

Canadian Utilities Limited 2020 Sustainability Report

Sustainability Framework Reference Document

This document includes references to a variety of publicly available documents that contain governance, economic, environmental, and social information for 2020, including the Annual Report, Sustainability Report, financial filings, and website.

This reference document contains information for Canadian Utilities Limited (CU, CU.X), which should not be misconstrued as ATCO Ltd. (ACO.X, ACO.Y). Canadian Utilities Limited's sustainability reporting references Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) as listed below.

For more information on the GRI please visit www.globalreporting.org.

For more information on SASB please visit www.sasb.org.

SUSTAINABILITY FRAMEWORK INDEX

Standard Reference	Disclosure	Page Number and/or URL(s)																																																																												
GENERAL DISCLOSURES																																																																														
GRI 102-1	Name of the organization	Canadian Utilities Limited																																																																												
GRI 102-2	Activities, brands, products, and services	Sustainability Report (p. 4-5) Canadian Utilities Limited Annual Information Form (p. 6-39)																																																																												
GRI 102-3	Location of headquarters	Calgary, Alberta, Canada																																																																												
GRI 102-4	Location of operations	Sustainability Report (p. 6-7) Canadian Utilities Limited Annual Information Form (p. 6-39)																																																																												
GRI 102-5	Ownership and legal form	Company shares are traded on the Toronto Stock Exchange (TSX) as CU (non-voting shares) and CU.X (voting shares). Canadian Utilities Limited Annual Information Form (p. 2-3)																																																																												
GRI 102-6	Markets served	Sustainability Report (p. 6-7) Canadian Utilities Limited Annual Information Form (p. 7)																																																																												
GRI 102-7	Scale of the organization	Sustainability Report (p. 4-7) Canadian Utilities Limited Year In Review (p. 8-9)																																																																												
GRI 102-8	Information on employees and other workers	<table border="1"> <thead> <tr> <th>Indicator</th> <th>Units</th> <th colspan="2">2020</th> </tr> </thead> <tbody> <tr> <td colspan="4">Organization Profile</td> </tr> <tr> <td>Employees</td> <td>count</td> <td colspan="2">4,479</td> </tr> <tr> <td colspan="2">Workforce by Employment Contract</td> <td>Permanent</td> <td>Temporary</td> </tr> <tr> <td colspan="4">Gender</td> </tr> <tr> <td>Male</td> <td>count</td> <td>2,900</td> <td>127</td> </tr> <tr> <td>Female</td> <td>count</td> <td>1,362</td> <td>90</td> </tr> <tr> <td colspan="4">Region</td> </tr> <tr> <td>Canada</td> <td>count</td> <td>3,834</td> <td>165</td> </tr> <tr> <td>Mexico</td> <td>count</td> <td>33</td> <td>0</td> </tr> <tr> <td>Australia</td> <td>count</td> <td>386</td> <td>52</td> </tr> <tr> <td>South America</td> <td>count</td> <td>9</td> <td>0</td> </tr> <tr> <td>Other</td> <td>count</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="2">Workforce by Employment Type</td> <td>Full-time</td> <td>Part-time</td> </tr> <tr> <td colspan="4">Gender</td> </tr> <tr> <td>Male</td> <td>count</td> <td>3,009</td> <td>18</td> </tr> <tr> <td>Female</td> <td>count</td> <td>1,379</td> <td>73</td> </tr> <tr> <td colspan="4">Employees Covered by a Collective Agreement</td> </tr> <tr> <td>Employees Covered by Collective Agreements</td> <td>%</td> <td colspan="2">50.3%</td> </tr> </tbody> </table>	Indicator	Units	2020		Organization Profile				Employees	count	4,479		Workforce by Employment Contract		Permanent	Temporary	Gender				Male	count	2,900	127	Female	count	1,362	90	Region				Canada	count	3,834	165	Mexico	count	33	0	Australia	count	386	52	South America	count	9	0	Other	count	0	0	Workforce by Employment Type		Full-time	Part-time	Gender				Male	count	3,009	18	Female	count	1,379	73	Employees Covered by a Collective Agreement				Employees Covered by Collective Agreements	%	50.3%	
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GRI 102-10	Significant changes to the organization and its supply chain	Canadian Utilities Limited Management's Discussion & Analysis (p. 22-29)																																																																												

GRI 102-11	Precautionary Principle or approach	Although Canadian Utilities Limited has not formally adopted the precautionary principle (as described in the U.N. Rio Declaration of 1992), our implementation of sustainability practices demonstrates a commitment to proactively identify, and prevent or mitigate negative impacts.
GRI 102-14	Statement from senior decision-maker	Sustainability Report (p. 1-2)
GRI 102-16	Values, principles, standards, and norms of behaviour	Vision & Values Code of Ethics
GRI 102-17	Mechanisms for advice and concerns about ethics	Integrity and Compliance
GRI 102-18	Governance structure	Sustainability Report (p. 43-45) Canadian Utilities Limited Management Proxy Circular (p. 26)
GRI 102-22	Composition of Board and its committees	Canadian Utilities Limited Board Members: Management Proxy Circular (p. 10-20) Canadian Utilities Limited Committee Members: Management Proxy Circular (p. 32-35)
GRI 102-23	Chair of the Board	Canadian Utilities Limited Management Proxy Circular (p. 16)
GRI 102-40	List of stakeholder groups	The groups we engage include, but are not limited to: <ul style="list-style-type: none"> • community residents and landowners; • customers and potential customers; • Indigenous communities; • governments and regulators; • special interest groups and non-government organizations; • investors and potential investors; and • employees and potential employees. For more information visit CanadianUtilities.com .
GRI 102-41	Collective bargaining agreements	Sustainability Report (p. 50-51)
GRI 102-43	Approach to stakeholder engagement	Community & Indigenous Relations Sustainability Report (p. 34-41)
GRI 102-45	Entities included in the consolidated financial statements	Canadian Utilities Limited: Consolidated Financial Statements Entities covered in the CFS are also covered in our sustainability reporting unless noted. The treatment of joint ventures may be addressed differently in Canadian Utilities Limited's 2020 Annual Report with respect to financial performance.
GRI 102-46	Defining report content and topic boundaries	Sustainability Report (p. 47)
GRI 102-47	List of material topics	Sustainability Report (p. 3)
GRI 102-48	Restatements of information	Sustainability Report (p. 48-52)
GRI 102-49	Changes in reporting	Sustainability Report (p. 48-52)
GRI 102-50	Reporting period	January 1 - December 31, 2020
GRI 102-51	Date of most recent report	Our 2020 Sustainability Report was released in May 2021.
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	sustainability@atco.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	ATCO's 2020 Sustainability Report references the specific GRI Standards listed in this document.

GRI 102-55	GRI content index	Sustainability Framework Index
GRI 102-56	External assurance	Senior management and relevant staff have reviewed all information and believe it is an accurate representation of our performance. We undertook a variety of internal and external review activities on information presented in the 2020 Sustainability Report and associated disclosures. However, third-party assurance has not been conducted.

MATERIAL TOPICS

ENERGY TRANSITION

Company Indicator	Spend on new and refurbished infrastructure (\$)	Sustainability Report (p. 9)
SASB EU-240-A4	Discussion of factors that affect energy affordability	Sustainability Report (p. 10)
GRI 302-1	Energy consumption within the organization	10,148,381 GJ
GRI 302-4	Reduction of energy consumption	Sustainability Report (p. 16-19)

CLIMATE CHANGE & ENVIRONMENTAL STEWARDSHIP

GRI 305-1, SASB EU-11-A1	Direct (Scope 1) GHG emissions	Sustainability Report (p. 48-52)
SASB EU-110-A3	Direct (Scope 1) GHG emissions strategy including reduction targets	Sustainability Report (p.16-20)
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report (p. 48-52)
GRI 305-4	GHG emissions intensity	In 2020, we estimate that emissions intensity for power generation was 0.41 CO ₂ e/MWh. Emissions intensity for power generation is calculated by dividing direct GHG emissions (CO ₂ e) by production (MWh equivalent), for facilities we operate regardless of financial ownership. We operate 398-MW of power generation in Canada, Australia, Mexico, and Chile.
GRI 306-3	Significant spills	Sustainability Report (p. 48-52)
GRI 307-1	Non-compliance with environmental laws and regulations	Sustainability Report (p. 48-52)
GRI 303-5, SASB IF-EU-140a.1	Water consumption	Sustainability Report (p. 48-52)
GRI 305-6	Emissions of ozone-depleting substances	Sustainability Report (p. 48-52)
GRI 305-7, SASB EU-120-A1	Nitrogen oxides, sulphur dioxides and other significant air emissions	Sustainability Report (p. 48-52)
GRI 306-2	Waste by type	Sustainability Report (p. 48-52)

OPERATIONAL RELIABILITY & RESILIENCE

SASB GU-540-A3	Transmission pipeline in-line inspections	Sustainability Report (p. 26)
SASB GU-540-A4	Integrity discussion	Sustainability Report (p. 26)
SASB GU-000-C	Length of natural gas transmission and distribution pipelines	Sustainability Report (p. 7)

SASB EU-550-A2	System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI)	Sustainability Report (p. 27) SAIDI Alberta Distribution: 4.09 Yellowknife: 0.19 NWT: 1.96 Yukon: 4.91 SAIFI Alberta Distribution: 1.58 Yellowknife: 0.64 NWT: 4.01 Yukon: 2.71
SASB EU-000-C	Length of electricity transmission and distribution lines	Sustainability Report (p. 7)

PEOPLE

GRI 403-9, SASB EU-320-A1	Work-related injury rates Safety	Sustainability Report (p. 30) Sustainability Report (p. 48-52)
GRI 401-1	Employee turnover rate	Sustainability Report (p. 48-52)
GRI 405-1	Diversity of governance bodies and employees	Canadian Utilities Limited Management Proxy Circular (p. 28) Sustainability Report (p.48-52)
GRI 406-1	Incidents of discrimination	Sustainability Report (p. 48-52)
GRI 416-2	Non-compliance incidents regarding safety of products and services	Included as part of 'Number of Regulatory Noncompliance Incidents' in Sustainability Report (p. 48-52)
GRI 418-1	Customer privacy breaches	Sustainability Report (p. 48-52)
GRI 419-1	Non-compliance with laws and regulations in the social and economic areas	Included as part of 'Number of Regulatory Noncompliance Incidents' in Sustainability Report (p. 48-52)

COMMUNITY & INDIGENOUS RELATIONS

GRI 411-1	Incidents of violations involving rights of Indigenous Peoples	Sustainability Report (p.48-52)
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OTHER TOPICS COVERED

ECONOMIC

GRI 201-1	Economic value generated and distributed	Sustainability Report (p. 48-52)
GRI 201-3	Coverage of defined benefit pension plan obligations	Sustainability Report (p. 48-52)
GRI 201-4	Financial assistance received from governments	Sustainability Report (p. 48-52)
GRI 205-3	Corruption incidents	Sustainability Report (p. 48-52)

ENVIRONMENTAL DATA ON A FINANCIAL CONTROL BASIS

The table below reports data for Canadian Utilities Limited (CU, CU.X).

Environmental data reported in the Sustainability Report is on an operational control basis which includes 100 per cent for facilities where Canadian Utilities Limited, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership. Operational control is defined in alignment with the GHG Protocol.

As sustainability reporting standards and requirements evolve, we continue to progress our disclosures to meet the needs of shareholders, investors, and other stakeholders. In line with this effort, data for select environmental indicators reported below is broadly guided by the GHG Protocol's definition of financial control. The treatment of various entities may be addressed differently in Canadian Utilities Limited's 2020 Annual Report with respect to financial performance.

2020 ENVIRONMENTAL DATA ON A FINANCIAL CONTROL BASIS

Environmental Indicator	2020 Financial Control Basis	2020 Operatorship Basis
Direct greenhouse gases - Scope 1 (kilotonnes CO ₂ e)	624	859
Indirect greenhouse gases - Scope 2 (kilotonnes CO ₂ e)	225	227
Sulphur dioxide (tonnes)	27	36
Nitrogen oxides (tonnes)	1,530	1,796
Particulate matter (PM2.5) (tonnes)	20	22
Carbon monoxide (tonnes)	577	608
Volatile organic compounds (tonnes)	166	188
Water Use (million m ³)	0.9	1.5
Hazardous Waste (tonnes)	1,778	1,779

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Canadian Utilities Limited has always been a proponent of reporting core non-financial information and indicators to provide meaningful, efficient and transparent disclosures in priority areas for customers of our sustainability reporting (i.e. investors, business partners, customers, communities, Indigenous groups, employees, and governments).

In 2020, Canadian Utilities expanded alignment to the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have provided available mapping to existing disclosures below, and plan to continue to evolve our external disclosure around climate risks and opportunities in alignment with the TCFD recommendations.

For more information on the TCFD please visit www.fsb-tcf.org.

LOCATION OF TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) ALIGNED DISCLOSURES

TCFD Recommendations		Links to Canadian Utilities Limited Information
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	Management Proxy Circular (p. 26-35) Sustainability Report (p. 42-45)
	Describe management's role in assessing and managing risks and opportunities.	Management Proxy Circular (p. 26-35) Sustainability Report (p. 42-45)
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Management's Discussion & Analysis (p. 8-10) Management's Discussion & Analysis (p. 31-35)
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Management's Discussion & Analysis's (p. 31-35) Management's Discussion & Analysis (p. 47-53) Sustainability Report (p. 18-20)
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Management's Discussion & Analysis (p. 31-35) Sustainability Report (p. 18-20) Sustainability Report (p. 42-45)
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks.	Management's Discussion & Analysis (p. 47-53) Sustainability Report (p. 18-20) Sustainability Report (p. 42-45)
	Describe the organization's processes for managing climate-related risks.	Management's Discussion & Analysis (p. 47-48) Sustainability Report (p. 18-20) Sustainability Report (p. 42-45)
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Management's Discussion & Analysis (p. 47-53) Sustainability Report (p. 18-20) Sustainability Report (p. 42-45)
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Management Proxy Circular (p. 52-65) Sustainability Report (p. 50-51)
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainability Report (p. 18-20) Sustainability Report (p. 50-51)
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Management's Discussion & Analysis (p. 14-18) Sustainability Report (p. 18-20)