

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

AltaGas' vision is to be a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. AltaGas' mission is to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow.

AltaGas' operating segments are:

Utilities, which owns and operates franchised, cost-of-service, rate regulated natural gas distribution and storage utilities that provide safe, reliable, affordable energy to approximately 1.7 million residential and commercial customers. This includes 4 utilities that operate across 5 major U.S. jurisdictions with an average 2021 rate base of approximately US\$4.7 billion. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services, as well as the affiliated retail energy marketing business, which sells natural gas and electricity directly to approximately 0.5 million residential, commercial, and industrial customers located in Maryland, Virginia, Delaware, Pennsylvania, Ohio, and the District of Columbia; and

Midstream, which is a leading North American platform that connects customers and markets from wellhead to tidewater and beyond. The Midstream business includes: 1) global exports, including AltaGas' two LPG export terminals; 2) natural gas gathering and separation; and 3) fractionation and liquids handling. The Midstream segment also includes the natural gas and NGL marketing business, domestic logistics, trucking and rail terminals, and liquid storage capability.

The Corporate/Other segment includes AltaGas' corporate activities and small portfolio of gas-fired power generation and distribution assets in California.

This document contains "forward-looking statements" within the meaning of securities law, which are statements that relate to future events or the future financial performance of AltaGas or its subsidiaries. In this document, the words "will", "estimated", "proposed", "targets" and similar expressions are intended to identify forward-looking statements. In particular, this document contains forward-looking statements with respect to, among other things, AltaGas' objectives, strategy and focus; potential reduction of global emissions; the future role of LPGs; the DC Climate Business Plan; risks and opportunities related to climate change; potential impacts of future regulatory obligations; potential impacts of carbon pricing schemes; potential impacts of technological improvements; potential financial impact of the California cap and trade program; financial impact of compliance with emissions reporting obligations; potential change in consumer energy consumption, commodity supply and commodity prices; capacity expansion at export facilities; planning for tolling arrangements at these facilities; estimated ARP spend and potential to expand the program; potential financial impact of energy efficiency programs; plan to introduce new or additional transition fuels in the future; investments in emerging technologies and patents pending thereto; future introduction of climate-related supplier requirements and development of climate-related scenario analysis; engagement with climate policy-makers; emission intensity targets and planned activities related to such targets. These statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas' current views based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, increased costs, emerging technology, scientific research, governmental or regulatory developments, market risk, and other factors set out in documents that AltaGas files from time to time on SEDAR. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and such forward-looking statements should not be unduly relied upon. Such statements speak only as of the present. AltaGas does not assume any obligation to update these forward-looking statements except as required by law. The forward-looking statements in this document are expressly qualified by this cautionary statement.

This document references certain financial measures that do not have a standardized meaning prescribed by US GAAP and may not be comparable to similar measures presented by others. The non-GAAP measures and their reconciliation to US GAAP financial measures are shown in AltaGas' MD&A for the period ended March 31, 2021. These non-GAAP measures should not be construed as alternatives to other measures calculated in accordance with US GAAP. EBITDA is calculated from the Consolidated Statements of Income using net income adjusted for pre tax depreciation and amortization, interest expense, and income tax expense.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Midstream

Other divisions

Please select

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	ALA.TO

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The Board is responsible for overseeing environmental, social and governance (ESG) priorities, risks and opportunities, including with respect to climate change. AltaGas has four standing committees of the Board of Directors: (1) Audit, (2) Governance, (3) Human Resources and Compensation (HRC) and (4) Environment, Health and Safety ("EHS"), which support the Board in providing oversight over ESG priorities and risks, with each committee providing oversight for ESG strategies and related risks within its functional area of expertise and mandate.</p> <p>The EHS Committee oversees the development of the environment, health and safety programs for AltaGas and its subsidiaries and makes recommendations to the Board regarding the organization's approach to environment, health and safety matters including climate-related issues. The EHS Committee's key areas of focus include environmental policy and management systems, climate change related risks and opportunities (including physical and transition risks) and GHG reduction strategies. The EHS Committee is also responsible for reviewing key environmental, health and safety performance indicators and targets and goals to measure performance. The Audit Committee has oversight over the Enterprise Risk Management program which includes climate-related financial risk (including physical and transition risks).</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	<p>The Board is responsible for the stewardship of the Company and for overseeing the management of AltaGas’ business and affairs, including oversight of strategic direction and strategy execution, risk management (including with respect to climate change and energy transition), overseeing ESG, including the integration of ESG priorities, risks, and opportunities into the strategic planning process and compensation decisions, as well as development of robust governance practices.</p> <p>The CEO is responsible for the development and execution of the Company’s strategic plans and each year the Board dedicates at least two days to discuss the five-year strategic plan from which annual and long-term goals and objectives are set. During these sessions, longer-range risks and opportunities beyond the five-year horizon are considered in the planning process, including climate change related risks and energy transition. The strategic planning process factors in regulatory strategies and environmental stewardship required to achieve the plan, the company’s ESG goals, the role of digitization and technology, employee engagement, talent development, stakeholder engagement and community investment. Internal and external key risks and challenges to achieving the plan are also assessed. Performance against those goals and objectives, including those tied to ESG objectives, is linked to executive compensation, and is monitored by the Board. The opportunities AltaGas pursues are evaluated against strategic, operating, and financial criteria and evaluated for enhancements to safety and reliability and other environmental and social (E&S) factors to ensure they align with long-term strategy and provide ongoing organic growth potential, favourable risk profiles and strong-risk adjusted returns. The Board approves the budget, performance metrics and all material transactions, taking into account the strategic plan and the various factors considered in the planning process.</p> <p>The Board is responsible for enterprise risk oversight and ensures appropriate systems are in place. 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 the ERM, leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. E&S risks, including climate change related risks, and the Company’s approach to managing these risks are embedded within the ERM process. Risks are validated and ranked by senior leadership and reviewed with the Board and its committees</p> <p>At every regularly scheduled Board meeting, time is dedicated to evaluating and measuring progress made toward strategy execution and evaluating key near-term and long-term risks to meeting AltaGas’ strategic objectives.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>The Board maintains a matrix of the skills and competencies that it views as necessary to oversee AltaGas' business and strategic objectives and to effectively manage risk. The matrix is reviewed annually by the Governance Committee and continually evolves to ensure it is reflective of changes in our business strategy and ESG priorities.</p> <p>The Governance Committee uses the matrix and the performance assessments completed by directors to evaluate the skills and competencies represented by the existing Board profile and to identify any potential areas for improvement. Such opportunities are then factored into the development of core competencies and attributes for future recruitment efforts and director education. Directors also participate in educational opportunities to advance their knowledge in emerging areas, including such topics as energy transition, cybersecurity, sustainability and climate change.</p> <p>The directors complete a detailed matrix which includes a variety of skills and experiences that are used to measure the depth of experience. The skills evaluated include, but are not limited to:</p> <p>Risk Management: Experience with, or understanding of, risk assessment, management and mitigation, including understanding of ERM framework and material risks for the sector.</p> <p>Governance: Experience with, or understanding of, leading governance practices within a public company or other organization, including ethics and compliance programs.</p> <p>Environment, Health & Safety: Experience with, or understanding of, environment, health and safety policies, procedures and compliance and related risks, including climate change related risks.</p> <p>Operations – Regulated Utilities or Midstream: Experience leading operations, capital programs, procurement, supply chain or logistics.</p> <p>Human Capital Management & Compensation: Experience with, or understanding of, talent management/ retention and succession planning, compensation programs, executive compensation and risk management.</p> <p>Customer and Stakeholder Relations: Experience with communications and relationship building, including with shareholders, investors, government, regulators, customers, and communities, including Indigenous communities.</p> <p>Legal/Public Policy/Regulatory: Experience with, or understanding of political and public policy, regulatory policy or rate-making or background in law or policy.</p>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO's primary responsibility is to manage the business and affairs of the Company in accordance with the Company's strategy, which is designed to grow shareholder value taking into account sustainability and the best interests of the Company.

The CEO provides leadership and vision for the Company, and effectively communicates the vision and core values to all stakeholders. The CEO fosters a culture that promotes ethical practices and decision-making, diversity, individual integrity, safety and social responsibility in accordance with the Code of Business Ethics and core values of the Company. The CEO develops and recommends strategic plans for Board approval, which align with the Company's core values, taking into account the opportunities and risks of the business and establishes processes and specific performance measures that support the achievement of the Company's long-term strategy. Together with the Chief Financial Officer, the CEO establishes long-term financial objectives consistent with strategy and develops annual and capital budgets for Board approval. The CEO establishes, maintains and reports to the Board on the Company's risk assessment processes and procedures, principal risks and any emerging risks and ensures there is an appropriate emphasis on risk management and that the business risks undertaken by management are within established guidelines and policies.

The Chief External Affairs and Sustainability Officer (CSO) reports directly to the CEO and is responsible for leading the organization's ESG initiatives and priorities and collaborating with functional leads within the business to manage risks. ESG priorities are validated by the Executive Committee and reviewed with the Board and its committees. The Executive Committee, which includes the CEO, CFO, CSO, CAO, CLO, President, Midstream and President, Utilities, evaluates opportunities and risks, including those related to climate, monitors performance against key performance indicators, incorporates ESG priorities into decision-making, including strategy development and capital deployment, and links goals and objectives to compensation. The CSO leads the Company's Environment, Social and Governance Steering Committee, made up of a cross functional enterprise-wide team, that is charged with assisting the business to identify material ESG priorities, raise awareness of ESG initiatives and opportunities with internal and external stakeholders and collaborate with business partners and functional leads to manage risks and integrate initiatives into decision-making. The Steering Committee oversees data measurement, verification and reporting of material key performance indicators.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	For the annual bonus program, short-term incentive value drivers (performance objectives) for 2021 included a combination of strategic, financial, capital and operational efficiency, emerging ecosystems and corporate social responsibility (CSR) objectives, with CSR weighted at 15% of the total value drivers. In 2021, the company added a strategic category for emerging energy ecosystems weighted at 10% focused on carbon reduction and decarbonization strategies preparing for the transition to emerging fuels of the future. As a result, ESG objectives comprise 25% of our overall short-term incentive value drivers and indicates our commitment to integrate ESG priorities into our business strategy.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Monetary reward	Emissions reduction project Emissions reduction target Efficiency project	AltaGas' short-term incentive plan provides an annual cash performance incentive tied to the achievement of corporate, divisional and individual results. The STI pool is funded based on the achievement of a set financial performance target. Once the STI pool is determined to be funded, the amount of the funding is based on the results of divisional and corporate value drivers (objectives). Value drivers are set based on a combination of strategic, financial, capital, and operational efficiency, emerging ecosystems and corporate social responsibility (CSR) objectives, with CSR weighted at 15% of the total value drivers. ESG objectives comprise 25% of our overall short-term incentive value drivers and indicates our commitment to integrate ESG priorities into our business strategy. The combination and weighting of the set value drivers is dependent on the priorities established for the year. Each value driver has objective measures established for determining success and exceeds ratings. Individual performance targets are determined by employee role and individual awards are determined based on an individual's achievement and contribution to the value driver results. For 2021, our short-term incentive plan value drivers included, among others, the following ESG objectives, ethical practices, compliance and leadership in safety and environment, diversity and inclusion, cybersecurity and information technology, corporate practices and regulations and progressing the Company's ESG initiatives, including identifying carbon reduction, decarbonization and energy efficiency strategies. AltaGas' short-term incentive plan applies to employees at all levels, up to and including all of the company's executive officers and the CEO.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project Emissions reduction target Efficiency project	AltaGas' short-term incentive plan applies to the CEO with any annual cash pay-out tied to the achievement of a combination of strategic, financial, capital and operational efficiency, emerging ecosystems and corporate social responsibility objectives. AltaGas targets a significant percentage of executive total compensation to be at-risk and weighted toward long-term incentives. This design provides for strong alignment between executive compensation and long-term sustainability and shareholder value creation, while discouraging inappropriate short-term risk taking. The compensation program links compensation for the CEO and other executives, with company performance and strives to align the actions of the executives with AltaGas' long-term corporate strategy and shareholder interests.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10		

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Climate-related risks are integrated into strategic planning and financial performance, where financial, health & safety, environmental, regulatory and reputational consequences are assessed through risk management. The output of which influence our capital allocation, business development and the processes we put in place to measure and monitor our progress.

AltaGas' key risks, including climate-related risks, are identified in the Annual Information Form, which can be found on our website at www.altagas.ca and under the company's profile on SEDAR at www.sedar.com. AltaGas may be subject to both transition and physical risks related to climate change. AltaGas' climate strategy is influenced by the climate-related risks and opportunities to its businesses over the short term (less than three years), medium term (three-10) and long term (+10 years) horizon.

Climate change related risks, as well as other environmental and social risks, and our approach to managing these risks are embedded within the ERM process. AltaGas has incorporated the management of climate-related risks into all areas of its business through its ERM processes. By integrating these considerations throughout our decision-making process, we ensure AltaGas is well-positioned to capitalize on the swiftly changing landscape.

For the purposes of this report, AltaGas has reviewed its climate-related risks and has defined and described the substantive risks and opportunities in the following sections as those that have a significant input into the overall climate-related risks included as part of our ERM process. "Substantive", as that term is used in this document, is not synonymous with "material" under securities law. Individually, these risks may not reach the level of materiality for inclusion in our annual financial statements.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Oversight of AltaGas' strategy is one of the Board's key responsibilities under its mandate. The CEO is responsible for strategy development and each year the Board dedicates a two-day meeting to discuss the five-year strategic plan from which annual and long-term objectives are set. Time is also dedicated at each Board meeting to evaluating and measuring progress made toward strategy execution and evaluating key near-term and long-term risks to meeting strategic objectives. The strategic plan guides management's evaluation of potential opportunities (both for organic growth and acquisitions and divestitures) and shapes its decision-making relating to, among other things, budgeting, goal and objective setting towards building sustainable value for all stakeholders.

AltaGas' governance framework is designed to identify and mitigate risk, including climate-related risk, associated with the Company's business. Effectively identifying and evaluating risks, both internal and external to our organization, and their potential impact to our business and our stakeholders, and developing processes and practices to mitigate such risks, is a central area of focus at AltaGas. AltaGas' governance framework is designed to effectively manage this process across the enterprise.

With a large portion of AltaGas' business being comprised of regulated utilities, and given the regulated nature of the utility industry, the governance policies and compliance reporting of AltaGas' operating utility subsidiaries are subject to significant regulatory scrutiny within each of their respective jurisdictions.

Ultimately, the Board is responsible for enterprise risk oversight and ensures appropriate systems are in place. 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 the ERM, leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. Environmental, Social and Governance risks, including climate change related risks, and our approach to managing these risks are embedded within the ERM process. These risks are validated and ranked by senior leadership and reviewed with the Board and its committees. Each of AltaGas' committees oversee material risks within their functional areas and report to the Board on these matters. The Environmental, Health, and Safety Committee of the Board oversees the management of climate-related risks and opportunities. The Board, primarily through the Audit Committee, oversees AltaGas' ERM program and oversees financial impacts associated with climate-related risks and opportunities. As well, material risks and opportunities, including climate-related risks and opportunities are considered in our formulation of our short-term (annual plan) and long-term strategic plan. Management has also established an Environmental, Social, and Governance Steering Committee to ensure climate-related risks and opportunities are integrated into decision making throughout the organization. At the asset level, risks and opportunities are mitigated through the integration into long-term and short-term plans as well as the budget for each facility, which in our Midstream division and for our power assets includes a price for carbon and for our Utilities division includes regulatory assumptions. This process ensures such costs are included in the planning and/or operation of each asset.

An example of AltaGas' risk management process to address transitional risks and opportunities related to climate change is through facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia. In 2019, AltaGas expanded its presence in the Liquefied Petroleum Gas (LPG) export market through commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. Through our global export assets, AltaGas is focused on providing its customers with safe and reliable service and connectivity that facilitates the best outcomes for their businesses. This includes global market access for North American LPGs, which provides North American producers and aggregators with attractive netbacks for propane and butane while delivering diversity of supply and supporting energy security in Asia.

As Asia's energy mix evolves away from more carbon-intensive options such as thermal 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. An example of climate-related physical risk that AltaGas is managing through its risk management process, is the risk of increased significant weather events, and their potential impact on our assets. To mitigate the risk associated with natural disasters and catastrophic events, in the design of new projects in our Midstream business, AltaGas engineers its facilities to accommodate for physical risks that are identified, based on geography. In addition to these engineering controls, AltaGas adjusts or implements operating procedures to account for potential impacts, as well as maintains comprehensive insurance programs to cover losses from natural disasters and catastrophic events such as fires, earthquakes, explosions, floods, tornados, terrorist acts, and other similar occurrences.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	AltaGas' businesses are subject to extensive and complex laws and regulations in the jurisdictions in which they carry on business with these regulations and laws subject to ongoing policy initiatives. AltaGas' facilities and operations are, and may become, subject to current climate change regulations and other standards designed to manage or limit GHG emissions or enhance reporting requirements. The direct or indirect costs of compliance with these regulations, including carbon pricing, may have a material adverse effect on AltaGas' business, financial condition, results of operations and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers to the extent such changes result in reductions in the use of natural gas by its customers or limit the operations of, or increase the costs of goods and services acquired from AltaGas producers and other suppliers. To mitigate the risk from current climate change regulation, we forecast expected future carbon pricing in our Midstream business and incorporate that into strategic plans. AltaGas also mitigates these risks by working to reduce its energy consumption, improving operating efficiency, and pursuing carbon reduction strategies. Some of AltaGas' carbon reduction strategies include investments in technology to meet or exceed compliance requirements to minimize the cost of these impacts. Examples of Current Regulation considerations impacting AltaGas' Business: In August 2021, the Government of Canada updated the federal benchmark for carbon pricing post-2022. This update includes confirming the national minimum price on carbon pollution to 2030 and strengthening the criteria that all provincial pricing systems across Canada must meet. The federal carbon pollution pricing scheme is composed of two elements, both of which may impact AltaGas' business: <ul style="list-style-type: none"> • A carbon levy applied to combusted fossil fuels, priced at \$50 per tonne in 2022, and then increasing by \$15 per year starting in 2023, reaching \$170 per tonne of carbon emitted in 2030; and, • An output-based pricing system for industrial facilities that emit 50,000 tonnes of CO2e per year or more, with an opt-in capability for smaller facilities with emissions below the threshold.
Emerging regulation	Relevant, always included	Changes in the regulatory environment and in public policy may be beyond AltaGas' control and may significantly affect AltaGas' businesses, results of operations and financial conditions. AltaGas' 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. The direct or indirect costs of compliance with these regulations may have a material adverse effect on AltaGas' business, financial condition, results of operations and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers; to the extent such changes result in reductions in the use of natural gas by its customers or limit the operations of, or increase the costs of goods and services acquired from AltaGas producers and other suppliers. AltaGas actively participates in industry groups and continuously monitors proposed changes to climate change policy and regulations in order to identify, quantify, and manage material risks that may arise. Examples impacting AltaGas: Midstream – Beginning in 2023, the Canadian provincial carbon pollution pricing systems will be required to meet the strengthened 2023 to 2030 benchmark criteria, as would be covered by the federal backstop carbon pricing system, in order to be a federally recognized carbon pollution pricing system. This includes a minimum carbon pollution price of at least \$65/tonne of GHG emissions in 2023, rising by \$15/year to \$170/tonne in 2030. Transition to new regulatory requirements could have substantive impacts on AltaGas due to increased cost associated with increased reporting and or compliance. AltaGas mitigates these risks by working to reduce its energy consumption, improving operating efficiency, and pursuing carbon reduction strategies. Stakeholder engagement is part of AltaGas' mitigation strategies and AltaGas proactively communicates with legislators, regulators, and stakeholders in these jurisdictions.
Technology	Relevant, always included	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' patent-pending miniature drawdown compressors used to capture methane in small spaces.
Legal	Relevant, always included	In the course of its business, AltaGas is subject to lawsuits and other claims. Defence and settlement costs associated with such lawsuits and claims can be substantial, even with respect to lawsuits and claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding could have a material adverse effect on the financial position or operating results of AltaGas. AltaGas mitigates litigation risks through proactive management of lawsuits and other claims, continuous monitoring of defence and settlement cost of lawsuits and claims, maintaining a strong in-house legal department, and using expert third parties when needed.
Market	Relevant, always included	AltaGas is exposed to market risks resulting from fluctuations in commodity prices, foreign exchange and interest rates, in both North American markets and, with respect to the export business, offshore markets. In these markets, commodity supply and demand is impacted by energy prices, which in turn are affected by a number of factors including, without limitation, the significant cost of inflation, the amount of the commodity available to specific market areas either from the wellhead or from storage facilities, demand for product, customer preferences and changing customer behaviors, prevailing weather patterns, the U.S., Canadian and Asian economies, the occurrence of natural disasters, and pipeline restrictions. The fluctuations in commodity prices are beyond AltaGas' control and, accordingly, could have a material adverse effect on AltaGas' business, financial condition, and cash flow. AltaGas' diversification across business lines, commodities, markets and risk management, hedging and contracting policies assists with mitigating and managing these risks. AltaGas' growth plans and investments use market fundamental data and forecasts to estimate the supply and demand of its products, including customer growth, changes in preferences, consumption patterns and the impacts to commodity prices. This list is not exhaustive for this category. Additional risk factors and mitigation strategies are listed in the AltaGas Annual Information Form for the year ended 2021, which can be found on our website at: https://www.altagas.ca/invest/financials .
Reputation	Relevant, always included	AltaGas places great importance on establishing and maintaining positive relationships with its stakeholders, including, without limitation, within the communities in which AltaGas operates, regulators, and local Indigenous peoples. There is an increasing level of public concern and scrutiny relating to the perceived effect of natural resources activities, including, without limitation: exploration, development, production, processing, and transportation; on certain environmental and social aspects such as overall environmental performance, emissions, air and water quality, noise, dust, land, and ecological disturbance; and employment and economic development opportunities. Opposition to natural resources activities by communities, special interest groups (including non-governmental organizations), or Indigenous peoples may ultimately impact AltaGas, including its ability to obtain or maintain permits, the anticipated timing and costs associated with capital projects, its operations, shareholder confidence, and its reputation. Reputation is central to AltaGas' relationships in the communities that we operate and directly affects our ability to do business, both today and in the future. Our core values: work safely, think responsibly, act with integrity, make informed decisions, achieve results, and invest in our people and foster diversity, form the foundations for how we do business with our customers, partners and other stakeholders, and serve as a blueprint to fulfill our vision and strategy. We engage in proactive stakeholder relations and communication, and build strong working relationships with all of our stakeholders including Indigenous peoples, customers, producers, local governments and regulators. We operate in many diverse jurisdictions and recognize that each community has unique needs. We work to ensure mutually beneficial solutions to generate long-term value for all our stakeholders. For example, WGL conducts public meetings twice a year to raise awareness of its climate related initiatives in the District of Columbia.
Acute physical	Relevant, always included	Climate related physical risks to AltaGas' people, the environment and assets is an ever-present risk that is continually assessed. Typically, this exposure is associated with the frequency and severity of climate-related physical hazards such as wildfires, floods, and storms which may impact AltaGas' assets or operations or its supply chain or lower aggregate customer demand from affected markets. AltaGas maintains specific emergency response plans developed and implemented to assist in managing risks and impacts from acute physical climate related risk. AltaGas' leadership and technical teams include these risk types into the planning of new build projects. For example, AltaGas has operations that are located in areas that have historically been exposed to the risk of forest fire. We monitor conditions to support our ability to react and respond to a potential impact on our operations. AltaGas manages this risk by having a geographically diverse portfolio of assets and logistics networks, which reduces exposure to acute physical risks. AltaGas also maintains a comprehensive insurance program that covers losses from natural disasters and catastrophic events such as fires, earthquakes, floods, tornados, terrorist acts, and other similar occurrences. This program provides a risk transfer mechanism that facilitates timely recovery from losses and mitigates financial impact.
Chronic physical	Relevant, always included	Climate-related physical hazards from progressive shifts in climate patterns such as increasing temperatures, sea level rise, and changes in precipitation may impact AltaGas' assets or operations or its supply chain or lower aggregate customer demand from affected markets. Such risks are factored into capital investment, project design, logistics planning of AltaGas' supply chains, such as shipping distances and routes, and emergency response planning. The Utilities and natural gas distribution business is highly seasonal, with the majority of natural gas demand occurring during the winter heating season, the length of which varies in each jurisdiction in which AltaGas' Utilities operate. Natural gas distribution revenue during the winter typically accounts for the largest share of annual revenue in the Utilities business. There can be no assurance that the long-term historical weather patterns will remain unchanged. Annual and seasonal deviations from the long-term average can be significant. In Maryland and Virginia, Washington Gas has in place regulatory mechanisms and rate designs intended to stabilize the level of net revenues that it collects from customers by eliminating the effect of deviations in customer usage caused by variations in weather from normal levels and other factors such as conservation. There are no regulatory mechanisms in place for weather normalization in Michigan, the District of Columbia or Alaska so weather fluctuations directly impact revenues. The operations of AltaGas' retail energy-marketing business, are weather sensitive and seasonal, with a significant portion of revenues derived from the sale of natural gas to retail customers for space heating during the winter months, and from the sale of electricity to retail customers for cooling during the summer months. Weather conditions directly influence the volume of natural gas and electricity delivered to customers. Weather conditions can also affect the short-term pricing of energy supplies that the retail energy-marketing business may need to procure to meet the needs of its customers. AltaGas has mitigated this exposure in part through contracting arrangements with customers.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas is subject to transition risks related to climate change. Some of AltaGas' facilities are subject to current provincial, state, and federal climate change regulations to manage greenhouse gas emissions. Carbon taxes, levies, and various carbon abatement programs are active across some of AltaGas' operating areas. The direct or indirect costs of compliance with these regulations, including carbon pricing, may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. These costs may also impact AltaGas' customers. As of December 31, 2021 – approximately 90% of AltaGas' Scope 1 emissions are covered under a regulatory program that requires emission reporting and approximately 80% of AltaGas' Scope 1 emissions are covered under emissions limiting regulations.

In Canada, the federal carbon pollution pricing scheme is composed of two elements:

- A carbon levy applied to fossil fuels consumption; and
- An output-based pricing system for industrial facilities that emit 50,000 tonnes or more of carbon dioxide equivalent emissions (CO₂e) per year.

As of December 31, 2021 - AltaGas had three gas processing facilities in Canada that exceeded the 50,000 tonnes threshold and are considered large emitters. Two facilities are in the province of Alberta and one is in the province of British Columbia. Both Alberta assets are regulated under the Technology Innovation and Emission Reduction (TIER) regulation. The BC asset is regulated under the Greenhouse Gas Industrial Reporting and Control Act. British Columbia has had a carbon tax in place since 2008, with a price for carbon set at \$45 per tonne CO₂e for 2021 and \$50 per tonne for 2022. 100 percent of AltaGas' assets in BC are covered by the provincial carbon tax system. Federal and provincial carbon regulations in Canada continue to evolve, with the current federal carbon pollution pricing scheme including a carbon levy reaching \$170 per tonne of carbon emitted in 2030.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

8200000

Potential financial impact figure – maximum (currency)

31100000

Explanation of financial impact figure

Increased regulation and carbon pricing is expected to be one of the tactics that will be employed by governments to meet reduction commitments. Federal and provincial regulations in Canada continue to evolve with no assurances that the ceiling price for carbon won't continue to increase over time. Near term impact on AltaGas is partially mitigated through commercial arrangements that flow through such operating costs on to producers. Based on variable carbon pricing schemes across AltaGas' operating areas and current consumption of taxed fuels from operating assets with a price on carbon, the impact could be as high as \$31,100,000 in our Midstream segment, annually, based on the ceiling price of \$170 tCO₂e. To arrive at estimated minimum annual financial impact AltaGas used actual carbon tax paid on fuel consumed at the carbon tax pricing during 2021 of \$45 per tonne of CO₂e and for an estimated maximum annual financial impact the ceiling price of \$170 per tonne was applied. These figures assume asset operations into the future will be the same as calendar year 2021. The financial impact estimate doesn't account for contract recovery mechanisms or passthrough costs.

Cost of response to risk

500000

Description of response and explanation of cost calculation

AltaGas continuously monitors proposed changes to environmental policy and regulations in order to identify, quantify, and manage material risks. Where risks are material, we comment on proposals independently, as well as through our industry associations. AltaGas is also focused on continuous improvement across our enterprise which can manifest as emission reduction strategies or efficiency opportunities to reduce regulatory impact on our operations. Managing the direct carbon tax risk, is seen as an inherent part of management, and is incorporated into operational budgets. The cost is estimated to be <\$500,000 per year, which is the expected time commitment of employees, plus various data collection and management costs.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In the United States, AltaGas' Power asset located in California, is regulated under the State Cap and Trade program, which includes a mandatory reporting obligation. AltaGas has an annual true-up requirement under this program, where regulated facilities are required to surrender and retire carbon allowances/credits equal to the emission output from those assets. Carbon allowances are acquired by AltaGas through various state-run carbon auctions, secondary carbon markets and or supplied to us by our partners as defined by our Power Purchase Agreements. The emissions cap continues to decline annually in California, which in turn drives price increases for available carbon credits.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

13000000

Potential financial impact figure – maximum (currency)

24500000

Explanation of financial impact figure

The financial impact associated with the cap and trade program in California can be variable and is driven by the demand for power that is generated by our facility. The compliance cycle for the cap and trade system operates over a three-year period where a small percentage of compliance/carbon credit surrender is required for operating years 1 and 2 with most of the compliance/credit surrender coming due in the third year of the compliance cycle. AltaGas' power generation facility located in California, is a critical source of electricity supply that serves as a stable and reliable source of supply during periods of high demand and intermittent renewable energy availability experienced in the Los Angeles area. We have seen higher than normal local temperatures within the areas the facility serves resulting in significant changes year over year in output based on higher demand for power production and escalating cost associated with the procurement of carbon allowance and carbon offsets. Over a three-year period (2019 – 2021), the emissions totaled 2,262,263 million metric tons CO2e. The estimated annual financial minimum and maximum impact was calculated using historical emission reporting and the range of average auction settlement pricing across a three-year compliance period from 2019 to 2021. The financial impact estimate doesn't account for contract recovery mechanisms or passthrough costs. Financial figures assume similar operating conditions into the future for power assets and that the Cap and Trade program in California will continue to be supported by the State government into the future.

Cost of response to risk

500000

Description of response and explanation of cost calculation

AltaGas actively monitors the California Cap and Trade program to ensure the organization is apprised of any market changes, including external factors that could potentially impact compliance unit pricing. We hire expert third parties to complete quarterly emission reports which are used to forecast carbon liability at our power generating facilities and those forecasts are used to determine carbon credit procurement requirements. Managing this risk, is seen as an inherent part of management, and is incorporated into operational budgets. The cost is estimated to be <\$500,000 per year, which is the expected time commitment of employees, plus various data collection and management costs.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
--------	---------------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas is subject to market risks resulting from fluctuations in commodity prices. AltaGas is exposed to these market risks in both Canada and the United States and, with respect to the export business, offshore markets. In these markets, commodity prices are affected by a number of factors including, without limitation: the significant cost of inflation, the amount of the commodity available to specific market areas either from the wellhead or from storage facilities; prevailing weather patterns; the U.S., Canadian

and Asian economies; the occurrence of natural disasters; and pipeline restrictions.

Higher natural gas prices result in increased direct costs for AltaGas Utility business, which in turn impacts the price customers pay as commodity prices are a flow through cost to customers subject to asset optimization efforts. The increased cost may impact customer decisions in the short-term and reduce the amount of energy used. In the longer-term, increased costs result in the risk that customers switch to alternative energy sources assuming other sources and end use appliances are more affordable at that time.

Fluctuations in commodity prices directly impact AltaGas' business, financial condition and cash flow. Prolonged high commodity prices may also impact customer preference, with increased costs of natural gas having the potential to impact customer energy usage.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The fluctuations in supply and demand, commodity prices and customer preferences are beyond AltaGas' control and, accordingly, could have a significant adverse effect on AltaGas' business, financial condition, and cash flow. It is difficult to predict the potential financial impact of these market risks, due to their long-term nature and the interrelated impacts of changes in supply and demand, commodity prices and customer consumption.

Cost of response to risk

Description of response and explanation of cost calculation

AltaGas' diversification across business lines, commodities, markets and risk management, hedging and contracting policies assists with mitigating and managing these market risks. AltaGas' growth plans and investments use market fundamental data and forecasts to estimate the supply and demand of its products, including customer growth, changes in preferences, consumption patterns and the impacts to commodity prices. At this point in time, it is difficult to estimate cost to respond, as the fluctuations in supply and demand and commodity prices are evolving.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services
---------------------	--

Primary potential financial impact

Other, please specify (Potential for decreased revenues)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AltaGas may be subject to transition risks related to climate change. AltaGas' business could be directly and/or indirectly impacted by federal, state, provincial and local laws and regulations that restrict GHG emissions. These regulations could result in reductions in the use of natural gas by its customers, limit the operations of, or increase the costs faced by producers in generating their products. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand for natural gas. This could negatively impact AltaGas' financial results. This also presents a significant opportunity for the introduction of alternative low to no carbon fuels such as renewable natural gas or hydrogen.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The direct or indirect costs of compliance with these regulations, including carbon pricing, may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand. This could negatively impact AltaGas' results. Given the evolving nature of the debate related to climate change and the control of greenhouse gas emissions and resulting requirements, it is difficult to predict the impact on AltaGas and its operations and financial condition until such time as the legislation, regulation and incentive programs are clearly defined.

Cost of response to risk**Description of response and explanation of cost calculation**

Given the evolving response to climate change and the control of greenhouse gas emissions and resulting requirements, it is difficult to predict the cost of response until such time as the legislation, regulation and incentive programs are clearly defined.

Comment**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Other, please specify (Increased financial contribution resulting from increased demand for products and services)

Company-specific description

The growing demand for energy diversity, energy security and cleaner energy sources in Asia is a driving force behind our Midstream business. Our strategy remains centered around being an industry leading export partner for our customers by providing access to premier global LPG markets. In addition to providing more attractive realized prices for our Midstream customers, we are facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia. In 2019, AltaGas expanded its presence in the Liquefied Petroleum Gas (LPG) export market through commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. The transaction provides AltaGas with operational responsibility for the Ferndale LPG export terminal in Washington State. Through RIPET and Ferndale, AltaGas has established its footprint in the export market providing opportunities for Canadian producers to access new markets for their products. AltaGas plans to continue to build upon our export competency, increasing throughput at existing facilities to fully utilize available capacity, while maintaining top-tier operating costs and environmental standards. Building on AltaGas' export capability in turn drives growth across our integrated Midstream value chain and creates value for our company, our customers, as well as local communities and Indigenous partners. AltaGas plans to continue to explore ways to diversify its product mix to include emerging fuels of the future, in line with global energy demands as the supply market evolves to make cost of delivery economical and safety standards evolve to facilitate delivery.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

AltaGas' global export assets include the Company's RIPET and Ferndale export terminals, which are located in Northern B.C. and Washington State, respectively. These terminals facilitate North American producers and aggregators to access global markets and global off takers to access North American supply and provides incremental opportunities for improved price realization for propane and butane production. As AltaGas builds on the Company's operational capabilities and continues to align with leading North American producers and global customers in Asia through long-term tolling agreements, it expects to continue to increase throughput at our facilities to fully utilize available capacity. Between the two facilities, AltaGas has the capability of exporting in excess of 150,000 Bbl/d. AltaGas plans to manage the export facilities such that a growing portion of annual capacity will be underpinned by tolling arrangements, and expects to reach this objective over the next several years. For volumes not contracted under tolling arrangements, commodity price risk is mitigated through AltaGas' comprehensive hedging programs. Leveraging AltaGas' core export strategy and

access to premium global pricing to attract volumes creates value for our company, our customers, as well as local communities and Indigenous partners. As AltaGas looks to this strategic opportunity over the medium-term time horizon, estimating its potential financial impact would be too far forward looking.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

AltaGas' integrated Midstream strategy provides producers with services across the energy value chain, including access to export markets overseas. At the centre of its core export strategy are AltaGas' LPG export facilities. There will be incremental costs to realizing the opportunities that RIPET and Ferndale provide, including costs related to securing supply and optimizing logistics. AltaGas is unable to provide a cost calculation at this time.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Other, please specify (Improved resilience and reliability)

Company-specific description

Our existing investment plan in our Utility businesses include significant expenditures over the next 5 years to replace pipelines across our distribution network within our service areas. Through this commitment to accelerated pipeline replacement we are enhancing safety and improving reliability of our energy infrastructure, while reducing our emissions and improving our customer experience. AltaGas has regulatory approval to invest approximately US\$1.1 billion on these programs of which approximately US\$452 million (C\$567million) was remaining to invest as of 2021 year-end. A breakdown of these regulatory approvals is listed by jurisdiction below:

Washington Gas:

- District of Columbia approximately US\$150 million over the period from 2021 to 2023;
- Maryland an investment of approximately US\$350 million over a five-year period from 2019 to 2023;
- Virginia of approximately US\$500 million over the five year period from 2018 to 2022;

SEMCO:

- Accelerated main replacement programs and infrastructure reliability program in Michigan, with an estimated investment of US\$115 million from 2021 to 2026.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

28800000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact figure is estimated based on AltaGas' allowed rate of return, approved equity thickness and estimated ARP spending that remained at the end of 2021. These figures are calculated on the basis of the currently approved and remaining ARP programs as of 2021 year-end. With that said, given the focus of AltaGas and the Regulators across the jurisdictions where the company operates, we believe there is strong likelihood of these ARP programs to be increased in size and extended in duration, given the strong positive impact they can have on safety and reliability, leak reduction and reduced fugitive emissions. The financial impact figure is calculated in US Dollars and converted to Canadian dollars for the purpose of this report using the 2021 annual average exchange rate of USD/CAD \$1.2535 and is an annual after-tax net income figure that would be a recurring benefit.

Cost to realize opportunity

566582000

Strategy to realize opportunity and explanation of cost calculation

We are focused on reducing our emissions and assisting our customers to do the same. One of our initiatives is 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. The strategy to improve and replace infrastructure is to take into consideration the age of the infrastructure, reliability, safety, and environmental benefits, associated with pipeline replacement. Cast iron and or bare steel pipe will be prioritized because replacement of these pipeline types will increase reliability, ensure safe operation, and reduce the likelihood of leaks, which in turn reduces fugitive methane emissions. AltaGas has regulatory approval to invest approximately US\$1.1 BN on these programs including some of these approved spending plans being initiated prior to 2021. Approximately US\$452 million (C\$567 million) was remaining as of 2021 year-end. This includes investments in the following jurisdictions:

Washington Gas:

- District of Columbia approximately US\$150 million over the period from 2021 to 2023;
- Maryland an investment of approximately US\$350 million over a five-year period from 2019 to 2023;
- Virginia of approximately US\$500 million over the five year period from 2018 to 2022;

SEMCO:

- Accelerated main replacement programs and infrastructure reliability improvement program in Michigan, with an estimated investment of US\$115 million from 2021 to 2026.

The cost to realize the opportunity is calculated in US Dollars, converted to Canadian Dollars for the purpose of this report, and is a one-time investment figure, including

AltaGas' allowed debt and equity thickness levels in each respective jurisdiction.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Other, please specify (Improved operational resilience)

Company-specific description

AltaGas' utilities have developed programs that promote energy efficiency solutions for customers' homes and businesses. These programs include rebates for high efficiency natural gas equipment for a variety of applications, behavior-based programs, emerging natural gas programs and technologies, and reducing energy burdens of disadvantaged customers and communities. The programs allow customers to maintain their preference for natural gas while reducing greenhouse gas emissions, customer bills and maintaining reliability.

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

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

8000000

Potential financial impact figure – maximum (currency)

10000000

Explanation of financial impact figure

The potential financial impact figures identified above are a combined estimate for both Washington Gas and SEMCO through the end of 2023. EBITDA estimates beyond 2023 are unavailable and will be subject to regulatory approval of energy efficiency program budgets.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Promoting energy efficiency measures is one of the cleanest and most cost-effective approaches to GHG emissions reductions. It avoids the need for new energy infrastructure, promotes conservation of our natural resources, lowers customer bills and creates jobs. Efficiency programs are funded through a customer surcharge. There is no incremental cost.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased value of fixed assets

Company-specific description

As we continue to move towards a more decarbonized ecosystem, we believe natural gas will play a critical part as the transition fuel of the future. Our Utilities distribution network is comprised of critical infrastructure that enables us to deliver low carbon natural gas today and provides a foundation for delivery of lower carbon solutions in the years ahead, including renewable natural gas and hydrogen. Collaboration between policy makers, our regulators and our customers will be required to ensure all future energy offerings continue to be provided affordably and in a safe and reliable manner.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Because of the long-term nature of this opportunity involving emerging technologies and alternative fuel supply, it is too early for AltaGas to be able to attribute to it, a financial impact figure.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

Although AltaGas recognizes there will be costs in achieving this opportunity, a cost calculation has not yet been determined.

Comment**C3. Business Strategy****C3.1****(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?****Row 1****Transition plan**

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

In December 2021, AltaGas published its medium-term goals related to climate. Our climate-related goals are:

- Reduce Scope 1 and 2 Greenhouse Gas emissions intensity by 40% in our Midstream business by 2030.
- Reduce Scope 1 absolute emissions for the Harmattan Complex by 15% by 2026.
- Reduce Washington Gas' Scope 1 and 2 absolute Greenhouse Gas Emissions at least 30% by 2030.
- Deliver at least 10% of fuel from lower carbon sources through the distribution system at Washington Gas by 2030.

AltaGas' goals are the next progression in our journey of continuous improvement, are built upon our achievements to date and will grow as we advance our pilot projects and test our approaches. Our goals provide insights to our stakeholders on our focus and road ahead. 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.

As part of our journey of continuous improvement, AltaGas intends to continue to develop and progress our climate-related goals and anticipates completing climate-related scenario analysis within the next two years. We recognize that there is significant value in conducting a climate-related scenario analysis, to both inform our business strategy and enhance our disclosure. Through a climate-related scenario analysis, AltaGas will develop a deeper understanding of how climate-related risks and opportunities, including transition risks, will impact our business strategy to evaluate the resilience of our strategy.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify (AltaGas plans to complete an enterprise-wide climate-related scenario analysis.)	<p>AltaGas plans to complete an enterprise-wide climate-related scenario analysis within the next two years.</p> <p>In 2020, Washington Gas, one of AltaGas' utility subsidiaries, developed its D.C. Climate Business Plan that is designed to reduce GHG emissions throughout the natural gas value chain within its operations in the District of Columbia. The plan covers from end use to distribution and sourcing to support the District of Columbia's climate goals, of achieving a 50 percent reduction in GHG emissions by 2032 and carbon neutrality by 2050 when compared with GHG emissions in base year 2006. As part of the development of the D.C. Climate Business Plan, Washington Gas modelled and evaluated four different energy scenarios all of which considered the requirement to have 100 percent of the District's electricity usage come from renewable generation by 2032. Washington Gas serves approximately 166,000 customers in the District of Columbia. The results of the scenario analysis have informed Washington Gas' business objectives and strategy.</p> <p>In 2021, AltaGas, assisted by external consultants, conducted an enterprise-wide review of our material ESG risks, to narrow in and focus on what's most important to us and our stakeholders, both internal and external. A focused program makes a greater impact.</p> <p>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.</p> <p>In December 2021, AltaGas released our ESG goals, which marked the next progression in our journey of continuous improvement. Our current climate goals factor in growth opportunities for our business, while recognizing the differences in local directives on decarbonization.</p> <p>Going forward, as we continue on a path of continuous improvement, we recognize the value in completing a climate-related scenario analysis to assess the resiliency of our business strategy under a range of climate-related risks and opportunities. This information is valuable to AltaGas as an input into our longer-term strategic planning, and to our stakeholders. AltaGas plans to complete an enterprise-wide climate-related scenario analysis within the next two years.</p>

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>AltaGas' vision is to be a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. The company's mission is to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow. Globally, the shift to a low-carbon economy continues to shape AltaGas' business strategy. With demand for clean energy increasing, natural gas and NGLs like propane and butane will play a critical role in supporting this transition. Natural gas is abundant and serves as a cleaner, foundational fuel that is reliable, affordable, and safe.</p> <p>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 long-term source of energy security. We will also continue to position our business to export the emerging transition fuels of the future.</p> <p>With our Utilities division, we are continuing to build our capabilities in delivering a greener energy mix for the future. This includes delivering customers Certified Gas, planning to deliver renewable natural gas (RNG) onto our network and being in the early stages of hydrogen evaluation over a longer-term horizon. We've also brought to market carbon offset programs, such as CleanSteps, which is a direct-to-consumer program that enables customers in our Retail Energy Marketing business to purchase carbon offsets for their own carbon footprint. Through energy efficiency programs, our Utilities businesses have the opportunity to help customers manage energy use and reduce their carbon footprint. In 2021, Washington Gas dedicated its largest allocation to-date of US\$1.2 million towards its marketing efforts for energy efficiency programs offered within the Maryland service territory. This ample budget allocation, coupled with the maturation of various marketing and customer engagement tactics deployed by Washington Gas resulted in its highest participation turnout since program inception (129,400 customers) and, resulted in its highest performing year to-date in terms of gross wholesale annualized therm reductions (1.8 million therms).</p> <p>AltaGas expects the time horizon of these opportunities to be ongoing over the longer term.</p>
Supply chain and/or value chain	Yes	<p>Climate related changes could have a negative impact on the demand for AltaGas' services and value chain. As such we are actively working to mitigate these potential risks. At our Utilities, warmer than normal weather can reduce demand for natural gas transmission and distribution services. At some of our Utilities, revenues are normalized for any changes in customer consumption due to weather and other factors such as conservation.</p> <p>We recognize the importance of empowering our customers to manage their energy use and to participate in the transition without compromising on affordability. At our Utilities, we are enhancing our offerings and working to decarbonize our value chain by providing lower-carbon solutions to our customers through the introduction of certified gas, RNG and hydrogen into our gas supply.</p> <p>AltaGas' Midstream value chain includes transportation of our petroleum products by truck, rail and marine transport, which are at risk of physical climate impacts such as flooding or fires. Physical climate-related impacts could adversely impact volumes or the price received for product or result in legal liability, loss of equipment or property, or environmental damage. The value chain has been purposely built to minimize environmental impacts as much as possible through our Fugitive Methane Emissions Management Program and by recycling energy that would otherwise be wasted and reusing it to run operations. For example, the ethane waste recycling program at RIPET and our cogeneration technology at Harmattan which utilize otherwise wasted thermal energy.</p> <p>Through our west coast export terminals, our Midstream business is positioned to support the energy transition. Exports from our terminals provide a 60% reduction in shipping times for LPGs to Asia, when compared to the U.S. Gulf Coast. AltaGas exclusively ships using Very Large Gas Carriers which provide the most efficient, safest and lowest carbon transportation vessel.</p> <p>Specific to climate related extreme weather events, a variety of strategies are used across the corporation to mitigate these risks, including using 15 year rolling averages for weather data to anticipate gas distribution volumes and comprehensive insurance programs to alleviate business disruptions that could be caused by natural disasters. AltaGas considers the time horizon of these risks to be ongoing and longer term in nature.</p>

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Investment in R&D	Yes	<p>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 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. Climate-related risks and opportunities have been factored into our investments in R&D across both our Midstream and Utilities businesses. Examples include:</p> <p>In our Utilities business:</p> <ul style="list-style-type: none"> -Applying innovative technology solutions to venting practices to capture emissions and reinject into the gas stream. -Exploring opportunities for RNG investment within our service territory, including landfill and wastewater plants. In 2021, WG received approval to support the Piscataway Bioenergy Project. The 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. -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. -Methane capture technologies such as Washington Gas' patent-pending miniature drawdown compressors used to capture methane in small spaces. -Piloting technologies in hybrid heating such as gas heat pumps through the EMPOWER Maryland energy efficiency program. <p>In our Midstream business:</p> <ul style="list-style-type: none"> -Investing in technology such as acid gas injection and small-scale, facility-level, carbon capture and storage projects. -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. -Installation of cogeneration units at our Harmattan Complex which replace gas fired-compression with electric compression and provide our Harmattan facility with energy independence. <p>AltaGas considers the time-horizon of these opportunities to be medium to longer term.</p>
Operations	Yes	<p>Core to our business and developing ESG strategy is our unwavering commitment to operational excellence. At AltaGas, this means operating a safe and reliable system, delivering cost-effective solutions, minimizing our environmental footprint, and providing an exceptional customer experience across our business.</p> <p>In our Utilities, this manifests itself in our accelerated pipeline replacement program where replacing aging infrastructure improves our service offering to customers, enhances reliability, lowers fugitive methane emissions, and improves the safety, integrity and reliability of our energy infrastructure, while reducing our emissions and improving our customer experience. Washington Gas has proactive accelerated pipeline replacement programs in all three of its operating jurisdictions. At the end of 2021, the following accelerated pipeline replacement programs had been approved by the regulatory bodies in each of our Utilities jurisdictions. In the District of Columbia an investment of approximately US\$ 150 million is expected over a three year period from 2021 to 2023, in Maryland an investment of approximately US\$ 350 million over a five year period from 2019 to 2023, and an investment in Virginia of approximately US\$ 500 million over a five year period from 2018 to 2022. In Michigan, SEMCO has a new Main Replacement program (MRP) and a new Infrastructure Reliability Improvement Program (IRIP), which is expected to invest approximately US\$ 115 million from 2021 to 2026.</p> <p>In our Midstream business, we continue to reduce emissions from our operations and optimize the utilization of our facilities. Examples of our initiatives include:</p> <ul style="list-style-type: none"> - Growing the value and scale of our leading export capabilities and diversifying our product mix in line with global energy demands - Increasing and optimizing utilization of our existing assets by implementing operational improvements such as waste heat recovery, retrofitting engines, boilers and heaters, and - 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. <p>AltaGas can expect the time horizon of these opportunities and opportunities to be short to medium term.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation	<p>The direct or indirect costs of compliance with climate change regulations may have a material adverse effect on AltaGas' business, financial condition, results of operations, and prospects. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers to the extent such changes result in reductions in the use of natural gas by its customers, limit the operations of, or increase the costs faced by producers. Changes in energy consumption by consumers as a result of the availability of and incentive to invest in energy efficient technology have the potential to reduce customer demand. In our Utilities business, these risks are considered as part of our strategic planning and capital allocation processes. As part of these plans, our Utilities business considers the impacts of climate change on customer demand when forecasting customer usage and new customer additions, which in turn impacts our capital allocation and expenditures.</p> <p>In our Midstream business, the impacts of climate change regulations are incorporated in our strategic planning process. The cost of carbon is factored into our planning process and influences our capital allocation and capital expenditures as well as impacts our assumptions on supply and demand. Climate-related regulatory compliance, including the cost of carbon pollution, has increased in recent years, resulting in increased direct costs for our Midstream business.</p> <p>Implementation of AltaGas' strategic pipeline replacement and infrastructure improvement programs over the next number of years, provides an opportunity to improve our service offering to our customers, enhances reliability, lower fugitive methane emissions and drive down cost, which may allow for increased revenues across our Utility Division. Focusing on customer energy efficiency and savings, maintaining a modern infrastructure, and leveraging the extensive infrastructure that exists today, presents an opportunity to introduce carbon-free solutions, including renewable natural gas and hydrogen in the future.</p> <p>Through our Midstream division, the Company is focused on providing its customers with safe and reliable service and connectivity that facilitates the best outcomes for their businesses. This includes global market access for North American LPGs, which provides North American producers and aggregators with attractive netbacks for propane and butane while delivering diversity of supply and supporting stronger energy security in Asia, through the delivery of these lower GHG emitting fuels. These products and services directly impact AltaGas' revenue.</p> <p>These climate risks and opportunities are expected to have impacts on a longer-term time horizon, as the world transitions to a low carbon economy.</p>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2008

Base year Scope 1 emissions covered by target (metric tons CO2e)

405367

Base year Scope 2 emissions covered by target (metric tons CO2e)

2374

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

407741

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

285418.7

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

329560

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

329560

% of target achieved relative to base year [auto-calculated]

63.9139388320854

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target applies to the entire Washington Gas Utilities business.

This target was set in 2021 and updates Washington Gas' pre-existing targets, first set in 2011, to concentrate on absolute emissions reductions and to take advantage of the opportunities we see within our largest service territory, serving over 1.2 million customers.

Base year emissions percent covered by target represents target coverage for total Scope 1 and 2 emissions only for the Washington Gas business.

Plan for achieving target, and progress made to the end of the reporting year

AltaGas published its emissions targets on December 15, 2021. Our emissions goals are long-term and represent emissions reductions expected over a 10 year period or longer. AltaGas' emissions goals are long-term, and we are monitoring our progress. AltaGas has numerous initiatives in progress that are part of our overall plan to achieve our emissions target.

For Washington Gas 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,
- Enhancing our customer offerings,
- Decarbonizing the gas supply with certified gas, RNG, and clean hydrogen, 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, and
- Advocating for supportive policy and regulations to advance initiatives.

The Science Based Targets initiative is in the process of developing their policy for fossil fuel companies. As a result, they have paused the validation of fossil fuel sector targets and commitments from fossil fuel companies. AltaGas is currently monitoring the development of the policy and will review the new policy once finalized.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

410156

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

410156

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

48

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

48

Target year

2026

Targeted reduction from base year (%)

15

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

348632.6

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

382972

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

382972

% of target achieved relative to base year [auto-calculated]

44.1848142332836

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target applies to AltaGas' Harmattan Complex, the largest emitting facility in our Midstream portfolio.

Base year emissions percent covered by target represent target coverage for total Scope 1 emissions for AltaGas Midstream.

Plan for achieving target, and progress made to the end of the reporting year

AltaGas published its emissions targets on December 15, 2021. AltaGas' emissions goals are long-term, and we are monitoring our progress. AltaGas has numerous initiatives in progress that are part of our overall plan to achieve our emissions target.

In our Midstream business, our initiatives include :

- 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,
- Increasing and optimizing utilization of our existing assets by implementing operational improvements such as waste heat recovery, retrofitting engines, boilers and heaters,
- Collaborating with our Indigenous partners when pursuing opportunities, and
- Advocating for supportive policy and regulations to advance initiatives.

The Science Based Targets initiative is in the process of developing their policy for fossil fuel companies. As a result, they have paused the validation of fossil fuel sector targets and commitments from fossil fuel companies. AltaGas is currently monitoring the development of the policy and will review the new policy once finalized.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.1b**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).****Target reference number**

Int 1

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit of production

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.0079

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.0012

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0091

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

40

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.00546

% change anticipated in absolute Scope 1+2 emissions

17

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.0074

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.0008

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0082

% of target achieved relative to base year [auto-calculated]

24.7252747252747

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target applies to the entire AltaGas Midstream Business

Plan for achieving target, and progress made to the end of the reporting year

AltaGas published its emissions targets on December 15, 2021. Our emissions goals are long-term and represent emissions reductions expected over a 10 year period or longer. AltaGas' emissions goals are long-term, and we are monitoring our progress. AltaGas has numerous initiatives in progress that are part of our overall plan to achieve our emissions target.

In our Midstream business, 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, and
- Advocating for supportive policy and regulations to advance initiatives.

The Science Based Targets initiative is in the process of developing their policy for fossil fuel companies. As a result, they have paused the validation of fossil fuel sector targets and commitments from fossil fuel companies. AltaGas is currently monitoring the development of the policy and will review the new policy once.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C-OG4.2d

(C-OG4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

All AltaGas targets mentioned above are for total GHG's, including methane. AltaGas has developed a methane reduction retrofit compliance plan and an aggressive fugitive emissions management plan in its midstream division. Both plans focus on equipment that requires replacement or retrofit to achieve equipment specific vent gas limits and proactive fugitive emission management, including increased leak surveys and tight timelines to repair identified leaks.

In our Utilities business, we are piloting advanced leak detection technologies in the District of Columbia. This pilot utilizes satellite technology and data analytics to identify and assess methane emissions. The results of this pilot may potentially improve our ability to detect and respond to leaks as well as enhance our ability to calculate methane emissions. The findings from the program may strengthen our ability to prioritize pipe replacement projects and could lead to broader application throughout our service territory.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	55000
Implementation commenced*	1	11430
Implemented*	2	3200
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency
-------------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

3200

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

125000

Investment required (unit currency – as specified in C0.4)

100000

Payback period

<1 year

Estimated lifetime of the initiative

21-30 years

Comment

In our Midstream division, continuous process improvements assisted in our facilities achieving their emissions reduction targets. Focused efforts to reduce flaring activities at a number of our sites helped AltaGas to achieve its estimated annual CO2e savings. Cost to improve plant process is estimated at 100k in 2021, which represents general operating expenses incurred to operate our plants efficiently. The annual savings was estimated by applying regional carbon pricing to estimated CO2e savings.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Compliance is the foundation of how we do business. In addition to complying with laws and regulations, AltaGas has a set of core values that applies to all areas of our organization. AltaGas aims to meet and exceed emissions reduction activities that are required by regulators.
Internal finance mechanisms	At AltaGas we are always looking at opportunities to improve long-term stakeholder value, while effectively managing risk. Carbon prices employed by internal finance mechanisms can signal considerations for emissions reduction activities.
Financial optimization calculations	AltaGas' objective is to generate superior economic returns by investing in high growth and low-risk energy assets.
Employee engagement	All employees are welcome to identify GHG reduction opportunities.
Internal incentives/recognition programs	AltaGas' short-term incentive program includes the achievement of value drivers (objectives) relating to corporate social responsibility (CSR), with CSR weighted at 15% of the total value drivers. In 2021, the company added a strategic category for emerging energy ecosystems weighted at 10% focused on carbon reduction and decarbonization strategies. As a result, ESG objectives comprise 25% of our overall short-term incentive value drivers and reflects our commitment to integrate ESG priorities into our business strategy.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other	Other, please specify (Low Carbon products that help to reduce emissions globally)
-------	--

Description of product(s) or service(s)

AltaGas' wide array of hydrocarbon-based products provide the opportunity for third-party users to choose less carbon-intensive products which can directly lower GHG emissions when combusted. AltaGas' business is focused on our core Midstream and Utilities business divisions.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

99

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

We continue to deploy programs and strategies in both of our businesses to combat fugitive methane emissions. AltaGas is targeting vent gas and fugitive emissions to reduce methane emissions. AltaGas is working to inventory all of equipment that would routinely vent to identify project opportunities for replacement or upgrade for existing high bleed devices with no or low bleed alternatives.

In our Utilities business, our accelerated pipeline replacement programs replace aging infrastructure, improving our service offering to customers, enhancing reliability, lowering emissions, and driving down cost. We are also piloting advanced leak detection technologies in the District of Columbia. This pilot utilizes satellite technology and data analytics through real-time identification to identify and assess methane emissions. The results of this pilot may potentially improve our ability to detect and respond to leaks as well as enhance our ability to calculate methane emissions. 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. Our Midstream division also tests compressor seals that emit vent gas annually to ensure seal integrity and to reduce vent gas leakage. Regular screening of sites reduces fugitive emissions and helps to reduce methane emissions associated with unintentional leaks.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

In our Midstream division, AltaGas completes fugitive emissions surveying, using infrared fugitive emission detection and or acoustic leak detection devices when necessary. AltaGas' Fugitive Emission Management Program, utilized by the Midstream business, identifies potential sources of fugitive emissions in the methane value chain, accurately quantifies emissions/leak rates, completes cost/benefit analysis per leak source and tracks repairs using corrective action tracking. AltaGas' Leak Detection and Repair Program procedure was developed to:

- Ensure all applicable components are being tested, reported and tracked on an annual basis;
- Track all repairs using a "Repair Tracking Form" provided in the LDAR Report, and;
- Confirm all regulations and best management practices are being followed.

Leak Detection is executed across AltaGas' operations at least annually, and in some cases three times per year. A decision tree is used to determine how leaking components are addressed. Annually 100% of the assets in the Midstream Division are covered under this program.

AltaGas' Fugitive Emissions Management Program was developed to meet or exceed jurisdictional requirements.

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 identify and assess methane emissions. The results of this pilot may potentially improve our ability to detect and respond to leaks as well as enhance our ability to calculate methane emissions. The findings from the program may strengthen our ability to prioritize pipe replacement projects and could lead to broader application throughout our service territory.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

In our Midstream business, AltaGas follows regulatory targets that are between 0.2 to 0.5% of throughput at individual facilities. In addition to applicable regulatory targets AltaGas also reviews findings associated with Emission Quantification/Verification to evaluate performance and implement operational improvements where appropriate.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

PetroGas Energy Corp.

Details of structural change(s), including completion dates

The acquisition of PetroGas Energy Corp. closed in late December 2020 and therefore emission sources were excluded in the 2021 CDP report. PetroGas assets have been integrated into AltaGas' emissions inventory for 2022.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we do not have the data yet and plan to recalculate next year	AltaGas has not established a baseline emissions recalculation policy.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

2348399

Comment

AltaGas' business has changed significantly since it compiled its first companywide GHG emissions inventory in 2008. To reflect these changes, we have reset our CDP base year to 2015.

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

362734

Comment

AltaGas' business has changed significantly since it compiled its first companywide GHG emissions inventory in 2008. To reflect these changes, we have reset our CDP base year to 2015.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

13572274

Comment

AltaGas will be completing a more comprehensive evaluation of the company "Use of Sold Product" Scope 3 emissions. Base years will be adjusted as needed following that evaluation.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009
Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Mandatory Greenhouse Gas Reporting Rule
US EPA Emissions & Generation Resource Integrated Database (eGRID)
Other, please specify (Alberta Greenhouse gas quantification methodologies; Western Climate Initiative: Quantification Method 2013 Addendum to Canadian Harmonization Version; California Mandatory Greenhouse Gas Reporting Regulation.)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2168619

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

110744

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas' strategy for greenhouse gas management is to continuously reduce GHG emissions from our operating facilities. Using the GHG Protocol Scope 3 evaluator to conduct an assessment of purchased good and services scope 3 emissions suggest this category contributes less than 5% to our total scope 3 output.

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Tracking these emissions is not material to our GHG management efforts. Scope 3 emissions from major capital goods on an annual basis are not expected to be a meaningful metric for our business.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant to our business.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Management of our Scope 1 emissions plays a large role in the management of Scope 3 emissions for users further down the value chain. Scope 3 GHG emissions associated with upstream transportation and distribution of AltaGas' energy resources are not expected to be a significant impact to our GHG management efforts.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas is required to track all waste generated in operations. The waste generation information has been reviewed and the emissions associated with waste generation are not expected to be a significant impact to our GHG management efforts.

Business travel**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions associated with our fleet come from a third-party company that manages our fleet information. The associated emissions from our fleet have been included in the Scope 1 emissions summary. Business travel emissions in 2021 were not relevant to our organization due to the travel restrictions from the COVID-19 pandemic.

Employee commuting**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Although not expected to be significant to our GHG management efforts, AltaGas continues to assess opportunities for the future of work including opportunities to work from home, to improve efficiency at dispatch processes for field workers and to help reduce associated GHG and Air emissions.

Upstream leased assets**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Our reporting approach includes upstream leased assets in our Scope 1 and 2 emissions. Therefore, this field is not relevant.

Downstream transportation and distribution**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions associated with transportation and distribution are captured in our Scope 1 emissions.

Processing of sold products**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As AltaGas' primary product is gas that is used as an end product, the emissions from the processing of sold products is not relevant.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

13733963

Emissions calculation methodology

Other, please specify (EPA Mandatory Greenhouse Gas Reporting Subpart NN reporting rules for U.S. based Utilities.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions are calculated based on the quantity of gas sold to residential and business customers (energy units) by our Utility Businesses (fully owned subsidiaries of AltaGas).

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Our products are generally consumed by downstream users. Therefore, typically there is no product to be considered at the "end of life."

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not lease downstream assets.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have franchises.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AltaGas is not a financial organization.

Other (upstream)

Evaluation status

Please select

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Please select

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000222

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2279363

Metric denominator

unit total revenue

Metric denominator: Unit total

10573000000

Scope 2 figure used

Location-based

% change from previous year

41

Direction of change

Decreased

Reason for change

Revenue growth outpaced emissions growth.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1715068	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	433490	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	20062	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Combustion (excluding flaring)

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

707928

Gross Scope 1 methane emissions (metric tons CH4)

1314

Total gross Scope 1 emissions (metric tons CO2e)

760247

Comment

All the values above are rounded to the nearest whole number which may impact metric tons CO2e totals. Total metric tons CO2e includes N2O which is not a requested data point for stationary combustion for this question.

Emissions category

Fugitives

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

32

Gross Scope 1 methane emissions (metric tons CH4)

713

Total gross Scope 1 emissions (metric tons CO2e)

17852

Comment

All the values above are rounded to the nearest whole number which may impact metric tons CO2e totals.

Emissions category

Venting

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

49949

Gross Scope 1 methane emissions (metric tons CH4)

625

Total gross Scope 1 emissions (metric tons CO2e)

65562

Comment

All the values above are rounded to the nearest whole number which may impact metric tons CO2e totals.

Emissions category

Flaring

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

25330

Gross Scope 1 methane emissions (metric tons CH4)

130

Total gross Scope 1 emissions (metric tons CO2e)

28600

Comment

All the values above are rounded to the nearest whole number which may impact metric tons CO2e totals. Total metric tons CO2e includes N2O which is not a requested data point for stationary combustion for this question.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	859673
United States of America	1308946

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
AltaGas - Midstream	872599
AltaGas - Power	884800
AltaGas - Utilities	411220

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)		<Not Applicable>	Not scored
Oil and gas production activities (midstream)		<Not Applicable>	Not Scored
Oil and gas production activities (downstream)		<Not Applicable>	Not Scored
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada 17901 MWh purchased and consumed from BC Hydro. Emissions are calculated using location based emission factors. More than 90% of BC Hydro's generation is produced by hydroelectric generation, which is generally the most cost-effective, clean and reliable option.	102537	
United States of America WGL purchased Renewable Energy Certificates (RECs) to cover the full amount of purchased electricity (10715 MWh). Certificates for these purchases were not available prior to CDP disclosure deadline. Approximately 2% of AltaGas' total energy consumption (excluding feedstock) comes from the grid.	8207	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
AltaGas - Midstream	103776	
AltaGas - Power	930	
AltaGas - Utilities	6038	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)			Not scored
Oil and gas production activities (midstream)			Not scored
Oil and gas production activities (downstream)			Not scored
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	3592	Decreased	0.2	In 2021, AltaGas purchased and consumed slightly more renewable energy. AltaGas through its subsidiary Washington Gas acquired and subsequently retired Renewable Energy Credits to offset grid power consumption.. AltaGas' renewable energy consumption increased so our scope 2 emissions were decreased by approximately 3592 metric tons CO2e as a result of the activities outlined above. S1 and S2 Emissions in 2020 were 2031990. Therefore, this is calculated as such $3592/2031990*100=0.2\%$
Other emissions reduction activities	14630	Decreased	1	In 2021, our emission reduction initiatives can mostly be attributed to a reduction in flaring activities across our midstream business and active fugitive emissions management. Combined S1 and S2 emission from 2020 were 2031990 tCO2e. therefore, $14630/2031990*100=1\%$
Divestment		<Not Applicable>		
Acquisitions	59980	Increased	3	Asset acquisition of Petrogas in our Midstream Division, resulted in an increase of 3% in our gross global S1 and S2 emissions. The acquisition accounted for 59980 tCO2e. Therefore, $59980/2031990*100=3$
Mergers		<Not Applicable>		
Change in output	202021	Increased	10	Across all AltaGas business units there were relative changes in output. The changes can mostly be attributed to increased output from AltaGas' power division. In southern California, the 507 MW, combined cycle Blythe Energy Center, a natural gas-fired power generation facility, is a critical source of electricity supply that serves as a stable and reliable source of supply during periods of high demand and intermittent renewable energy availability experienced in the Los Angeles area. The Blythe facility is contracted under a power purchase agreement to Southern California Edison (SCE). Under the tolling agreement, SCE has exclusive rights to all capacity, energy, ancillary services and resource adequacy benefits and determines the output of the facility. Output is directly correlated to product demand and increases or decreases in facility run time can lead to year over year changes in our emissions. In 2021, Blythe was called upon by SCE to generate additional power relative to the previous year, to supply increased consumer electricity demand. Combined S1 and S2 emissions from the previous year were 2031990 tCO2e. Therefore, $202021/2031990*100=10\%$.
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	2876746	2876746
Consumption of purchased or acquired electricity	<Not Applicable>	28616	175180	203796
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	28616	3051926	3080542

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other biomass

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Coal

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Oil

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

1282317

MWh fuel consumed for self-generation of electricity

232180

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

1050137

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

1594429

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

2876746

MWh fuel consumed for self-generation of electricity

232180

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

1050137

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2623210	334468	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Canada

Consumption of electricity (MWh)

396678

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

396678

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United States of America

Consumption of electricity (MWh)

141858

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

141858

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WGL- Apex CDP Verification Statement Limited RY2021.pdf

Page/ section reference

Pages 1 and 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

15

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

RIPET Verification Statement.pdf

Page/ section reference

pages 1 thru 13

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

ALT-LFO-VS-BRI-2021-V1.pdf

Page/ section reference

Pages 1 thru 14

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

12

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Harmattan Verification Statement.pdf

Page/ section reference

page 1

Relevant standard

Alberta Technology Innovation and Emissions Reduction (TIER)

Proportion of reported emissions verified (%)

18

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification+statement_Blythe+EY+2020_+2021-06-01exec.pdf

Page/ section reference

pages 1 and 2

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

41

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Gordondale Verification Statement.pdf

Page/ section reference

page 1

Relevant standard

Alberta Technology Innovation and Emissions Reduction (TIER)

Proportion of reported emissions verified (%)

6

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Aggregate Verification Statement.pdf

Page/ section reference

page 1

Relevant standard

Alberta Technology Innovation and Emissions Reduction (TIER)

Proportion of reported emissions verified (%)

1

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

WGL- Apex CDP Verification Statement Limited RY2021.pdf

Page/ section reference

Pages 1 and 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

3

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Gordondale Verification Statement.pdf

Page/ section reference

page 1

Relevant standard

Alberta Technology Innovation and Emissions Reduction (TIER)

Proportion of reported emissions verified (%)

1

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Harmattan Verification Statement.pdf

Page/ section reference

page 1

Relevant standard

Alberta Technology Innovation and Emissions Reduction (TIER)

Proportion of reported emissions verified (%)

1

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Alberta TIER - ETS

BC carbon tax

California CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Alberta TIER - ETS

% of Scope 1 emissions covered by the ETS

25

% of Scope 2 emissions covered by the ETS

1

Period start date

January 1 2021

Period end date

December 31 2021

Allowances allocated

0

Allowances purchased

3754

Verified Scope 1 emissions in metric tons CO2e

534532

Verified Scope 2 emissions in metric tons CO2e

986

Details of ownership

Facilities we own and operate

Comment

California CaT - ETS

% of Scope 1 emissions covered by the ETS

41

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2021

Period end date

December 31 2021

Allowances allocated

0

Allowances purchased

30000

Verified Scope 1 emissions in metric tons CO2e

884770

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

BC carbon tax

Period start date

January 1 2021

Period end date

December 31 2021

% of total Scope 1 emissions covered by tax

13

Total cost of tax paid

8288855

Comment

The total cost of tax paid presented above are for operated assets only and does not account for cost recovery mechanisms that AltaGas may have in place at its facilities.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

AltaGas applies a multi-pronged strategy for complying with the schemes in which we participate. First, AltaGas has made significant investments in energy efficiency and sequestration projects (in Alberta) which generated a long-term supply of emission offset credits and emission performance credits, which we use to offset a portion of our greenhouse gas emissions and to manage our exposure to the risk of increasing carbon costs. Second, the commercial agreements we put in place to purchase emission allowances third party generated emission offsets, or emission performance credits include language that requires the seller to either compensate or replace any offset(s) and/or credit(s) that are revoked/invalidated by the regulator. Third, we have procedures in place to ensure the verification of our emissions exposed to Emissions trading systems, to ensure subsequent surrender and retirement of carbon credits is sufficient and carried out in line with the regulatory requirements. Fourth, all activities associated with emissions trading and compliance, are managed internally, rather than through third parties.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope

Scope 1
Scope 2
Scope 3

Application

AltaGas uses internal prices on carbon that pertain to various aspects of our business and includes Scope 1, Scope 2, and Scope 3 emissions. AltaGas employs internal prices of carbon in our budgeting and forecasting in each of the regulatory jurisdictions with active carbon pricing or recognized carbon markets where we own and/or operate assets. Carbon tax costs to our business are included in operating and project budgets and forecasts.

Actual price(s) used (Currency /metric ton)

170

Variance of price(s) used

Different carbon prices are used over time and across different geographies. When carbon prices are uncertain, we will employ scenarios that consider varying carbon prices that range from current price up to the future known regulatory price ceiling in our operating jurisdictions of \$170 per tonne.

Type of internal carbon price

Shadow price

Impact & implication

AltaGas uses internal prices on carbon that pertain to various aspects of our business and includes Scope 1, Scope 2, and Scope 3 emissions. AltaGas employs internal prices of carbon in our budgeting and forecasting in each of the regulatory jurisdictions with a price on carbon where we own and/or operate assets. Carbon tax costs to our business are included in affected project budgets and forecasts. The carbon programs that reflect credits towards our financial exposure to greenhouse gas compliance costs (e.g., offsets) are accounted for and retained following best practice. Different carbon prices are used over time and across geographies. When carbon prices are uncertain, we will employ scenarios that consider varying carbon prices. Scenarios have included the California Cap and Trade program, the British Columbia increasing carbon tax and Alberta's increasing carbon prices, and the Canadian federal fuel charge pricing scheme (rising to \$65 in 2023). In December 2020, The Canadian Federal government announced Canada strengthened climate plan, which includes a carbon tax increase of \$15 per year starting in 2023, reaching \$170 per tonne by 2030. This pricing increase will be considered and incorporated by AltaGas on a go forward basis. AltaGas' carbon credit pricing in the offset and the California Cap and Trade markets are subject to confidentiality. Our Commercial teams, in consultation with our Environmental and Regulatory staff, determine the carbon price on a project by project basis. Carbon compliance pricing is internalized (i.e., it is a budget line item) in the economics of the investment decisions that AltaGas makes.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers/clients
Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
-------------------------------	---

% of customers by number

24

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Most carbon emissions arise from customer usage, so it's vital that we engage with our customers to use energy more sustainably. Core to achieving this is to provide practical energy efficiency solutions to our customers. Our utilities businesses offer energy efficiency programs to help deliver innovative solutions to help our customers become more energy efficient. Increasing energy efficiency is the first step to reduce energy use.

Through our Utility businesses, AltaGas offers a broad array of incentive programs, such as programs that promote high-efficiency gas equipment to residential, commercial, and industrial customers, as well as no-cost energy conservation kits, an online home energy assessment, home energy reports and whole-home weatherization/equipment replacements for income-qualified customers. The performance of these various programs is entirely predicated on customers being aware of the program offerings, understanding their value, and being called to action by participating, thus necessitating a robust marketing, outreach, and awareness mechanism. Each Utility business deploys various marketing initiatives directed towards homeowners, contractors, business owners, home builders, property developers, energy management firms, and other industry influencers across multiple media channels. Examples of these engagement channels include:

- Email campaigns
- Bill inserts
- Search engine optimization
- Digital, radio or print advertisements
- Native content articles
- Google Paid-Search advertisements
- Social Media postings and advertisements (Facebook, LinkedIn, etc.)
- Program one-pagers
- Customer spotlights
- Sector-specific sell sheets/cutsheets

Through the EMPOWER Maryland program, Washington Gas received approval to conduct energy efficiency pilots to test emerging gas heat pump technology. The pilot will test long-term opportunities of gas heat pumps throughout the service area.

Through SEMCO's energy efficiency program, established in 2009, customers are incentivized to invest in energy saving measures and learn more about energy conservation. 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.

Impact of engagement, including measures of success

The success of these programs is evaluated by the costs and the energy usage saved. In 2019 and 2020, AltaGas' Utilities invested \$65 million across all our energy efficiency programs and served 400,000 customers (participation of 24% of total Utilities customers), resulting in 1.7 million dekatherms of energy saved, which is the equivalent of the energy used by 11,000 homes for one year. AltaGas plans 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.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

AltaGas engages with other partners in the value chain in various ways to ensure the interest and concerns of our customers and stakeholders are always taken into consideration.

AltaGas is engaging with partners upstream to evaluate opportunities to introduce lower carbon-intensive solutions, such as certified gas and renewable natural gas (RNG), for our customers. In 2021, Washington Gas sourced certified gas from upstream value chain partners and introduced certified gas into its delivery system. AltaGas is also engaging with value chain partners in our operating jurisdictions to pursue RNG local interconnection opportunities. One example of this is 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. In 2021, Washington Gas received approval from the Public Service Commission of Maryland to support the project.

Energy Efficiency is an important aspect of AltaGas' Utility business strategy, and as such we collaborate with other partners in our value chain to help deliver innovative solutions to help our customers become more energy efficient. Each of our Utility businesses across the United States offer customer-based solutions through energy assessments for recommendations to improve home energy efficiency. The EmPOWER initiative in the state of Maryland helps homeowners and other residential customers throughout the state to reduce energy use and save money on utility bills. As part of the initiative, rebates are available on high efficiency natural gas equipment. The program includes lighting and appliance rebates for homeowners, Home Performance with ENERGY STAR (including home energy assessments and 50% rebates for energy improvements like insulation and air sealing), commercial lighting rebates, and energy efficiency services for industrial facilities. Washington Gas partners with other utility businesses in the area like, Baltimore Gas and Electric Company (BGE), Potomac Edison Company (PE), Delmarva Power & Light (Delmarva), Potomac Electric Power Company (PEPCO), Southern Maryland Electric Cooperative, Inc. (SMECO), to help administer this program.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

We have processes in place to manage our day to day administration and management of the company, how we conduct our business and the manner in which we disclose material information. Our delegation of authority policy and procedures set forth a comprehensive matrix of procedures and financial authorities to facilitate day to day operations and to delineate roles, responsibilities and accountabilities of management. Our core values promote the highest level of personal conduct and ethical standards and lay the foundation for how business is conducted. Any activities that involve the release of material public disclosures are governed by AltaGas' disclosure policy. The disclosure policy ensures that material information is disclosed in a timely, consistent and appropriate manner, not improperly used or disclosed and disclosed only by a designated spokesperson. The policy also sets forth the process that is followed for approval of the disclosure of material information prior to disclosure being made. Designated spokespersons are provided a set of key messages to be used for communication. Key Messages are developed by multi-disciplinary teams including communications, Investor Relations, and other subject matter experts that are consistent with our strategic objectives.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Carbon tax

Specify the policy, law, or regulation on which your organization is engaging with policy makers

AltaGas has engaged with the Alberta provincial government on various climate-related policies that may impact our business in circumstances where industry input has been requested, including the Technology Innovation and Emissions Reduction (TIER) Regulation, which is Alberta's industrial greenhouse gas emissions pricing regulation and emissions trading system. AltaGas engaged with the British Columbia (B.C.) provincial government on their CleanBC Roadmap to 2030, which included the province's new industrial carbon pricing system. These are examples regarding direct engagement with policy makers on specific legislation and should not be considered comprehensive. AltaGas and its subsidiaries have ongoing direct and indirect engagement with policy makers and through various business groups with trade associations and other groups that may influence energy and therefore climate policy.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Canada

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

AltaGas engages with the Alberta and B.C. provincial governments through written submissions, meetings and conference calls on policy and initiatives related to climate-change and emissions reductions, with the objective of understanding the governments' policy, goals and processes and to ensure that AltaGas' and the industry's views are represented.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

AltaGas advocated for policy and programs that are cost-effective, promote innovation and incent investment in technology.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Specify the policy, law, or regulation on which your organization is engaging with policy makers

AltaGas has engaged with the Canadian Federal Government on several policies and regulations related to climate change as industry input has been requested, including on the Federal CCUS Investment Tax Credit and the Federal Hydrogen Strategy. The Federal Hydrogen Strategy was announced as part of the Canadian Federal Government's budget and its climate plan, A Healthy Environment and a Healthy Economy. These are examples regarding direct engagement with policy makers on specific legislation and should not be considered comprehensive. AltaGas and its subsidiaries have ongoing direct and indirect engagement with policy makers and through various business groups with trade associations and other groups that may influence energy and therefore climate policy.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Canada

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

AltaGas has engaged with the Canadian Federal Government through written submissions, meetings, conference calls and participation in working committees. Examples of AltaGas' engagement with the Canadian government include:

Federal CCUS Investment Tax Credit

- Canadian government launched a formal process to seek industry input on its proposed CCUS Investment Tax Credit. AltaGas submitted a written recommendation in support of the tax credit, as an essential initiative to encourage investment in this important emissions reduction technology.

Federal Hydrogen Strategy

- The Canadian federal government announced a hydrogen strategy as part of its climate plan, A Healthy Environment and A Healthy Economy. In order to action the hydrogen strategy, the government formed a Hydrogen Steering Committee to evaluate Canada's current position as a hydrogen producer and exporter and to develop an action plan to address the gaps between current state and the federal hydrogen strategy. The Steering Committee formed 16 Working Groups to address different elements of the hydrogen strategy.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

AltaGas advocated for policy and programs that are cost-effective, promote innovation and incent investment in technology.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (American Gas Association (AGA))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The American Gas Association (AGA) represents companies delivering natural gas safely, reliably, and in an environmentally responsible way to help improve the quality of life for their customers every day. The AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.

Through our membership with AGA, AltaGas' subsidiaries Washington Gas and SEMCO participate, when appropriate, on various committees. We share industry insight and data where appropriate to help inform AGA policy positioning on key issues relating to the Environment and Climate Change.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify (Canadian Propane Association)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Canadian Propane Association (CPA) supports the role propane plays as a low carbon solution.

The CPA advocates that propane can offer immediate opportunities to reduce emissions and provide an affordable energy choice to Canadians. A truly holistic approach to GHG reductions in Canada must include low-emission energy options that are available for consumers today. The CPA believes that including propane now in policy and programming development to transition to a lower carbon intensity economy and meet the Paris targets will result in an immediate energy solution to reduce GHGs while maintaining and growing jobs in Canada.

The CPA advocates for propane's vital role in climate change by:

- Helping to lower emissions in Canada's largest emitting sector – transportation – by utilizing low-emission vehicle technology.
- Strengthening infrastructure resiliency planning and risk management by providing a backup energy source at vulnerable public facilities.
- Acting as a reliable and portable backup energy source to be used in conjunction with renewables.
- Lowering emissions and improving health outcomes in rural and remote communities that use diesel or fuel oil.

Further information on the CPA's position can be found in the report "The Propane Advantage" published by the CPA on their website:

https://canpropane.wpengine.com/wp-content/uploads/2019/07/CPA_Propane_Advantage_Final_EN-1.pdf

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

AltaGas-Ltd_AIF 2021.pdf

Page/Section reference

2021 Annual Information Form: p 5-11, 25-27, 40-44, 45, 54-69, 69-73

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

AltaGas-Ltd_Q4 2021 FS and MD&A.pdf

Page/Section reference

2021 Financial Statements and Management Discussion & Analysis: p.48-50

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

AltaGas-Ltd_Proxy_Circular_2022.pdf

Page/Section reference

2022 Management Information Circular: p. 2, 22, 25-26, 28, 29, 30, 33, 38, 41, 42,43

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

ALA_2021_ESG_REPORT.pdf

Page/Section reference

2021 ESG Report: p. 9,10, 15-18, 20-29, 52-53

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>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.</p> <p>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 EHS Committee is responsible for oversight of climate change related risks and opportunities and other environmental risks and opportunities, including air pollutants, water and biodiversity. The Audit Committee is responsible for overseeing the financial impacts related to climate change. 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.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Other, please specify (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 evaluate biodiversity impacts, particularly in sensitive habitats and migratory routes.)	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	<p>Land/water management</p> <p>Education & awareness</p>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	<p>Content of biodiversity-related policies or commitments</p> <p>Biodiversity strategy</p>	<p>AllaGas' 2021 ESG Report includes information related to biodiversity on page 26.</p> <p>ALA_2021_ESG_REPORT.pdf</p>

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

AltaGas has an additional goal to deliver at least 10% of fuel in the Washington Gas distribution system from lower carbon sources by 2030. This goal is intended to help Washington Gas customers reduce emissions by lowering the carbon content of the fuel delivered through the distribution system. This goal was set in 2021.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President, Chief External Affairs and Sustainability Officer (CEASO)	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Introduction provided in section C0.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

Please see allocating challenges as described in SC1.3

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Please select

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Please select

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms