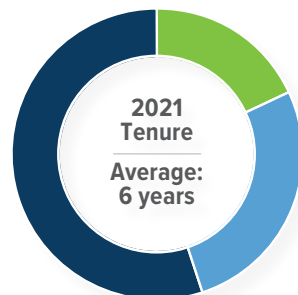


EXPERIENCED AND DIVERSE BOARD

A key part of effective governance is ensuring our Board has the right mix of background, experience and diversity of perspectives to support the scope and complexity of our business. We consider gender and racial/ethnic representation among other diversity criteria in our director recruitment process.

Succession planning has been an area of focus for the Board over the past few years. The Board's approach to succession and renewal is to strike a balance between continuity of experience with fresh perspectives. Through this approach of orderly transition, the Board has added complementary competencies and experience while expanding diversity of backgrounds and viewpoints.

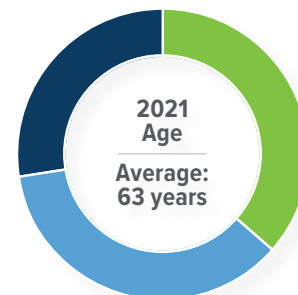
BOARD COMPOSITION AT A GLANCE¹



18%
>7 years

27%
<2 years

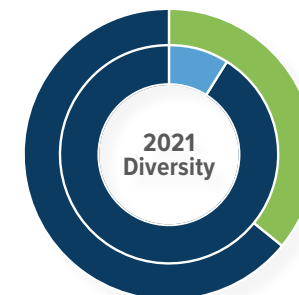
55%
2-7 years



36%
>65 years

36%
<60 years

28%
60-65 years



36%
Female

9%
Ethnic/
Racially
Diverse

SKILLS AND EXPERIENCE



82% of our directors are independent

45% Diverse gender and ethnicity

50% Gender and ethnic/racial diversity by 2025

BOARD DIVERSITY AND INCLUSION GOAL

Strive to increase female and ethnic/racial diversity on the Board from 45% to 50% by 2025.

For more information about the Board's roles and responsibilities, composition and approach to succession planning, please see [Board Roles and Responsibilities](#) and [MIC](#).

¹As of 2021 Annual General Meeting.

BUSINESS ETHICS AND POLICIES

Our Code of Business Ethics (COBE) [↗](#) and related policies reflect our Core Values and set the expectations for how we conduct our business and engage with our stakeholders. Our COBE is designed to ensure that our business activities and operations are conducted in a safe, respectful and ethical manner. In 2019 we realigned our COBE and its supporting policies to apply as umbrella policies across the enterprise. Guidelines and procedures are adopted to support these policies, comply with regional differences in law and provide for ways to operationalize our practices. These policies are regularly reviewed and updated to respond to key changes in law or in our business. Guidelines and policies that we have adopted recently include the **Indigenous Engagement Guideline** [↗](#), **Community Investment Guidelines**, and **Human Rights Policy** [↗](#).

Every director, employee, contractor and service provider working with AltaGas is expected to comply with our COBE which encourages the reporting of any concerns and lays the framework for handling of the complaints received.

ENTERPRISE RISK MANAGEMENT

Identifying and evaluating risks, both internal and external to our organization is a central area of focus for us. We account for potential impact to our business strategy and stakeholders and develop processes and practices to mitigate such risks. Our governance framework is designed to effectively manage this process across the enterprise.

All levels of the organization are engaged with the Enterprise Risk Management (ERM) program, which serves as the primary vehicle for aggregated risk management. As part of ERM, leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. Several of our operations are also subject to rigorous regulatory scrutiny, such as our Utilities business which is overseen by the applicable public service commission within each service territory.

E&S risks, including climate change related risks, and our approach to managing them are embedded within the ERM process. Risks are validated and ranked by senior leadership and reviewed with the Board and its committees.



OUR CODE OF BUSINESS ETHICS POLICIES

- Anti-Bribery and Anti-Corruption
- Alcohol and Drug
- Conflicts of Interest
- Disclosure
- Environment, Health and Safety
- Human Rights
- Information Security
- Privacy
- Respectful Workplace
- Securities Trading and Reporting
- Social Media and Acceptable Use
- Whistleblower

For more information about our COBE and ERM see **MIC** [↗](#).



We maintain a confidential **Whistleblower Hotline** [↗](#), which can be accessed by personnel or external stakeholders to report concerns anonymously.



100%

of employees and directors received unconscious bias training in 2020





ENVIRONMENT

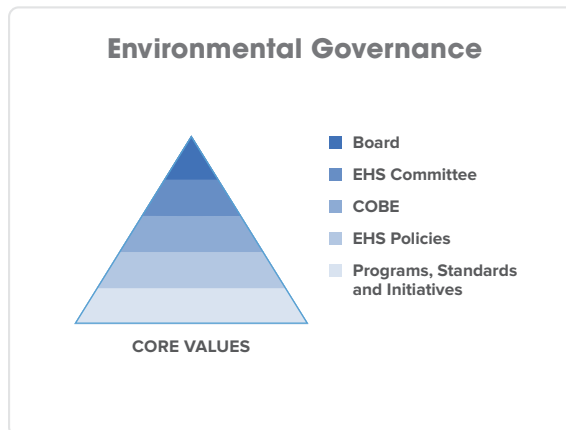


ENVIRONMENT

Environmental stewardship is integrated into all elements of how we conduct our business. Our focus is on operational excellence to minimize environmental impacts throughout the lifecycle of our operations while meeting the energy needs of our customers.

Guided by our Environment, Health and Safety policy, we are committed to managing and minimizing our impact and enabling a strong environmentally conscious culture. This includes implementing programs to safeguard the environment by proactively identifying and managing risk, using innovative technology, applying lessons learned and following leading practices to continually improve our performance.

Minimizing and managing all aspects of our environmental footprint from actively reducing our GHG emissions, respecting the land on which we operate and engaging in practices of water conservation are all captured in our approach to environmental stewardship.



OUR COMMITMENT TO ENVIRONMENTAL STEWARDSHIP INCLUDES:

- Complying with or exceeding applicable laws, regulations and industry standards
- Minimizing our environmental footprint through sustainable design, construction, operating and decommissioning practices
- Engaging meaningfully with Indigenous Peoples to understand and address potential impacts to Indigenous rights
- Engaging in practices to conserve resources through safe and efficient management of our operations
- Monitoring our environmental performance through key performance indicators
- Educating and training our workforce in proper environmental stewardship practices





ENERGY EVOLUTION

OUR APPROACH

We are taking a balanced approach to the energy evolution. One that is built on the foundation of our mission – to provide access to affordable energy to improve quality of life. We know energy diversification and optionality are needed to preserve reliable energy access today and through the transition.

By advocating for and supporting our customers, we ensure they have the comfort of energy security as they embrace a transitioning world. A customer-centric approach enables us to consider all aspects of affordability as we propose decarbonization solutions.

OUR GUIDING PRINCIPLES

- Leverage our hard-to-replicate, strategically located assets and export advantage
- Build on our expertise in energy delivery
- Provide affordable solutions for our customers
- Maintain resiliency of infrastructure and reliability of energy service
- Continue our pursuit of operational excellence
- Explore technology advancements and participate in pilot projects
- Build collaborative relationships with regulators and policy makers to support our opportunities
- Apply capital discipline to all investments



OUR STRATEGY

As we focus on reducing GHG emissions within our operations today, we will also continue to position our company to capitalize on the future of the global energy transition.

We have taken many purposeful steps over the years to diversify our business, our energy offerings and to open the door to new markets for our customers. As we look to the future, the energy evolution will continue to shape our business strategy.

Our network of hard-to-replicate assets in strategic locations, our North American west coast export footprint and our core strengths in energy delivery are key to our competitive advantage.

In all segments of our business, we strive for operational excellence and all opportunities that we have pursued and will pursue align with our guiding principles.

We have included some of the key achievements we've made along this journey.

UTILITIES KEY ACHIEVEMENTS



- Decarbonizing supply sources – Washington Gas introduced certified gas (CG) into its delivery system in 2021
- Removed 240,000 net cumulative metric tons of carbon dioxide equivalent (CO₂e) since inception of pipe replacement programs at Washington Gas – equivalent to removing 52,000 cars from the road for one year¹
- Through pipe replacement programs, SEMCO has replaced or removed the majority of cast iron mains
- 73% reduction in GHG emissions from Washington Gas' fleet and facilities since 2008, with 40% of fleet made up of lower emissions compressed natural gas vehicles that can easily be converted to RNG
- In 2021 Washington Gas received support from Maryland Public Service Commission for its first local renewable natural gas (RNG) project



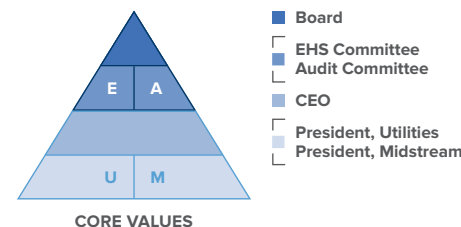
MIDSTREAM KEY ACHIEVEMENTS



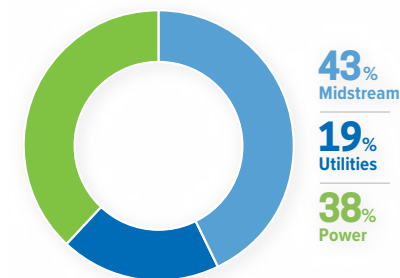
- Expanding our export advantage through acquiring operational control of the Ferndale terminal
- Reducing power consumption through technology investments such as cogeneration
- Improvements in operational efficiencies and performance through retrofits, upgrades, sensors and real time data
- Reducing energy waste through waste heat recovery and reuse
- Improvements in direct emissions management through ethane capture and fugitive emission management processes
- Asset optimization through consolidation of facilities and non-core asset dispositions



Climate Governance



AltaGas 2020 Scope 1 and 2 GHG Profile



¹ Greenhouse Gas Equivalencies Calculator | US Environmental Protection Agency.

CLIMATE GOALS



Our achievements to date demonstrate our commitment. These climate goals mark a continuation of our journey.

Our climate goals are built on our achievements to date and will grow as we advance our pilot projects and test our approaches. The pathway to the energy evolution involves engaging with our customers, our Indigenous partners, governments and regulators to ensure we move forward together.



MIDSTREAM GOALS



40%↓ Reduce Scope 1 and 2 GHG emissions intensity 40% by 2030¹

15%↓ Reduce Scope 1 absolute emissions for the Harmattan Complex 15% by 2026¹

UTILITIES GOALS



30%↓ Reduce Washington Gas' Scope 1 and 2 absolute GHG emissions at least 30% by 2030²

10% Deliver at least 10% of fuel from lower carbon sources by 2030³

Help Washington Gas customers reduce emissions by lowering the carbon content of the fuel delivered through the distribution system

¹ From a 2019 baseline. Emissions intensity calculation adjusted for material changes in our asset base. ² From a 2008 baseline. ³ Dependent on regulatory support and customer demand.



Our climate strategy is influenced by the climate-related risks and opportunities to our businesses over the short term (less than three years), medium term (three-10) and long term (+10 years) horizon.

We have incorporated the management of climate-related risks into all areas of our business through our ERM processes. By integrating these considerations throughout our decision-making process, we ensure AltaGas is well-positioned to capitalize on the swiftly changing landscape.

Climate-related risks we consider include:

Current and Emerging Legislation and Regulations

Our facilities and operations are, and may become subject to provincial, state, or federal climate change regulations and other standards designed to manage or limit GHG emissions or enhance reporting requirements.

One example of the direct or indirect costs of compliance considered include the impact of carbon pricing in Canada under the federal and provincial pricing schemes. Most of these costs flow through to our producing customers, which impact their profits and their future capital investment decisions.

We mitigate these risks by working to reduce our energy consumption, improving our operating efficiency, and pursuing carbon reduction strategies. Some of our carbon reduction strategies include investments in technology to meet or exceed compliance requirements to minimize the cost of these impacts. We actively monitor legislative developments and participate in public engagement opportunities to ensure industry perspectives are considered.

Markets

AltaGas is subject to market risks resulting from fluctuations in commodity prices as well as changes in demand, supply and consumption patterns that could impact our business. Our diversification across business lines, commodities, markets and risk management, hedging and contracting policies assists with mitigating and managing these risks. Our growth plans and investments use market fundamental data and forecasts to estimate the supply and demand of our products, including customer growth, changes in preferences, consumption patterns and the impacts to commodity prices.

Technology

Technology advancements and improvements can impact the pace of decarbonization that can affect AltaGas and its customers. Emerging technologies are considered as part of our strategic planning processes and risk assessment. They are pursued as part of decarbonization strategies such as the use of co-generation facilities, acid gas injection, carbon capture and storage, advanced leak detection and methane capture technologies such as Washington Gas' patented miniature drawdown compressors used to capture methane in small spaces.

Reputational

We place great importance on establishing and maintaining positive relationships with all stakeholders, including regulators, customers, and local Indigenous Peoples within our communities of operation. With increased public scrutiny relating to natural resource activities, opposition in the sector can impact our business and reputation. We engage proactively with our key stakeholders and the relationships we build are core to our ability to execute on our strategy. See the Communities section for more information on our stakeholder engagement strategy.

Physical

Climate-related physical risks such as wildfires, floods, and storms or from progressive shifts in climate patterns such as increasing temperatures, sea level rise and changes in precipitation are monitored as such events may impact our assets, operations or supply chain. Such risks are factored into capital investment, project design, logistics planning of our supply chains, such as shipping distances and routes, and emergency response planning. These risks are also mitigated through optimizing the ways in which we handle and move products and through appropriate insurance coverage.



ENERGY EVOLUTION – UTILITIES



Goals:
30%↓ Reduce Washington Gas' Scope 1 and 2 absolute GHG emissions at least 30% by 2030¹

10% Deliver at least 10% of fuel from lower carbon sources by 2030²

Help Washington Gas customers reduce emissions by lowering the carbon content of the fuel delivered through the distribution system

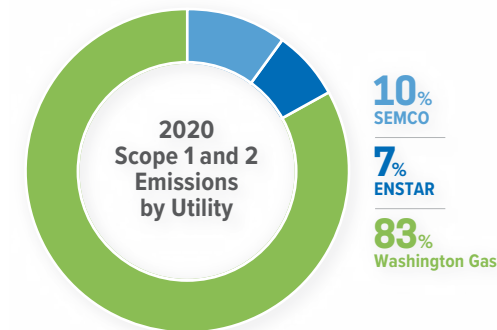
- Enhancing our customer offerings
 - Decarbonizing the gas supply with certified gas and RNG, providing lower-carbon intensive solutions for our customers
 - Offering energy efficiency programs aimed to reduce customer usage and introduce emerging technologies such as gas heat pumps
- Pursuing RNG investments through local interconnection opportunities
- Evaluating options for fleet vehicles, reducing emissions within the neighborhoods in which we work
- Applying innovative technology solutions to venting practices to capture emissions and reinject into the gas stream
- Advocating for supportive policy and regulations to advance initiatives

With new opportunities for decarbonization evolving within our Utility operations and a focus on reducing energy consumption, we've reexamined and broadened our goals. We believe our vast distribution network is the pathway to supporting all future transition solutions with its inherent storage capabilities and resilience.

We're blending and extending Washington Gas' pre-existing goals, first set in 2011, to concentrate on absolute emission reductions and to take advantage of the opportunities we see within

our largest service territory, serving over 1.2 million customers. Washington Gas' existing Climate Business Plan complements our newly released goals.

The solutions-oriented approach found in Washington Gas' Climate Business Plan provides pathways for decarbonization. These can be applied across our utilities more broadly in support of regional decarbonization ambitions. We plan to apply those opportunities within our utility portfolio in a way that is tailored to meet each jurisdiction's specific needs.



We recognize the importance of empowering our customers to manage their energy use, to make energy choices that are right for them and to participate in the transition without having to compromise on affordability. We're focused on reducing our emissions and assisting our customers to do the same.

Our initiatives include:

- Modernizing our infrastructure through pipe replacement programs, enhancing safety and reliability of energy delivery, reducing the potential for methane emissions and preparing our infrastructure for delivery of emerging alternative fuels

RENEWABLE NATURAL GAS – EXPLORING LOCAL OPPORTUNITIES

To source at least 10 per cent of Washington Gas' energy delivery from low carbon fuels by 2030, we're focused on keeping it local. We're exploring several opportunities for RNG investment within our service territory, including landfill and wastewater plants.

In 2021, Washington Gas received approval from the PSC of MD to support the Piscataway Bioenergy Project, Washington Gas' introduction to an RNG development project. The Piscataway Bioenergy Project is being pursued by the Washington Suburban Sanitary Commission (WSSC Water) and will transform biowaste into renewable energy.

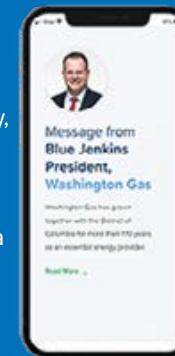
The project uses biosolids to generate methane gas, which will be captured and upgraded to RNG and used within WSSC Water's operations with any overflow supply being made available to Washington Gas.

WASHINGTON GAS CLIMATE BUSINESS PLAN

In 2020, Washington Gas proposed an approach towards helping the D.C. achieve its climate goals (50 per cent carbon reduction by 2032 and carbon neutrality by 2050).

Today more than 160,000 District residents and businesses depend on Washington Gas to heat their homes. Through programs to help maximize customer energy efficiency, infrastructure enhancements and harnessing new and emerging fuel sources, the plan continues to support energy diversification and equity to help the District deliver on a resilient, reliable, low carbon future.

To find out more about Washington Gas' Climate Business Plan, please visit our [website](#).



ENERGY EFFICIENCY PROGRAMS

Utilities can help customers manage energy use through rebate programs, customer education, weatherization initiatives, specialized income-qualified programs, and pilot programs to test new technologies and equipment.

Through existing energy efficiency programs, our Utilities have invested \$65 million and served 400,000 customers, resulting in 1.7 million dekatherms of energy saved (in 2019 and 2020), which is the equivalent of the energy used by 11,000 homes for one year.¹

We plan to continue to use and expand our energy efficiency programs to enhance our product offerings, providing our customers with choices that best meet their needs. As we test new products, we plan to share our learnings and grow our collective capabilities broadly across our utilities.

\$65MM

invested in energy efficiency programs serving 400,000 customers, 2019-2020

1.7MM

dekatherms of energy saved – equivalent to supplying 11,000 homes with energy for one year, 2019-2020¹

WHAT'S NEXT

- Piloting advanced leak detection technologies to look for new ways to identify and track methane emissions and approach leak repair activities
- Exploring investment opportunities to test emerging fuels, infrastructure and technologies, such as hydrogen fuel cell vehicles
- Piloting technologies in hybrid heating such as gas heat pumps through the EMPOWER Maryland energy efficiency program

“

As we test new products, we plan to share our learnings and grow our collective capabilities broadly across our utilities.”

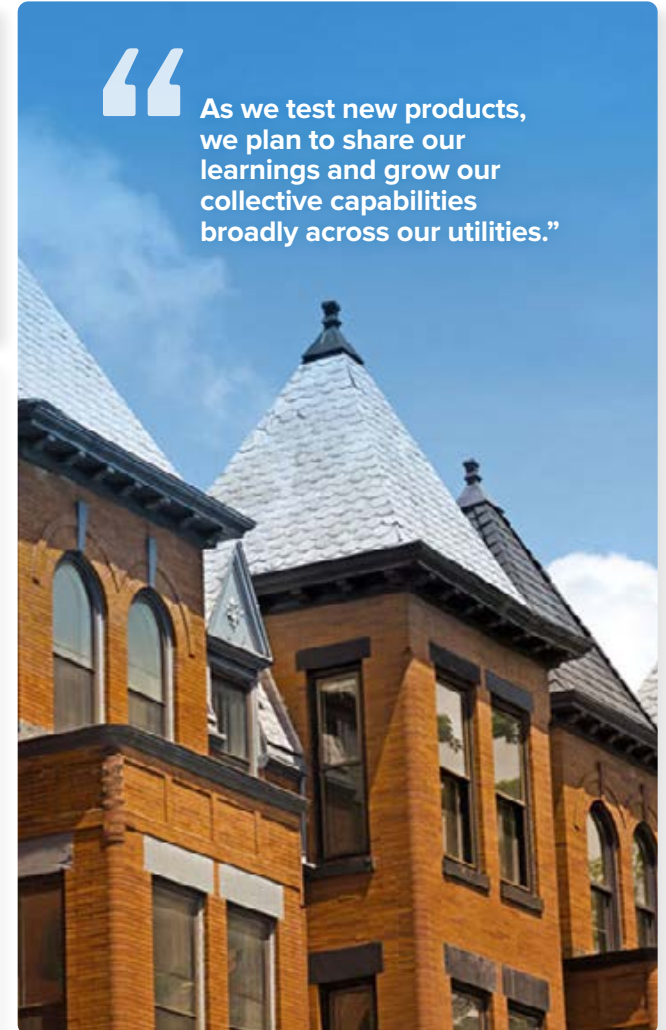
ENERGY EFFICIENCY

EmPOWER
MARYLAND

Through the EMPOWER Maryland program, established in 2008, Washington Gas received approval to conduct energy efficiency pilots to test emerging gas heat pump technology. A heat pump is an energy-efficient alternative to other types of home heating and cooling systems. The pilot will test long-term opportunities of gas heat pumps throughout the service area. Washington Gas will install, test and monitor the performance of the equipment and look at how factors like climate, geography and customer needs could affect the usage, efficiency and adoption.

SEMCO
Energy Waste Reduction
Save Energy. Save Money.

Through SEMCO's energy efficiency program, established in 2009, customers are incentivized to invest in energy saving measures and learn more about energy conservation. During 2020, SEMCO spent nearly US\$15 million on programming for its residential, commercial, industrial and qualified low-income customers. The program provides rebates to customers for the installation of energy efficient appliances and space and water-heating systems; and provides energy efficient measures to qualifying low-income customers at little to no cost.



ENERGY EVOLUTION – MIDSTREAM



Goals:

40%↓ Reduce Scope 1 and 2 GHG emissions intensity 40% by 2030¹

15%↓ Reduce Scope 1 absolute emissions for the Harmattan Complex 15% by 2026¹

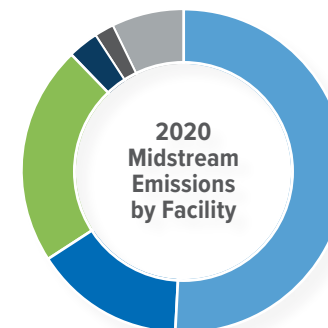
Our initiatives include:

- Growing the value and scale of our leading export capabilities and diversifying our product mix in line with global energy demands
- Investing in technology such as acid gas injection and small-scale, facility-level, carbon capture and storage projects including at our Harmattan Complex, our largest emitting facility within our midstream operations
- Pursuing opportunities to partially electrify our operations at our Townsend Facility in British Columbia (B.C.) and decarbonize power sources; more than 90 per cent of the province's electric grid is supported by renewable capacity
- Increasing and optimizing utilization of our existing assets by implementing operational improvements such as waste heat recovery, retrofitting engines, boilers and heaters
- Enhancing new project design with energy efficiency options to decrease energy consumption such as ethane and waste heat capture and reuse and low carbon alternatives such as electric compression
- Collaborating with our Indigenous partners when pursuing opportunities
- Advocating for supportive policy and regulations to advance initiatives

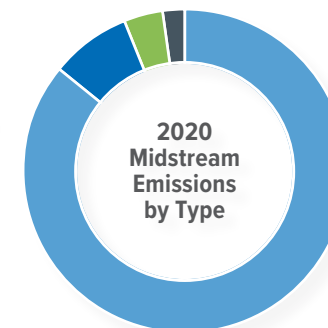
Meeting the growing demand for cleaner-burning fuels in Asia will continue to be a driving force behind our Midstream strategy. As Asia's energy mix evolves away from more carbon-intensive options such as coal, we believe LPGs will continue to be a source of energy security. We will also continue to position our business to export the emerging transition fuels of the future. As our business continues to grow and our product mix evolves, we will continue to reduce emissions from our operations and optimize the utilization of our facilities.

WHAT'S NEXT

- Explore opportunities to support our customers through carbon capture and storage solutions and hydrogen infrastructure and storage opportunities
- Collaborating with local governments for supportive public policy to further pursue opportunities to electrify operations

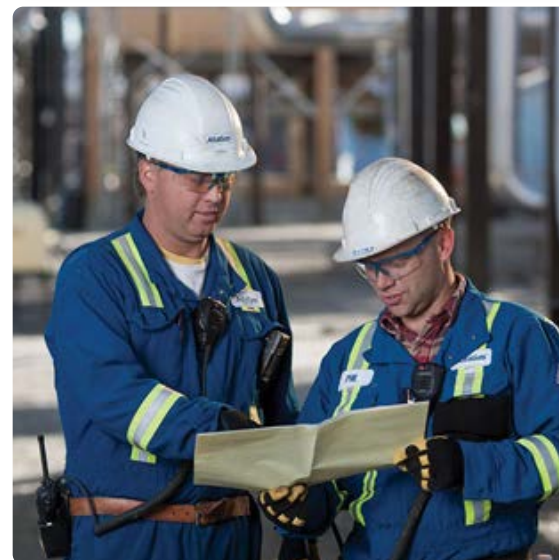


51% Harmattan
15% Gordondale
22% Townsend
3% RIPET
2% Blair Creek
7% Other



86% Combustion
8% Venting
4% Flaring
2% Fugitive

Gas processing is the most carbon-intensive component of our Midstream operations. Many of our initiatives are designed to lower the intensity of our processing activities.



HARMATTAN COMPLEX

At our Harmattan Complex, the largest emitting facility within our Midstream operations, we've invested in emissions reducing technologies since 2012. We've installed cogeneration units and replaced gas-fired compression with electric compression. Cogeneration provides the facility with energy independence and has supported the replacement of aging plant infrastructure. Thanks to these and other improvements, the Complex operates under the 2020 emissions thresholds set by the Alberta government.

The next phase of our operational improvements at Harmattan involves technology investments in acid gas injection – a process by which carbon dioxide and hydrogen sulfide can be disposed of more efficiently, resulting in lowered GHG emissions. This process will help us achieve our absolute direct GHG emission reduction goal of 15 per cent by 2026 for this facility.



MODERNIZING OUR INFRASTRUCTURE

COMBATING FUGITIVE METHANE EMISSIONS

We continue to deploy programs and strategies in both of our businesses to combat fugitive methane emissions.

In our Utilities business, we are piloting advanced leak detection technologies in the District of Columbia. This pilot utilizes satellite technology and data analytics through real-time identification to track methane emissions. The results of this pilot could significantly improve our ability to calculate methane emissions and respond to leak repairs. The findings from the program may strengthen our ability to prioritize pipe replacement projects and could lead to broader application throughout our service territory.

In our Midstream operations, we have been utilizing a Fugitive Emission Management Program. In this program we use infrared and acoustic detection technologies to systematically identify potential sources of leaks. We have also developed a methane management retrofit compliance plan for early identification of equipment upgrades and retrofits to avoid methane emissions.



We recognize the significant global warming potential of methane and its impact on GHG emissions. As methane is the primary component of natural gas, our priority is to responsibly manage and minimize gas loss.”

50%

Blythe Energy Center is 50% more energy efficient than a simple cycle facility



BLYTHE ENERGY CENTER

Blythe is an efficient, combined-cycle facility which recycles captured thermal energy from operations to produce steam that is then reused to generate power. This means the facility is 50 per cent more efficient and can generate 50 per cent more electricity for the same amount of gas consumed than a simple cycle facility. Through planned maintenance, we ensure operational efficiencies are maintained and improved so the facility can continue to meet demands. We continue to explore ways to improve efficiency and lower the facility GHG emissions including the potential for hydrogen co-firing.

With Blythe’s strategic location, it continues to be a critical provider of stable and reliable energy supply to the California market. Blythe runs when called upon by the SCE, which includes during times of high demand and intermittent renewable energy supply. The facility has been operating more frequently over the last several years due to higher-than-normal temperatures and during times when renewable energy supply was unavailable.



ENVIRONMENT

AIR EMISSIONS

Many of the strategies and programs we deploy to reduce our GHG emissions will also decrease emissions from other air pollutants and protect air quality. We've implemented measures to directly reduce emissions. Deploying these strategies and programs ensures compliance with all current rules and regulations.

For example, through a combination of technology investments, engine modifications and changes to operating parameters, we are reducing nitrogen oxide (NOx) emissions associated with the engines, boilers and heaters within our Midstream operations and are on track to reach our target of a fleet-wide average of 8 g/kWh by the end of 2021. Through these programs, we ensure compliance with NOx limiting regulations from the fuel fired equipment used in many industrial facilities.

BIODIVERSITY

We are committed to minimizing and mitigating our land and biodiversity impacts throughout the lifecycle of our operations. We respect the land we use and take the time to evaluate biodiversity impacts, particularly in sensitive habitats and migratory routes. We build collaborative relationships with our local stakeholders to identify and assess areas of environmental sensitivity early in a project's lifecycle and closely monitor our land use during active operations.

Utilities

For our Utilities infrastructure located in urban areas, our programs are scalable to apply to different conditions, maintaining the same priorities as projects constructed in rural areas.

Our teams strive to select pipeline routes to minimize our impact on the local ecology. In our day-to-day operations and maintenance activities, we closely manage and monitor construction footprints, air emissions and water quality. We also bring in engineering controls to minimize our land disturbances.

Midstream

During the design stage of Midstream projects, we conduct thorough environmental, biodiversity and archaeological assessments. The assessments include identifying nearby protected and environmentally sensitive areas. We engineer and design our assets to minimize our impact on land use, wildlife, wetlands and vegetation. Our teams engage with residents, landowners and Indigenous communities to identify lands of importance and work with stakeholders to minimize our environmental footprint.

At the end of the project lifecycle, we aim to remediate and restore the land as close to the same state that we received it, in compliance with applicable laws and regulations. When we are decommissioning assets, we adjust our approach to match the specific needs of the site and prioritize our reclamation and remediation activities to attend to the areas of greatest sensitivity.

Our approach includes scheduling monitoring and remediation activities to limit vehicle traffic and minimize disruptions to local stakeholders and wildlife. It also includes recycling as much material as possible during remediation activities. If environmental impacts are found during assessment activities, our teams consider options for remediation which can range from onsite treatment, insitu soil and groundwater remediation or outright soil removal and replacement.

ASSET RETIREMENT

Our holistic approach to environmental management in Midstream extends to the end of our projects. When an asset has reached the end of its useful life, we use environmental restoration programs to return the location as closely as possible to its original or equivalent state. We work with local regulators and Indigenous communities to ensure our reclamation and remediation activities meet the prescribed guidelines.



WATER

Water is an essential and shared resource that we must work to protect and use responsibly.

Guided by our Environment Health and Safety policy, we are committed to managing and minimizing our impact and supporting a strong, environmentally conscious culture. This includes our approach to water management where we use a risk-based approach to inform our water management strategies, practices and areas of focus.

In our operations, we work to minimize water use, recycling and reusing water wherever possible. Protecting the environment and safeguarding public health during the sourcing, treatment and disposal of water is important to us.

With the disposition of many of our power generation assets, our water consumption through operations has declined. Within our portfolio, the most water-intensive asset we operate is the Blythe power generation facility. We recognize the importance of providing stable and reliable energy to the California market while also operating in a way that prioritizes water conservation particularly in regions that may be water strained.

Designed to operate with wastewater capture and other water recycling techniques, water is reused at Blythe in steam generation, reducing the amount used by the facility and the amount of gas consumed in operations. Blythe is a zero-discharge facility, meaning no wastewater is released to the local environment. Zero-discharge is achieved by treating wastewater through recycling and then recovery and reuse for industrial purposes.

OUR GUIDING PRINCIPLES

- Work to adopt practices to minimize our use and impact on water supply
- Recycle and reuse when possible and manage water discharge to meet or exceed permit requirements and applicable laws, and regulations
- Engage meaningfully with Indigenous Peoples and other stakeholders to understand and address potential areas of concern
- Evaluate water impacts and risks through all stages of operations from planning through to reclamation and retirement
- Utilize innovative water management solutions to conserve water use

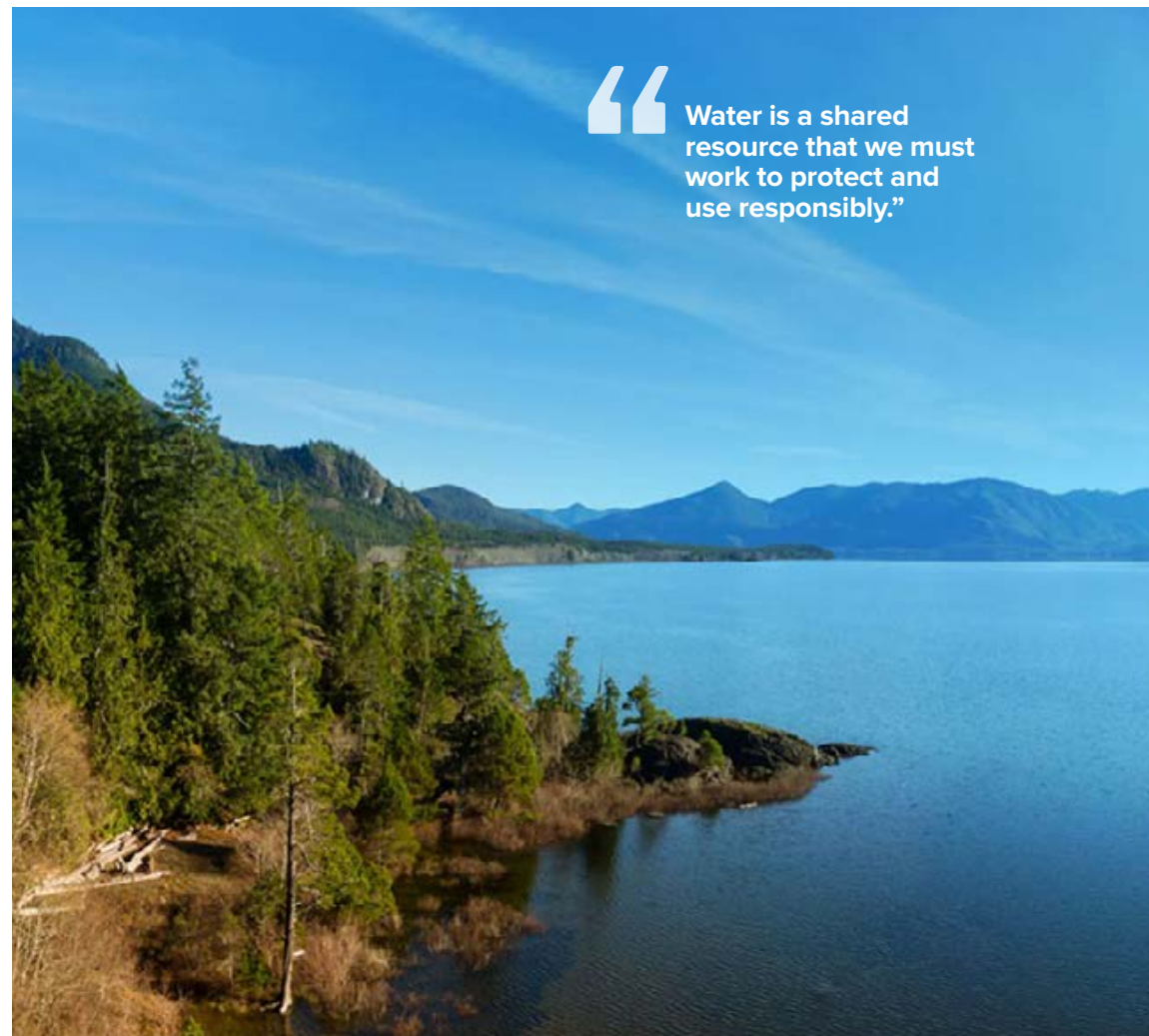


Neither our Utility nor our Midstream businesses are material consumers of water. Our focus remains on how we protect against water impacts and disposal of wastewater. Within our Midstream business, wastewater disposal is regulated to protect against ground water contamination; disposal is only permitted in approved disposal wells or identified waste processing and disposal facilities. We work to ensure none of our industrial wastewater is released into surrounding watersheds.

We also utilize groundwater quality monitoring networks when appropriate. Active monitoring allows for early detection of groundwater impacts.



Water is a shared resource that we must work to protect and use responsibly.”





SAFETY AND RELIABILITY



SAFETY AND RELIABILITY



At AltaGas, Work Safely, Think Responsibly is our first and most important Core Value.



From our frontline workers to our executive team, we are one team focused on continuous improvement, driving towards incident-free operations.”

OUR COMMITMENT TO SAFETY MEANS

- Putting the health and safety of our employees, customers and communities above all else
- Believing no job is so urgent that it cannot be done safely
- Taking action to protect against health and safety issues
- Pursuing operational excellence to ensure we deliver our energy solutions safely and reliably
- Proactively identifying and managing risks, reviewing leading practices and integrating lessons learned into our health and safety planning



OUR APPROACH

Keeping our employees, customers and communities safe while providing essential services is ingrained in how we approach our work each day. That’s why our focus remains on improving personal safety performance and enhancing the safety and reliability of the services we provide.

STRATEGY

We recognize that achieving incident-free operations requires us to pursue operational excellence in all that we do.

Operational excellence means:

- Safety leadership and a strong commitment to a culture of Work Safely, Think Responsibly
- Enterprise-wide alignment on risks, policies and standards
- Investing in the right management systems to measure, track and monitor our risks and performance
- Applying operational discipline in every action we take with clearly defined roles, responsibilities and points of accountability
- Investing in the resiliency of our infrastructure and enhancing the reliability of our operations

Our journey to incident-free operations starts with our pursuit of operational excellence, our focus on personal safety performance and setting yearly goals to track our progress.

Since our inaugural report in 2019, we have been standardizing our practices and aligning our expertise across the company. Our EHS management system provides a traceable and transparent framework that can be consistently applied across our operations to drive accountability, operational excellence and manage risk.

The programs and initiatives we’ve implemented to progress our safety performance include:

Enhancing our Pipeline Process Safety Management System

Targeted frontline awareness campaigns including Life Saving Rules, SafeStart, Get A Grip and Line of Fire



Safety ‘stand ups’ to acknowledge accomplishments and safety ‘stand downs’ to share lessons learned from incidents and near misses

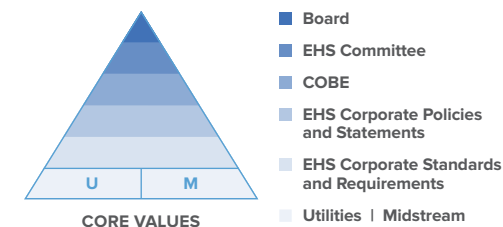
Public and contractor safety programs focused on awareness, education and training

Customer outreach, education and public information campaigns relating to safety and damage prevention

Real-time fleet vehicle monitoring

Real-time risk intelligence software to protect people and physical assets

EHS Governance



85%

of employees believe AltaGas upholds a strong safety culture (2021 Employee Engagement survey)



OUR MANAGEMENT SYSTEMS COVER ALL ASPECTS OF SAFETY

- Personal safety
- Occupational health
- Industrial hygiene,
- Process safety
- Incident management
- Physical security
- Emergency management





Safety and Reliability

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

To ensure our teams and communities are equipped to respond to emergency situations, we maintain comprehensive emergency response plans for each of our facilities, assets and for all lines of our business. We conduct regular emergency response tabletops, drills and exercises coordinated with our Incident Command System (ICS) involving first responders so that we can collectively be more effective in our response.

PERSONAL SAFETY PERFORMANCE

In 2020, we recorded an employee TRIF of 1.65 per 200,000 hours worked, compared to 2019 TRIF of 1.64. Our ability to maintain TRIF as we quickly adapted to the changing operational circumstances presented by our pandemic response demonstrates the resiliency of our workforce.

Achieving incident-free operations starts with setting yearly goals and a commitment to continuous improvement. Looking ahead to 2022, we are establishing our base-line at the 2020 level and we are setting a TRIF target of 1.46, representing a 12 per cent improvement over 2020. We will continue to set aggressive annual targets to lower our frequency rates.

SAFE DRIVING

Driving continues to be one of the riskiest activities for our workforce, at or outside of work. We operate in many urban and congested areas so we've adapted our programs and training initiatives to different driving conditions. With real time fleet vehicle monitoring and our recently developed in-house track and training program for Commercial Driver Licensed professionals, we are equipping employees with the tools and training to improve behaviours.

Our preventable Motor Vehicle Incident Rate (MVIR) decreased 17 per cent in 2020 compared to 2019 and reflects our focus on improving driving behaviors and competencies.



RAIL SAFETY TRAINING

To help communities along the rail corridor respond to a potential rail incident, we've been working with CN Rail and Emergency Response Assistance Canada (ERAC) since 2019 to provide LPG firefighting training in Northern B.C. We've also been investing in local emergency response equipment to provide local responders with a temporary command post in the event of an incident. The initiative has brought additional training, equipment and support to 16 communities in B.C. for more than 110 local first responders. To find out more about our program, visit the Stories page, on our [website](#).

SAFETY GOAL

Striving for incident-free operations.



2022 PERSONAL SAFETY GOAL

12%↓ Total Recordable Injury Frequency of 1.46, representing a 12% reduction from 2020

SAFETY AWARDS

In 2020, both ENSTAR and SEMCO were recognized with awards for safety performance from the American Gas Association (AGA). ENSTAR was recognized for being an industry leader in accident prevention and SEMCO was presented with AGA's highest award, Safety Achievement, among the large local distribution companies.



WHAT'S NEXT

- Improvements in personal safety performance through incident and near-miss root cause analysis and corrective actions, and initiatives to promote safety leadership
- Setting annual targets for improvements in TRIF
- Standardization of contractor safety management
- Enterprise wide alignment on physical security practices and risk management



Safety and Reliability

BUILDING RESILIENCY AND ENSURING RELIABILITY OF OUR OPERATIONS

Building resiliency in our infrastructure is essential for providing reliable service to our customers and keeping our communities safe. Through process safety, pipeline management systems and utility asset integrity management practices, we proactively engineer and ensure we can safely operate complex systems.

Process safety is a framework for managing the integrity of operating systems and processes that handle hazardous substances. Our systems are designed with multiple layers of protection against human, manufacturer and environmental factors that could result in loss of integrity.

We make the capital investments necessary to enhance the resiliency of our assets, which includes investments to modernize our facility and pipeline networks through enhancement and replacement activities.

To ensure the continued safety and integrity of our assets, our programs are often shaped by the regulated nature of our operations. We identify maintenance activities including survey, repair, replacement and inspection of pipe and report findings to governing bodies as prescribed by applicable regulations. We use data analytics, technology solutions including sensor and pressure controls and field observations to monitor and manage our programs and respond to repairs.

These practices decrease the potential impact of leaks and help us identify trouble spots so pipes can be repaired or replaced before problems arise.

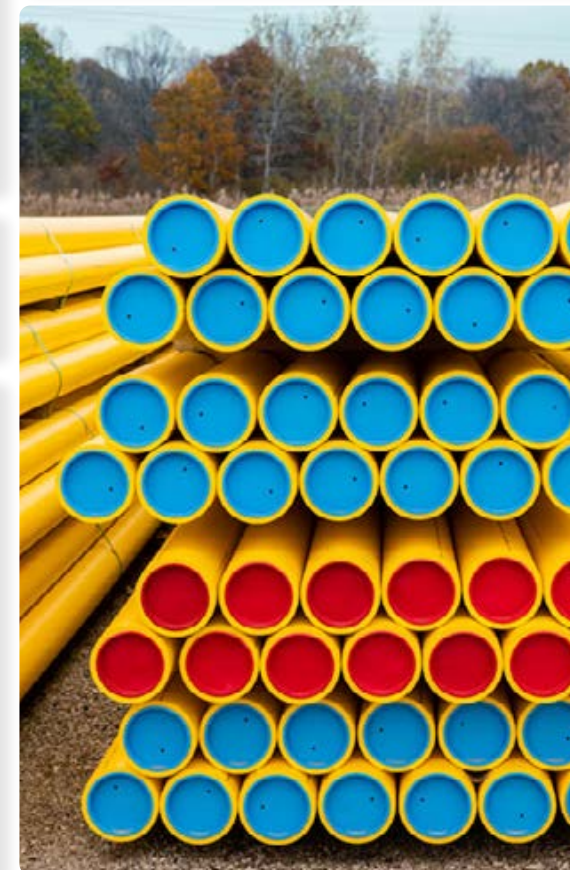
“Our systems are designed with multiple layers of protection against human, manufacturer and environmental factors that could result in loss of integrity.”



\$561MM in Utilities pipe replacement programs and system betterment in 2020



16% Leaks reduced (2019-2020)
(Washington Gas, Grade 1 leaks)



CYBERSECURITY AND DATA PRIVACY



As the cyber threat landscape continues to evolve, we're taking an enterprise-wide approach to protect our people, communities, and customers. Protecting our infrastructure, system availability, the security of digital assets and confidential information is essential to our business.

That's why our approach to data privacy includes ensuring the appropriate collection, use and protection of this information and the use of privacy notices to ensure our stakeholders are aware of the data we collect.

We regularly assess our defense capabilities using external third parties, including network penetration testing and vulnerability scanning. Our program is aligned with and measured against the National Institute of Standard and Technology's cybersecurity framework.

Cybersecurity is integrated into our business continuity and emergency response plans and we run simulation exercises to test our response and recovery.

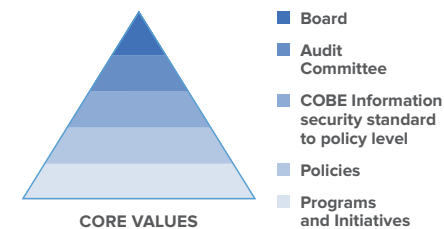
We view cyber threats with the same importance and urgency as the physical safety of our employees, communities and assets. Our people are the greatest line of defense against cybercriminals. To ensure they're able to quickly identify and report threats, we provide regular cybersecurity awareness training and testing.

REMOTE WORK AND CYBER SECURITY

In response to the pandemic, employees transitioned from working in central office locations to their own homes. In addition to ensuring our digital infrastructure and systems were equipped to handle the rise in remote working, we augmented cyber training focusing on remote working and equipped employees with practical guides to gain confidence in their ability to work remotely while keeping their home offices secure.



Cyber Governance



OUR APPROACH

We work closely with regulators and governments in each of our jurisdictions to assess and protect our systems and to ensure our cybersecurity and data privacy measures are aligned and compliant with local rules and regulations.

Due to the nature of our business, we collect information to use for the services we provide to our customers.

Our cyber security program prioritizes identification, detection, and protection of our systems, information and digital assets.



COVID-19 RESPONSE

The past two years have presented many challenges to our communities; many have and are still facing economic disruption as they continue to navigate and recover from the global pandemic. As the situation unfolded in early 2020, we established a cross-functional team to support and align our response enterprise-wide. Through this team we deployed and are still using an agile, risk-based and phased approach in response to the pandemic and related recovery so our response is reflective of regional guidance and requirements. Our focus throughout has remained on health and safety of our employees, communities and customers.

Our response has included several initiatives:

OUR PEOPLE

- Instituted social distancing protocols, crew rotations, on site testing protocols and provided additional personal protective equipment (PPE) to keep our operational personnel safe while maintaining service and completing maintenance activities
- Leveraged remote work capabilities and transitioned work away from central office locations, deploying the tools and training to build confidence in remote working, and cyber and data security
- Monitored engagement through employee check ins and surveys and deployed mental health, resiliency and wellbeing initiatives
- Rolled out a Flexible Work policy providing options for further flexibility

CUSTOMERS

- Extended assistance through suspension of disconnects and waiver of late fees for our utility customers
- Used energy assistance programs to ensure equal access to services
- Connected customers to available federal and state funding and assistance programs
- Implemented robust new safety procedures for essential workers entering homes and businesses

COMMUNITIES

- Provided in-kind support, such as PPE and financial relief to support health initiatives of local agencies
- Launched an enterprise-wide giving campaign focused on food security and basic needs in response to accelerating community needs
- Transitioned to remote platforms to continue community outreach while in person meetings were not possible
- Pledged \$1 million to support communities in first year of response

The pandemic tested our business continuity planning and our ability to adapt and deliver continuous service. The resiliency demonstrated by our workforce and our business enabled us to meet our 2020 objectives as planned. This has made us a stronger company and reinforced the critical role within the communities we serve.





PEOPLE AND CULTURE



INVESTING IN OUR PEOPLE AND CULTURE

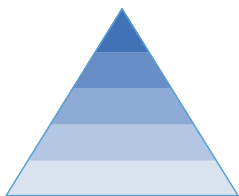


Our people are the heart of our company and are key to delivering operational excellence. Spanning North America, our diverse workforce of approximately 3,000 employees is guided by one set of Core Values and a common mission. This connection to a common set of principles provides the basis for how we do business and execute our strategic priorities.

OUR APPROACH

At AltaGas, our model for a high-performance culture is based on attracting, developing, and retaining great people. We invest in our people through talent development, diversity and inclusion initiatives and engagement strategies.

People Governance

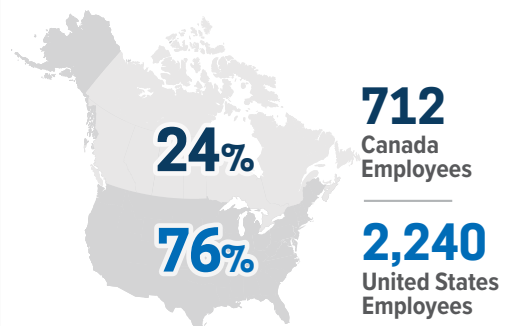


- Board
- HRC Committee
- COBE
- Policies: Human Rights, Respectful Workplace
- Programs and Initiatives: Talent strategy, succession planning, engagement strategy

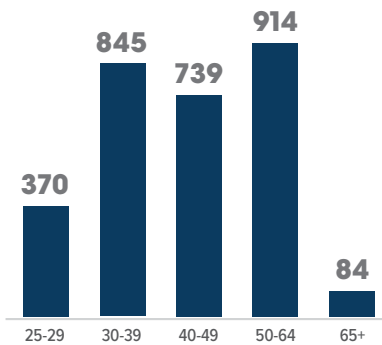
CORE VALUES

WHO WE ARE¹

Employees in North America



Employee Age Distribution



OUR DIVERSE AND INCLUSIVE WORKFORCE



Our Core Values set the foundation of our commitment to a diverse workforce and inclusive culture.

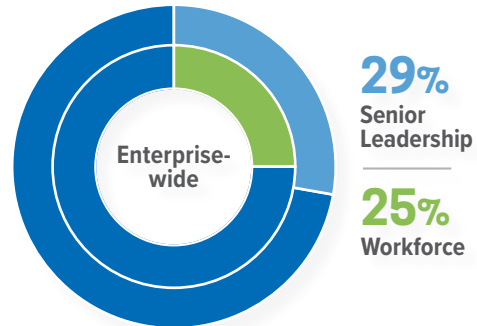
It is important that our internal diversity reflects the diversity within the communities we serve. We have taken many steps to expand the dimensions of our diversity at all levels of our organization, which is reflected in our current demographics.

Our commitment to “Invest in our People and Foster Diversity” is visible through our underlying principles and strategies:

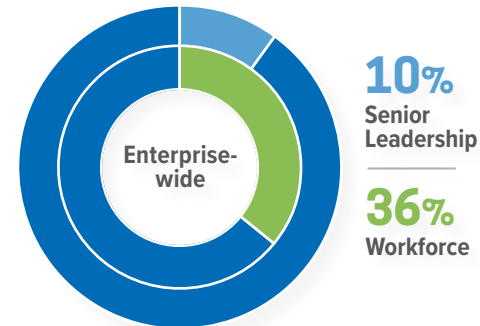
- Leadership embodies and champions our initiatives by leading in inclusive ways
- Enhancing opportunities for our people through leadership development programs and talent development strategies
- In recruitment, using diverse candidate slates and interview panels
- Our executive leadership team sponsors ERGs, creating a direct linkage to senior leaders so we can further mentorship, support and guidance
- Supporting workforce development and training opportunities within local communities
- Leveraging the diversity of our talent to innovate, grow and better serve our customers

Leadership and Workforce Diversity¹

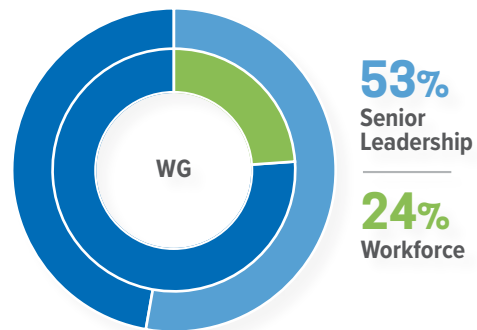
Women at AltaGas



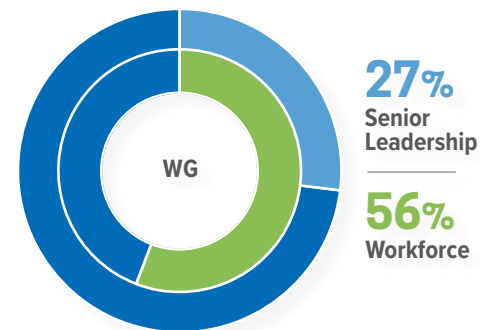
Ethnic/Racial Diversity at AltaGas



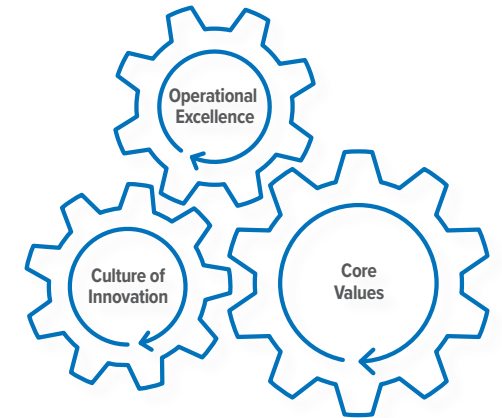
Women at Washington Gas



Ethnic/Racial Diversity and Washington Gas



Diversity and Inclusion



We believe that diversity of people and thought together with our core values enables a culture of innovation which leads to better solutions.

We appreciate and empower our people, always creating opportunities to help them grow.

We are never done learning and always seek to improve ourselves.

We support our colleagues and create an environment where everyone feels welcome.



**Growth | Empower
Engage | Support Opportunities
Welcoming | Appreciate
Openness | Learning | Growing**

Our Diverse and Inclusive Workforce



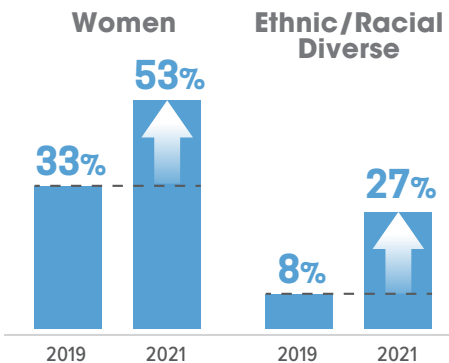
Most recently, our commitment to diversity has been demonstrated through the development of our Washington Gas senior leadership team vice president (VP) and above, where we have broadened the mix of experiences, backgrounds and varied perspectives to meet the evolving needs of the business.

Our inclusive culture has been key to our success in meeting business objectives. When we invite the full participation of all our employees and nurture an environment of respect, connection, and continuous learning, our diversity thrives. We believe fostering a culture of open communication leads to sound decision-making and inspires innovation which is critical to achieving operational excellence.

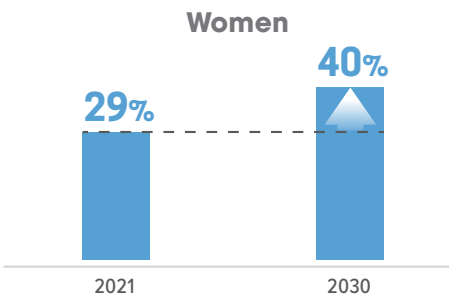
While we've made great strides to broaden our perspectives, our company is committed to maintaining the diversity we've achieved and doing more. We strive for gender balance to achieve at least 40 per cent female representation by 2030, while maintaining at least 40 per cent male representation in senior management (VP and above) positions enterprise-wide. We expect this goal to more broadly increase female representation within the workforce. As we continue to progress our ethnic/racial diverse representation in senior management enterprise wide, the progress we've made to date demonstrates the importance we place on diversity and inclusion. We plan to publicly release our goals in 2022 reflective of this ambition.

“It is important to us that our internal diversity reflects the diversity within the communities we serve.”

WASHINGTON GAS SENIOR LEADERSHIP¹



ENTERPRISE-WIDE DIVERSITY AND INCLUSION GOAL



40% ↑ Strive to achieve at least 40% female representation by 2030 and maintain 40% male representation, VP and above



Our Diverse and Inclusive Workforce



EMPLOYEE RESOURCE GROUPS

Over the last year, we've seen our ERGs flourish with nearly 20 per cent of our workforce participating as active members across the company. ERGs are made up of employees who share common interests, or life experiences. The groups are strategic business resources that support recruitment and retention, provide professional development, mentorship, positively impacting our culture and our communities through giving and volunteerism.

As the momentum grows through increased membership and formation of new ERGs, employee engagement, inclusivity and the positive energy that exists within our workforce also grows. These employee-led, executive-sponsored groups are invaluable in making employees feel supported and welcome.



Nearly 20% of our workforce are members of an employee resource group."

CURRENTLY WE SUPPORT SIX ERGS ACROSS THE COMPANY:



Create a community that advances inclusion, cultural awareness, organizational equity and opportunities for African Americans.



inspirASIAN

Provide a space for discussion and learning around Asian-related topics and experiences and promote a culture of diversity, innovation and inclusion throughout all levels of the organization.



Bring together diverse backgrounds and talents to increase engagement for women in the company and provide a forum for mentorship, professional development, and networking.



Provide a safe environment fostering comradery; to build on the mission-focus of military veterans, and to positively impact our local communities, both veteran and non-veteran alike.



PRIDE

Affinity group dedicated to supporting Lesbian, Gay, Bisexual, Transgender, Queer or Questioning (LGBTQ+) employees. The group's objective is about fostering and promoting awareness and inclusivity in the workplace.



Create a sustained commitment to develop a network of employees that promote cultural diversity and professional development, thereby creating a supportive environment for the Latino and multicultural community while contributing to the success of the organization.



ATTRACTING AND DEVELOPING TALENT

Our talent strategy drives business results. We strive to provide impactful development opportunities for our people to help encourage performance and growth.

Investing in training and development helps our employees to explore new ways of approaching their work, learn new skills and pursue new opportunities within the company. Over the last several years, we've experienced transformational changes, both as a society and company. These changes have influenced our approach to talent development strategies.

We tailor our programs to equip our workforce with the tools they need to succeed. Our talent strategy – which takes a holistic view of the entire employee lifecycle – develops our diverse workforce for sustainable performance to support our future growth and changing landscape. We have instituted a variety of programs and initiatives to build capability and competency at all levels within the enterprise.

TALENT DEVELOPMENT PROGRAMS

- Leadership development programs for frontline, mid-level and senior leadership to enhance leadership capabilities and competencies, build agility and adaptability in their leadership styles
- Individual development planning tools for all employees to develop career plans with their leaders based on career interests and performance management
- Resilience change management and wellness-based learning tools for agility and flexibility, delivered through e-learning, toolkits and casual learning, like lunch and learns
- Investing in systems, processes and digital strategies to reimagine how our employee's work
- Virtual-based learning to ensure easy access to programs, regardless of location



ENGAGEMENT

Building a high-performance culture starts with employees who are engaged. That's why the cornerstone of our engagement strategy is listening. Using tools such as engagement surveys, we can better understand our workforce experience.

“**Our internal communications tools keep employees informed, connected and engaged.**”

We frequently conduct small employee surveys, called pulse-checks, along with a comprehensive enterprise-wide employee engagement survey every two years to measure employee sentiment. Our most recent comprehensive surveys were taken in 2019 following the integration of Washington Gas and in 2021, following the integration of Petrogas employees.

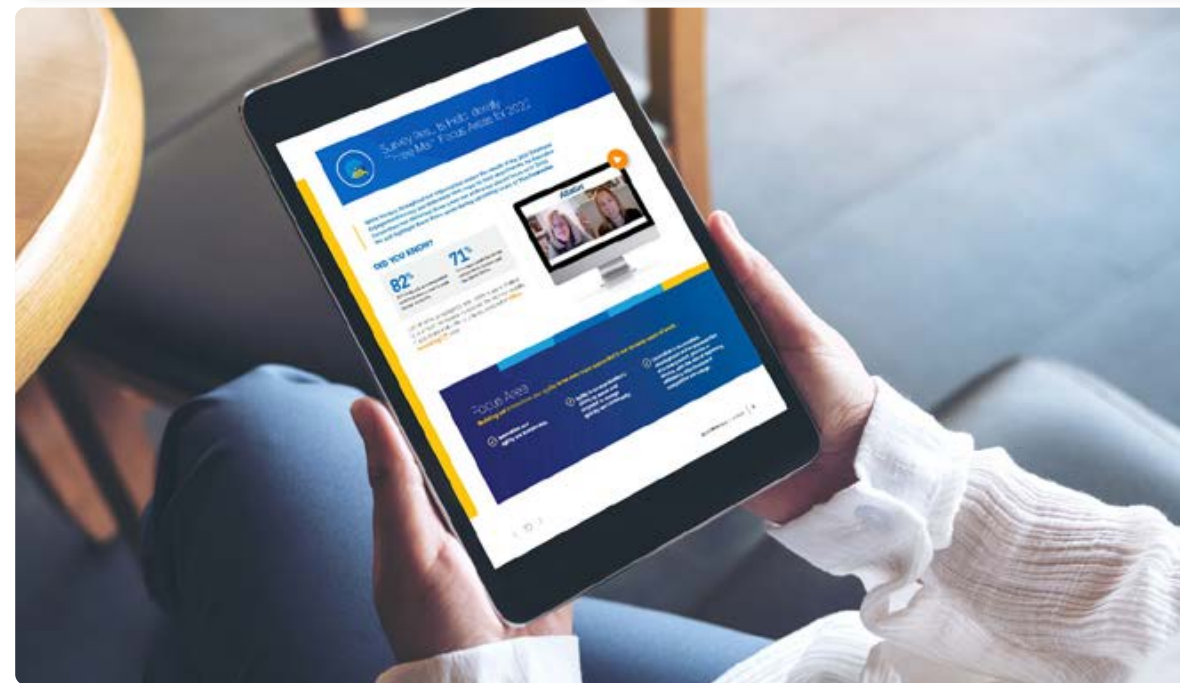
The results are valuable listening tools, allowing us to hear perspectives from all employees including those of new employees. We share the aggregated results with our workforce, including areas of improvement. We were pleased to find strong engagement and alignment between individual work and company goals as well as support of a strong safety culture. For areas of opportunity, we have created action teams at the enterprise, divisional and business unit level for which we will be tracking progress and monitoring improvement in our 2023 comprehensive survey.

In addition to the surveys, we also use internal communication tools to meet and hear from employees and facilitate the sharing of information including company Intranets, newsletters and regular Town Halls. These tools keep employees informed, connected and engaged organization wide.

FLEXIBLE WORK POLICY

In response to feedback from our employees, in 2021, we aligned our enterprise to one Flexible Work Policy, offering four flexible arrangements.

The options range from fully remote to hybrid schedules and include part-time and compressed work weeks. We expect that offering flexibility will increase employee engagement, further our diversity and inclusion initiatives and overall productivity, reinforcing our performance-based culture.



Employees Who Feel Engaged

2019	2021
72%	71%

13%↑

Employee Participation up 13% since 2019 engagement survey



WORKFORCE TRAINING



We are committed to training and hiring locally leading to a workforce that reflects the diversity of the communities where we operate.

We recognize the value in offering opportunities to work within the community you live and sharing the economic benefits of our operations with our neighbours.

For many years, we've developed and funded workforce training programs providing opportunities for local participants to gain valuable skills in the energy sector. As global energy needs evolve, we believe workforce training programs will continue to help people develop the skills needed for success. Our approach is to adapt our programming for the local area, tailoring training opportunities to match the needs of the community and participants to create sustainable job opportunities.

We've been working to increase the exposure of these opportunities to relieve shortages in qualified workers and to help capture the diversity that exists within our communities. By targeting our programs at underrepresented groups in the energy industry, we're able to raise awareness within these communities and benefit from diverse perspectives in our own company.

RIPET OPERATOR TRAINING PROGRAM (OTP)

Consistent with our principles of building capacity within the communities we operate, we are taking a sustainable approach to Indigenous training and employment, partnering with local community Indigenous agencies and colleges. Providing rewarding local careers to support individual, family and community growth is a priority we share with our communities. Our approach is built upon the success of our past experiences with the RIPET OTP and being a founding partner of the Black Swan Operator Training Program. Using these successful models, we will be expanding our training initiatives into other areas of Midstream operations.

In partnership with Indigenous groups, Coast Mountain College and SAIT, the RIPET OTP is a customized skills training program delivered directly in the community, now a mainstay curriculum leveraged by other facility operators. All graduates were hired as full-time operators upon the facility opening. Today, the first-generation Indigenous employees at RIPET are not only achieving personal growth and career advancement; they are leading the way for the next generation of skilled Indigenous operators.

We also became a founding partner in the Black Swan Operator Training Program in 2016 that saw 12 Blueberry River First Nations students successfully graduate. Upon plant commissioning, we hired and continue to employ program graduates.



25%

of RIPET employees are from local Indigenous communities



D.C. INFRASTRUCTURE ACADEMY (DCIA)

The DCIA coordinates, trains, screens, and recruits D.C. residents to position graduates for careers in infrastructure with leading companies in a high-demand field. In the first and second DCIA classes, all enrolled candidates identified as African American.

Since 2018, Washington Gas has invested over US\$7.4 million in workforce development programs to address the shortages that exist in the D.C. area for qualified skilled labourers.





SUPPLIER DIVERSITY



Throughout our business, we look to enhance opportunities for local diverse communities to prosper through the supply of goods and services. We are continuing to incorporate diverse supplier practices into our supply chain processes to enhance our positive community impact.

To expand the reach of our programs, we partner with Indigenous communities, external supplier diversity organizations, chambers and community based advisory boards. We leverage these groups to identify and source new diverse suppliers, enhance the visibility of new developments in the supply base, and maintain a strong network with influential leaders in the sector.

Since 2009, Washington Gas has developed and promoted a program for the use of diverse suppliers which is focused on encouraging the use of minority-owned, women-owned, veteran-owned, LGBT-owned, service-disabled veteran-owned as suppliers. By leveraging existing relationships with diverse suppliers, we have identified new suppliers allowing the program to flourish.

STRIVE FOR 35

At Washington Gas, the Strive for 35 initiative is expected to increase diverse supply chain spend to 35 per cent of total procurement spend by 2028. We're well on our way to achieving this goal, with 2020 diverse spend at 28 per cent, up from 25 per cent in 2019.

The initiatives we are working on to accelerate the goal include:

- Connecting prime contractors and subcontractors
- Creating mentorship programs to develop the capabilities of diverse firms and expand their reach into new spend categories
- Incorporating social responsibility into our bid evaluation process
- Introducing measurement of key performance indicators including in performance-based agreements with contractors
- Partnering with outside groups like supplier diversity organizations, chambers and other advisory boards to expand the reach of our program

INDIGENOUS SUPPLIER¹ INITIATIVES

Building capacity through contracting and supplier procurement opportunities for Indigenous communities remains a priority for us. We are taking the learnings from both the Washington Gas supplier diversity program and our Indigenous supplier practices to apply them more broadly throughout our enterprise.

Capacity building grows collaborative partnerships and is an effective way to bring long-term economic value to communities. These opportunities exist throughout the lifecycle of projects and we're working towards expanding participation during operations through to asset retirement.

33%

of total Midstream capital spent with Indigenous owned and affiliated vendors in 2020²



Strive for 35 Supply Chain Diversity Spend

2020³ **28%** → **35%** 2028

OUR GUIDING PRINCIPLES

- Make a positive difference in the communities where we work and live
- Expand our broader commitment to diversity and inclusion
- Actively search for diverse participation from vendors to include in our procurement processes for contracts
- Provide more creative and innovative solutions to our customers
- Promote activities leading to increasing the supplier base



¹Includes affiliated corps. ²Indigenous owned vendor is a vendor which is at least 51% or more owned and controlled by an Indigenous person(s), including First Nations, Métis, Inuit, and mixed identities. Indigenous-affiliated vendor is a vendor with a contractual relationship with an Indigenous group. ³Tier 1 and 2 diverse supplier spend at Washington Gas.



COMMUNITY PARTNERSHIPS



COMMUNITY PARTNERSHIPS



We operate in many diverse jurisdictions and recognize that each community has unique needs. This is the foundation from which we engage with our stakeholders.

OUR APPROACH

The stakeholders within our communities including our Indigenous partners, local governments, regulators, and customers have varied perspectives that we're continuously learning from. To meet each community's individual needs, we strive to build long-term, collaborative relationships that are based on trust and a willingness to listen, learn and adapt.

STRATEGY


We work to ensure mutually beneficial solutions to generate long-term value for all our stakeholders.

This commitment is visible through several programs including:

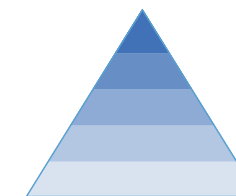
- Community investment
- Customer affordability and energy assistance programs
- Workforce training, development and employment opportunities
- Public awareness and safety programs
- Building economic value within local communities through business development and contracting opportunities
- Employee engagement initiatives through volunteerism and giving

As an operator of long-life infrastructure, we're committed to building genuine, trusting relationships that last for generations.

We know it takes time to build these lasting connections. Our approach to how, when and what we engage on is rooted in relationships, based on early and frequent outreach and guided by our policies and procedures, consistent with our stakeholder engagement model.



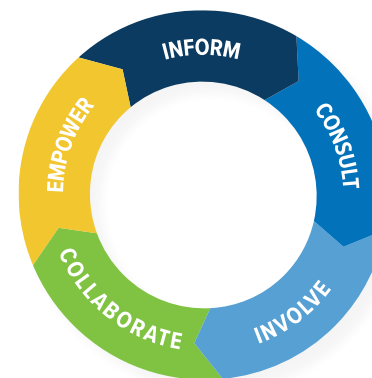
COMMUNITY GOVERNANCE



- Board
- Governance Committee
- COBE
- Policies: Anti-bribery and Anti-corruption, Human Rights
- Programs and Initiatives: Community Investment, Indigenous Engagement Guidelines, Purchasing Policies

CORE VALUES

Stakeholder Engagement Model



INDIGENOUS RELATIONS



Our partnership approach to enduring, trusting and mutually beneficial relations is rooted in our acknowledgment that Indigenous Peoples have distinctive rights.

We believe it is our responsibility to foster reconciliation through consultation, providing opportunities for employment and procurement and our duty to educate our workforce on the history and culture of Indigenous Peoples. We believe this approach has been key to our success in building world-class projects.

Our [Indigenous Engagement Guideline](#) ensures that listening, learning, and responding are at the heart of our relationships. The Guideline also ensures we apply a consistent approach to engagement practices, areas of focus for economic and social benefit and record keeping.

As part of our engagement, we may enter into agreements with Indigenous Peoples. These agreements range from short-term arrangements enabling Indigenous Peoples to learn more about our proposed developments and participate in regulatory processes, to agreements that define how AltaGas, and Indigenous communities can collaborate over the long-term. Our longer-term initiatives include training, employment, contracting, supplier procurement, environmental protection, and community investment.

Through consultation with Indigenous partners, we've identified opportunities for building capacity in the areas of workforce development, and contracting and procurement as areas of continued priority for us. We recognize these opportunities can span well beyond project development to create long lasting benefits through the lifecycle of our operations.

OUR GUIDING PRINCIPLES:

- Early, open and honest communication
- Willingness to integrate Indigenous teachings of traditional and cultural practices
- Desire to engage with as many community members as possible
- Commitment to educate, train and build capacity so community members can participate from project planning through to reclamation
- Achieve goals that align with community and provide lasting benefits



We prioritize building capacity through workforce development and procurement opportunities.

FOR MORE INFORMATION

See [Workforce training and supplier diversity in the People and Culture section](#).



SUPPORTING CUSTOMERS – ENERGY AFFORDABILITY AND ASSISTANCE



Millions of customers depend on us to provide access to energy that is affordable, including the most vulnerable in our communities.

ENERGY AFFORDABILITY INITIATIVES ACROSS OUR UTILITIES INCLUDE:



- **Asset optimization:** Through contracted storage positions we can store natural gas purchased at lower cost to be used during winter heating seasons when gas prices are typically higher. It provides more stable gas costs for our customers and shares the benefits of the sale of any unneeded capacity
- **Revenue adjustment:** Rate mechanisms that decouple the revenue effect of changes in customer usage caused by factors like weather changes and help lower the energy bills of customers during colder than normal periods
- **Budget plan:** Budget plans spread the cost of gas heating over the entire year, allowing customers to keep costs consistent every month



ENERGY AFFORDABILITY

To fulfil our mission, we work to provide energy assistance and affordability programs, whether through direct programming or gifts of warmth to communities.

Many of our programs were expanded or adjusted in response to the pandemic to fit our customers' needs. These programs included moratoriums to restrict gas shut offs, suspension of late fees, access to flexible pay offerings and helping qualifying customers access federal and state funding.



US\$28MM

In 2020, we assisted customers access US\$28MM in federal and state funding and these efforts continued in 2021



ENERGY ASSISTANCE – GIFTS OF WARMTH



Helping local households in need with energy affordability strengthens and supports our communities.

WAFF

Since 1983, US\$32 million in assistance to 300,000 residents.

More than 35 years ago, Washington Gas and The Salvation Army created the Washington Area Fuel Fund (WAFF) to help families in need pay their heating bills.



Partnering with United Way of Anchorage and an anonymous donor, ENSTAR began offering the Warm Hearts, Warm Home fund for energy assistance in 2021.

ENSTAR



SEMCO



\$3.8MM

From 2019 to 2020, Washington Gas and SEMCO provided \$3.8 million and supported more than 6,100 households through energy assistance programs.



THAW THE HEAT AND WARMTH FUND

Keeping Families Safe and Warm Since 1985

Through THAW, US\$250 million in assistance to more than 280,000 residents.

Since 2016, SEMCO has worked with other utility peers and The Heat and Warmth Fund (THAW). Through THAW, customers can help keep the community warm and safe by adding a monthly donation amount to their bill. All donations go to help local families within the SEMCO service area.



SUPPORTING SAFE, HEALTHY COMMUNITIES



By balancing social responsibility with the economics of doing business, we can deliver sustainable benefits to our stakeholders. In addition to supporting local community initiatives, we're a significant donor to charitable organizations across our operating regions.

OUR CORPORATE GIVING PROGRAM

We concentrate on three core areas:

- Healthy and Safe Communities
- Bright Futures
- Environmental Champions

Our giving program has been shaped in response to feedback from our stakeholders, including communities, local organizations and employees. We support these core areas enterprise-wide because they align closely with our Core Values and mission and provide the opportunity to affect positive social change.

In 2020, our priority was to assist our local communities in much the same way we always have – high-impact programs providing socially responsible, sustainable support to our communities.

CHARITABLE DONATIONS

Every year we contribute through direct financial contributions, volunteer time and in-kind donations. For more information on the charities we support, please see the communities page on our [website](#).



FOOD SECURITY

Many of our jurisdictions support food security initiatives in their local areas. Meeting the basic needs of food security is a common concern across all our jurisdictions with demand rising over recent years. We believe access to nutritious food is access to energy, and necessary to improve quality of life a direct tie to our mission.

In partnership with various local organizations Washington Gas' initiatives to address immediate and long-term hunger relief. To find out more, please see [video](#).



\$250

match for each employee through our "Dollars for Dollars" and "Dollars for Doers" programs



AltaGas Cares

AltaGas Cares, launched in the fall of 2020, is our new community investment tool empowering our employees to support the causes they are passionate about in their communities through donations and volunteering. As part of AltaGas Cares, a \$250 match is provided to employees through our "Dollars for Dollars" and "Dollars for Doers" programs. AltaGas Cares empowers our people to do good and enables us to broadly support a wide array of social impact organizations and efforts chosen by our employees. The premise of the program reinforces the principle that what is important to our employees is important to our organization.



United Way

STARS

nordiq
CANADA

\$10.6MM

contributed to the communities where we work and live, between 2018-2020¹



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These indicators represent summarized and annual performance for 2018, 2019 and 2020, including Washington Gas unless otherwise noted. Environmental and social data from Petrogas Energy Corp. is not included, because Petrogas joined AltaGas in December 2020. All currency is in Canadian dollars (\$CAD) unless otherwise noted.

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Emissions ¹	Metric ²	2018	2019	2020	SASB	GRI
Scope 1 and 2 GHG Emissions	Company-wide tonnes CO ₂ e	2,361,713	1,987,884	2,031,990		
	Utilities tonnes CO ₂ e	56,936	389,133	391,116		305-1,2
	Midstream tonnes CO ₂ e	1,208,798	982,480	874,308	EM-MD-110a.1	
	Power tonnes CO ₂ e	1,095,979	616,271	766,567		
Scope 1 GHG Emissions	Company-wide tonnes CO ₂ e	2,094,111	1,854,352	1,930,998		
	Utilities tonnes CO ₂ e	54,691	382,134	384,668		305-1
	Midstream tonnes CO ₂ e	944,319	857,216	780,846	EM-MD-110a.1	
	Power tonnes CO ₂ e	1,095,101	615,002	765,484		
Scope 1 Methane Emissions	Company-wide %	9%	24%	21%		
	Utilities %	64%	88%	88%		305-1
	Midstream %	15%	12%	8%	EM-MD-110a.1	
	Power %	0%	0%	0%		
Scope 1 Emissions Third-party Party Verified	Company-wide %	87%	93%	96%		
	Utilities %	0%	86%	83%		305-1
	Midstream %	78%	91%	98%	EM-MD-110a.1	
	Power %	100%	100%	100%		
Scope 1 Under Emissions-limiting Regulations ³	Company-wide %	97%	79%	79%		
	Utilities %	0%	0%	0%		305-1
	Midstream %	100%	100%	100%	EM-MD-110a.1	
	Power %	100%	100%	100%		
Scope 2 GHG Emissions ⁴	Company-wide tonnes CO ₂ e	267,602	133,532	100,992		
	Utilities tonnes CO ₂ e	2,245	6,999	6,448		305-2
	Midstream tonnes CO ₂ e	264,479	125,264	93,461	EM-MD-110a.1	
	Power tonnes CO ₂ e	878	1,269	1,083		

¹ AltaGas participates in the following applicable regulated GHG emissions reporting programs: Environment and Climate Change Canada Greenhouse Gas Emissions Reporting Program, British Columbia Greenhouse Gas Industrial Reporting and Control Act, Alberta Specified Gas Reporting Regulations, Alberta Technology, Innovation and Emission Reduction Regulations, California's Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, and the US Environmental Protection Agency 40 CFR Part 98 Reporting Regulations. 2018 emissions data exclude Washington Gas. Utilities Scope 1 emissions data for 2019 has been updated.

² The data reflects all AltaGas majority-owned and operated assets. Assets which are jointly owned and which AltaGas does not operate are excluded. For 2018, assets attained through the WGL acquisition on July 6, 2018 are excluded, unless otherwise noted.

³ Emissions which fall under emissions-limiting regulations such as a carbon tax or emission trade system.

⁴ Scope 2 emissions are calculated using the location-based calculation method.

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Emissions ¹	Metric ²	2018	2019	2020	SASB	GRI
Scope 1 Emissions Intensity	Midstream ³ tonnes CO ₂ e/boe	-	0.0079	0.0077		305-4
	Power ⁴ tonnes CO ₂ e/gross MWh	0.3882	0.4006	0.3914		
Scope 1 and 2 Emissions Intensity	Midstream ³ tonnes CO ₂ e/boe	-	0.0091	0.0086		305-4
	SO ₂ emissions tonnes	200	195	218		
Air Emissions – Midstream	NOx emissions tonnes	3,609	947	1,071	EM-MD-120a.1	305-7
	VOC emissions tonnes	2,427	1,007	624		
	PM10 emission tonnes	42	59	39		

¹ AltaGas participates in the following applicable regulated GHG emissions reporting programs: Environment and Climate Change Canada Greenhouse Gas Emissions Reporting Program, British Columbia Greenhouse Gas Industrial Reporting and Control Act, Alberta Specified Gas Reporting Regulations, Alberta Technology, Innovation and Emission Reduction Regulations, California's Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, and the US Environmental Protection Agency 40 CFR Part 98 Reporting Regulations. 2018 emissions data exclude Washington Gas. Utilities Scope 1 emissions data for 2019 has been updated.

² The data reflects all AltaGas majority-owned and operated assets. Assets which are jointly owned and which AltaGas does not operate are excluded. For 2018, assets attained through the WGL acquisition on July 6, 2018 are excluded, unless otherwise noted.

³ Adjusted for material changes in our asset base.

⁴ Power Intensity figure is calculated based on gross power and Scope 1 GHG emissions generated from the Blythe Energy Center only.

⁵ Individual hydrocarbon spills over 1 bbl (~160 L). There were no spills in the arctic.

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Environment	Metric ²	2018	2019	2020	SASB	GRI
Ecological Impacts – Midstream	Aggregate volume of hydrocarbon spills ⁵ metres ³	3	0	2	EM-MD-160a.4	
	Number of hydrocarbon spills ⁵ #	3	0	4	EM-MD-160a.4	
	Non-compliance with environmental laws and regulations #	0	0	0	EM-MD-520a.1, 540a.1	307-1

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Safety	Metric ¹	2018	2019	2020	SASB	GRI
Employee Safety ² 	Total Recordable Injury Frequency (TRIF) injuries per 200,000 hours	2.06	1.64	1.65		
	Lost Time Injury Rate (LTIR) injuries per 200,000 hours	0.51	0.39	0.52		403-9
	Motor Vehicle Incident Rate (MVIR) – preventable³ accidents per 1,000,000 km driven	1.12	2.96	2.47		
Reliability (Asset Integrity) UTILITIES 	Fatalities #	0	0	0		
	Length of gas transmission pipelines kms	-	1,228	1,229	IF-GU-000.C	102-6, 102-7
	Length of gas distribution pipelines kms	-	42,425	42,701		
	Reportable pipeline incidents⁴ #	-	4	3	IF-GU-540a.1	
	PHMSA Corrective Action Orders #	-	0	0		
	Pipeline that is cast/wrought iron or unprotected steel⁵ %	-	3.5%	3.3%	IF-GU-540a.2	
	Annual investment in pipe replacement and system betterment⁶ \$ millions	295	484	561		
Reliability (Asset Integrity) MIDSTREAM 	Length of federally regulated operating pipelines⁷ kms	76	66	64		
	Reportable pipeline incidents⁸ #	1	0	1	EM-MD-540a.1	
	% pipeline incidents classified as significant⁹ %	0%	0%	0%		
	Volume of LPG transported by rail¹⁰ boe	1,418,418	9,961,234	16,734,239	EM-MD-000.A	102-7
	Rail transportation mileage¹¹ miles	4,140,019	14,445,957	24,323,317		

¹ The data reflects all AltaGas majority-owned and operated assets. Assets which are jointly owned and which AltaGas does not operate are excluded. For 2018, assets attained through the WGL acquisition on July 6, 2018 are excluded, unless otherwise noted.

² 2018 includes WGL safety information from close of acquisition and assets divested during 2018.

³ Previous report included preventable and non-preventable MVIR.

⁴ An incident is reportable if it meets PHMSA reporting requirement.

⁵ Applies to distribution pipeline.

⁶ Capital expenditures; includes advanced pipeline replacement program (APRP) and system betterment. 2018 includes Washington Gas from close of acquisition.

⁷ Decline in pipeline length attributed to asset sales.

⁸ A reportable pipeline incident is defined as one that is reportable to an external agency or authority, such as a federal, provincial or state regulator.

⁹ A significant pipeline incident means either a Tier 1 or Tier 2 process safety event associated with a pipeline as defined by the American Petroleum Institute (API).

¹⁰ Products include propane and butane.

¹¹ Planned rail miles derived from PC Miller – Rail, a program which tracks railcar movements.

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People ¹	Metric ²	2018	2019	2020	SASB	GRI
Employees	Total employees – company wide #	1,256	2,775	2,982		
	Employees – Canada #	-	483	663		
	Employees – U.S. #	-	2,292	2,319		
	Employees – senior leadership – company wide³ #	-	40	37		102-7
	Employees – Non-union #	935	1,719	1,907		
	Employees – Union #	321	1,056	1,075		
	Average age years	43	44	44		
Diversity	Board of Directors					
	Total number of Directors #	12	10	11		102-22
	Independent Directors #	9	8	9		
	Female Directors %	25	20	36		405-1
	Racial / ethnically diverse Directors⁴ %	0	0	0		
	Workforce					
	Women – company wide %	-	26	24		
	Men – company wide %	-	74	76		
	Women – Washington Gas %	-	24	23		
	Men – Washington Gas %	-	76	77		
	Racial / ethnically diverse employees – company wide⁴ %	-	35	34		405-1
	Racial / ethnically diverse employees – Washington Gas⁴ %	-	54	55		
	Undisclosed racial / ethnically diverse employees – company wide⁴ %	-	16	19		
	Undisclosed racial / ethnically diverse employees – Washington Gas⁴ %	-	1	1		
Women in senior leadership³ %	-	25	25			
Racial / ethnically diverse in senior leadership^{3,4} %	-	5	14			
Engagement	Suppliers⁵					
	Tier 1 and 2 as % of total supplier spend %	-	26%	28%		102-9, 201-1, 203-2
	Engagement survey participation⁶ %	-	69	-		102-43
	Employees who feel engaged %	-	72	-		
	Total attrition^{7,8} %	-	13	11		
	Non-voluntary attrition %	-	-	3		401-1
	Voluntary attrition %	-	-	5		
Retirement and others %	-	-	3			

¹ 2018 excludes WGL and assets divested in 2018. 2019 and 2020 include WGL and other facilities for which AltaGas is the majority owner or operator; excludes non-core assets divested in 2019. 2019 and 2020 employees include full time, part time and temporary employees and exclude employees on leave. 2019 restated to exclude employees on leave. 2020 includes Petrogas.

² The data reflects all AltaGas majority-owned and operated assets. Assets which are jointly owned and which AltaGas does not operate are excluded. For 2018, assets attained through the WGL acquisition on July 6, 2018 are excluded, unless otherwise noted.

³ Senior leadership positions include VP and above, enterprise-wide.

⁴ Racial / ethnically diverse defined as anyone who has self-identified as a race or ethnicity other than white.

⁵ Washington Gas only.

⁶ Employee engagement surveys conducted in 2019 and 2021.

⁷ Breakdown not available for 2018 and 2019.

⁸ Includes voluntary and involuntary attrition, retirement and others.

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Community	Metric ¹	2018	2019	2020	SASB	GRI	
Community Investment	Charitable donations ² \$ millions	1.2	4.1	5.3		201-1, 413-1	
	Employee volunteer hours ³ #	-	-	621			
	Indigenous owned and affiliated supplier spend as % of Midstream capital expenditures ⁴ %	-	8%	33%		201-1, 204-1	
Indigenous Partnerships	Indigenous Peoples hired ⁵ #	2	9	3		102-8	
	Customers – Utilities						
Energy Affordability and Efficiency	Total customers #	-	1,646,003	1,666,944			
	Number of residential customers #	-	1,367,751	1,379,585	IF-GU-000.A		
	Number of commercial customers #	-	84,497	85,673			
	Number of transportation and other customers ⁶ #	-	193,755	201,686		102-6, 102-7	
	Total natural gas delivered dekatherms	-	300,711,000	281,298,000			
	Natural gas delivered to residential customers dekatherms	-	112,809,000	108,383,000	IF-GU-000.B		
	Natural gas delivered to commercial customers dekatherms	-	51,340,000	46,804,000			
	Natural gas delivered to transportation other customers ⁶ dekatherms	-	136,562,000	126,111,000			
	Affordability – Utilities^{7,8}						
	Investments in energy assistance programs \$ millions	-	0.5	3.3			
	Households receiving energy assistance investment by company # households served	-	1,696	4,432		201-1, 413-1	
	Energy efficiency – Utilities⁹						
	Annual spending in energy efficiency programs \$ millions	-	\$30	\$35			
Customer participation in energy efficiency programs (residential, and commercial and industrial) ¹⁰ # residential and C&I customers	-	124,314	276,525			302-5	
First year energy savings from efficiency measures dekatherms	-	828,788	860,278		IF-GU-420a.2		

¹ The data reflects all AltaGas majority-owned and operated assets. Assets which are jointly owned and which AltaGas does not operate are excluded. For 2018, assets attained through the WGL acquisition on July 6, 2018 are excluded, unless otherwise noted.

² Includes cash and in-kind investments, employee volunteer time and program administration. Washington Gas not included in 2018.

³ Information not available for 2018 and 2019.

⁴ Capital expenditures excluding AJVLP payments, Capitalized Interest and IT cloud computing costs. Indigenous owned vendor is a vendor which is at least 51% or more owned and controlled by an Indigenous person(s), including First Nations, Métis, Inuit, and mixed identities. Indigenous-affiliated vendor is a vendor with a contractual relationship with an Indigenous group.

⁵ Gross hiring numbers, excluding departures during the year.

⁶ Includes transportation and customer choice customers.

⁷ Excludes government funded energy assistance programs such as LIHEAP, CARES Act fundings.

⁸ Applicable to Washington Gas and SEMCO only. 2020 numbers include customers benefiting from SEMCO's billings write offs.

⁹ Applicable to Washington Gas and SEMCO only.

¹⁰ 2020 includes 153,959 SEMCO customers receiving Home Energy Reports beginning in second half 2020.

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Economic Contributions	Metric ¹	2018	2019	2020	SASB	GRI
Economic Value Generated	Revenue \$ millions	4,257	5,495	5,587		201-1
	Operating and administrative expense \$ millions	1,129	1,299	1,267		
Economic Value Distributed	Capital investments ² \$ millions	1,029	1,334	843		
	Dividends paid on common shares \$ millions	473	266	268		201-1
	Cash taxes paid (income tax) \$ millions	37	67	23		
	Property taxes paid \$ millions	54	82	89		
	Community investments ³ \$ millions	1.2	4.1	5.3		

¹ 2018 data includes WGL from close of acquisition unless otherwise stated.

² Cash paid during the period for the acquisition of property, plant and equipment and intangible assets.

³ Includes cash and in-kind investments, employee volunteer time and program administration. WGL not included in 2018.

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TCFD Index	Description	Disclosure
Governance	Describe the board's oversight of climate-related risks and opportunities.	Leadership and Governance, p. 18
	Describe management's role in assessing and managing climate-related risks and opportunities.	Leadership and Governance, p. 16
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Energy Evolution, p. 23
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Energy Evolution, p. 23
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Leadership and Governance, p. 18 ; Energy Evolution, p. 23
	Describe the organization's processes for managing climate-related risks.	Leadership and Governance, p. 18 ; Energy Evolution, p. 23
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Leadership and Governance, p. 18 ; Energy Evolution, p. 23
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Performance Data, p. 52
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Performance Data, p. 52
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Energy Evolution, p. 22

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	SASB Disclosure	Accounting Metric	Disclosure
Activity Metrics – Gas Utilities & Distributors	IF-GU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Performance Data, p. 56
	IF-GU-000.B	Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	Performance Data, p. 56
	IF-GU-000.C	Length of gas (1) transmission and (2) distribution pipelines	Performance Data, p. 54
Activity Metrics – Oil & Gas: Midstream	EM-MD-000.A	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Performance Data, p. 54
Energy Affordability	IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Community Relations, p. 48
End-use Efficiency	IF-GU-420a.2	Customer gas savings from efficiency measures by market	Community Relations, p. 48 ; Performance Data, p. 56
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO)	Performance Data, p. 54
	IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel	Performance Data, p. 54
	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Safety and Reliability, p. 33
Greenhouse Gas Emissions	EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Energy Evolution, p. 52 ; Performance Data, p. 52
	EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Energy Evolution, p. 26-27
Air Quality	EM-MD-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Air Emissions, p. 58 ; Performance Data, p. 53
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	Environment, p. 28
	EM-MD-160a.3	Habitats protected or restored	Environment, p. 28
	ED-MD-160a.4	Aggregate volume of hydrocarbon spills	Performance Data, p. 53
Competitive Behavior	EM-MD-520a.1	Non-compliance with environmental laws & regulation, as well as total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations.	Performance Data, p. 53
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.1	Number of reportable pipeline incidents, % classified as significant	Performance Data, p. 54
	EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Safety and Reliability, p. 31

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	GRI Metric	Description	Disclosure
Organizational Profile	102-1	Name of the Organization	AltaGas Ltd.
	102-2	Activities, brands, products, and services	2020 Annual Information Form ↗
	102-3	Location of headquarters	1700, 355 4th Ave S.W. Calgary, Alberta, T2P 0J1
	102-4	Location of operations	2020 Annual Information Form ↗
	102-5	Ownership and legal form	2020 Annual Information Form ↗
	102-6	Markets served	2020 Annual Information Form ↗
	102-7	Scale of organization	2020 Annual Information Form ↗
	102-8	Information on employees and other workers	Performance Data, p. 56 ↗
	102-9	Supply chain	Supplier Diversity, p. 44 ↗
Strategy	102-14	Statement from senior decision-maker	Letter from President & CEO, p. 01 ↗ , Letter from Chair of the Board, p. 03 ↗
	102-15	Key impacts, risks, and opportunities	2020 Annual Information Form ↗
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Code of Business Ethics ↗
	102-17	Mechanisms for advice and concerns about ethics	Whistleblower Policy ↗
Governance	102-18	Governance structure	Leadership and Governance, p. 16 ↗ ; 2020 Management Information Circular ↗
	102-19	Delegating authority	2020 Management Information Circular ↗
	102-20	Executive-level responsibility for economic, environmental, and social topics	Leadership and Governance, p. 18 ↗ ; 2020 Management Information Circular ↗
	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement, p. 13 ↗
	102-22	Composition of the highest governance body and its committees	2020 Annual Information Form ↗
	102-23	Chair of the highest governance body	2020 Annual Information Form ↗
	102-24	Nominating and selecting the highest governance body	2020 Management Information Circular ↗
	102-25	Conflicts of interest	2020 Management Information Circular ↗
	102-26	Role of highest governance body in setting purpose, values, and strategy	2020 Management Information Circular ↗
	102-27	Collective knowledge of highest governance body	2020 Management Information Circular ↗
	102-28	Evaluating the highest governance body's performance	2020 Management Information Circular ↗
102-29	Identifying and managing economic, environmental, and social impacts	Leadership and Governance, p. 15-18 ↗	
102-30	Effectiveness of risk management processes	Leadership and Governance, p. 18 ↗	
102-31	Frequency of review of economic, environmental, and social topics	Leadership and Governance, p. 15-18 ↗	

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	GRI Metric	Description	Disclosure
Governance <i>(continued)</i>	102-32	Highest governance body's role in sustainability reporting	Leadership and Governance, p. 16
	102-33	Communicating critical concerns	Code of Business Ethics
	102-34	Nature and total number of critical concerns	Code of Business Ethics
	102-35	Remuneration policies	2020 Management Information Circular
	102-36	Process for determining remuneration	2020 Management Information Circular
	102-37	Stakeholders' involvement in remuneration	2020 Management Information Circular
	Stakeholder Engagement	102-40	List of stakeholder groups
102-41		Collective bargaining agreements	Performance Data, p. 55 ; Human Rights Policy
102-42		Identifying and selecting stakeholders	Materiality and Our Key Stakeholders, p. 13
102-43		Approach to stakeholder engagement	Materiality and Our Key Stakeholders, p. 13
102-44		Key topics and concerns raised	Materiality and Our Key Stakeholders, p. 13-14 ; Human Rights Policy, Whistleblower Policy
Reporting Practice	102-45	Entities included in the consolidated financial statements	2020 Annual Information Form
	102-46	Defining report content and topic Boundaries	About this Report, p. 05
	102-47	List of material topics	Materiality and Our Key Stakeholders, p. 14
	102-48	Restatements of information from previous reports	About this Report, p. 05
	102-49	Changes in reporting	About this Report, p. 05
	102-50	Reporting period	Data for 2018, 2019, 2020 and significant events in 2021
	102-51	Date of most recent previous report	December 2019 Report, December 2020 Data Update
	102-52	Reporting cycle	Annual data updates
	102-53	Contact point for questions regarding the report	esg@altagas.ca , Telephone: 403.691.7100, Toll-free 7.877.691.7199
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report, p. 05
	102-55	GRI content index	GRI Index, p. 60
102-56	External Insurance	About this Report, p. 16	
Economic Performance	201-1	Direct economic value generated and distributed	Performance Data, p. 57 ; 2020 Financial Statements and MD&A
	201-2	Financial implications and other risks and opportunities due to climate change	Energy Evolution, p. 23
	201-3	Defined benefit plan obligations and other retirement plans	2020 Financial Statements and MD&A
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	People and Culture, p. 36 ; Community Partnerships, p. 45
	203-2	Significant indirect economic impacts	People and Culture, p. 41 ; Community Partnerships, p. 49-50

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	GRI Metric	Description	Disclosure
Procurement Practices	204-1	Proportion of spending on local suppliers	Performance Data, p. 56
Water	303-1	Interactions with water as a shared resource	Water, p. 29
	303-2	Management of water discharge-related impacts	Water, p. 29
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity, p. 28
	304-3	Habitats protected or restored	Biodiversity, p. 28
Emissions	305-1	Direct (Scope 1) GHG emissions	Performance Data, p. 52
	305-2	Energy indirect (Scope 2) GHG emissions	Performance Data, p. 52
	305-4	GHG emissions intensity	Performance Data, p. 53
	305-5	Reduction of GHG emissions	Performance Data, p. 52
	305-6	Emissions of ozone-depleting substances (ODS)	Performance Data, p. 52
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Performance Data, p. 53
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Performance Data, p. 53
Occupational Health and Safety	403-1	Occupational health and safety management system	Safety and Reliability, p. 30
	403-2	Hazard identification, risk assessment, and incident investigation	Safety and Reliability, p. 31-33
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Reliability, p. 31
	403-5	Worker training on occupational health and safety	Safety and Reliability, p. 31
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Reliability, p. 30
	403-8	Workers covered by an occupational health and safety management system	Safety and Reliability, p. 32
Training and Education	403-9	Work-related injuries	Safety and Reliability, p. 32 ; Performance Data, p. 54
	404-3	Percentage of employees receiving regular performance and career development reviews	People and Culture, p. 41
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Leadership and Governance, p. 17 ; People and Culture, p. 38 ; Data Table, p. 55 , 2020 Management Information Circular
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Leadership and Governance, p. 18 ; Code of Business Ethics
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Community Partnerships, p. 46

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ACRONYMS AND CONVERSIONS

Acronyms	Description
\$CAD	Canadian Dollars
AIF	Annual Information Form
BBL	Barrel (of oil equivalent)
B.C.	British Columbia
BOE	Barrel of Oil Equivalent
CEASO	Chief External Affairs and Sustainability Officer
CEO	Chief Executive Officer
CG	Certified gas
COBE	Code of Business Ethics
CO₂e	Carbon dioxide equivalent
D&I	Diversity and inclusion
D.C.	District of Columbia
DCIA	District of Columbia Infrastructure Academy
E&S	Environment and social
EHS	Environment, health and safety
ERAC	Emergency Response Assistance Canada
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ESG	Environment, Social & Governance

Acronyms	Description
EVP	Executive Vice President
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HRC	Human Resources & Compensation Committee
ICS	Incident Command System
kWh	Kilowatt-hour
LPG	Liquefied petroleum gas
MBbls/d	Thousand barrels per day
MCF	Thousand cubic feet
MD&A	Management's Discussion and Analysis
MIC	Management Information Circular
MtCO₂e	Metric tons of carbon dioxide equivalent
MVIR	Motor Vehicle Incident Rate
MW	Megawatts
NGL	Natural gas liquid
NO_x	Nitrogen oxide
OTP	Operator Training Program
PHMSA	Pipeline and Hazardous materials Safety Administration
PPE	Personal protective equipment

Acronyms	Description
PSC of MD	Maryland Public Service Commission
RIPET	Ridley Island Propane Export Terminal
RNG	Renewable natural gas
SAIT	Southern Alberta Institute of Technology
SASB	Sustainability Accounting Standards Board
SCE	Southern California Edison
SEDAR	System for Electronic Document Analysis and Retrieval
SICS	Sustainable Industry Classification System
SO_x	Sulphur oxide
STI Plan	Short term incentive Plan
TCFD	Task Force on Climate-Related Financial Disclosures
THAW	The Heat and Warmth Fund
TRIF	Total Recordable Injury Rate
U.S.	United States
VP	Vice President
WAFF	Washington Area Fuel Fund

Unit	Equivalent to
US\$ 1 (2018)	CAD\$ 1.2957
US\$ 1 (2019)	CAD\$ 1.3269
US\$ 1 (2020)	CAD\$ 1.3415
1 mile	1.6094 km
1 dekatherm	10 therms
1 therm	0.0969 MCF
1 therm	100,000 BTU
1 cubic meter (m ³)	264.172 gallons
1 US gallon	3.7854 litres
1 barrel	158.9873 litres
1 boe	1 barrel LPG or NGL
1 boe	6.0 MCF



FORWARD-LOOKING INFORMATION

This document contains forward-looking statements. When used in this document, the words “will”, “intend”, “plan”, “potential”, “generate”, “grow”, “deliver”, “can”, “continue”, “drive”, “anticipate”, “target”, “come”, “create”, “position”, “achieve”, “seek”, “propose”, “forecast”, “estimate”, “expect”, “solution”, “outlook”, “assumes” and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this document contains forward-looking statements with respect to, among other things: our vision; our strategy and focus; the role of LPGs in the transition to clean energy; diversity targets for AltaGas’ board, management and workforce; AltaGas’ role in the transition to clean energy and the ability to provide better environmental outcomes; AltaGas’ ability to diversify product offerings; AltaGas’ ability to achieve sustainable outcomes; potential export capacity at RIPET and Ferndale; contents and timing of future ESG updates and reports; the energy evolution’s role in shaping AltaGas’ business strategy; AltaGas’ GHG emissions reduction initiatives and goals; the goal to deliver 10% of Washington Gas’ energy delivery from lower carbon sources by 2030; the plan for and achievement of goals of the Piscataway Bioenergy Project; the plan for and achievement of goals in the Climate Business Plan in the District; the use and expansion of AltaGas’ energy efficiency programs; the driving force of Asian demand for cleaner energy; the potential of hydrogen co-firing to improve efficiency and lower GHG emissions; the plan for and results of the leak detection technologies pilot project; AltaGas’ plan to explore investment opportunities to test emerging fuels, infrastructure and technologies; AltaGas’ commitment to minimizing and mitigating its land and biodiversity impacts; AltaGas’ TRIF initiatives and 2022 TRIF target; the expansion and results of AltaGas’ workforce training initiatives; and the plan for and achievement of goals of the Strive for 35 initiative. Information and statements contained in this document that are not historical facts may be forward-looking statements. These statements involve 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 statements. Such statements reflect AltaGas’ current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, the impact of the COVID-19 pandemic, increased costs, emerging technology, scientific research, regulatory guidelines, legislative, governmental or regulatory developments and other factors set out in AltaGas’ continuous disclosure documents. Many factors could cause AltaGas’ or any of its business segments’ actual results, performance or achievements to vary from those described in this document including, without limitation, those listed above as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this document as intended, planned, anticipated, believed, sought, proposed, forecasted, estimated or expected, and such forward-looking statements included in this document herein should not be unduly relied upon. These statements speak only as of the date of this document. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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