

## 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, and affordable energy. AltaGas' regulated natural gas utilities, Washington Gas and SEMCO, operate in four jurisdictions including the District of Columbia, Maryland, Virginia and Michigan. These utilities provided energy to approximately 1.7 million residential and commercial customers in 2022, with an average 2022 rate base of approximately US\$5.2 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 residential, commercial, and industrial customers; 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 west coast LPG export terminals; 2) natural gas gathering and separation; and 3) fractionation and liquids handling. AltaGas' Midstream segment also includes its natural gas and NGL marketing business, domestic logistics, trucking and rail terminals, and liquid storage capability.

The Corporate/Other segment primarily includes AltaGas' corporate activities and a gas-fired power generation facility 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; 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 December 31, 2022. 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 and indicate whether you will be providing emissions data for past reporting years.

**Reporting year**

**Start date**

January 1 2022

**End date**

December 31 2022

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<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 or committee	Responsibilities for climate-related issues
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. To support the Board in providing oversight, AltaGas has four standing Board committees: (1) Audit, (2) Governance, (3) Human Resources and Compensation (HRC) and (4) Environment, Health and Safety (“EHS”). Each Board committee plays a role in overseeing ESG strategies, key performance indicators and managing related risks within their mandate and functional areas of expertise.</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 change related risks and opportunities (including physical and transition risks), GHG emission reduction strategies, environmental policy and management systems, emergency and critical incident response planning, and physical security of critical infrastructure. The EHS Committee is also responsible for reviewing key EHS performance indicators and targets and goals to measure performance.</p> <p>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	<p>Reviewing and guiding annual budgets</p> <p>Overseeing major capital expenditures</p> <p>Overseeing acquisitions, mergers, and divestitures</p> <p>Reviewing innovation/R&amp;D priorities</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Overseeing and guiding public policy engagement</p> <p>Reviewing and guiding the risk management process</p>	<Not Applicable>	<p>The Board is responsible for the stewardship of AltaGas and for overseeing the management of the company’s business and affairs, including oversight of strategic direction and strategy execution, risk management (including with respect to climate change and energy transition), overseeing ESG strategy, including the integration of ESG priorities, risks and opportunities into the strategic planning process and compensation programs.</p> <p>The CEO is ultimately responsible for development and execution of 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 in relation to climate change 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.</p> <p>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 factors in order to ensure they align with the long-term strategy and provide ongoing organic growth potential, favorable 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 determine appropriate mitigation strategies. Environmental and social risks, including climate change related risks, and our 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. 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 support each of the headings below, so that within any particular category, the depth of experience can be measured. The key skills and competencies include: Climate Strategy &amp; Sustainability, Strategic Planning and Execution, Risk Management, Governance, Environmental, Health and Safety, Financial, Accounting &amp; Audit, Operations (Regulated Utilities and Midstream), Human Capital Management &amp; Compensation, Customer and Stakeholder Relations, Cybersecurity/IT/Digitization, U.S. Experience, and CEO / C-suite Experience.</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.**

**Position or committee**

Chief Executive Officer (CEO)

**Climate-related responsibilities of this position**

Managing annual budgets for climate mitigation activities  
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)  
Managing climate-related acquisitions, mergers, and divestitures  
Providing climate-related employee incentives  
Integrating climate-related issues into the strategy  
Setting climate-related corporate targets  
Managing value chain engagement on climate-related issues

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

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

The CEO effectively communicates AltaGas' vision and core values to all stakeholders and 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 CFO, the CEO develops and implements AltaGas' annual capital and operating budgets, which are approved by the Board, and establishes long-term financial objectives consistent with the company's strategy. 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 that the business risks undertaken by management are within established guidelines and policies.

---

**Position or committee**

Chief Sustainability Officer (CSO)

**Climate-related responsibilities of this position**

Integrating climate-related issues into the strategy  
Conducting climate-related scenario analysis  
Setting climate-related corporate targets  
Monitoring progress against climate-related corporate targets  
Managing public policy engagement that may impact the climate  
Assessing climate-related risks and opportunities  
Managing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

CEO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

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 (EC) and reviewed with the Board and its committees. The EC, 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 ESG Steering Committee, an enterprise-wide cross-functional team, that is responsible for identifying material ESG priorities, raising awareness of ESG initiatives and opportunities with internal and external stakeholders, collaborating with business partners and functional leads to manage risks, and integrating initiatives into decision-making. The Steering Committee is also accountable for ESG reporting including oversight of data measurement along with 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	AltaGas' annual short term incentive value drivers (performance objectives) are set based on a combination of strategic, financial, capital, and operational efficiency, emerging ecosystems and corporate social responsibility objectives. For 2022, corporate social responsibility (CSR) objectives continued to be weighted at 15% of the total drivers and the weighting for emerging energy ecosystems objectives was set at 15% of the total drivers. CSR objectives include initiatives related to safety, environment, diversity and inclusion and employee engagement. Emerging ecosystem objectives focus on GHG emission reduction and carbon reduction strategies and preparing for emerging fuels of the future. The company continues to integrate ESG priorities into its 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**

Chief Executive Officer (CEO)

**Type of incentive**

Monetary reward

**Incentive(s)**

Bonus - % of salary

**Performance indicator(s)**

Progress towards a climate-related target  
Achievement of a climate-related target  
Implementation of an emissions reduction initiative  
Reduction in absolute emissions  
Reduction in emissions intensity  
Increased share of low-carbon energy in total energy consumption

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

AltaGas' short-term incentive plan applies to the CEO with any annual cash payout 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.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

By linking executive remuneration to ESG factors and corporate social responsibility, AltaGas' compensation framework contributes to the implementation of the company's climate commitments. In particular, AltaGas' short-term incentive program includes a 15% weighting on emerging energy ecosystem objectives which focus on GHG emission reduction and decarbonization strategies in addition to preparing for emerging fuels of the future.

For 2022, value drivers related to AltaGas' climate commitments included:

- Progress on specified ESG goals related to safety and environment
- Advancing our emerging ecosystem strategy and initiatives to position our asset base for the emerging fuels of the future
- Continuing to advance our Midstream export strategy

---

**Entitled to incentive**

All employees

**Type of incentive**

Monetary reward

**Incentive(s)**

Bonus - % of salary

**Performance indicator(s)**

Progress towards a climate-related target  
Achievement of a climate-related target  
Implementation of an emissions reduction initiative  
Reduction in absolute emissions  
Reduction in emissions intensity  
Increased share of low-carbon energy in total energy consumption

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

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 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, which are set based on a combination of strategic, financial, capital, and operational efficiency, emerging ecosystems and corporate social responsibility (CSR) objectives. 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.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

By linking employee remuneration to ESG factors and corporate social responsibility, AltaGas' compensation framework contributes to the implementation of the company's climate commitments. In particular, AltaGas' short-term incentive program includes a 15% weighting on emerging energy ecosystem objectives which focus on GHG emission reduction and decarbonization strategies in addition to preparing for emerging fuels of the future.

For 2022, value drivers related to AltaGas' climate commitments included:

- Progress on specified ESG goals related to safety and environment
- Advancing our emerging ecosystem strategy and initiatives to position our asset base for the emerging fuels of the future
- Continuing to advance our Midstream export strategy

---

## 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 AltaGas' strategic planning and decision-making processes, where financial, health & safety, environmental, regulatory and reputational consequences are assessed through the company's enterprise risk management (ERM) framework. These considerations influence capital allocation, business development and operations decisions as well as the processes put in place to measure and monitor 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](http://www.altagas.ca) and under the company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). AltaGas' climate strategy is influenced by the climate-related risks and opportunities to the businesses over the short term (less than three years), medium term (three - 10 years) and long term (+10 years) horizon and the management of climate-related risks is incorporated into the business through AltaGas' enterprise-risk management processes. Integrating these considerations throughout the decision-making process ensures the company is well-positioned to capitalize on the changing landscape.

For the purposes of this questionnaire, 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 Information Form.

**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**

The Board oversees strategy development and evaluates and measures progress towards execution, along with short- and long-term risks to meeting strategic objectives. The CEO is responsible for strategy development and each year the Board holds a two-day meeting to discuss the five-year strategic plan from which annual and long-term goals and objectives are set. Time is also dedicated to 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 (including organic growth and acquisitions and divestitures), and shapes its decision-making relating to, among other things, budgeting and setting goals and objectives toward 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 both internal and external risks, and their potential impact to the company and its stakeholders, and developing processes and practices to mitigate such risks, is a central area of focus. 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. Environmental, Social and Governance risks, including climate change related risks, and our approach to managing these risks are embedded within the ERM process. All levels of the organization are engaged with the ERM program which serves as the primary vehicle for aggregated risk management. Leaders across the enterprise and within each business segment work together to identify the material risks and develop appropriate mitigation strategies. 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 integration into long-term and short-term plans as well as the budget for each facility, which for our Midstream and Power assets includes a price for carbon, and for our Utilities division includes regulatory requirements. 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 2022, AltaGas exported an average of 101,654 Bbls/d of LPGs to Asia, a 14% increase over 2021 volumes. Global export assets remain a focus for AltaGas, and as Asia's energy mix continues to evolve away from more carbon-intensive options such as thermal coal, we believe LPGs will continue to be a source of energy security. We will continue to grow the value and scale of our export capabilities, and position our business to export emerging fuels of the future.

In the Utilities division, AltaGas' subsidiary, Washington Gas, is continuing to pursue renewable natural gas (RNG) investments through interconnection opportunities with local RNG sources. This includes landfill and wastewater facilities, for example, the Piscataway Bioenergy Project, Washington Gas' first RNG project in partnership with the Washington Suburban Sanitary Commission to transform biowaste into renewable energy. This project received approval from the Maryland Public Service Commission in 2021.

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, AltaGas engineers those facilities it builds to accommodate for physical risks that are identified, based on geography, when designing new projects in our Midstream business. In addition to these engineering controls, AltaGas adjusts or implements operating procedures to account for potential impacts. As well, the Company 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
--	-----------------------	----------------

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>AltaGas is subject to extensive and complex laws and regulations in the jurisdictions in which it conducts business, with these regulations and laws subject to ongoing policy initiatives. AltaGas' facilities and operations are, and may become, subject to current climate change legislation 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 or results of operations.</p> <p>AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers to the extent such regulations result in reductions in the amount of natural gas used by 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, the company forecasts expected future carbon pricing in its Midstream business and incorporates that into strategic plans. AltaGas also mitigates these risks by working to reduce 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.</p> <p>Examples of current regulation considerations impacting AltaGas' business include:  On October 11, 2022, the Government of Canada amended the Greenhouse Gas Pollution Pricing Act to establish the federal benchmark carbon price post-2022. These amendments formally set the national minimum price on carbon pollution to 2030. The Government of Canada has also strengthened the criteria that all provincial pricing systems must meet. The federal carbon pollution pricing scheme is composed of two elements, both of which may impact AltaGas' business:  (1) a carbon levy applied to the distribution of fossil fuels priced at \$65 per tonne in 2023, increasing by \$15 per year to reach \$170 per tonne of carbon emitted in 2030; and (2) an output-based pricing system for industrial facilities that emits 50,000 tonnes of CO<sub>2</sub>e per year or more, with opt-in capability for smaller facilities with emissions below the threshold.</p>
Emerging regulation	Relevant, always included	<p>Changes in the regulatory environment may be beyond AltaGas' control and may significantly affect the company's business. 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 cost of compliance with these regulations may adversely affect the company's financial condition, results of operations or prospects. AltaGas' business may 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 continuously monitors proposed changes to climate change policy and regulations in order to identify, quantify, and manage material risks that may arise.</p> <p>Examples of current regulation considerations that may impact AltaGas' business both indirectly and directly include:  On March 29, 2022, the Canadian federal government released the first plan under the Net-Zero Act, the "2030 Emissions Reduction Plan". In the 2030 Emissions Reduction Plan and a discussion paper which followed, the federal government has proposed to cap and reduce oil and gas sector GHG emissions in order to achieve an overall reduction of GHG emissions from the sector of 32 percent below 2005 levels by 2030. The upstream oil and gas sector is expected to contribute a significant amount of the reduction needed to achieve these goals, and as such, could indirectly impact AltaGas' business. The details of this cap and reduction strategy are still in development and AltaGas continues to actively monitor such developments.</p>
Technology	Relevant, always included	<p>Technology advancements and improvements may impact the pace of GHG emission reduction strategies that could affect AltaGas and its customers.</p> <p>Emerging technologies that may be deployed in connection with GHG emission reduction strategies include the use of cogeneration facilities, acid gas injection, carbon capture and storage, advanced leak detection and methane capture. These technologies, as well as availability and cost to implement, are considered as part of strategic planning and risk management processes.</p>
Legal	Relevant, always included	<p>In the course of its business, AltaGas may be subject to lawsuits and other claims. Costs associated with the resolution of any such lawsuits and claims can be substantial, even with respect to lawsuits and claims that have no merit. Given the inherent uncertainty of the litigation process, resolution of any legal proceeding could have a material adverse effect on the financial position or operating results of the company.</p>
Market	Relevant, always included	<p>AltaGas is exposed to market risks resulting from fluctuations in commodity prices and interest rates, in both North American markets and, with respect to the export business, offshore markets. Increased commodity prices could have a negative impact on customer affordability which, in turn, may reduce demand for products. In these markets, commodity supply and demand are affected by a number of factors including, without limitation: costs of inflation, the amount of the commodity available to specific market areas either from the wellhead or from storage facilities, demand for product, changing customer preferences and behaviors, prevailing weather patterns, the US, 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 the company's business, financial condition or cash flow.</p> <p>AltaGas' diversification across business lines, commodities and markets along with its risk management, hedging and contracting policies assists with mitigating and managing these risks. AltaGas' growth plans and investments utilize market fundamental data and forecasts to estimate supply and demand of its products, including customer growth, changes in preferences, consumption patterns and potential impacts to commodity prices.</p> <p>This list is not exhaustive for this category. Additional risk factors are listed in AltaGas' Annual Information Form for the year ended 2022, which can be found on our website at: <a href="https://www.altagas.ca/invest/financials">https://www.altagas.ca/invest/financials</a></p>
Reputation	Relevant, always included	<p>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 in which it operates and directly affects its ability to do business, both today and in the future.</p> <p>AltaGas engages in proactive stakeholder engagement and communication, and builds strong working relationships with all of our stakeholders including Indigenous peoples, customers, producers, local governments and regulators. AltaGas operates in many diverse jurisdictions and recognizes that each community has unique needs. The company works to ensure mutually beneficial solutions to generate long-term value for its stakeholders.</p>
Acute physical	Relevant, always included	<p>Climate-related physical risks to AltaGas' people, the environment and assets are assessed on an ongoing basis. 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, operations or supply chain.</p> <p>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 and design of new projects. AltaGas also adjusts or implements operating procedures to account for potential impacts.</p> <p>As an example, AltaGas has operations that are located in areas that have historically been exposed to the risk of forest fire. As such, the company has engineering and loss control programs and monitors conditions to support readiness and response to potential impacts on 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.</p>
Chronic physical	Relevant, always included	<p>Chronic climate-related physical risks arise from progressive shifts in climate patterns over the longer-term, such as increasing temperatures, sea level rise and changes in precipitation that may adversely impact AltaGas' assets, operations or supply chain or lower aggregate customer demand from affected markets. Such risks are factored into capital investment, project design, supply chain planning such as shipping distances and routes, and emergency response planning.</p> <p>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. 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.</p>

**(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**

**(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, 2022 – approximately 90% of AltaGas' Scope 1 emissions are covered under a regulatory program that requires emission reporting and 100% of AltaGas' Midstream and Power 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 (CO<sub>2</sub>e) per year.

As of December 31, 2022, 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 \$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)**

7900000

**Potential financial impact figure – maximum (currency)**

26800000

**Explanation of financial impact figure**

Increased regulation and carbon pricing is expected to be one of the methods 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 will not 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 \$26,800,000 in our Midstream segment, annually, based on the ceiling price of \$170 tCO<sub>2</sub>e. To arrive at estimated minimum annual financial impact AltaGas used actual carbon tax paid on fuel consumed at the carbon tax pricing during 2022 of \$50 per tonne of CO<sub>2</sub>e 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 2022. The financial impact estimate does not include industrial emissions and does not 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, both independently as well as through 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 operations. Managing the direct carbon tax risk is an integral part of management and as such, 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**

AltaGas has one Power asset located in California, which is regulated under the State Cap and Trade program. This program includes a mandatory reporting obligation which requires AltaGas to conduct an annual true-up, pursuant to the requirement for regulated facilities to surrender and retire carbon allowances/credits equal to the emission output from such assets. Carbon allowances are acquired by AltaGas through various state-run carbon auctions, secondary carbon markets and/or from our partners as defined by our Power Purchase Agreements. The emissions cap continues to decline annually in California, which in turn supports 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)**

17000000

**Potential financial impact figure – maximum (currency)**

25400000

**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 (2020 – 2022), the emissions totalled 2,306,333 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 2020 to 2022. The financial impact estimate does not 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 company is aware of any market changes, including external factors, that could potentially impact compliance unit pricing. The company hires third-party experts to complete quarterly emission reports which are used to forecast carbon liability at our power facility. The forecasts are then used to determine carbon credit procurement requirements. Managing this risk is an integral part of management and as such, 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 exposed to market risks resulting from fluctuations in commodity prices, in both Canada and the United States and, with respect to the export business, offshore markets. Increased commodity prices could have a negative impact on customer affordability which, in turn, may reduce demand for products. In these markets, commodity supply and demand are affected by a number of factors including, without limitation: costs of inflation, the amount of the commodity available to specific market areas either from the wellhead or from storage facilities, demand for product, changing customer preferences and behaviors, prevailing weather patterns, the US, Canadian and Asian economies, the occurrence of natural disasters, and pipeline restrictions. Higher natural gas prices result in increased direct costs for AltaGas' Utilities, 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 could result in customers switching to alternative energy sources if other available sources and end use appliances are more affordable at such time. The fluctuations in commodity prices are beyond AltaGas' control and, accordingly, have the potential to directly impact AltaGas' business, financial condition or cash flow.

**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 and markets, as well as risk management activities including hedging and contracting policies, assists in mitigating and managing these market risks. The company's growth plans and investments incorporate 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 the potential cost to respond, as fluctuations in supply and demand and commodity prices are continuously 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 or restrict natural gas usage. These regulations could result in reductions in production or 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**

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 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 or fuel switching have the potential to reduce customer demand. This could negatively impact AltaGas' results and 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 lower carbon-intensive energy sources in Asia is a driving force behind AltaGas' Midstream business. The strategy remains centered around being an industry-leading export partner for customers by providing access to premier global LPG markets. In addition to providing more attractive pricing for Midstream customers, AltaGas is facilitating the delivery of diversified, lower carbon-intensive fuels for downstream customers in Asia.

In 2022, AltaGas advanced its global export strategy by increasing its stake in Petrogas Energy Corp. (Petrogas), an LPG export business, to 100% ownership. Through its ownership of Petrogas, AltaGas has operational control of the Ferndale LPG export terminal in Washington State. Through the Ridley Island Propane Export Terminal (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 its export capabilities by increasing and optimizing throughput at existing facilities, and pursuing expansion opportunities in the future.

Building AltaGas' export capability drives growth across the integrated Midstream value chain and creates value for the company, its customers, as well as local communities and Indigenous partners. AltaGas plans to continue to explore ways to diversity 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 on the west coast in northern British Columbia (BC) 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' 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 grow this strategic opportunity over the medium-term time horizon, it is too premature to estimate the potential financial impact at this time.

#### 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. As such, 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

AltaGas' existing Utilities investment plan includes 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 in pipeline replacement as listed by jurisdiction below:

Washington Gas:

- District of Columbia: approximately US\$150 million over the period from 2021 to 2023;
- Maryland: approximately US\$350 million over a five-year period from 2019 to 2023;
- Virginia: approximately US\$878 million over the five year period from 2023 to 2027;

SEMCO:

- Accelerated main replacement programs and infrastructure reliability program in Michigan, with an estimated investment of US\$115 million from 2021 to 2025.

#### 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)

67000000

#### 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 Accelerated Replacement Program (ARP) spending that remained at the end of 2022. These figures are calculated on the basis of the currently approved and remaining ARP programs as of 2022 year-end. With that said, AltaGas believes that ARP programs are important given the long-term 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 2022 annual average exchange rate of USD/CAD \$1.3012 and is an annual after-tax net income figure that would be a recurring benefit.

#### Cost to realize opportunity

1400000000

#### Strategy to realize opportunity and explanation of cost calculation

AltaGas is 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, and reducing the potential for methane emissions. 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\$1.1B from 2023 through 2027 on pipe replacement programs.

The cost to realize the opportunity was 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 implemented programs which 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 \$100 million from 2019 to 2021 and served over 340,000 customers, resulting in 2.7 million dekatherms of energy saved.

**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)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

7500000

**Potential financial impact figure – maximum (currency)**

9900000

**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**

With the continued movement toward a lower carbon ecosystem, AltaGas believes natural gas will play a critical part as the transition fuel of the future. AltaGas' Utilities distribution network is comprised of critical infrastructure that enables the delivery of natural gas today and provides a foundation to support the development, production and delivery of less carbon intensive solutions in the years ahead including renewable natural gas and hydrogen. Collaboration between policy makers, regulators and customers will be critical 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**

Given 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 a financial impact figure at this time.

**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 climate transition plan that aligns with a 1.5°C world?**

**Row 1**

**Climate transition plan**

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

**Publicly available climate transition plan**

<Not Applicable>

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

<Not Applicable>

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

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

<Not Applicable>

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

AltaGas' climate strategy is focused on reducing GHG emissions within our areas of operation while positioning our businesses to participate in future global emissions reduction and decarbonization initiatives. The starting position for our strategy focused on our core businesses and material sources of emissions from which we developed medium-term climate goals. These goals, which strike a balance between achievement-focus and aspiration, have allowed us to track and demonstrate progress from immediate actions taken to date. They factor in growth opportunities for our diverse business, while recognizing that local directives on lower carbon pathways may differ. With a geographically diverse platform, combined with a diversified business mix, custom, situation-based approaches are more suitable than a "one size fits all" approach. Taking this custom approach allows us to build upon our ambition as we gain further clarity into legislative policy, our regulators' approach and customer preferences.

AltaGas' 2022 ESG Update provided details of the progress on AltaGas' climate goals. Below is an overview of the goals as well as the progress achieved as at December 31, 2021:

- Reduce Scope 1 and 2 GHG emissions intensity by 40% in our Midstream business by 2030 (10% reduction achieved as at December 31, 2021)
- Reduce Scope 1 GHG emissions for the Harmattan Complex by 15% by 2026 (7% reduction achieved as at December 31, 2021)
- Reduce Washington Gas' Scope 1 and 2 GHG emissions by at least 30% by 2030 (18% reduction achieved as at December 31, 2021)
- Deliver at least 10% of fuel from lower carbon sources through the distribution system at Washington Gas by 2030.

Looking ahead, we continue to focus on aligning with the Task Force on Climate-Related Financial Disclosure (TCFD) and plan to complete climate scenario analysis which we'll use to build upon our goals. The analysis will help us integrate climate-related risks and opportunities into our business strategy, and test the resiliency of our businesses.

**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 within the next two years.)	<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 Climate Business Plan for Washington, DC designed to reduce GHG emissions throughout the natural gas value chain within its operations in DC. The plan covered all aspects of the value chain from end use to distribution and sourcing to support the District's climate goals of achieving a 50 percent reduction in GHG emissions by 2032 and carbon neutrality by 2050 compared with GHG emissions in base year 2006. As part of the development of the 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.</p> <p>In December 2021, Washington Gas issued a Climate Change Action Program report outlining the 5-year actions it is planning to undertake to reduce GHG emissions. Subsequently, in January 2022, Washington Gas issued a 30-year Climate Change Action Roadmap detailing its planning around four main program areas, including i) End Use and Efficiency, ii) Infrastructure and Operations, iii) Sourcing and Supply, and iv) Transportation. The company is committed to meeting the needs of its customers and supporting the policies and goals of the District.</p> <p>Washington Gas serves approximately 165,000 customers in the District of Columbia. The results of the scenario analysis have informed Washington Gas' business objectives and strategy.</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 is a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. Our business strategy continues to be shaped by global needs for energy security, demand for reliable and affordable energy, and the global movement toward a lower-carbon economy. With increasing demand for clean energy, natural gas and national gas liquids (NGLs) such as propane and butane continue to play a critical role. Natural gas is abundant and serves as a foundational fuel that is reliable, affordable and safe.</p> <p>A key driver of our Midstream strategy is to meet the growing demand in Asia for responsibly-produced Canadian energy. We believe LPGs will continue to be a long-term, reliable source of energy security for end uses such as heating and transportation. We also continue to position our business to export the emerging fuels of the future. As we pursue GHG emission reduction strategies, we continue to evaluate, on both sides of the border, alignment with government policy and incentives. An example is the prospective Rolling Hills carbon sequestration hub, which was selected by the Government of Alberta through a competitive request for project proposal (RFPP) process. The proposed Rolling Hills Hub would be an open-access hub, strategically located near AltaGas' Harmattan plant in proximity to oil and gas production, and has the potential to reduce carbon emissions in Alberta.</p> <p>In our Utilities business, we continue to look for opportunities to deliver less carbon-intensive products to our customers including certified gas, RNG and hydrogen over the longer-term. In December 2022, Washington Gas agreed to purchase certified gas through the 2022-2023 winter heating season. Certified gas is produced using processes and standards that exceed standard practices, resulting in reduced environmental impact including lower GHG emissions that are certified by third parties.</p> <p>In addition, through our energy efficiency programs, our Utilities have helped customers manage energy use and reduce their carbon footprint. Our Utilities invested \$100 million in energy efficiency programs from 2019 to 2021, resulting in energy savings across 342,000 households.</p> <p>AltaGas considers the time horizon of these opportunities to be ongoing and longer term in nature.</p>
Supply chain and/or value chain	Yes	<p>Climate-related changes could have a negative impact on demand for AltaGas' services across the value chain and we are actively working to mitigate these potential risks. We recognize the importance of empowering customers to manage their energy use without compromising on affordability. At our Utilities, we are expanding our offerings and working to enhance our value chain by providing less carbon intensive solutions to customers through the introduction of certified gas and RNG into our gas supply, and potentially hydrogen in the future.</p> <p>Exports from our west coast terminals provide a 60% reduction in shipping times for LPGs to Asia compared to shipments originating from the US Gulf Coast. Shorter shipping distances improve reliability of delivery and result in less emissions from transport relative to shipments from the US Gulf Coast. AltaGas ships exclusively with Very Large Gas Carriers (VLGCs) which are the most efficient, safest and lowest carbon option among transportation vessels. AltaGas will be deploying two new time-chartered dual-fuel VLGCs in late 2023 and early 2024. These new leased VLGCs are 15% more fuel efficient, carry 8% larger loads and are the most economic and environmentally-friendly mode of transportation as a result of their large capacity and dual-fuel capability allowing them to run on LPGs.</p> <p>Specific to climate-related extreme weather events, a variety of strategies are employed across the enterprise 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.</p> <p>AltaGas considers the time horizon of these risks to be ongoing and longer term in nature.</p>
Investment in R&D	Yes	<p>AltaGas' climate strategy is focused on reducing GHG emissions within our areas of operation while positioning to participate in future global emissions reduction and decarbonization initiatives. Driven by our mission to provide safe, reliable, and affordable energy, our focus remains on meeting the energy needs of our customers.</p> <p>Looking ahead, the energy evolution continues to shape our business strategy. Climate-related risks and opportunities have been factored into our investments in R&amp;D in both our Midstream and Utilities businesses.</p> <p>Examples in Utilities include:</p> <ul style="list-style-type: none"> <li>• Offering energy efficiency programs to reduce customer usage and introduce emerging technologies</li> <li>• Applying innovative technology solutions to venting practices to capture emissions and reinject into the gas stream</li> <li>• Methane capture technology such as Washington Gas' drawdown compressors used to capture methane in small spaces</li> <li>• Advanced leak detection technologies which explore new ways to identify methane emissions and approach to leak repair activities.</li> </ul> <p>Examples in Midstream include:</p> <ul style="list-style-type: none"> <li>• Investing in technology including acid gas injection and evaluating a prospective carbon capture and storage project at our Harmattan Complex, our largest emitting facility within Midstream</li> <li>• Enhancing new project design with energy efficiency options to decrease energy consumption, such as ethane and waste heat capture for reuse and investing in lower carbon alternatives such as electric compression</li> </ul> <p>AltaGas considers the time horizon of these opportunities to be medium to longer term.</p>
Operations	Yes	<p>Core to our business and ESG strategies is an unwavering commitment to operational excellence. 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>Examples in our Utilities business include:</p> <ul style="list-style-type: none"> <li>• Modernizing infrastructure through pipe replacement programs, enhancing safety and reliability of energy delivery, reducing the potential for leaks and preparing our infrastructure for delivery of emerging alternative fuels</li> <li>• On December 1, 2021, Washington Gas filed its proposed amendment for the 2023 to 2027 SAVE program, proposing to invest approximately US\$889 million from 2023 to 2027 to replace higher risk pipeline and facilities in Virginia. On May 26, 2022, the SCC of VA approved the proposed amendment with a total five-year spending cap of approximately US\$878 million</li> </ul> <p>Examples in our Midstream business include:</p> <ul style="list-style-type: none"> <li>• Increasing and optimizing utilization of our existing assets by implementing operational improvements including waste heat recovery, retrofitting engines, boilers and heaters</li> </ul> <p>AltaGas considers the time horizon of these 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 Acquisitions and divestments	<p>The direct or indirect costs and obligations imposed on AltaGas and its customers to comply with regulations, including carbon pricing regimes, may have a material adverse effect on AltaGas' business, financial condition or results of operations. AltaGas' business could also be indirectly impacted by laws and regulations that affect its customers or suppliers to the extent such changes reduce the amount of natural gas used by customers or limit the operations of 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.</p> <p>In our Utilities business, these risks are considered as part of our strategic planning and capital allocation processes. As part of these planning processes, AltaGas 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>AltaGas makes capital investments to enhance the resiliency of our assets, which includes the modernization of our pipeline networks through repair and replacement. Within our Utilities business, we invest in pipe replacement and related activities to improve the distribution network. To ensure the continued safety and integrity of our assets, our programs are often shaped by the regulated nature of our operations. We have accelerated pipe replacement programs in Virginia, Maryland, DC and Michigan. These programs prioritize infrastructure enhancements, reducing the potential for leaks, enhancing system safety and reliability and enabling cost recovery on a timely basis.</p> <p>In our Midstream business, the impacts of climate change regulations are similarly incorporated in our strategic planning and capital allocation processes. Carbon pricing is factored into capital expenditure decisions as well as our outlook assumptions for supply and demand. Climate-related regulatory compliance, including the cost of carbon, is factored into direct cost assumptions for our Midstream business.</p> <p>These climate risks and opportunities are expected to have impacts on a longer-term time horizon.</p>

**C3.5**

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, and we do not plan to in the next two years	<Not Applicable>

**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

**Is this a science-based target?**

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

**Target ambition**

<Not Applicable>

**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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total 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]**

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

324102

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

0

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total 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)**

324102

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

**Target status in reporting year**

Underway

**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 opportunities 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 including this Washington Gas target to reduce Scope 1 and 2 emissions by 30% by 2030 relative to the 2008 baseline year. There are numerous initiatives in progress that are part of our overall plan to achieve our emissions targets.

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 through energy efficiency programs,
- Pursuing opportunities to deliver less carbon-intensive products to our customers including certified gas, RNG and hydrogen over the longer-term,
- 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.

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

<Not Applicable>

---

**Target reference number**

Abs 2

**Is this a science-based target?**

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

**Target ambition**

<Not Applicable>

**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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

<Not Applicable>



**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total 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]**

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

369541

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

<Not Applicable>

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total 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)**

369541

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

**Target status in reporting year**

Underway

**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 including this target to reduce absolute Scope 1 emissions by 15% by 2026 relative to the 2019 baseline year. AltaGas has numerous initiatives in progress that are part of our overall plan to achieve our emissions targets.

In our Midstream business, initiatives include :

- Investing in technology such as acid gas injection and evaluating a potential carbon capture and storage development project 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.

**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

**Is this a science-based target?**

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

**Target ambition**

<Not Applicable>

**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, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Intensity figure in base year for total 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, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure**

<Not Applicable>

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

**% 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, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Intensity figure in reporting year for total 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

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

**Target status in reporting year**

Underway

**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 including this target to reduce Scope 1 and 2 emissions intensity by 40% by 2030 relative to the 2019 baseline year. Our emissions goals represent emissions reductions expected over a 10 year period or longer. AltaGas has numerous initiatives in progress that are part of our overall plan to achieve our emissions targets.

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; approximately 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 (SBTi) is in the process of developing their policy for fossil fuel companies. As a result, SBTi is unable to accept commitments or validate targets for companies in the Oil & Gas or fossil fuels sectors and 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 released.

**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 of AltaGas' targets mentioned above are for total greenhouse gasses, including methane. AltaGas has developed a methane reduction retrofit compliance plan and an aggressive fugitive emissions management plan in its Midstream business. 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 complete regularly scheduled leak surveys using sensitive and calibrated gas-detecting equipment to identify and address leak indications to ensure safe and reliable service. We also collect and analyze operating data to better direct maintenance and pipe replacement activities.

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	1757
Implemented*	1	9749
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

Fugitive emissions reductions	Oil/natural gas methane leak capture/prevention
-------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

9749

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)

487429

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

185000

Payback period

<1 year

Estimated lifetime of the initiative

21-30 years

Comment

In our Midstream division, continuous improvements have assisted in our facilities achieving their emissions reduction targets. Focused efforts to reduce fugitive emissions at our sites helped AltaGas to achieve its estimated annual CO2e savings. The cost is estimated at \$185,000 for 2022, which represents monitoring costs associated with our Fugitive monitoring programs incurred at our plants. 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	AltaGas' commitment to environmental stewardship includes complying with or, where possible, exceeding applicable laws, regulation and industry standards.
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	Employees within our operations are involved in setting goals, measuring progress and identifying 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 addition, the weighting for emerging energy ecosystems focused on GHG emission reduction and decarbonization strategies was set at 15% for 2022. As a result, ESG objectives comprise 30% 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.

**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.**

The company continues to deploy programs and strategies in both the Utilities and Midstream businesses to combat fugitive methane emissions.

In our Utilities business, our accelerated pipeline replacement programs replace aging infrastructure which enhances safety and reliability of energy delivery, reduces the potential for methane emissions and prepares our infrastructure for delivery of emerging fuels. We also continue to look for ways to innovate with respect to methane capture technology. As an example, Washington Gas has miniature drawdown compressors with the capability to capture methane.

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 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 complete regularly scheduled leak surveys using sensitive and calibrated gas-detecting equipment to identify and address leak indications to ensure safe and reliable service. We also collect and analyze operating data to better direct maintenance and pipe replacement activities.

**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.**

Flaring accounts for approximately 5% of our Midstream business's Scope 1 emissions. AltaGas follows regulatory targets that are between 0.2 to 0.5% of throughput at individual facilities across Midstream. 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?**

No

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

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

**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>

**C5.2**



---

**(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**

This figure reflects Scope 3 emissions from AltaGas' Utilities. AltaGas will be completing a more comprehensive evaluation of the company's "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)**

1904084

**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**

106876

**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, Scope 2 or Scope 3 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**

Scope 3 emissions associated with purchased goods and services will be evaluated as part of our enterprise-wide Scope 3 emissions evaluation.

**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**

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 emissions associated with upstream transportation and distribution will be evaluated as part of our enterprise-wide Scope 3 emissions evaluation.

## 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 our Midstream 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

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

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 are being evaluated as part of our enterprise-wide Scope 3 emissions evaluation.

## 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 for flexible work arrangements, 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

Outbound transportation and distribution services that are purchased by the reporting company are excluded from the Downstream transportation and distribution category. All emissions would be captured in upstream transportation.

## 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

In our Utilities, the primary product is gas that is used as an end product; as such, 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)

14224459

### 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 as it is defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**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**

**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**

**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**

0.00014

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

2010961

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

14087000000

**Scope 2 figure used**

Location-based

**% change from previous year**

34

**Direction of change**

Decreased

**Reason(s) for change**

Change in output

Change in revenue

**Please explain**

Scope 1 and 2 emissions decreased, and gross revenue increased in 2022 compared to 2021.

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	1475826	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	407549	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	20709	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)**

659617

**Gross Scope 1 methane emissions (metric tons CH4)**

1211

**Total gross Scope 1 emissions (metric tons CO2e)**

710211

**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)**

27

**Gross Scope 1 methane emissions (metric tons CH4)**

542

**Total gross Scope 1 emissions (metric tons CO2e)**

13583

**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)**

47938

**Gross Scope 1 methane emissions (metric tons CH4)**

486

**Total gross Scope 1 emissions (metric tons CO2e)**

60082

**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)**

37753

**Gross Scope 1 methane emissions (metric tons CH4)**

78

**Total gross Scope 1 emissions (metric tons CO2e)**

39708

**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 flaring for this question.

---

## C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
Canada	829134
United States of America	1074951

## 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	844363
AltaGas - Power	656151
AltaGas - Utilities	403571

## 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>	
Oil and gas production activities (midstream)		<Not Applicable>	
Oil and gas production activities (downstream)		<Not Applicable>	
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/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada <i>Approximately 90% of BC Hydro's generation is produced by hydroelectric generation, which is generally the most cost-effective, clean and reliable option.</i>	94383	
United States of America <i>WGL purchased Renewable Energy Certificates (RECs) to cover the full amount of purchased electricity (11,056 MWh). Certificates for these purchases were not available prior to CDP disclosure deadline.</i>	12493	

## 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	98940	
AltaGas - Power	2037	
AltaGas - Utilities	5900	

**C7.7**

**(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

No

**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)			
Oil and gas production activities (midstream)			
Oil and gas production activities (downstream)			
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?**

Decreased

**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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	3621	Decreased	0.2	In 2022, 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 decreased by approximately 3621 metric tons CO2e as a result of the activities outlined above. Scope 1 and Scope 2 emissions in 2021 were 2279473. As such, the percent change is calculated as follows: $3621/2279473*100=0.2\%$
Other emissions reduction activities	9749	Decreased	0.4	In 2022, our other emission reduction initiatives primarily included reductions in fugitive and venting emissions across our Midstream business due to active fugitive emissions management programs. Combined Scope 1 and Scope 2 emissions from 2021 were 2279473 tCO2e. As such, the percent change is calculated as follows: $9749/2279473*100=0.4\%$
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	255142	Decreased	11.2	Across AltaGas' business units there were relative changes in output. The changes can mostly be attributed to decreased output from AltaGas' power plant in California. The 507 MW, combined cycle Blythe Energy Center, a natural gas-fired power generation facility in southern 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. 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 2022, Blythe was called upon less by SCE to generate power relative to the previous year. Combined Scope 1 and Scope 2 emissions from 2021 were 2279473 tCO2e. As such, the percent change is calculated as follows: $255142/2279473*100=11.2\%$ .
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	3254338	3254338
Consumption of purchased or acquired electricity	<Not Applicable>	31583	175315	206898
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>	31583	3429653	3461236

**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**

**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**

**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**

**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**

**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**

**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**

769487

**MWh fuel consumed for self-generation of electricity**

150104

**MWh fuel consumed for self-generation of heat**

**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**

619383

**Comment**

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

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

2484851

**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**  
3254338

**MWh fuel consumed for self-generation of electricity**  
150104

**MWh fuel consumed for self-generation of heat**

**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**  
619383

**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	2011822	301202	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2g**

**(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.**

**Country/area**  
Canada

**Consumption of purchased electricity (MWh)**  
167832

**Consumption of self-generated electricity (MWh)**  
202321

**Is this electricity consumption excluded from your RE100 commitment?**  
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**  
0

**Consumption of self-generated heat, steam, and cooling (MWh)**  
0

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

**Country/area**  
United States of America

**Consumption of purchased electricity (MWh)**  
39066

**Consumption of self-generated electricity (MWh)**  
98881

**Is this electricity consumption excluded from your RE100 commitment?**  
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**  
0

**Consumption of self-generated heat, steam, and cooling (MWh)**  
0

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

**C9. Additional metrics**



C9.1

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

C-OG9.5a/C-CO9.5a

(C-OG9.5a/C-CO9.5a) Break down, by fossil fuel expansion activity, your organization’s CAPEX in the reporting year and CAPEX planned over the next 5 years.

	CAPEX in the reporting year for this expansion activity (unit currency as selected in C0.4)	CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year	CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years	Explain your CAPEX calculations, including any assumptions
Exploration of new oil fields				
Exploration of new natural gas fields				
Expansion of existing oil fields				
Expansion of existing natural gas fields				
Development of new coal mines	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Expansion of existing coal mines	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

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- CDP Verification Statement Limited RY2022 06022023.pdf

**Page/ section reference**

Pages 1-2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

17

---

**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-2022-V1.pdf

**Page/ section reference**

Pages 1-13

**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**

INTERNAL-Alt-SFO-Bri-2022-V1.pdf

**Page/ section reference**

Pages 1-13

**Relevant standard**

ISO14064-3

---

**Proportion of reported emissions verified (%)**

2

---

**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**

TIER Agg Verification Statement.pdf

**Page/ section reference**

Page 1

**Relevant standard**

Alberta Technology Innovation and Emissions Reduction (TIER)

---

**Proportion of reported emissions verified (%)**

2

---

**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**

Verification Report\_AltaGas Ltd.\_Harmattan Gas Plant 78.pdf

**Page/ section reference**

Page 1

**Relevant standard**

Alberta Technology Innovation and Emissions Reduction (TIER)

---

**Proportion of reported emissions verified (%)**

19

---

**Verification or assurance cycle in place**

---

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Please select

**Attach the statement**

Verification Report\_AltaGas LttaGas Ltd. Gordondale Facility 67.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**

Verification+Statement+Blythe+EY+2022+signed+.pdf

**Page/ section reference**

Pages 1 and 2

**Relevant standard**

California Mandatory GHG Reporting Regulations (CARB)

**Proportion of reported emissions verified (%)**

34

---

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- CDP Verification Statement Limited RY2022 06022023.pdf

**Page/ section reference**

Pages 1-2

**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**

Verification Report\_AltaGas LttaGas Ltd. Gordondale Facility 67.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**

Verification Report\_AltaGas Ltd.\_Harmattan Gas Plant 78.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, we are waiting for more mature verification standards and/or processes

## 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**

27

**% of Scope 2 emissions covered by the ETS**

1

**Period start date**

January 1 2022

**Period end date**

December 31 2022

**Allowances allocated**

0

**Allowances purchased**

6760

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

514138

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

732

**Details of ownership**

Facilities we own and operate

**Comment**

#### California CaT - ETS

**% of Scope 1 emissions covered by the ETS**

34

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2022

**Period end date**

December 31 2022

**Allowances allocated**

0

**Allowances purchased**

34000

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

656108

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

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 2022

**Period end date**

December 31 2022

**% of total Scope 1 emissions covered by tax**

14

**Total cost of tax paid**

8619300

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

**C11.2**

---

**(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?**

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.**

**Type of internal carbon price**

Shadow price

**How the price is determined**

Alignment with the price of allowances under an Emissions Trading Scheme

Alignment with the price of a carbon tax

**Objective(s) for implementing this internal carbon price**

Change internal behavior

Drive energy efficiency

Drive low-carbon investment

Identify and seize low-carbon opportunities

Navigate GHG regulations

Stakeholder expectations

**Scope(s) covered**

Scope 1

Scope 2

Scope 3 (downstream)

**Pricing approach used – spatial variance**

Differentiated

**Pricing approach used – temporal variance**

Evolutionary

**Indicate how you expect the price to change over time**

Different carbon prices are used over time and across geographies. Where carbon prices are uncertain, we employ scenarios that consider varying carbon prices.

Scenarios have included the California Cap and Trade program, the British Columbia increasing carbon tax, Alberta's increasing carbon prices, and the Canadian federal fuel charge (\$50 per tonne in 2022, rising to \$65 in 2023 and reaching \$170 by 2030). This pricing increase is considered and incorporated by AltaGas with respect to our Midstream business and Blythe facility. AltaGas' carbon credit pricing in the offset and California Cap and Trade markets are subject to confidentiality.

**Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)**

65

**Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)**

170

**Business decision-making processes this internal carbon price is applied to**

Capital expenditure

Operations

Risk management

Opportunity management

**Mandatory enforcement of this internal carbon price within these business decision-making processes**

No

**Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan**

AltaGas' Commercial team, in consultation with our Environmental and Regulatory staff, determine the relevant carbon price on a project-by-project basis. Carbon compliance pricing is internalized (ie. included as a line item in the budget) in the economics as part of the investment decision-making process.

---

## 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**

27

**% 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**

Within our Utilities business, most carbon emissions arise from customer usage, so it's vital that we engage with our customers to use energy more efficiently. Core to achieving this is to provide practical energy efficiency solutions to our customers. Increasing energy efficiency is the first step to reducing energy waste.

Our Utilities businesses offer energy efficiency programs to help deliver innovative solutions to help our customers become more energy efficient. This includes helping customers understand their energy use, providing tips on how to and supporting innovation to increase energy efficiency. The goal of these programs is to reduce energy waste, and reduce costs for customers. Through our Utilities, AltaGas offers a broad array of efficiency programs, including programs that promote high-efficiency gas equipment to residential, commercial, and industrial customers (eg. high efficiency gas furnaces, food service equipment), no-cost energy conservation kits, online home energy assessments, home energy reports as well as whole-home weatherization and equipment replacements for income-qualified customers. The performance of these programs is predicated on customers being aware of the program offerings, understanding their value, and being called to action to participate. Accordingly, marketing and outreach efforts are critical to promote awareness. Each Utility 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
- Paid search advertisements (eg. Google)
- Social media postings and advertisements (eg. Facebook, LinkedIn, etc.)
- Program brochures / one-pagers
- Customer spotlights
- Sector-specific sell sheets / cut sheets

**Impact of engagement, including measures of success**

The success of these programs is evaluated by the costs to administer the programs and the energy usage saved. From 2019 to 2021, AltaGas' invested \$100 million across all of our Utilities energy efficiency programs, resulting in 2.7 million dekatherms of energy saved. AltaGas plans to continue to use and expand our energy efficiency programs, which enhances our product offerings and provides 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 multiple ways to ensure the interests and concerns of our customers and stakeholders are always taken into consideration. AltaGas is engaging with partners upstream to provide lower carbon-intensive solutions for our customers.

In our Midstream business, AltaGas has partnered with Whitecap Resources, an upstream oil and gas producer, on the prospective Rolling Hills carbon sequestration hub development project which was selected by the Government of Alberta through a competitive request for project proposal (RFPP) process. The proposed Rolling Hills Hub would be an open-access hub, strategically located near AltaGas' Harmattan plant in proximity to oil and gas production, and has the potential to reduce carbon emissions in Alberta.

In our Utilities business, Washington Gas successfully sourced certified gas from upstream value chain partners and introduced certified gas into its delivery system. Certified gas is produced using processes and standards that exceed standard practices, resulting in reduced environmental impact including lower GHG emissions that are certified by third parties. In 2022, Washington Gas also successfully completed construction of the interconnection into its system to receive RNG from the Piscataway Bioenergy facility. The facility will transform biosolids into RNG which will be used by the Washington Suburban Sanitary Commission (WSSC) to run its operations, with overflow supply being made available to Washington Gas. The company continues to pursue additional RNG investments through interconnection opportunities with other local RNG sources including landfills and waste water treatment facilities.

Energy efficiency is also an important aspect of our climate-related 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 offer customer-based solutions through energy assessments for recommendations to improve home energy efficiency. As an example, 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 (which includes home energy assessments and 50% rebates for energy improvements like insulation and air sealing), commercial lighting rebates, and energy efficiency services for industrial facilities.

**C12.2**

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

No, and we do not 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

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**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 external engagement activities are consistent with your climate commitments and/or climate transition plan**

AltaGas has policies and procedures in place to manage the 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 provides a comprehensive matrix of procedural and financial authority for the day to day administration and management of the company in line with our core values.

Our core values promote the highest level of personal conduct and ethical standards, and are the framework for how business is conducted. Any activities that involve the release of material public disclosures are governed by AltaGas' disclosure policy, which 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 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, which align with our strategic objectives, are developed by multi-disciplinary teams across the enterprise including Communications, Investor Relations, and subject matter experts.

AltaGas also has a standalone Anti-Bribery and Anti-Corruption Policy, which further details the company's commitment to conduct business in an honest and ethical manner. The policy sets guidelines for engagement activities including conducting business involving government officials as well as lobbying undertaken by the company to ensure they are carried out with honesty and integrity and in compliance with all applicable laws, including registration in each Canadian jurisdiction where required in accordance with applicable ethics laws.

**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?**

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

Regarding our Canadian operations, AltaGas has engaged with the Canadian Federal Government on various climate-related policies that may impact our business in circumstances where industry input has been requested, including the Oil and Gas Emissions Cap, Carbon Border Adjustments, Output Based Pricing System and the Federal Hydrogen Export Strategy.

In Alberta, AltaGas engaged with the provincial government on the Carbon Capture and Sequestration Hub competitive bid process and the hydrogen export strategy.

AltaGas engaged with the British Columbia provincial government on their CleanBC Roadmap to 2030, which included the province's new industrial carbon pricing system, participated in an ESG roundtable, and engaged on carbon capture and storage, the provincial royalty review, and hydrogen exports.

**Category of policy, law, or regulation that may impact the climate**

Low-carbon products and services

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

Low-carbon innovation and R&D

**Policy, law, or regulation geographic coverage**

Regional

**Country/area/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 Federal, Alberta and BC 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**

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

<Not Applicable>

## C12.3b

---

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

**Trade association**

American Gas Association

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

The American Gas Association (AGA) represents over 200 companies that deliver natural gas safely, reliably, and in an environmentally responsible way to improve quality of life for approximately 180 million customers across the US. 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 the AGA, AltaGas' subsidiaries Washington Gas and SEMCO participate, when appropriate, on various committees. We share industry insight and data where appropriate to help inform the AGA's 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 (currency as selected in C0.4)**

**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 policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

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 holistic approach to GHG emission reductions in Canada must include low-emission energy options that are available for consumers today. The CPA believes that including propane in policy and programming development, to facilitate transition to a lower carbon-intensity economy and meet Paris Agreement targets, will result in an immediate energy solution to reduce GHG emissions.

The CPA advocates for propane's critical 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 summary report entitled "GHG Emissions Intensity of Canadian Propane" published by the CPA on their website: <https://propane.ca/wp-content/uploads/2022/08/GHG-emissions-intensity-of-Canadian-propane-EN-4-1.pdf>

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

**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 2022.pdf  
 AltaGas-Ltd\_Proxy Circular 2023.pdf  
 ALA\_2022\_ESG\_UPDATE.pdf

**Page/Section reference**

2022 Annual Information Form: pages 5-12, 21-24, 36-40, 41-42, 50-67, 67-70  
 2023 Management Information Circular: pages 22, 23, 28, 29, 30, 33, 38, 41, 42  
 2022 ESG Update: pages 3, 4, 7, 8-10, 17-18

**Content elements**

Governance  
 Strategy  
 Risks & opportunities  
 Emissions figures  
 Emission targets

**Comment**

**C12.5**

**(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues	<Not Applicable>

**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 AltaGas' business and ESG strategies is an unwavering commitment to operational excellence. ESG is ultimately a Board responsibility and, as the stewards of the company, the Board of Directors provide guidance and oversight to ensure the highest ethical standards are maintained in all that we do. Continuing to lead with strong ESG practices will remain a priority as we deepen ESG integration into our programs and management systems.</p> <p>The Board oversees strategy development and evaluates and measures progress towards execution, and short- and long-term risks to meeting strategic objectives. The EHS Committee is responsible for oversight of biodiversity-related matters in addition to climate change related risks and opportunities and other environmental risks and opportunities including air quality, land and water. The Audit Committee is responsible for oversight of the financial impacts related to climate change.</p> <p>The CEO is ultimately responsible for development and execution of strategic plans, with each divisional president responsible for execution within their respective business. AltaGas has also established an Environment, Social and Governance Steering Committee consisting of a cross functional enterprise-wide team led by our Executive Vice President, Chief External Affairs and Sustainability Officer. The Steering Committee is responsible for 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	<p>Adoption of the mitigation hierarchy approach</p> <p>Other, please specify (We are committed to responsible treatment of the land and species impacted by our operations, including managing land use responsibly and abiding by applicable biodiversity, natural resources, and land-use laws, regulations and permit requirements.)</p>	<Not Applicable>

C15.3

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

**Impacts on biodiversity**

Indicate whether your organization undertakes this type of assessment

Please select

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

**Dependencies on biodiversity**

Indicate whether your organization undertakes this type of assessment

Please select

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Please select

C15.5

(C15.5) 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	Please select	<Not Applicable>

C15.6

(C15.6) 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	Please select	Please select

C15.7

(C15.7) 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 mainstream financial reports	Please select	2021 ESG Report: pages 16, 28  Our Approach to Biodiversity & Land Use (published November 22, 2022): ALL  Environmental, Health & Safety (EHS) Policy: ALL ALA_2021_ESG_REPORT.pdf Biodiversity Approach Statement 2022-11-22.pdf EHS Policy_0.pdf

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.

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?**

SC4.1

---

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

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