

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT 2024 REPORT

INTRODUCTION

This report (the “Report”) is being made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c9 (the “Act”) which requires certain entities to disclose enumerated actions such entity is taking to prevent and reduce the risk that forced labour or child labour are used in its supply chain. The purpose of the Act is to implement Canada’s international commitment to contribute to the fight against forced labour and child labour by increasing transparency in supply chains and establishing reporting obligations for certain Canadian businesses.

This Report has been prepared as a joint report in accordance with the Act is being provided by AltaGas Ltd. on behalf of itself and the following Canadian subsidiaries (together, “AltaGas”, the “Company”, the “Reporting Entities”, “we” or “our”):

- AltaGas Extraction and Transmission Limited Partnership
- Enerchem International Inc.
- Harmattan Gas Processing Limited Partnership
- AltaGas Northwest Processing Partnership
- Petrogas Energy Corp.
- Petrogas Energy Services Ltd.
- Ridley Island LPG Export Limited Partnership

This Report provides an overview of AltaGas’ approach to prevent and reduce the risk of forced labour and child labour at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company for the financial year ending December 31, 2024 and was approved by the board of directors of AltaGas (the “**Board of Directors**”) on March 6, 2025. The Reporting Entities are opposed to all forms of forced labour and child labour and are required to follow the principles and policies to protect against forced labour and child labour in their supply chains that have been adopted by AltaGas, as further described herein.

ALTAGAS’ STRUCTURE, BUSINESS AND SUPPLY CHAINS

AltaGas’ Structure and Business

AltaGas Ltd. is a Canadian corporation amalgamated pursuant to the *Canada Business Corporations Act* with its head office in Calgary, Alberta. The Company’s common shares trade on the Toronto Stock Exchange under the symbol “ALA”. AltaGas is a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth energy infrastructure business that is focused on delivering resilient and durable value for its stakeholders.

AltaGas’ stated mission is to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow. The Company’s five core values of (1) safety; (2) collaboration; (3) integrity; (4) inclusion; and (5) learning (collectively, the “Core Values”) guide our actions, decisions and interactions.

As at December 31, 2024, approximately 2,723 individuals in Canada and the United States were employed by AltaGas. Please refer to AltaGas’ annual information form for the year ended December 31, 2024 for a description of AltaGas’ material subsidiaries (which is available on the Company’s profile on SEDAR+ at www.sedarplus.ca).

AltaGas has three business segments:

- **Utilities** – The Utilities segment owns and operates franchised, cost-of-service, rate-regulated natural gas distribution and storage utilities that are focused on providing safe, reliable, and affordable energy to approximately 1.6 million residential and commercial customers in 2024 with an average rate base of approximately U.S.\$5.4 billion. This includes two utilities that operate across four major U.S. jurisdictions: (1) Washington Gas Light Company, which is the Company’s largest operating utility that serves approximately 1.2 million customers across Maryland, Virginia and the District of Columbia; and (2) SEMCO Energy, Inc., which serves approximately 330,000 customers in Southern Michigan and Michigan’s Upper Peninsula. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services, as well as WGL Energy Services, Inc., an affiliated retail energy marketing business, which sells natural gas and electricity directly to residential, commercial, and industrial customers located in Maryland, Virginia, Delaware, Pennsylvania, Ohio and the District of Columbia;

- **Midstream** – The Midstream segment is a leading North American platform that connects customers and markets to critical forms of energy. From wellhead to tidewater, AltaGas is focused on providing its Midstream customers with safe and reliable service and connectivity across the Midstream value chain that facilitates the best outcomes for their businesses. This includes global market access for North American LPGs, which provides North American producers and aggregators with attractive netbacks for propane and butane while delivering diversity of supply and supporting stronger energy security in Asia to AltaGas' downstream customers. AltaGas also operates a broader set of midstream infrastructure assets across the Western Canadian Sedimentary Basin and select regions in the United States. The three core pillars of the Midstream business include: (1) global exports, which includes AltaGas' two operational liquified petroleum gas export terminals; (2) natural gas gathering, processing and extraction; and (3) fractionation and liquids handling. AltaGas' Midstream segment also includes its natural gas and natural gas liquids marketing business, domestic logistics, trucking and rail terminals, liquids storage capability, and the Company's interest in the Mountain Valley Pipeline. AltaGas' Midstream platform is heavily focused on the Montney and Deep Basin resource plays and centers around global exports; and
- **Corporate/Other** – The Corporate/Other segment consists of AltaGas' corporate activities and a small portfolio of gas-fired power generation and distribution assets capable of generating 508 megawatts of power primarily in California.

AltaGas' Supply Chains

During 2024, AltaGas' supply chain management ("SCM") team managed approximately 1400 active suppliers operating out of more than 6,000 facilities providing goods and services to our operations, all of which were assessed as low risk in the third-party risk assessment discussed below. Our direct and indirect suppliers source materials both locally and globally and provide engineering procurement and construction services, general facilities maintenance and technical support services, transportation services, operations maintenance and support services including safety supplies, security and cleaning, corporate services such as information technology, audit, tax, accounting, recruitment, training, environmental testing, temporary labour, trades services including electrical, civil and mechanical, and goods and equipment.

AltaGas strives to work with suppliers who share our commitment to behaving ethically, promoting, protecting and supporting internationally recognized human rights and complying with all applicable laws, regulations and policies. In most circumstances, AltaGas requires suppliers to be pre-qualified and meet qualification criteria including, but not limited to, technical capabilities, financial strength, quality management systems, environmental plans, safety records and other considerations to ensure that they align with the Company's Core Values and support AltaGas' positive impact in the communities where we operate.

AltaGas maintains a rigorous supplier management program to ensure that qualified, competent and competitive suppliers and contracts are selected to provide goods or services to the Company. Once selected, AltaGas' SCM team manages the commercial relationships with all suppliers that are issued contracts through the Company's supply chain in accordance with AltaGas' policies and procedures. The policies and processes applied by the SCM team operate to develop relationships with suppliers who share AltaGas' commitment to doing business in line with our Core Values.

POLICIES AND DUE DILIGENCE PROCESSES

Policies and Due Diligence Processes to Prevent and Reduce the Risk of Forced Labour and Child Labour in AltaGas' Supply Chains

AltaGas' governance policies and procedures are the framework and foundation that support sound decision making. Internal and external policies ensure AltaGas upholds its Core Values and conducts business in a safe, respectful and ethical manner. Such policies enable us to effectively reduce the risk of forced and child labour issues occurring across our business and supply chains.

AltaGas' directors, officers, employees, suppliers, subcontractors and third-party service providers are bound by our Code of Business Ethics ("**COBE**") and related policies including our Human Rights Policy and Supplier Code of Conduct. AltaGas' directors, officers, employees, suppliers, subcontractors and third-party service providers are required to certify that they have read, understand and will comply with the COBE and related key policies at the time they are engaged by AltaGas.

- **COBE** – Our COBE and related key policies reflect our Core Values and set expectations for how we conduct our business and engage with our stakeholders. Our COBE is designed to ensure that our business activities and operations are conducted in a safe, respectful and ethical manner. Our COBE encourages the reporting of any concerns or potential violations and lays the framework for handling complaints received. AltaGas expects that any person who becomes aware of any activity in violation of these standards report the activity.

- **Human Rights Policy** – Our Human Rights Policy is guided by the International Bill of Human Rights and confirms our commitment to maintaining a corporate culture that respects the principles aimed at promoting, protecting and supporting internationally recognized human rights. AltaGas’ commitment to promoting human rights applies to all persons involved in the Company’s operations including, but not limited to, directors, officers, employees, contractors, consultants and individuals throughout our value chain, and we use our relationships with our contractors, suppliers and other business partners to encourage the advancement of human rights in our sphere of influence. Our Human Rights Policy prohibits the use of all forms of forced labour, modern forms of slavery and any form of human trafficking. We expect our suppliers to respect human rights and align with applicable international and domestic standards, and we endeavour to use suppliers whose corporate values are consistent with ours while providing the right material or service at the right place, at the right time, and for the best value.
- **Supplier Code of Conduct** – Our Supplier Code of Conduct outlines AltaGas’ minimum expectations of AltaGas’ suppliers when working on our behalf and is intended to promote ethical behaviour by all, in all of our business dealings. AltaGas expects our suppliers to embrace our commitment to integrity and conduct their business in compliance with all laws, rules and regulations. Our Supplier Code of Conduct applies to all suppliers of AltaGas regardless of where such suppliers operate. AltaGas is committed to maintaining a workplace and culture of respect, dignity and safety and expects suppliers to comply with AltaGas’ prohibition on the use of all forms of forced labour, modern forms of slavery and any form of human trafficking. Suppliers are also required to take reasonable steps to ensure that products and services procured are from ethical sources and that subcontractors are aware of and comply with the principles of conduct in AltaGas’ Supplier Code of Conduct.

Additionally, our SCM team follows procedures that outline (i) the requirements for acquiring goods and services; and (ii) processes for qualifying suppliers, including suppliers’ compliance with AltaGas’ Supplier Code of Conduct and its prohibition on the use of all forms of forced labour, executing contracts and monitoring supplier performance during the contract term. AltaGas’ suppliers are selected based on the Company’s assessment of various factors including, but not limited to, safety standards, quality management systems, reputation and credibility. Suppliers are also screened for issues of bribery, corruption, money laundering and sanctions. Due diligence processes are periodically refreshed where contracts are extended or subject to amendment.

If AltaGas becomes aware of any evidence or information to suggest that one of our suppliers has failed to observe the standards set forth in our COBE or related policies including our Human Rights Policy and Supplier Code of Conduct, we will investigate and where appropriate, terminate the relationship and report such practices to the responsible national or international authorities. AltaGas maintains a whistleblower hotline that is available to both internal and external parties to report concerns about potential violations of law or policy, including by AltaGas’ suppliers.

ASSESSING AND MANAGING RISKS

AltaGas’ Approach to Assessing and Managing Risk of Forced and Child Labour

AltaGas is committed to assessing its human rights-related risks including forced labour and child labour. AltaGas updates our risk assessment tools on a regular basis to reflect significant changes in circumstances or high-risk categories of suppliers based on factors including, but not limited to, product type, country of origin and the suppliers’ policies and practices with respect to labour and human rights.

In 2024, AltaGas engaged a third-party consultant who specializes in corporate social responsibility assessments including labour and human rights, to conduct an independent risk assessment of AltaGas’ suppliers. The third-party consultant assessed AltaGas’ supply chain as low risk for both forced labour and child labour based on our suppliers’ country-level risk to produce facility-level risk scores. The criteria used in the country-level risk assessment included: (i) a state’s acceptance, intent and commitment to implementing human rights obligations; (ii) a state’s ongoing efforts to transform their human rights commitments to the desired result; and (iii) the actual performance of a state in protecting the concerned human right based on reported violations and infringements by state and non-state actors. AltaGas’ low risk score for each of its suppliers is based on both qualitative and quantitative data points.

Additionally, in certain circumstances, AltaGas mitigated risk exposure with specific vendors by partnering with a local agent to assist us in selecting well-established organizations that have a history of supplying to similar and larger owners in our market segment. The validation processes of selecting these suppliers included having AltaGas personnel visit such suppliers’ facilities pre- and post-award and having inspectors on-site for the full execution of the scope of work.

AltaGas has identified no forced labour or child labour incidents in our supply chain. We will continue to ensure that we understand our suppliers, particularly in regions and industries that are considered higher risk for forced labour and child labour.

REMEDIATION MEASURES

Measures to Remediate Forced Labour or Child Labour and Loss of Income

As noted above, AltaGas has not identified any specific instances of forced labour or child labour in our supply chain. The Company has assessed that vulnerable families have not experienced any loss of income as a result of steps taken to address forced labour or child labour. As such, no remediation activities have been undertaken.

TRAINING

Training for AltaGas' Employees

AltaGas' directors, officers, employees and other representatives are required to certify that they have read, understand and will comply with the COBE and its key policies, including the Human Rights Policy and the Supplier Code of Conduct, when joining AltaGas and on an annual basis thereafter. This certification reminds our people of, among other things, our commitment to supporting human rights, protecting those we work with from any forced or child labour and addressing any violations if they occur.

ASSESSING EFFECTIVENESS

Assessing Our Effectiveness

We understand that the Company has a responsibility to assess the effectiveness of our current practices and we are committed to continuous improvement to mitigate the potential risks of forced labour and child labour in our operations and supply chains.

The Board of Directors, including through its committees, approve our COBE and its related policies, including our Human Rights Policy and our Supplier Code of Conduct, all of which are reviewed annually. Additionally, the Board of Directors monitors compliance with the COBE and its related key policies and procedures and oversees training initiatives implemented to support compliance.

AltaGas regularly reviews the Supplier Code of Conduct and the due diligence processes conducted prior to engaging or re-engaging suppliers.

Finally, in pursuit of AltaGas' commitment to ensuring that forced labour and child labour are not being used in our business and supply chains, we will continue to monitor applicable laws and regulations and will mitigate the risk through various methods including, but not limited to, engaging third party consultants to conduct independent risk assessments of AltaGas' suppliers if deemed necessary.

APPROVAL AND ATTESTATION

This Report has been approved by the Board of Directors on March 6, 2025.

In accordance with the requirements of the Act, and in particular section 11(4)(b)(ii) thereof, the Board of Directors has reviewed the information contained in the Report for the entities listed above.

Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind AltaGas Ltd.



Pentti Karkkainen, Board Chair
March 6, 2025