



ESG Update 2020
Reporting 2019 Data

AltaGas

Our Vision

A Leading North American infrastructure company that connects NGLs and natural gas to domestic and global markets.

Our Mission

Our mission is to improve quality of life by safely and reliably connecting customers to affordable sources of energy for today and tomorrow

Our Values

Every day, our team of more than 2,800 people is guided by our core values. These values form the foundation for how we do business with our customers, Indigenous partners and other stakeholders, and serve as a blueprint to fulfill our vision and strategy.



Work Safely,
Think
Responsibly



Act With
Integrity



Make Informed
Decisions



Achieve
Results



Invest in our
People and
Foster Diversity

Our Foundational Principles: Access to reliable and affordable energy is fundamental in the pursuit of improved quality of life, reduced physical barriers, improved access to education, and to fuel economic expansion. At AltaGas, we are committed to maintaining safe and reliable operations, delivering the critical energy our customers need and honoring the social and moral contract that we have with the communities we serve.



A Message from our President and Chief Executive Officer

At AltaGas, our unwavering commitment to our core values, our mission, and doing what is right for our stakeholders is what is guiding us through these unprecedented times. And while we are facing immense challenges as a society, as an essential service provider, our company is committed to maintaining safe and reliable operations, continuing to deliver critical energy to customers, and honoring the social and moral contract that we have in the communities we serve. In good times and bad, we will remain steadfast in our commitment to these foundational principles.

OUR BUSINESS TRANSFORMATION

Although every business evolves, the past two years have included marked changes for AltaGas as we advanced our plan to build a diversified, low-risk, and high-growth Utilities and Midstream business focused on delivering resilient and durable value for our stakeholders. In 2018 we acquired WGL Holdings, Inc. (WGL), a leading regulated U.S. Utility that operates in Virginia, Maryland and the District of Columbia. The acquisition doubled our asset base, built on our existing U.S. Utilities footprint in Michigan and Alaska and provided AltaGas with an expanded platform for stable and growing utilities operations. Following the acquisition of WGL, we completed more than \$6 billion of non-core asset sales, which allowed our company to de-lever our capital structure, maintain financial flexibility, and continue to refocus on our two core businesses.

In 2019, AltaGas also continued to differentiate our Midstream business through expanding our presence in the Liquefied Petroleum Gas (LPG) export market through commissioning the Ridley Island Propane Export Terminal (RIPET) on the Northwest coast of British Columbia. RIPET provides the Canadian energy industry with access to premium global LPG markets while delivering lower carbon intensive and ethically sourced Canadian propane to key Asian economies to meet the regions' growing energy needs. In 2020, AltaGas took steps to further advance our global export strategy by increasing our ownership stake in Petrogas Energy Corp. (Petrogas), an LPG export business, where we have had an investment since 2013. The transaction provides AltaGas with operational responsibility for the Ferndale LPG export terminal in Washington State and allows AltaGas to optimize the way in which it connects its customers with premium global markets.

Robust governance, strong leadership and stringent enterprise risk management are core to achieving our strategy and delivering sustained and compounding value for our stakeholders. One of the core responsibilities of our Board is to ensure that AltaGas has the right leaders in place. Transformative change is often accompanied with leadership changes and in 2019 this included the addition of James Harbilas as Executive Vice President and Chief Financial Officer and Blue Jenkins as Executive Vice President and President, Utilities. James and Blue both have deep experience across the energy value chain and are advancing AltaGas' pursuit of operational excellence across the business. In January, we also added complementary expertise to our existing Board profile by welcoming two new directors, Linda Sullivan and Nancy Tower, who together bring more than five decades of utilities experience and strong financial acumen.

DELIVERING ESSENTIAL SERVICES IN UNCERTAIN TIMES

We are living in unprecedented times with endless pressures and challenges across our society. This includes the current COVID-19 pandemic, economic hardship, and geopolitical and social unrest. Despite these challenges, we continue to march forward and deliver on our foundational principles as an essential service provider. This includes providing our 1.7 million utilities customers with safe, reliable and uninterrupted service and ensuring our Midstream operations continue connecting NGLs and natural gas to domestic and global markets, enabling critical supply chains to remain unabated. Our ability to adapt and deliver continuous services during this period of disruption is attributable to the core values that guide our actions, the dedication and commitment of our workforce and the purposeful steps we took over the past two years to build a financially flexible and operationally excellent platform.

Our Utilities and Midstream teams have shown incredible adaptability and resilience in this rapidly changing environment. As the COVID-19 pandemic unfolded, our workforce quickly adopted new ways of working to ensure our essential services continued with the utmost regard for the health and safety of our workforce, their families and the communities in which we operate and live. We embraced new technologies and implemented new tools to help us work safely, remotely and collaboratively to keep our people informed, engaged and connected. As we

A Message from our President and Chief Executive Officer

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evaluate the future ways we will work, we will incorporate the best practices and efficiencies we have learned through our experiences.

We value the diversity that exists within our workforce. Our commitment to a diverse workforce and inclusive culture forms part of our core values and who we are, and we recognize the importance of our internal diversity reflecting the diversity within the communities we serve. We believe that different backgrounds, views and perspectives, working inclusively, position our teams to deliver more positive and innovative results. We take a similar inclusive approach to our Indigenous partnerships and our global customer relationships to ensure we respect their traditions, culture and perspectives as we work to ensure mutually beneficial solutions to generate long-term value for all stakeholders. We believe this approach has been key to our success in building world class projects.

We have a long history of philanthropic partnerships and community investment and that tradition continued over the past year. In addition to the ongoing support we provide to help meet local needs across the jurisdictions we serve, we deployed an additional \$1 million in emergency assistance to support our communities' response to the pandemic.

We continue to strive to do more. As such, we remain committed to fostering our diversity and continuing our workforce development and community enrichment efforts to maximize the positive impact we make in the communities we serve.

EXPORTING CLEANER ENERGY TO ASIA

The growing demand for cleaner energy in Asia will be a driving force behind our Midstream business. Our strategy remains centered around being an industry-leading export partner for our customers by providing access to premier global LPG markets. In addition to providing more attractive realized prices for our Midstream customers, we are facilitating the delivery of diversified, lower carbon intensive fuels for our downstream customers in Asia.

LPG export capacity at RIPET and Ferndale have the potential to reduce the equivalent of more than 500,000 of the average Asian citizens' total carbon footprints per year, when compared to burning more carbon-

intensive fuels like thermal coal. As our LPG exports increase, so do the options we provide to global markets for affordable and cleaner energy sources capable of reducing global carbon emissions.

COMMITTED TO CONTINUOUS IMPROVEMENT AT OUR UTILITIES

Through our Utilities, we are writing a bright story for a future where energy continues to be affordable, efficient and cleaner. We believe leveraging existing infrastructure is key in achieving the best outcomes with the lowest ecological impact. Our extensive distribution network enables us to deliver natural gas today and provides a foundation for the delivery of carbon-free solutions in the years ahead. In 2020 we invested approximately U.S. \$425 million towards the replacement of aging infrastructure through our system betterment and accelerated pipe replacement programs. Through this commitment to replacing aging pipelines we are improving the safety, integrity and reliability of our energy infrastructure, while reducing our emissions and improving our customer experience. At WGL, modernization of the infrastructure has resulted in a 19 percent reduction in emissions per unit of gas delivered compared to its 2008 baseline.

Earlier this year, WGL filed a Climate Business Plan with the Public Service Commission of the District of Columbia which lays out an innovative approach to how WGL can help the District meet its future climate goals, which includes targeting carbon neutrality for the District by 2050, while preserving customer access to affordable, reliable energy.

The leadership and innovation shared in the Climate Business Plan are inherent in our company's culture and deep-rooted experience in bringing new, cleaner energy sources to customers. Our plan promotes customer energy efficiency and savings, focuses on building and maintaining a modern infrastructure today, and leveraging the extensive infrastructure that exists to introduce carbon-free solutions, including renewable natural gas and hydrogen in the future. The plan includes investing in and piloting some of these emerging technologies that will maintain and enhance the region's position as responsible climate leaders.

OUR ESG JOURNEY

While in the midst of our transformation, we released our inaugural ESG report last year, which measured our performance for 2018 against material ESG performance indicators. With the WGL acquisition closing mid-year in 2018, our report did not include those assets. As such, this update for 2019 provides a more complete data capture of our business by covering our consolidated enterprise-wide ESG performance inclusive of WGL.

While our company has changed significantly over a short period of time, our commitment to operating in a responsible manner and creating value for our stakeholders has been constant. As we progress along our journey, in October of 2020, we established a new position at AltaGas to lead our ESG initiatives and advance our priorities, and we promoted Shaheen Amirali, as our new Executive Vice President, Chief External Affairs and Sustainability Officer. Shaheen has over 20 years of legal experience, a science background and over 13 years of direct AltaGas' experience serving in many legal and governance roles including as our Corporate Secretary. Through leadership, focus and oversight we are taking purposeful steps to further integrate ESG initiatives into all aspects of our business including operating, financial, business development and growth plans. By balancing economic priorities with our social and environmental values, we believe we can help meet growing global demands for clean energy, while continuing to deliver sustainable benefits to our stakeholders.

We look forward to sharing with you our progress on our initiatives in our full ESG report next year.

To all our stakeholders, we thank you for your on-going support, trust and dedication to our company.

Sincerely,

Randy Crawford
President and Chief Executive Officer

About AltaGas

We are a leading North American infrastructure company that connects NGLs and natural gas to domestic and global markets – delivering critical and affordable energy to our customers safely and reliably.

Every day, we leverage the strength of our assets and expertise along the energy value chain to connect our customers with premier energy solutions – from the well sites of upstream producers, to the doorsteps of homes and businesses, to markets around the world.

AltaGas maintains a strong portfolio of assets in some of the fastest growing energy markets with expanding export capabilities, a prominent position in the Montney basin and utilities in five U.S. jurisdictions. Our integrated platform delivers sustained value to our customers, shareholders, and communities where we operate and live.

Looking to the future we are well positioned as a diversified, low-risk, high-growth energy infrastructure company with ample investment opportunities in our Utilities and Midstream businesses.

OUR BUSINESS

Midstream

We have established a significant presence in Western Canada through our continued investment in natural gas infrastructure, and the development of a western energy hub in northeast British Columbia. Our integrated platform in the region provides producers with value-added services and the opportunity to move NGLs to premium markets in Asia. We also have investments in natural gas pipelines, both in operation and under development, in Canada and the United States.

Our capabilities include:

- Natural gas gathering and processing
- NGL extraction and fractionation
- Storage, marketing and transport
- LPG export capacity in excess of 100,000 Bbls/d (RIPET and Ferndale combined)

Utilities

Our regulated natural gas utilities—Washington Gas, ENSTAR and SEMCO—serve approximately 1.7 million residential, commercial and industrial customers in five jurisdictions in the U.S. including Alaska, the District of Columbia, Maryland, Michigan and Virginia.

Through a commitment to operational excellence, we are focused on modernizing our natural gas infrastructure, providing an exceptional customer experience and safely delivering this critical energy source to heat the homes and fuel the businesses of the communities we serve.

Power

Although no longer core to our strategy, we continue to maintain a small portfolio of gas-fired power generation facilities in Canada and the U.S.



\$24B

Assets

3Bcf/d^{1,2}

Natural Gas Transacted

\$4.4B

Annual Revenue

1.7M

Customers

Exports
1.8Mt/Yr³

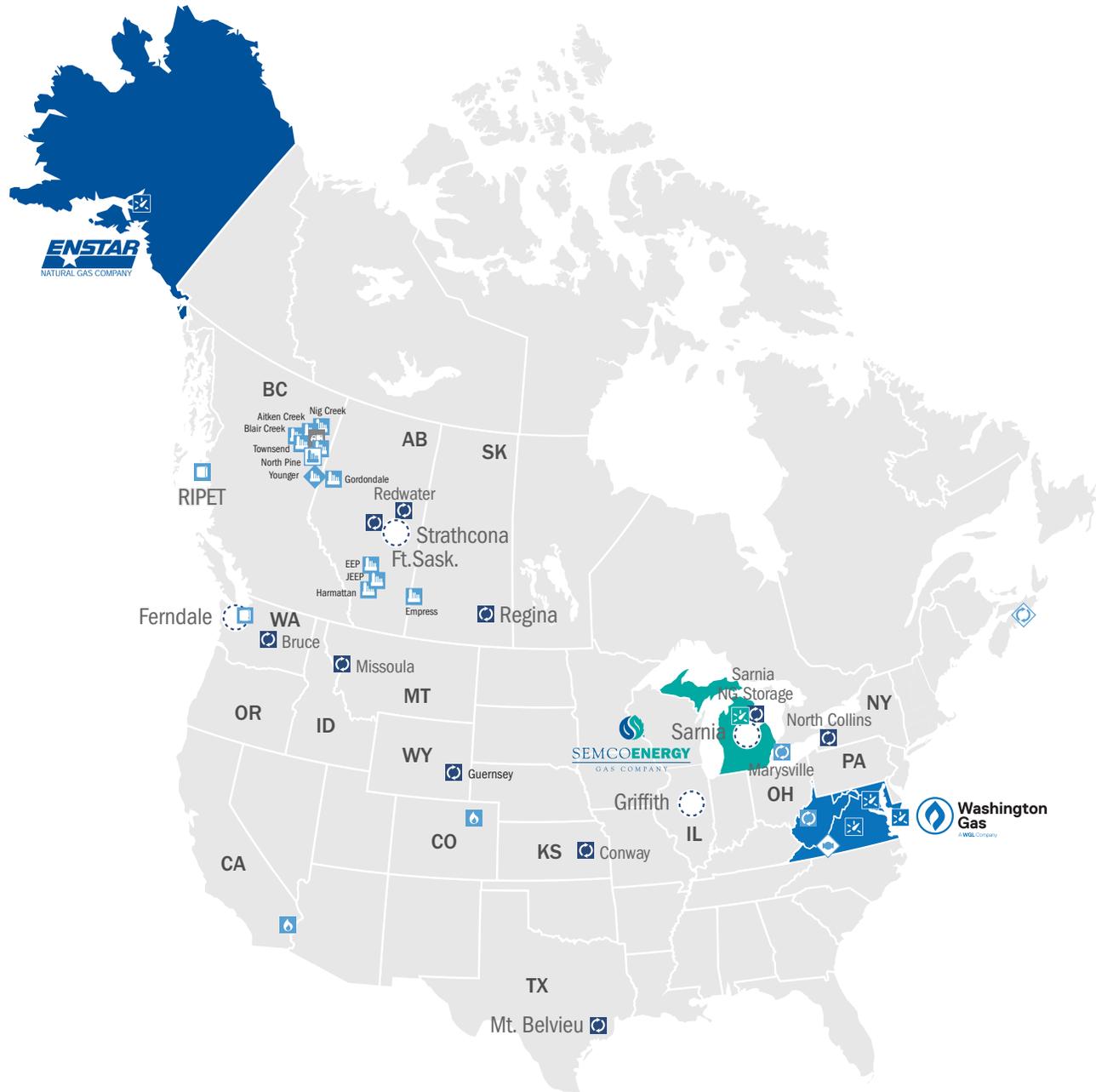
Propane

Exports
0.7Mt/Yr⁴

Butane

1) Based on ALA working interest capacity in FG&P and extraction. 2) Based on ALA 100% working interest facilities and ALA % capacity in non-operated facilities. 3) Includes RIPET and Ferndale. 4) Ferndale only.

Our Assets



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

Our Midstream strategy is to leverage our unique export capability to drive growth across our business.

Our Utilities strategy is to drive continued operational excellence by reducing our costs and improving our customer experience.

Key Performance Data

These indicators represent summarized annual performance from January 1 to December 31, 2019, including WGL, based on the same indicators established in 2018.

ESG Topic	Indicator	Company-Wide		Midstream		Utilities		Power	
		2018 ¹	2019 ²	2018	2019	2018 ¹	2019 ²	2018	2019
Environment									
Greenhouse Gas (GHG) Emissions	Scope 1 and 2 GHG emissions tonnes CO ₂ e	2,361,713	1,995,096	1,208,798	982,480	56,936	396,344	1,095,979	616,271
	Scope 1 GHG emissions tonnes CO ₂ e	2,094,111	1,861,564	944,319	857,216	54,691	389,345	1,095,101	615,002
	Scope 2 GHG emissions tonnes CO ₂ e	267,602	133,532	264,479	125,264	2,245	6,999	878	1,269
	Scope 1 methane emissions %	9%	24%	15%	12%	64%	87%	0%	0%
	Scope 1 GHG emissions third-party verified %	87%	92%	78%	91%	0%	84%	100%	100%
	Scope 1 GHG emissions under emission limiting regulations %	97%	79%	100%	100%	0%	0%	100%	100%
Air Emissions	SO ₂ emissions tonnes			200	195				
	NOx emissions tonnes			3,609	947				
	VOC emissions tonnes			2,427	1,007				
	PM10 emission tonnes			42	59				
Stakeholder Engagement									
Stakeholder Engagement	Community investment ³ \$	\$1,155,163	\$3,870,706						
	Company survey participants %	69%	69%						
Employees	Average age of employee #	43.3	44						
	Total unionized workforce #	321	1,084						
	Total non-unionized workforce #	935	1,717						
	Total attrition %	5.9%	13%						
Diversity and Inclusion	Females in executive positions %	14%	25%						
	Males in executive positions %	86%	75%						
Health and Safety									
Health and Safety	Employee TRIF total injuries x 200,000 / work hours	1.50	1.60						
	Employee MVIR ⁵ motor vehicle accidents x 1,000,000 / km driven	0.85	2.96 ⁵						

OUR GHG EMISSIONS:

GHG emissions have declined in 2019—notwithstanding the inclusion of WGL data—and are attributable to non-core asset divestitures and emission reductions in our midstream business and lower operational run rates at power facilities.

- 1) Excludes WGL.
- 2) Includes WGL and the other facilities and infrastructure for which AltaGas is the majority owner or operator and excludes non-core assets divested in 2019.
- 3) Currency conversion rates: 1.295 in 2018 and 1.327 in 2019. All currency is in Canadian dollars (\$CAD) unless otherwise noted.
- 4) Data collection methodologies align with industry best practices and applicable regulations and standards. No external assurance has been sought.
- 5) The increase in motor vehicle incident rates is attributable to, among other things, the frequency of motor vehicle incidents in more congested areas in which WGL operates and improvements made in data capture through the installation of electronic monitors and cameras in fleet vehicles.

Forward-Looking Information

This document contains forward-looking statements. When used in this document, the words “will”, “intend”, “plan”, “potential”, “generate”, “grow”, “deliver”, “can”, “continue”, “drive”, “anticipate”, “target”, “come”, “create”, “position”, “achieve”, “seek”, “propose”, “forecast”, “estimate”, “expect”, “solution”, “outlook”, “assumes” and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this document contains forward-looking statements with respect to, among other things: our vision; impacts of the Petrogas transaction; driving force of Asian demand for cleaner energy; potential export capacity at RIPET and Ferndale; plan for and achievement of goals in the Climate Business Plan in the District; and projected 2020 revenue. Information and statements contained in this document that are not historical facts may be forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas’ current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including those factors set out in AltaGas’ continuous disclosure documents. Many factors could cause AltaGas’ or any of its business segments’ actual results, performance or achievements to vary from those described in this document including, without limitation, those listed above as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this document as intended, planned, anticipated, believed, sought, proposed, forecasted, estimated or expected, and such forward-looking statements included in this document herein should not be unduly relied upon. These statements speak only as of the date of this document. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Financial outlook information contained in this document about prospective financial performance, financial position or cash flows is based on assumptions about future events, including, without limitation, economic conditions and proposed courses of action, based on management’s assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this document should not be used for purposes other than for which it is disclosed herein.

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VISIT US ONLINE

For more information on our ESG performance, visit us at www.altagas.ca/responsibility where you can view the online version of the report and learn more about our ESG initiatives.



For any questions regarding this report or its contents, please contact investor.relations@altagas.ca.



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