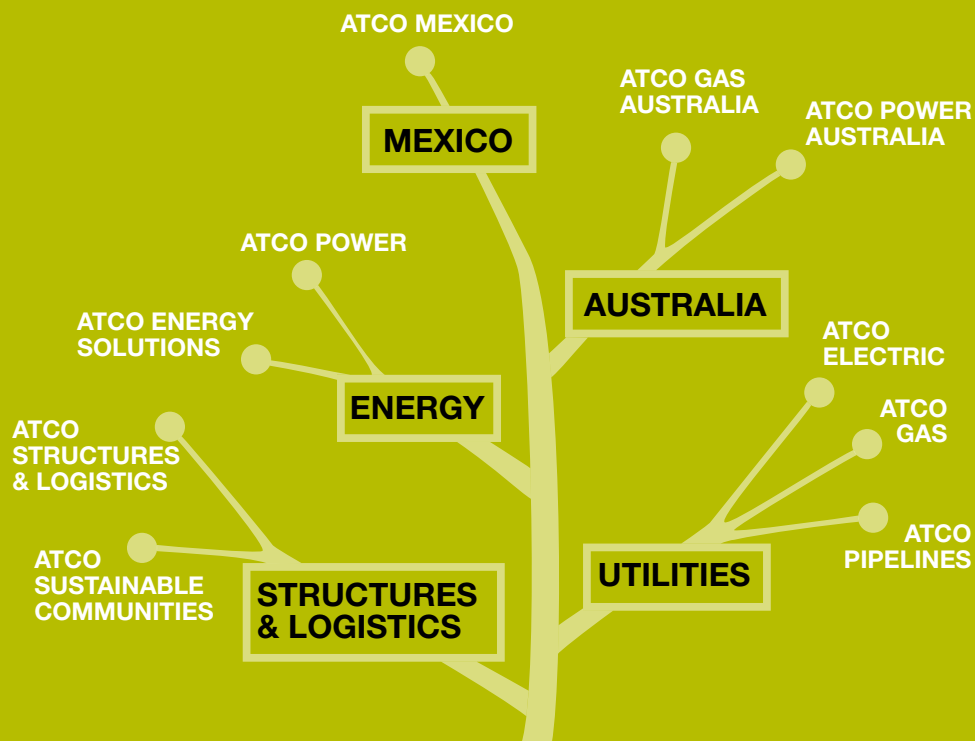


2014 | SUSTAINABILITY REPORT



When energy is shared,
great things happen.

ATCO | ALWAYS THERE.
ANYWHERE.



ATCO Group is a diversified, Canadian-based, international group of companies focused on profitable sustainable growth and achievement with approximately \$18 billion in assets and more than 9,000 people actively engaged in Structures & Logistics, Utilities and Energy.

2014 Worldwide Operations



ATCO Structures & Logistics

ATCO Structures & Logistics offers modular buildings, site and lodging services, and industrial noise and emissions control solutions worldwide. With manufacturing facilities in North America and Australia, a global supply chain, and operations on five continents, the company has the expertise to rapidly deliver a turnkey solution anywhere it is needed.

ATCO Sustainable Communities

ATCO Sustainable Communities provides a full range of pre-fabricated, culturally sensitive building solutions for Indigenous and remote communities.

ATCO Energy Solutions

ATCO Energy Solutions builds, owns and operates non-regulated energy and water-related infrastructure. The company focuses on offering industrial water infrastructure solutions; natural gas gathering, processing, storage and liquids extraction; transportation and services to the energy industry.

ATCO Power

ATCO Power leverages its decades of experience and industry-leading expertise developing, building and operating independent power generation facilities to provide customers with cost-effective power solutions including commercial and industrial power sales and distributed power generation.

ATCO Electric

ATCO Electric builds, owns and operates electrical transmission and distribution facilities in east-central and northern Alberta. It delivers safe, reliable electricity to more than 224,000 farm, business and residential customers in 245 communities. By supplying power to large industrial and oilfield customers, ATCO Electric supports the development of Alberta's energy-rich industrial sector.

ATCO Gas

ATCO Gas has been heating homes and warming communities across Alberta for more than a century. Today, ATCO Gas provides safe, reliable and cost-effective natural gas delivery to more than 1.1 million customers in nearly 300 Alberta communities.

ATCO Pipelines

ATCO Pipelines plays an integral role in delivering natural gas in the Alberta marketplace, serving producers throughout Alberta, as well as distribution companies and major industrial customers.

ATCO AUSTRALIA

ATCO Australia, based in the Western Australia capital, Perth, develops, builds, owns and operates energy infrastructure assets across Australia.

ATCO MEXICO

ATCO Mexico is focused on building, owning and operating natural gas infrastructure, power generation, electricity transmission and distribution, and providing workforce accommodation and site services.

2014 | SUSTAINABILITY REPORT

President's
Message 4

Our Approach
to Sustainability 6

Environment 9

Health &
Safety 16

Employees 21

Communities 26

Performance 32

President's Message



When energy is shared, great things happen.

Great things happen at ATCO every day—made possible by the corporation's 9,000 people who, through innovation and imagination, deliver solutions to our customers and improvements across all aspects of our business.

Within our diverse, geographically dispersed businesses, we believe in pursuing improved operational performance — whether it is our relationship with the environment, the health and safety of our employees and the communities where we operate, or as the preferred supplier of choice for our customers.

The current economic volatility in the markets where we operate can put pressure on companies in the area of operational performance. Successfully facing adversity has been a hallmark of our corporation in the past and will continue to serve us into the future. We have always embraced a method of operating that stresses customer-driven innovative solutions, transparency in communication, the intense pursuit of efficiencies and truly knowing and understanding our customers. This 'back-to-basics' philosophy has served us well and many examples are highlighted in this report.

We have always taken our responsibilities very seriously. Minimizing our environmental footprint is integral to our pursuit of operational excellence. But responsible stewardship of the environment is a complex issue with no one silver bullet solution. It takes the thoughtful, strategic identification of multiple solutions in all parts of our business—from internal operational efficiencies such as building energy efficient operations centres, to educating our customers about how to be more energy efficient in their homes with our Demand Side Management programs, to partnering with multiple agencies to deliver innovative solutions such as the natural gas Combined Heat and Power technology.

One of the most critical issues facing Alberta and our company is how to sustainably deliver our province's future power supply. As we decommission coal-fired power generating facilities, we must carefully consider how to replace them. ATCO continues to take a leadership role in advocating for future low emitting and renewable technologies, such as the development of hydroelectricity, as the best and most sustainable option for both emissions reduction and for affordable electricity in the future. Hydro generation is emissions-free and offers unmatched opportunity for Alberta to achieve its reduced emission targets.

ATCO also continues to invest in and evaluate a range of technologies such as geothermal, solar, distributed generation and wind to determine their viability as part of a mix that would provide sustainable, cost-effective and environmentally responsible solutions.

To succeed, we must garner government and public policy support, regulatory certainty and a viable commercial framework for capital-intensive financing. It will require Indigenous participation, consultation and true partnerships that provide for economic growth and job opportunities.

Our valued partnerships with Indigenous communities are a core strength and are central to the principled way we do — and have always done — business. Partnerships that stand the test of time involve respect, trust, understanding and transparency.

Like with our Indigenous partnerships, our companies have had long-standing relationships with the communities we have served for decades. The strength of these relationships is based on our employees who not only volunteer their time, but actively direct their charitable donations to the

communities where they live and work. I am most proud of our employee-led ATCO EPIC – Employees Participating in Communities—fundraising program where our employees identify charities important to them and their communities.

The determination our employees bring to all aspects of our business is our greatest strength. Our employees are also our greatest resource and it is critically important that they return home safely at the end of each day. The safety of our communities and our employees was tested in 2014 during a record-breaking windstorm in one part of Alberta and, later that year, a frost storm in another part of our service area in the province. In every instance, our employees went above and beyond to assist communities and restore essential electricity and natural gas services with no major safety incidents. As a provider of essential services, it is our responsibility to remain relentless in our efforts to continuously improve our safety programs with our employees, contractors and the public.

Our past successes have been derived from the efforts of our people and they will continue to be our greatest strength and asset as we tackle what I believe to be a promising future that is safe and sustainable for our customers, our employees, our partners and the environment.



Nancy C. Southern

Chair, President & Chief Executive Officer

Approach to Sustainability

ATCO is privileged to serve communities around the world and our success depends on our ability to operate in a responsible and sustainable manner. In pursuit of sustainability, we not only improve social and environmental conditions, we also achieve cost savings, efficiencies and other intangible benefits.

It is our responsibility to conduct business in a manner that reflects ATCO's values: integrity, transparency, entrepreneurship, accountability, collaboration, perseverance and caring. ATCO's businesses are part of the everyday life of many of the communities in which we operate, delivering essential services such as electricity and natural gas.

Long-term sustainability requires practical, integrated solutions that balance responsible development with environmental stewardship and the interests of communities and landowners.

Our stability and commitment to social wellbeing enables us to attract and retain a talented, motivated workforce that shares our values. The actions of our people today, and in the future, earn our company the privilege to operate in existing and new communities.

Management approach

ATCO takes the strategic management of sustainability seriously. The sustainability function reports directly to a member of the

Office of the Chair and is managed collaboratively across numerous groups in the enterprise, including Human Resources, Indigenous Relations, Health & Safety, Environment, Communications, Business Development, Internal Audit and Risk Management, among others. These groups monitor best practices, develop and implement policies and standards and support ATCO's operating companies.

The daily management of sustainability commitments and implementation of programs is guided by ATCO operating company leaders. More specific descriptions of our management approach to employee practices, community engagement, environment and safety are included in this report and on our website. The programs include topic-specific policies, responsibilities, training, monitoring and other management considerations.

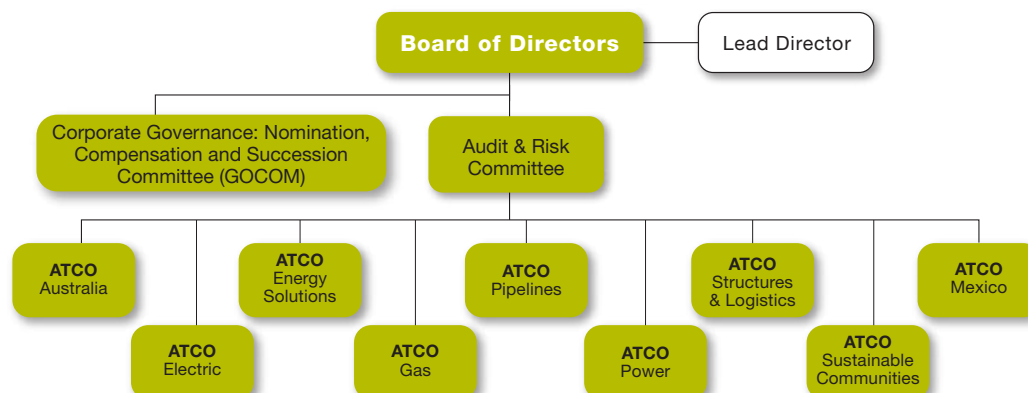
Corporate governance

Effective corporate governance is an essential element for the ongoing sustainability of ATCO - we regularly evaluate our corporate governance practices to support our business needs.

ATCO does not believe in a one-size-fits-all approach to governance. We have a unique and effective system, recognizing the need to provide autonomy and flexibility to our ATCO operating companies, while accommodating the needs of our regulated and non-regulated companies.

ATCO is a diversified group of companies principally held by Sentgraf, a Southern family holding company, and the ATCO share registry has both non-voting and voting common shares. We firmly believe that the existence of a long-standing controlling share owner is fundamental to achieving sustainable, top quartile results. Our stable, long-term position in the marketplace drives our long-term vision on sustainability.

ATCO's Chair is not independent, but we were one of the first public companies in Canada to appoint a Lead Director to ensure independent oversight of management. The independent status of each board member is reviewed annually and the majority of our board members are independent.



Integrated decision-making

The two main committees of the ATCO Board of Directors are the Corporate Governance: Nomination, Compensation and Succession Committee (GOCOM) and the Audit & Risk Committee.

The Audit & Risk Committee has the most impact on the company's sustainability practices. The committee reviews risks that could materially affect the company's ability to achieve strategic and operating objectives. It is responsible for ensuring that management addresses significant risks and that appropriate mitigation measures are implemented.

The President of each Principal Operating Subsidiary chairs a Risk Management Committee that reports to the Audit & Risk Committee. In addition, each subsidiary prepares a Stewardship Report on a bi-annual basis, which covers areas such as Health and Safety, Environment and Code of Ethics compliance.

Ethical behaviour every day

We believe that ethical conduct goes beyond staying in compliance with regulations. The ATCO Code of Ethics affirms our commitment to uphold high moral and ethical standards and specifies the basic norms of behaviour.

All of ATCO's directors, officers and employees annually review and formally acknowledge their understanding of the ATCO Code of Ethics. This formal process reminds us of the importance of ethics and affirms our commitment to making ethical decisions every day. As ATCO's businesses grow and broaden their global reach, we maintain the same high standards of ethical behaviour in every country in which we operate.

ATCO's internationally accessible Integrity Phone Line ensures that our employees and business partners can confidentially and anonymously report any suspected inappropriate business conduct.

Since our last report, ATCO has strengthened anti-bribery and anti-corruption policies and programs, ensuring compliance with Canadian

and international laws. This includes training, internal controls and due diligence procedures. We did not record a corruption incident in the reporting period, nor were any such actions brought against ATCO.

We were not involved in any legal actions for anti-competitive behaviour, anti-trust or monopoly practices during the reporting period.

Compliance

In 2013 and 2014, ATCO did not incur any environmental fines or penalties. Over these two years we did have two regulatory non-compliance incidents for power generation reliability requirements and two regulatory non-compliance incidents for power market rule compliance. Total fines for these incidents were \$15,000. In all cases, procedures have been implemented to minimize the risk of similar incidents in the future.

We are committed to protecting the privacy of the personal information of people with whom we interact, including customers, suppliers, employees and contractors. Customer privacy breaches totaled two in 2013 and 15 in 2014. All incidents were related to our electricity distribution operations and were resolved successfully.

Public policy

Effective policy decisions require contributions from all interested parties. ATCO operating companies take the time to be a resource for policy makers at the municipal, provincial/state and federal levels of government. Our role is to explain the practicalities of our businesses and collaborate on effective improvements wherever possible. In return, we gain a better understanding of the broader goals and objectives of these governments.

ATCO is in compliance with all laws regarding lobbyist registration and political contributions.

We discuss a number of topics with governments either directly or through industry associations and multi-stakeholder groups. ATCO's approach

is principle-based with a focus on open dialogue and fair, effective, efficient solutions.

Examples of topics on which we have participated in public policy discussion include:

- Greenhouse gas emissions and air pollutant reduction initiatives;
- Effective transition to a lower carbon future, including new natural gas turbine standards, the promotion of natural gas vehicles and renewable energy strategies;
- Land Use Framework consultations; and
- Long-term transmission planning to strengthen the electricity grid.

Our Core Values

Our pursuit of excellence governs the way we act and make decisions. At ATCO we strive to live by the following values:

Integrity

We are honest, ethical and treat others with fairness, dignity and respect.

Transparency

We are clear about our intentions and communicate openly.

Entrepreneurship

We are creative, innovative and take a measured approach to opportunities, balanced with a long-term perspective.

Accountability

We make good decisions, take personal ownership of tasks, are responsible for our actions and deliver on our commitments.

Collaboration

We work together, share ideas and recognize the contribution of others.

Perseverance

We persevere in the face of adversity with courage, a positive attitude and a fierce determination to succeed.

Caring

We care about our customers, our employees, their families, our communities and the environment.



About this Report

The ATCO Group publishes a comprehensive sustainability report with complete data and commentary every two years and a concise performance update in alternate years. This is ATCO's fourth biennial report.

- This report includes data for the seven years ended December 31, 2014, unless otherwise noted, for ATCO, our subsidiaries and joint ventures. Any exceptions are explicitly noted with the relevant information. Qualitative information about programs and initiatives is generally confined to 2013-2014 activities.
- We used the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines to help determine report content. The GRI Content Index on page 34 indicates where you can find specific disclosures.
- An internal materiality assessment was completed to determine which topics and indicators would be of most relevance to interested parties and the success of our business. This internal assessment was reviewed by the project team, including representatives from each operating company as well as subject matter experts from Investor Relations, Communications, Community Investment, Indigenous Relations, Environment and Health and Safety.
- Performance data for assets we divest is reported for the portion of the year until they were divested. Performance data for assets we acquire is included for the year following acquisition to allow for integration of new data systems. Data for ATCO Mexico, which commenced operations in the second half of 2014, is not included in this report.
- Environmental data reported includes 100 per cent of the emissions and water use for the facilities which ATCO owns and operates, and facilities with partnership ownership where ATCO is identified as the operating entity in the contract, regardless of percentage of financial ownership. The treatment of joint ventures may be addressed differently in ATCO's 2014 Annual Report with respect to financial performance.
- We report full environmental data for power plants operating under power purchase arrangements (PPA) – Sheerness and Battle River. The PPA holder may also report performance for the facility in its sustainability report.
- Unless noted, indicators do not cover contractors or temporary employees.
- Measurement and calculation techniques, if not self-explanatory, are stated with the data.
- Financial data is in Canadian dollars and environmental data is in metric units.
- The terms ATCO, ATCO Group, the ATCO Group of Companies, our, we, the company and the corporation, refer to ATCO Ltd. as a whole, including its subsidiary company Canadian Utilities Limited. Company names such as ATCO Gas and ATCO Power are used to refer to our Principal Operating Subsidiaries, as noted on page 3.

Our Commitment

We believe that reducing our impact on the environment is integral to the pursuit of operational excellence. Our environmental commitments include:

- minimizing our environmental impacts throughout our global operations;
- incorporating efficiency and environmental considerations in the planning and implementation of all our projects;
- developing alternative technologies including co-generation, hydro, geothermal, wind and solar energy;
- monitoring and assessing our performance; and
- educating the public and employees on energy reduction opportunities.

Our Approach

ATCO incorporates environmental considerations into the full lifespan of every project, from planning to implementation and eventual decommissioning of our operations. This long-term, collaborative perspective on environmental issues is especially important because many of our facilities can operate for several decades.

Environment



Minimizing environmental impacts of ATCO Electric's operations remains at the core of how each project is approached. Environmental Advisor, Joel VanderMey, drives stakes into the ground to remind workers of sensitive environmental features located near construction areas.

HIGHLIGHTS

- Energy efficiency and air emissions reduction initiatives with partners and internally on operations, buildings and vehicles
- Employee innovations that led to decreased physical footprints of certain projects
- Upgrades and preventive maintenance that reduce environmental incidents

CHALLENGES

- Transitioning to low-emitting power solutions that are economically viable
- Continued effective environmental management of large capital projects and energy transport systems

MOVING FORWARD

- Reduce direct greenhouse gas emissions of our current generating capacity by 30 per cent below 2005 levels by 2030*
- Build on our plans for the replacement of coal and advance low and zero-emission generation options, including large-scale hydro
- Improve our ability to quantify greenhouse gas reduction initiatives

** This would be primarily achieved by replacing power generation, as it retires, with less greenhouse gas intensive alternatives.*

Due to our diverse operations, each ATCO company has its own environmental management system, which includes setting internal targets, developing and implementing procedures, training, monitoring, measuring, reporting and corrective action.

In addition, the enterprise-wide Environment Network encourages continuous improvement and sharing of best practices and promotes consistency throughout the ATCO companies. Environmental performance is also reported in a consistent manner to the Audit & Risk Committee of the company's Board of Directors.



ATCO Power's 580 MW natural gas-fired, combined-cycle Brighton Beach power station is an example of efficient power generation. The combined-cycle process uses waste heat from the gas turbines to power steam turbines and generate more power without additional fuel.

The complexity of the issue of climate change and reducing air emissions means there is no one silver bullet and many alternate solutions need to be considered.

AIR

Managing Emissions

Our greenhouse gas (GHG) emissions management strategy balances environmental benefits and the need for cost-effective customer solutions, and includes:

- Finding new ways to increase the efficiency of our operations, leading to sustainable economic and environmental benefits;
- Investing in the development of new low emission generation projects; and
- Promoting efficiency at the consumer level.

The complexity of the issue of climate change and reducing air emissions means there is no one silver bullet and many alternate solutions need to be considered. We will continue to drive efficiency and innovation in our existing operations, while working with our partners and customers to develop innovative solutions that address environmental and business priorities.

Although we have implemented numerous innovations and energy-efficiency improvements in our operations over the years, addressing climate change is an ongoing, long-term commitment.

In 2014, ATCO operated 17 major power generation plants in Australia, Canada and the United Kingdom.

ATCO has built low-emitting and alternative energy facilities - primarily environmentally progressive natural gas-fired facilities - for the past 25 years. We operate two coal-fired generation facilities with a focus on operational excellence, minimizing environmental impact and ensuring long-term base-load power during the remaining life of these facilities. By 2030, 60 per cent of the coal-fired units which ATCO currently operates will be retired.

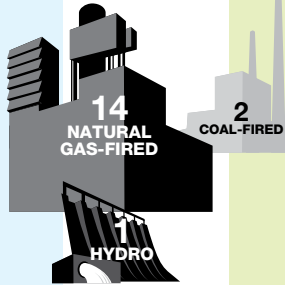
The diagram on page 11 illustrates our air emissions reduction strategy and activities.

OUR AIR EMISSIONS REDUCTION STRATEGY AND ACTIVITIES

INTERNAL INNOVATIONS

Operational Excellence and Efficiency

- ↓ **Greenhouse gases** Improvements to pipeline compression and air-fuel ratio controls reduce CO₂ emissions by over 45,000 tonnes per year.
- ↓ **NO_x** Combustion optimization projects reduced nitrous oxide without affecting performance.
- ↓ **Mercury** Improved the mercury capture rate by injecting activated carbon into the flue gas.
- ↓ **SO₂** Successfully tested new process to remove sulphur dioxide emissions from the flue gas.



PARTNERING TO REDUCE EMISSIONS

Demand Side Management

- ATCO Electric Yukon worked with another utility to introduce rebates for customers who install energy efficient LED lights and automotive block heater timers. **2,700 rebates**
- Northland Utilities completed the conversion of four communities in the Northwest Territories to LED street lighting. **4 communities**
- ATCO EnergySense educates and informs Albertans regarding energy efficiency and wise energy use through an interactive website, school program and commercial energy audits.

Efficient Buildings

- 4 new buildings** New energy-efficient operations centres opened across ATCO in the past two years. Our most recent is in Jandakot, Western Australia.
- In 2014, we made the decision to move forward with construction of the ATCO commercial centre in Calgary to be built to Leadership in Energy & Environmental Design (LEED) Gold standards.



Combined Heat and Power (CHP)

- CHP reduces costs and emissions by replacing offsite electricity generation with onsite natural gas electricity generation and waste heat recovery. To date, ATCO Gas has worked with commercial customers in Red Deer and Calgary to install this technology.
- 3,500 CO₂e tonnes/year expected reduction across Alberta upon program completion**

Fleet Vehicles

- ↓ **5%** ATCO Gas 2015 reduction target in fleet fuel consumption, reducing overall emissions.
- 180 natural gas vehicles** ATCO Gas has the largest natural gas vehicle fleet in Alberta.



Natural Gas Fueling Stations

- We opened a new fleet compressed natural gas station in Fort McMurray in 2013, and plan to add or upgrade three stations in 2015. Municipalities are using ATCO stations to test natural gas-fuelled fleet vehicles, which can lower their greenhouse gas emissions by up to 25 per cent.



FUTURE LOW EMITTING AND RENEWABLE TECHNOLOGIES

ATCO operating companies continue to invest in and evaluate a range of technologies to determine viability as part of future long-term, cost-effective and environmentally responsible solutions.





Top: ATCO Gas Australia's new business and operations centre in Jandakot, Western Australia, was one of four new energy-efficient operations centres opened by ATCO in the past two years. Using energy efficiency, water usage conservation, waste management and indoor environmental quality data, the building is expected to achieve a 4.5 out of 6 rating using the National Australian Built Environment Rating System.

Bottom: The Collicutt Centre, a 260,000 sq. ft. recreation facility in Red Deer, Alberta, was one of the first customers to sign up for ATCO Gas's Combined Heat and Power program. The program incorporates technology that increases energy efficiency and reduces energy costs and greenhouse gas emissions.

LAND

Reducing impact and minimizing disturbance

ATCO's commitment to operating in a sustainable manner guides how we interact with and manage the land resources that are entrusted to us. This includes minimizing the disruption our operations have on the land and the biodiversity of species, as well as reclamation efforts to restore ecosystems to equivalent land capacity.

In 2013-14, ATCO companies built or replaced utility infrastructure, which included projects such as the Eastern Alberta Transmission Line and the Urban Pipeline Replacement Program. Care is taken to create comprehensive environmental protection plans that outline risks and mitigation procedures for use during construction, reclamation and operation. Similarly, archaeological and historical resources are also

protected through programs such as ATCO Electric's Historical and Archaeological Protection Program, which won an award from the Alberta Professional Planners Institute in 2013.

ATCO Energy Solutions is now into the third year of an innovative sustainability initiative at its compression station near Fort Saskatchewan that uses salt-resistant grasses and shrubs to clean up historic soil contamination.

Repairing pipelines after the flood

ATCO Pipelines assessed the integrity of pipeline water crossings that were exposed as a result of the 2013 southern Alberta flooding and developed low-impact remediation and replacement strategies. In Weaselhead Flats Park in Calgary, high river flows eroded the banks of the Elbow River exposing a high-pressure pipeline. In conjunction with government agencies, we developed a comprehensive plan to protect the existing pipeline and minimize disturbance to a sensitive environment. Mitigation techniques included adding woody debris to improve fish habitat, installing bank erosion and sediment control measures, implementing a water quality monitoring program and planting vegetation to assist with bank preservation. The project received the 2014 Alberta Roadbuilders & Heavy Construction Association's Environment Award.

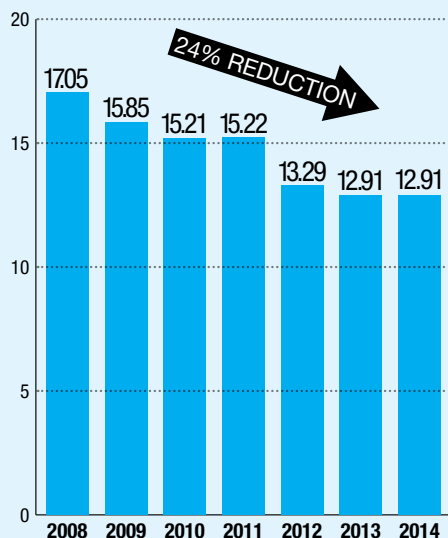
Upgrading a power line in a national park

In 2014, ATCO Electric engineers and construction crews completed an environmentally innovative power line construction project in Jasper National Park. The project involved upgrading a section of power line crossing rocky terrain and three mountain rivers in addition to serving a number of popular tourist attractions.

We used special cable to ensure the right-of-way remained narrow to minimize visibility of the line. For sections of the line inaccessible by bucket truck, crews brought in

DIRECT GREENHOUSE GAS EMISSIONS

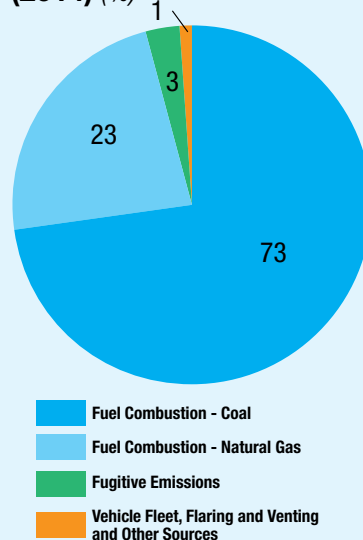
(millions tonnes CO₂e)



We have reduced our greenhouse gas emissions by 24 per cent since 2008. This is largely related to decreased energy output from our power assets.

GREENHOUSE GAS EMISSION SOURCES

(2014) (%)



The proportion of emissions from the different sources varies from year-to-year depending on the operating hours of our various electricity generating units.

OTHER AIR EMISSIONS

	2008	2014	Change (%) 2014 vs 2008	Notes
Sulphur Dioxide (tonnes)	63,182	54,273	-14	Change due to variability in sulphur content of the coal burned
Nitrogen Oxides (tonnes)	26,566	23,806	-10	Decrease predominantly due to changing operating mix from our power assets
Carbon Monoxide* (tonnes)	3,768	3,207	-15	Decrease predominantly due to changing operating mix from our power assets
Particulate Matter* (tonnes)	510	606	19	Increase predominantly due to changing operating mix from our power assets
Volatile Organic Compounds* (tonnes)	168	335	100	Changes predominantly due to expanded natural gas and energy product pipeline operations in Australia and Canada
Mercury (kilograms)	157	44	-72	Decrease due to installation of equipment to meet Alberta mercury control regulations
Ozone Depleting (kilograms)	77	18	-76	Emissions due to accidental releases

* The 2008 figures have been re-stated since the publication of our last report due to a change in emission factors

TRANSITION TO A LOWER CARBON FUTURE

ATCO has the opportunity to develop innovative, cost-effective, long-term, environmentally responsible solutions that support progress on climate change.

In Alberta and other jurisdictions around the world, coal-fired electricity is being replaced with lower emission sources of generation to meet greenhouse gas (GHG) emission reduction targets. The challenge is to reduce emissions in a way that meets environmental goals, while meeting growing energy demand and keeping the cost of electricity at a reasonable rate.

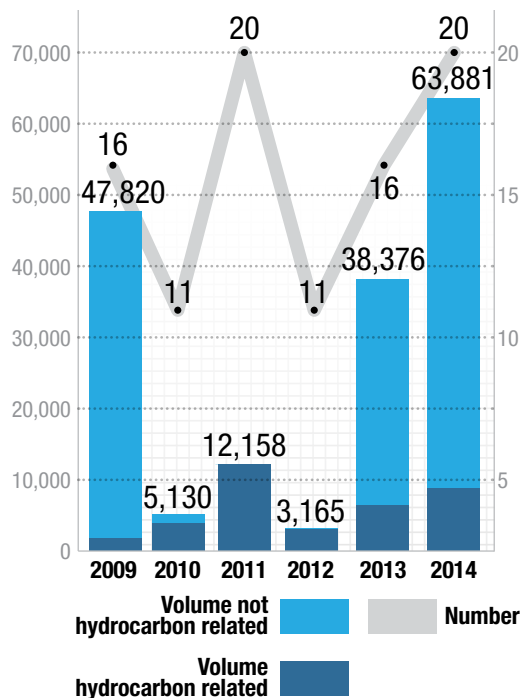
A large, complex and interconnected system delivers the energy that businesses and families rely on every day. Safe and reliable delivery of these critical services requires long-term planning and careful budgeting as well as effective execution in advance of actual need.

There are a variety of alternative energy sources - each one comes with its own pros and cons. It's important to carefully evaluate the options and create a base load generation mix that ensures jurisdictions are not dependent on a single solution. For example, natural gas-fired generation plants are faster and less expensive to build, but if all new plants in a jurisdiction use natural gas as a fuel source, it will be vulnerable to price increases in natural gas.

ATCO is actively pursuing replacement power through a combination of natural gas combined-cycle, cogeneration and renewables, including hydro. For example, hydro generation is more capital-intensive and requires government and regulatory policy support, but this essentially emissions-free alternative is a fuel source that is not at the financial mercy of commodity markets. As with all potential innovative solutions, collaboration, transparency and partnership guide the way forward to determine optimal ways to fulfill environmental and business priorities while lessening impacts on people, land use and the environment.

REPORTABLE SPILLS

(volume & number)



■ The increase in volume in 2013 can be attributed to a single incident regarding release of a mud/water mix. Similarly in 2014, the increase in volume can mainly be attributed to a single incident regarding the release of cement onto the ground. Other non-hydrocarbon spills often comprise high volumes of water containing small quantities of other substances.

We strive to minimize the number and size of spills to the environment through rigorous operational procedures and asset integrity with a goal of zero spills. Number of spills refers to all spills which require reporting to regulators. Spill volumes are sometimes estimated.

boatswain chairs that allowed workers to perform aerial work while suspended from a structure.

Reducing risk of environmental incidents

Protecting the environment and reducing the risk of environmental incidents are the result of operational excellence. It involves solid planning, processes, experience and training, and includes clear procedures to prevent operational environmental incidents or spills, regular inspections, risk assessments, building secondary containment where appropriate, and emergency response training.

For example, Northland Utilities completed upgrades to five power plant fuel systems in the Northwest Territories to further reduce risk of environmental incidents. This included proactive measures such as installing additional containment and alarm systems in addition to annual third-party inspections and equipment testing.

ATCO Pipelines has a comprehensive preventive maintenance and integrity program in place. Methods used to test facilities incorporate a cross-section of practices applied on a rotating basis to portions of pipelines. They include leak surveys, corrosion assessments,

in-line inspections, aerial inspections and capital improvements. The ATCO Pipelines Urban Pipeline Replacement Program also reduces the risk of future incidents by relocating hundreds of kilometres of high-pressure natural gas pipelines, which exist under densely populated neighborhoods in Calgary and Edmonton, to Transportation Utility Corridors.

Putting waste to good use

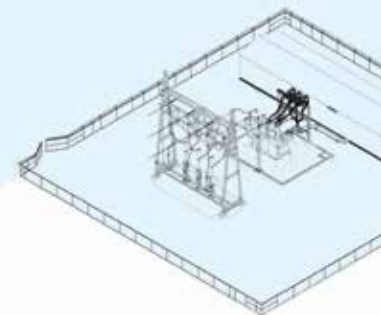
ATCO founded ASHCOR Technologies 17 years ago to use the coal by-product, fly ash, for construction and oil well cementing projects instead of sending it to landfills. In this way, ASHCOR customers reduce their greenhouse gas emissions by displacing cement powder, which has high greenhouse gas emissions intensity.

In addition, ATCO Power's Sheerness generating station is the only coal-fired facility in Alberta that uses a unique process of ensuring any remaining ash is not only responsibly stored and continuously monitored, but also through the reclamation process, successfully seeded with a native prairie mix seed and returned to productive land. This is possible through a 20-year partnership with a leading environmental management company.

EXPANDING ON INNOVATION CULTURE

By tapping into the knowledge, experience and innovative ideas of our people, we enable continual improvement and significant step changes in our environmental performance. Programs like Project Innovate in ATCO Electric's Transmission Division and IdeaWorks 2.0 in ATCO Gas encourage employees to generate value-creating ideas.

Ideas for design modifications to ATCO Electric substations resulted in either a 27 per cent reduction in the physical footprint by using air-insulated switchgear, or a 55 per cent footprint reduction by using indoor gas-insulated switchgear. Further innovation included narrowing access road width to our facilities and reducing roadway material requirements. These are



Footprint ↓ 55%
Construction costs ↓ 46%

WATER

ATCO understands that water is a precious resource. More than 98 per cent of water withdrawn for cooling at our coal-fired power facilities is returned. Before this occurs, extensive testing is done to ensure the water meets all regulatory requirements for temperature and quality.

ATCO is also committed to working with regulators, other businesses and the public to effectively steward this resource, improve efficiencies and reduce consumption where possible.

For example, ATCO Power's Battle River generating station is located on the banks of the Battle River. ATCO Power participates in the Battle River Watershed Alliance, an inclusive, collaborative and consensus-based community partnership. As part of the Stakeholder Advisory Group, ATCO Power recommends options and strategies that strike a balance between a healthy aquatic ecosystem,

a vibrant economy and sustainable communities. ATCO is also a member of the Alberta Water Council, a multi-interest partnership with members from governments, industry and non-government organizations.

At our Sheerness generating station, existing infrastructure is used to provide

water to dozens of nearby communities for irrigation and domestic water use.

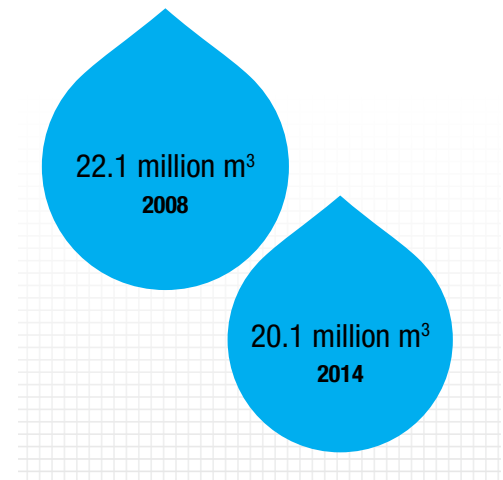
In areas where there are existing water intakes and infrastructure, ATCO looks for opportunities to improve efficiencies. For

example, ATCO Energy Solutions offers industrial customers essential water transportation services and industrial water solutions, which mitigates the need for those customers to build water infrastructure to source water from the river.

ATCO Power participates
in the Battle River
Watershed Alliance,
an inclusive, collaborative
and consensus-based
community partnership.

WATER CONSUMPTION

(millions m³)



The amount of
water ATCO
consumes overall
has decreased
9 per cent from
2008.

important considerations in more remote parts of northern Alberta as roadway materials are not only difficult to find, but involve long transportation distances which have an environmental impact.

Innovative ideas in ATCO Gas include new tubing tools used to stop the flow of gas for repair and construction purposes. These tools limit the amount of gas released to the atmosphere, reduce environmental impact associated with methane releases and provide a safe work environment for employees.



ATCO Energy Solutions' new pumphouse along the North Saskatchewan River is ecologically sensitive containing a state-of-the-art fish return system.

Health & Safety



Firefighter Rick Herbel works at the North Atlantic Treaty Organization (NATO), at 15 Wing Moose Jaw, where ATCO provides fire protection services.

Our Commitment

We strive to provide a healthy and safe work environment, and continually improve our safety and operational integrity programs to protect our employees, contractors and the public. We are committed to the safety of employees and to promoting safe practices with our customers.

Our Approach

Safety is the first consideration in everything we do. We strive to continually improve our safety programs with the objective of providing the awareness, training, procedures, equipment and follow-up to drive our zero injury culture.

HIGHLIGHTS

- Restoring natural gas and electricity service with no major safety incidents during our response to Alberta weather-related emergencies
- Employee lost-time injury rate has declined by 70 per cent since 2008, and recordable injury rate has declined by 30 per cent in the same period
- Approval to proceed with the Urban Pipeline Replacement (UPR) Program, moving high pressure pipelines out of major urban centres, increasing public safety

CHALLENGES

- Ensuring ATCO's safety culture is adopted in our expanded operations in new markets
- Continued monitoring and maintenance of current safety promotion programs that combat routine and complacency

MOVING FORWARD

- Tailor safety programs and training to each new operating jurisdiction
- Find new channels to promote innovation and best practice sharing between ATCO companies and industry peers
- Following the UPR Program model, advocate for similar initiatives to improve public safety and efficient operations

At ATCO, every task and all decisions must be evaluated for potential safety hazards, and the job only gets done when it can be performed safely. Our employees and contractors are trained to know their responsibilities from day one on the job and this includes taking all precautions necessary to ensure their safety and the safety of others.

Our focus on safety includes the customers who use our products and services, as well as the general public who live and work near our operations. ATCO employees in the field are involved in a vast array of activities – from construction, to maintenance of natural gas and electrical facilities, to running power generation plants.

Due to our diverse operations, each ATCO company translates core values into tailored, industry-specific safety policies and management systems that set expectations, provide comprehensive goals and measure performance. Audits and inspections are an integral part of continually improving safety performance. Safety performance is also reported in a consistent manner to the Audit & Risk Committee of ATCO's Board of Directors.

EMPLOYEE SAFETY Everyone Has a Role

Continual improvement in our safety performance is achieved through visible commitment and active participation by management and employees. We ensure our staff and contractors can easily access the information and tools required to stay safe on the job every day.

Beyond having the right processes, procedures and training in place, it is equally important to promote a

positive safety culture throughout ATCO. A robust safety culture supports innovation and drives positive change in operating practices - including continuously adapting how we think and act, on and off the job.

We regularly reinforce with our workers the need to pay attention to the decisions and actions they take

every single day because distraction, complacency and routine are the enemies of safety. Taking the time to complete a task safely is paramount because we know that rushing and distraction are contributing factors in many incidents.

A robust safety culture supports innovation and drives positive change in operating practices - including continuously adapting how we think and act, on and off the job.

We also involve representatives from different areas of the organization on steering committees. Those who work on the front lines or in the field every day know where process improvement or additional communication are needed, where the potential for human error exists, or where pinch-points are likely to appear.

For example:

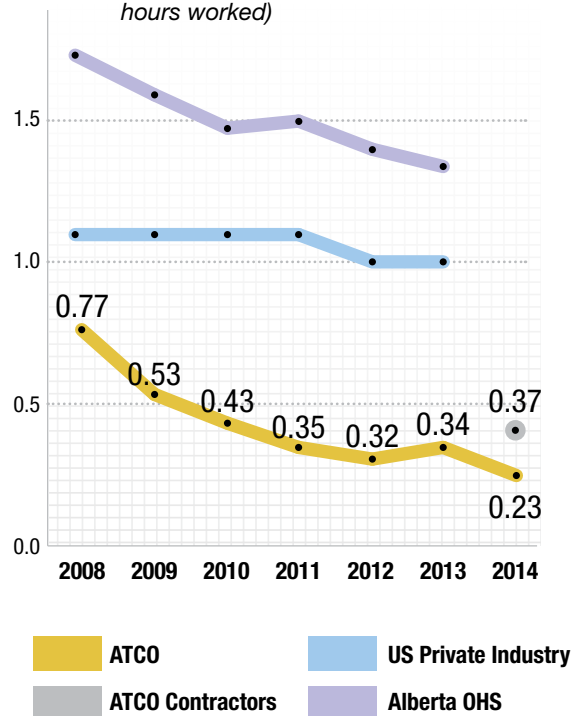
- The Safety Environment and Quality Steering Committee at ATCO Gas includes frontline employees in direction-setting;
- ATCO Power has a cross-company Health & Safety Advisory Team that includes managers, supervisors and operators who share safety information and review policies and initiatives before they are finalized;
- ATCO Electric Transmission established two Safety Improvement Steering Committees to develop comprehensive action plans to address top opportunities for improvement that were identified in a health and safety perception survey; and



Brendan Walton, Pressure B Welder, ATCO Gas, uses an emergency trench rescue device while welding a stopper fitting onto a steel main. The device is used when employees are working in confined or restricted spaces enabling them to be quickly lifted to safety should the need arise.

LOST TIME INJURY RATES

(cases per 200,000 hours worked)



Our employee lost-time injury rate has declined by more than 70 per cent since 2008. ATCO compares favourably with the general lost-time injury rate for Alberta Occupational Health and Safety as well as US Private Industry. We compare against these general benchmarks due to the diverse nature of the operations of our companies.

In cases where we direct the work of joint-venture employees, we include their data in employee safety statistics.

- ATCO Energy Solutions uses a monthly Operations Forum to discuss trends, review incidents and gain business unit support in the advancement of health, safety, security and environmental initiatives and concerns.

Managing and Reducing Safety Risk

As part of our efforts to manage and reduce risk, ATCO companies are proactively identifying ways to employ technology and partner with industry peers to develop and implement best practices. Examples include:

- In 2014, ATCO Gas completed a three-year automated meter reading project that saw the company replace or retrofit 1.1 million natural gas meters with devices that wirelessly transmit usage data to mobile collectors. This allows employees to read gas meters without entering customers' homes, yards or businesses, which improves billing accuracy and customer convenience. It also improves employee safety by reducing risks of falls and slips in the winter when going house-to-house.
- ATCO Electric partnered with industry peers and forestry companies to develop best management practices and guidelines for forestry activities near power lines. The goal was to create safe work practices by preventing forestry companies from leaving trees standing on the edges of 'cut blocks' during harvest operations. These trees are highly susceptible to toppling during heavy winds and storms and are estimated to cause 40 per cent of tree-related wildfires on power lines. To reduce the risk of future wildfires, an inventory and action plan for tree removal was completed.
- ATCO Gas commenced a pilot initiative to provide electronic tablets to field employees, which enables them to quickly access up-to-date detailed work instructions and safety information rather than referring to

paper copies that could be out of date.

- In 2014, ATCO Structures & Logistics implemented new safety incident management software that provides a high level of transparency and in-depth analysis of the company's safety and environment data.

Sharing Best Practices

Sharing information, knowledge and industry best practices with partners, communities, key industry and interest groups, service providers and regulatory agencies is a vital part of our efforts to raise the bar on safety performance.

When choosing to work with external partners, we use safety pre-qualification processes to ensure that only those who share our safety values are selected to work on ATCO projects.

Inside our organization, ATCO's enterprise-wide Safety Network brings together safety managers from each ATCO company to discuss performance, learn from experiences and share industry best practices. The goal is to improve consistency and align practices to ensure all of our companies achieve excellence and continual improvement in health and safety performance.

In a similar manner, the 2014 ATCO Australia Safety Summit brought together employees from all three ATCO operating divisions in Australia to share knowledge and best practices.

PUBLIC SAFETY Promoting Public Safety and Reducing Safety Risks

Our utility companies are responsible for the safe delivery of natural gas and electricity to our customers and they play a central role in promoting the safe use of natural gas and electricity to the public. Targeted programs have been developed for workers, homeowners and school children. The programs go beyond providing brochures and pamphlets to engaging, training and providing valuable services to these groups that will help them to stay safe.

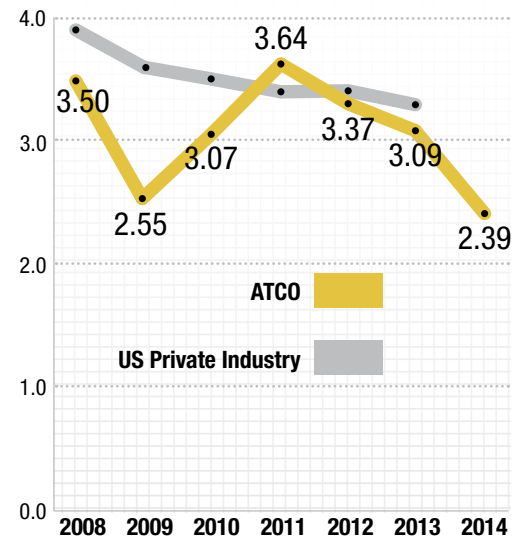
For example:

- ATCO Pipelines and ATCO Gas are proactively undertaking the Urban Pipeline Replacement Program, which will see vintage high-pressure natural gas pipelines relocated into the Transportation Utility Corridors that surround Calgary and Edmonton. This initiative will improve gas supply into major cities and increase safety by minimizing the risk of any serious incidents.
- To support safety on the farm, ATCO Electric will help determine the best route for moving tall farming equipment to reduce the risk of contact with a power line.
- ATCO supports the Click Before You Dig program - a free service that identifies the location of underground utilities for homeowners or workers to prevent hits to natural gas lines.
- The Where's the Line safety campaign is co-sponsored by ATCO Electric and other members of Alberta's Joint Utility Safety Team. New television ads remind heavy equipment operators of the serious dangers of being complacent when conducting hazard assessments on the job site.

- In 2014, the Alberta Fire Commissioner and ATCO Gas took aim at carbon monoxide (CO) by showing Albertans how to keep their families safe with the first ever Carbon Monoxide Awareness Week held in Alberta. In 2014 alone, ATCO Gas responded to more than 3,200 service and emergency calls related to CO. The company received a Safety Leadership Award in Public Safety from the Canadian Gas Association for this initiative.
- ATCO has a number of kids' programs such as ATCO Energy Theatre, ATCO Blue Flame Kitchen's Kids Can Cook and the ATCO Energy Education Mobile that teach kids about natural gas and electricity safety, and about Alberta's energy resources and using energy wisely.

RECORDABLE INJURY RATES

(cases per 200,000 hours worked, employees only)



Our total recordable injury rate has declined by over 30 per cent since 2008. The decrease is mainly due to improvements in our manufacturing division with the implementation of behaviour-based safety training and increased sharing of lessons learned.

Do you know what natural gas smells like?

scratch and sniff here

ATCOGAS.COM

ATCO Gas

Kitchen Safety
Why You Should Care

Even a small kitchen is often the heart of our home. We cook here, gather here and enjoy meals here with friends. But as warm and inviting as it is, the kitchen is also the most potentially dangerous room in a home. The last thing you want is a kitchen fire. A little bit of care and attention goes a long way to preventing bad things from happening.

Be careful when removing lids from hot pots or pans. Always open the lid away from yourself.

Always turn pot handles toward the back of the stove to prevent them being bumped into while working in the kitchen.

Never pour water onto a cooking oil fire! This only makes things worse, as it causes the fire to flare and spread. Turn off the stove and put a lid on the pot or pan to smother the flame. Do not try to move a burning pot or pan to the sink.

Don't wear loose clothes while cooking. An electrical coil on the stove reaches a temperature of 800°F and a gas flame goes over 1,000°F. A disbuttoned pot holder or a loose sleeve can catch fire at 400°F.

When broiling, don't place aluminum foil under meat; the fat retained on the foil can catch fire. To reduce the risk of fire, add water to the broiler pan, instead.

Wipe up spills and clean your oven. Build-up grease can catch fire.

Don't store items on the top or toaster oven, as they could catch fire. Don't use the oven as a storage; forgotten items may ignite the next time you preheat the oven.

Keep pets away from the stove, especially when opening the oven.

If you have a fire start in the oven, turn off the oven and keep the oven door closed until the fire is out.

WHAT ARE YOU WILLING TO RISK?

Life's most memorable moments shouldn't include contact with a power line.

Before moving large farm equipment around power lines, call 1-855-277-1670.

ATCO Electric

Elementary school audience

College/university audience

Adult audience

ATCO delivers public safety messages across broad demographic audiences. Scratch and sniff cards educate younger citizens to identify the smell associated with natural gas leaks. ATCO also engages with young adults leaving home for the first time with our Student Survival Guide. Included in this guide are safety messages primarily designed to eliminate fires. Adults are engaged through media campaigns for construction workers.



EMERGENCY RESPONSE AND DISASTER RECOVERY

ALWAYS THERE. ANYWHERE.

ATCO companies have unique expertise in emergency response – skills that have led them to a trusted role as first responders to an emergency.

ATCO is often a critical member of the emergency response planning team at the time of a crisis and provides input on the structure and approach of civic and provincial emergency management as it relates to our services.

ATCO Electric provides free power line safety training to emergency first responders in its service area including fire, ambulance, police and environment personnel. The half-day training program provides first responders with the information and tools they need to respond safely to electrical emergencies.

Similarly, ATCO Gas works with and provides safety training to local fire departments and first responders for emergency situations involving natural gas.

ATCO Electric and ATCO Gas also work with local officials to develop customized emergency preparedness guides for residents and businesses within their operating areas. These guides are part of Alberta's Emergency Preparedness Week in early May.

ATCO Structures & Logistics' rapid response capabilities and global presence have led the company to a role in providing emergency shelters for people who have been displaced from their homes due to emergencies. These structures are often up and ready to use in as little as two weeks and provide essential support to communities that are coping with the aftermath of a natural disaster.

Alberta has seen its share of weather-related emergencies in the past two years – including the floods of 2013 and severe wind and ice storms in 2014. ATCO Gas employees completed service restoration work during the 2013 floods under extreme conditions with zero injuries. As a result, the company and its people were recognized as Heroes of the Flood by the Government of Alberta.

ATCO Electric responded to two widespread weather-related outages in 2014. In spite of weather and electrical system challenges, the company continued to provide safe and reliable service to customers.

Our Commitment

ATCO is committed to:

- upholding the highest standard of ethical behaviour and maintaining a respectful work environment with an emphasis on teamwork;
- growing our talent through professional, leadership and occupational skills development as well as providing opportunities for career growth;
- ensuring competitiveness from a total compensation perspective;
- clearly communicating performance expectations and recognizing milestones and achievements; and
- enhancing the company's technical infrastructure to manage our large, diverse and geographically dispersed labour force in an efficient, effective manner.

Our Approach

ATCO started as a family business more than 65 years ago. Our enduring ethos is rooted in solid family values: work as a team, be responsible for your actions, always give your very best effort and make a difference in your community.

Employees



Senior ATCO Gas Draftsperson, Jean Bradley (right), collaborates with Draftsperson, Tatyana Minuyukova, and Junior Draftsperson, Sophearith Lay, to provide development opportunities for the two employees.

HIGHLIGHTS

- Improved development and collaboration opportunities for employees through increased cross-company transfers
- Enhanced leadership training and development programs
- Broadened online recruitment through the use of ATCO Careers, LinkedIn and Twitter

CHALLENGES

- Adopting communications methods that reach a younger workforce
- Ensuring employees have training and resources available in cases where integrated solutions with other ATCO companies can provide benefit to customers

MOVING FORWARD

- Match training and development required to career interests and goals
- Conduct an internal communications survey for all employees
- Increased focus on women in operational and leadership roles



Highly trained operators in our ATCO Pipelines Control Centre, such as Landon Kelly, use data from remote monitoring technology to safely manage the movement of natural gas in our pipelines 24/7.

Success in our companies depends upon the talent, commitment and expertise of our people. Our workforce of more than 9,000 represents a balance of seasoned professionals and those who are just starting their careers. We strive to offer benefits and programs that attract and retain individuals in all stages of their career – right from the early days through to retirement.

GETTING STARTED

Social media tools, such as LinkedIn, Facebook and Twitter, have become a vital part of our effort to reach and engage people who are our customers and our prospective employees. We continue to reach out directly to prospective employees through career fairs and some of our companies tap into employees' networks through referral programs.

Once the right candidate is found, orientation and onboarding can begin. The onboarding process can last from three months to upwards of

one year, depending on the position. Our goal is to ensure new employees are welcomed and provided the right information to have the best start possible with the company.

Encouraging diversity

The diversity of operations at ATCO's worldwide companies demands a diverse, inclusive workforce. It is part of the ATCO Code of Ethics to provide a work environment free of discrimination and harassment, where employment opportunities are based upon merit and ability.

ATCO's overall recruitment goal is to hire the best candidate, so our companies do not generally ask prospective employees to self-identify into specific diversity categories nor do we set diversity quotas.

However, one ATCO company, ATCO Structures & Logistics, implemented an employment equity program in 2012 consistent with the Federal Contractors Program.

This program's goal is to achieve workplace equity for designated groups experiencing disproportionately low representation in the Canadian labour market, namely women, Indigenous people, those with a disability and members of visible minorities. This program encourages potential new hires to voluntarily identify themselves as belonging to one of these four groups that have historically experienced barriers to employment.

YOUR CAREER WITHIN ATCO

ATCO's strong performance is fuelled by the diversity of nine operating companies that span the manufacturing, utility and energy industries. This diversity allows us to create an organization that can not only withstand downturns in cyclic industries, but also stay the course and even seize opportunities during challenging economic times.

Many ATCO employees have grown and developed their careers as well as their knowledge of different industries by transferring from one ATCO company to another. Employees experience new challenges and opportunities by working at several different ATCO companies over the course of their career. In 2014, more than 170 employees saw career growth by transferring from one ATCO company to another.

Supporting learning and development

We strongly support our employees' desire to learn, develop and grow throughout their careers. Employees and their supervisors work together to create a development plan that meets the employee's and their team's goals for growth.

Employees have access to a variety of technical and non-technical training as well as career development opportunities.

In 2013 and 2014 combined, more than 1,700 employees participated in leadership training with more than \$850,000 spent on these courses. In addition, in 2014, 40 employees participated in the Aboriginal Leadership Program offered through the University of Calgary.

ATCO's comprehensive leadership development programs build and enhance professional skills. We offer classroom and experiential learning opportunities through Mount Royal

University in Calgary and the Ivey School of Business in London, Ontario.

In 2014, all leadership development programs were integrated into the organization's Learning Management System providing employees the ability to view enterprise-wide leadership

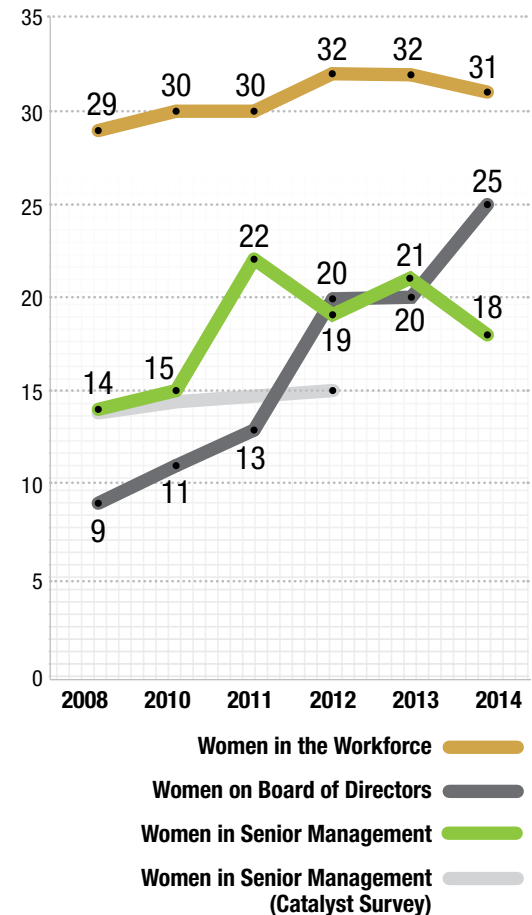
development courses, as well as schedule and track their training and career development activities.

We also reimburse employees up to 100 per cent for the cost of their post-secondary learning that can be applied to a career growth plan with the company, with the level of reimbursement depending on the applicability to their current role.

Our learning programs extend to the children of our employees who receive scholarship and bursary funds to help defray the costs of post-secondary education. In 2013 and 2014, ATCO bursary funds were \$956,500 and \$882,600 respectively.

It is part of the
ATCO Code of Ethics
to provide a work
environment free
of discrimination
and harassment,
where employment
opportunities are based
upon merit and ability.

WOMEN IN THE ATCO WORKFORCE (%)

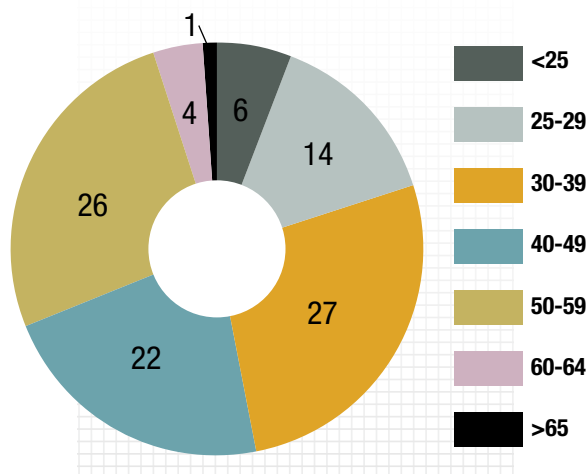


ATCO has increased women in senior management by 29 per cent since 2008.

In 2014, women represented 25 per cent of the ATCO Board. This is more than 40 per cent higher than the average female board member representation of Canada's Financial Post 500 companies of 17 per cent.

ATCO's Chair, President & Chief Executive Officer, Nancy Southern, is a member of the Canadian Advisory Council for Promoting Women on Boards.

WORKFORCE BY AGE (%)



We strive to create a workplace that appeals to all age groups. ATCO works to continuously improve and implement succession planning strategies to assist those employees in early career stages to effectively backfill long service employees and upcoming retirements.

Engaging employees through ATCO EPIC

ATCO employees are at the heart of the company's ATCO EPIC (Employees Participating In Communities) community engagement program. As part of the annual fall campaign, the

employees of each ATCO company select charities that receive the funds raised through fundraising events. These feature charities work closely with each employee-led organizing committee to identify ways to educate and inspire ATCO employees about the cause they selected to support.

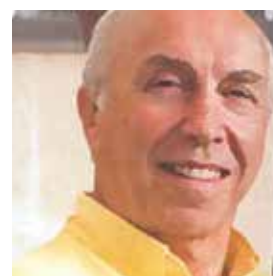
Another key component of the ATCO EPIC program is volunteerism. Employees who volunteer 50 hours or more with a charitable organization are eligible to apply for a donation to a registered charity of their choice.

In 2014, employees volunteered more than 28,000 hours to the communities where they work and live. During the ATCO EPIC campaigns, employees also participate in Days of Caring, a program that allows them to tackle projects in the community during work hours. Projects include refurbishing facilities, stocking food bank shelves and selling items to fundraise for charity. (See page 28 for more about ATCO EPIC.)

ATCO Employee Share Purchase Plan

The ATCO Employee Share Purchase Plan (ESPP) enables employees to become owners of ATCO and Canadian Utilities non-voting shares through regular payroll contributions. Employees choose the percentage of their gross earnings to contribute and ATCO matches a portion of their contributions.

In 2013, the employer contribution increased from 15 per cent to either 25 or 35 per cent, depending on how long the employee had been contributing to the plan. More than 58 per cent of





eligible employees participate in the ESPP. Employees also now have the option to transfer their unrestricted shares to Tax-Free Savings Accounts or Registered Retirement Savings Plan accounts.

MOVING ON

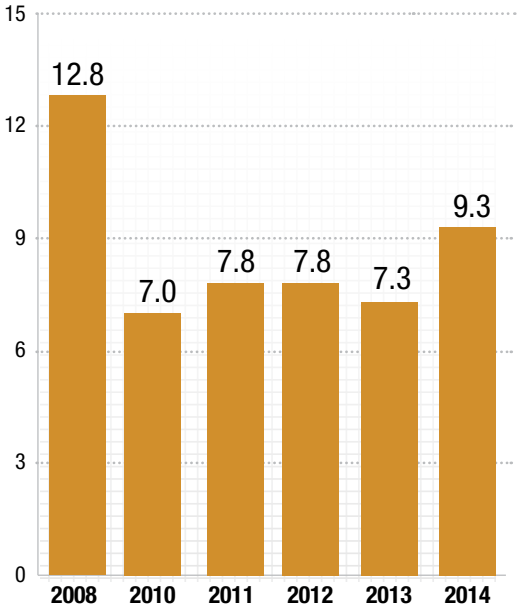
With North America's aging baby boomer workforce currently retired or on the verge of retirement, ATCO works to continuously improve and implement succession planning strategies to ensure the institutional knowledge of our older workers is passed down to the next generations.

ATCO offers eligible employees the opportunity to scale back on their work commitments over time with a graduated transition to retirement. This benefits ATCO and the employee while facilitating knowledge transfer and ensuring business continuity.

We also recognize that personal retirement planning is an essential element of overall benefit planning and retirement readiness. We provide people with training and tools to help them take an active role in achieving their financial goals.

ATCO companies are not immune to changes in commodity prices and other economic cycles. We make every effort to re-deploy people when one of our companies experiences layoffs.

VOLUNTARY TURNOVER RATES (%)



The voluntary turnover rate increased in 2014, predominantly as a result of some operating companies repositioning their business and employees realigning their career paths.

Communities



ATCO and Denendeh Investments Incorporated (DII), a First Nations-owned corporation, have been partners in Northland Utilities for nearly 30 years. Ceremonial drummers open an event in Yellowknife, N.W.T., to celebrate the signing of a Memorandum of Understanding that will see DII become equal owners with ATCO in Northland Utilities.

Our Commitment

ATCO is committed to contributing to the quality of life in the communities where we do business and where our people work and live.

We are committed to:

- seeking to understand and meet the needs and interests of the communities we serve;
- developing meaningful partnerships with non-profit organizations and supporting these partnerships through volunteer efforts as well as providing expertise and financial support;
- facilitating engagement with governing authorities, regulatory bodies, landowners, Indigenous and community groups that may be affected by our project proposals and operations worldwide; and
- building mutually beneficial commercial relationships with local suppliers.

Our Approach

Effective community engagement demands a long-term approach that is based on respect, trust and genuine openness to the needs and interests of our customers and the communities where we work and live.

HIGHLIGHTS

- Employees Participating In Communities (EPIC) program wins international award; expanding EPIC to Australia
- Successful public engagement on numerous projects
- Partnering with Indigenous and remote communities to build essential infrastructure

CHALLENGES

- Enabling flexible grassroots approaches to community relations while ensuring consistent standards
- Deferring the roll out of online Indigenous relations training for all employees to 2015

MOVING FORWARD

- Develop long-term relationships to create positive impact in new jurisdictions (e.g., Mexico)
- Find effective ways of quantifying community impact
- Roll out online Indigenous relations training

Our workforce includes more than 9,000 people who live and work in hundreds of communities around the world. We are thoughtful and respectful when engaging people who may be affected by our operations or when we are investing in community organizations.

We have an unwavering commitment to our customers' needs and strive to integrate our employees' first-hand knowledge of their communities into decision-making throughout the organization.

For new projects, we take a proactive grassroots approach and consult with communities early in the planning process and seek to understand and respond to their needs and concerns in an open, respectful manner. Best practices for consultation are shared across the ATCO companies.

We also have a long history of building and maintaining mutually beneficial relationships with Indigenous communities.

Our employees take the lead in their communities when it comes to community investment. Through the ATCO Employees Participating in Communities (EPIC) program, we ensure our investments reflect the needs of our communities and the interests of those who shape our company.

PUBLIC ENGAGEMENT

Given the broad and diverse nature of our businesses, our operations touch the lives of people around the world. We work to ensure our public engagement activities are accessible, transparent, receptive, responsive and accountable. As a provider of essential services, we have a key, long-term role to play in the communities that we serve.

The groups we engage may include, but are not limited to:

- 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.

We engage to not only achieve our sustainability commitments and regulatory obligations, but also to earn the social license to operate that comes from positive, transparent, long-term relationships.

Our core stakeholder engagement plans are further supplemented by activities such as cross-functional advisory panels, landowner group meetings, information sessions, early engagement focus groups, surveys and questionnaires. There is no single right approach to the level or type of engagement and we continue to improve how we reach out and incorporate feedback.

Infrastructure

ATCO has been a trusted steward of utility infrastructure in Alberta for many years. This speaks to the quality and transparency of our community engagement and consultation processes as well as to our ability to build and manage safe, reliable and efficient utility infrastructure projects. The following examples from 2013-2014 illustrate the breadth of our engagement activities:

- ATCO Pipelines and ATCO Gas are working together on the Urban Pipeline Replacement (UPR) Program. After public consultation, ATCO Pipelines received approval to proceed with the UPR Program in January 2014. ATCO Gas is constructing new lower pressure distribution pipelines and is transferring some existing high-pressure pipelines to the ATCO Gas



Top: ATCO Pipelines employees from left, Vice President, Engineering & Construction, Jason Sharpe; Team Leader, Construction, Bill Martin; and Director, Field Operations & Pipeline System Control, Jim Yaremko, speak with community members at an Urban Pipeline Replacement Program open house. These open houses provide residents with an opportunity to learn more and provide feedback on the project.

Bottom: Bob Armstrong, Senior Manager, Project Execution, ATCO Energy Solutions, discusses the company's salt cavern storage facility, located in Alberta's Industrial Heartland, with a resident at a Community Information Evening in Gibbons.



Employees celebrated the record-breaking \$4.3 million raised by employees and the company for charitable causes during the 2014 ATCO EPIC campaign.

distribution system to be operated at lower pressures. Additional public consultation activities for specific segments of the pipeline will be ongoing for both ATCO Pipelines and ATCO Gas over the duration of the program, which is expected to take five years to complete.

- In 2014, ATCO Electric piloted an early engagement program to explore a more proactive approach to building positive relationships and identifying transmission line route constraints. Questionnaires about routing priorities and a mapping exercise helped identify community priorities and valued land features for consideration for right-of-way planners in route option development. An overwhelming majority of survey participants - 97 per cent - indicated they "felt heard", while 88 per cent indicated they would be interested in participating again.
- Our long history in Alberta includes not only providing electricity and natural gas services to customers, but also providing industrial water solutions, hydrocarbon storage and power cogeneration for commercial customers in the province's Industrial Heartland, northeast of Edmonton. ATCO Energy Solutions, ATCO Pipelines and ATCO Power participated in open houses in 2014 to continue informing businesses, governments and communities of their projects that support growth in the region.

COMMUNITY COMMITMENT

ATCO is committed to helping create healthy, vibrant communities through initiatives that involve developing meaningful partnerships with non-profit organizations. We support these initiatives through volunteer efforts and by providing expertise and financial support.

ATCO also offers more than 90 scholarships and bursaries at post-secondary and trade institutions around the world, while supporting programs and events that encourage healthy,

active lifestyles and help to build stronger communities.

ATCO EPIC

The ATCO EPIC (Employees Participating in Communities) fundraising program was launched in 2006 as a way to unite all of the ATCO companies' fundraising efforts and to make a more meaningful impact in communities. Since that time, the award-winning program has raised more than \$28 million for more than 500 charities around the world, while also facilitating hundreds of thousands of employee volunteer hours.

The employee-led program involves fundraising events, volunteer activities and financial donations that employees direct to the charitable causes that matter most to them. ATCO enhances its people's generosity by matching donations to human health and wellness organizations. ATCO also covers all administration costs for the program, ensuring that the charities benefit from 100 per cent of the financial donations.

ATCO expanded its employee giving program in 2014 to include the employees working for ATCO Australia.

In 2014, ATCO was recognized as the year's Outstanding Corporation by the Association of Fundraising Professionals (AFP) for the company's many extraordinary contributions to philanthropy and to the charitable sector. In particular, the award recognized the ATCO EPIC program. The AFP represents more than 32,000 charities and charitable fundraisers around the world.

Economic impact

ATCO's broad network of operations and facilities has a significant economic impact in hundreds of communities around the world – we have operations in 350 communities in Alberta alone. We contribute to the economic vitality of the communities in which we operate through the taxes we pay, the jobs we create and the goods and services we purchase and supply.

INDIGENOUS RELATIONS

Building and sustaining mutually beneficial Indigenous relationships help to form the foundation of our global business activities.

The diversity of ATCO's businesses encourages a variety of relationships with Indigenous communities. These communities are our business partners, customers, employees, contractors and neighbours who are consulted and engaged.

Partnerships that stand the test of time involve respect, trust, understanding and transparency. Each party commits to bringing value to the partnership and continues to negotiate in good faith as the relationship evolves over time. We conduct all of our business in this spirit, striving to maintain positive relationships that contribute to sustainable economic and social development in the communities where we do business.

Building stronger relationships

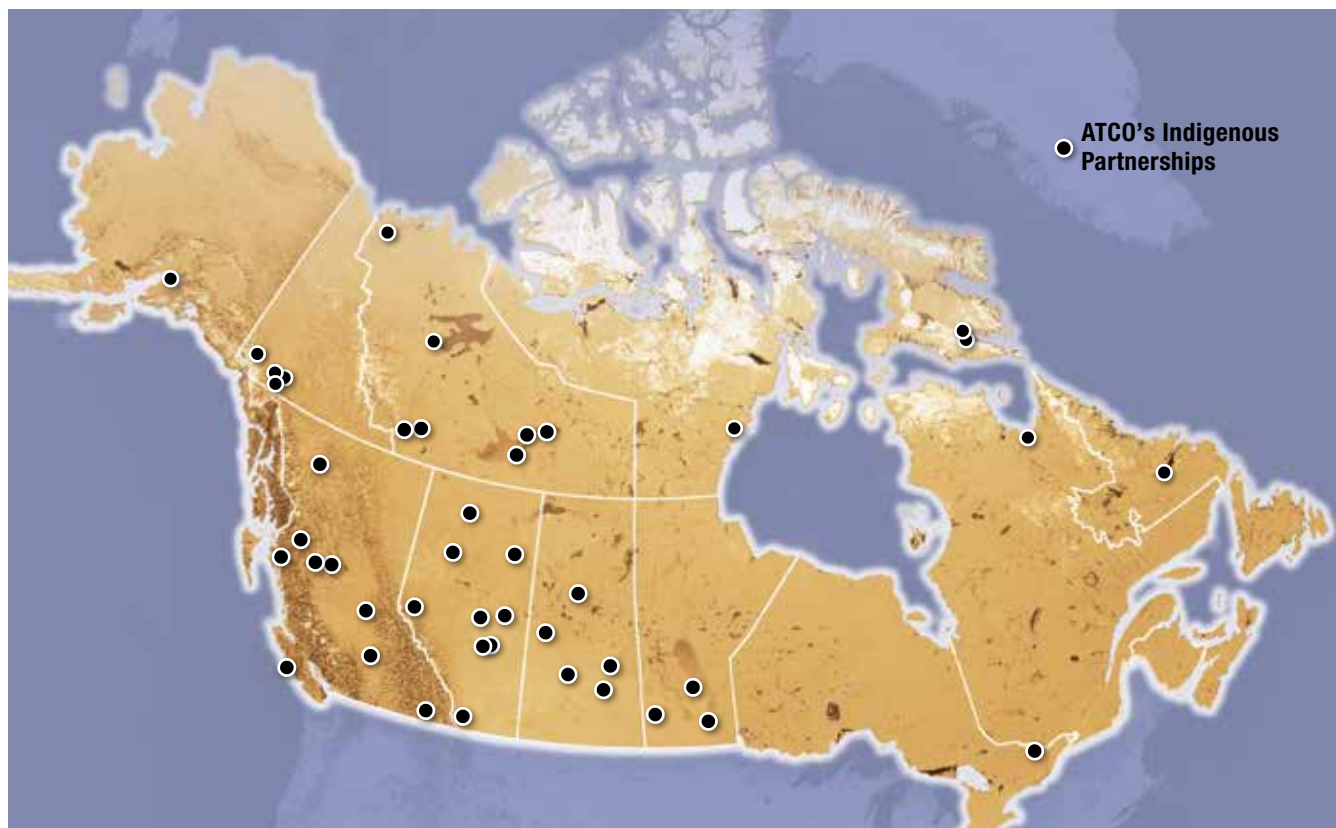
We have more than 40 joint-venture partnerships, Memorandums of

Understanding and other relationships with Indigenous communities. Some of our Indigenous partnerships are celebrating more than 25 years of working together. (See map below.)

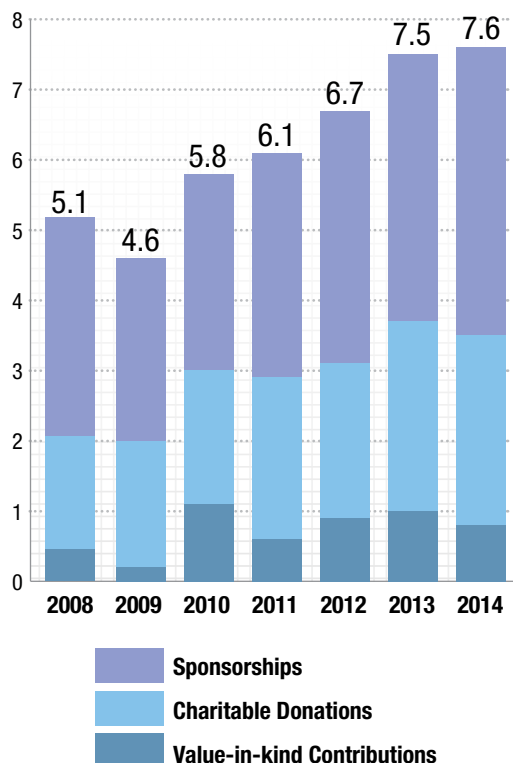
- Denendeh Investments Incorporated (DII), a First Nations-owned corporation, and ATCO have been partners in Northland Utilities for nearly 30 years. In early 2015, DII, which represents 27 Dene Nations in the North, became equal partners with ATCO in the company, increasing its ownership from 14 to 50 per cent. Northland Utilities provides retail, distribution, transmission and generation services to more than 11,000 customers in nine Northwest Territories communities. More than 25 per cent of Northland Utilities employees are Indigenous and the company has a number of programs in place to build capacity with Indigenous people, such as job shadowing, apprenticeship training and a variety of roles in the engineering field.



Nancy Southern, Chair, President & Chief Executive Officer, with Darrell Beaulieu, President, Denendeh Investments Incorporated (DII), at signing ceremony in Yellowknife, N.W.T.



COMMUNITY INVESTMENT (\$ millions)



ATCO's total sponsorship, donation and value-in-kind contributions, excluding employee donations. Charitable Donations includes the ATCO portion of the EPIC donation, as well as other donations.

- In 2014, ARCTEC Alaska, a longstanding joint-venture partnership between ATCO Structures & Logistics and ASRC Federal Primus, won a 10-year contract to provide operations and maintenance services to 15 strategic radar sites that form the Alaska Radar System. ARCTEC is responsible for maintaining the geographically isolated radar sites (accessible only by air or seasonal barge). ASRC Federal Primus is a wholly owned subsidiary of Arctic Slope Regional Corporation, an Alaska Native Corporation owned by approximately 11,000 Iñupiat shareholders.
- ATCO Structures & Logistics operates the Bluesky Lodge through its joint venture with the Woodland Cree First Nation. The lodge provides living quarters for workers at the nearby Shell Carmon Creek heavy oil project near Peace River, Alberta. The lodge's workforce includes Indigenous employees who have roles in camp management and other services. In 2014, the relationship with the Woodland Cree was expanded to include on-the-job apprentice and kitchen skills training.

We also established new partnerships in 2014:

- ATCO Energy Solutions signed a Relationship Agreement with the Simpcw First Nation in BC that will see the two parties jointly pursue a number of sustainable business opportunities related to energy infrastructure development.
- ATCO Power signed a joint-venture agreement with the Sahtu Dene Council to focus on developing renewable energy projects in the Sahtu region of the Northwest Territories.
- ATCO Structures & Logistics signed a joint-venture partnership with the Alexander First Nation in Alberta to pursue business opportunities and began another joint venture with the Naha Dehe (Nahanni Butte Dene Band) in the Northwest Territories.

In 2014, the Canadian Council for Aboriginal Business recognized ATCO Structures & Logistics for its work in engaging Indigenous communities with a silver-level certification from the Progressive Aboriginal Relations program. The program independently certifies and evaluates all aspects of a company's Indigenous relations, including strategy, policies, employment, community engagement and investment, while providing valuable feedback for continued improvement.

Education, mentorship and employment

ATCO supports recruitment, education and training initiatives for Indigenous Peoples as part of an overall workforce strategy to meet our labour force needs. We make every reasonable effort to address internal, cultural and community barriers that impede the employment of Indigenous Peoples in our companies. Joint-venture partnerships often provide Indigenous communities with valuable work placement opportunities and on-the-job training. In turn, ATCO benefits through diversity and much-needed skilled labour for its projects.

We also provide Indigenous awareness training for our employees. ATCO sponsors a four-day Aboriginal Relations Leadership Certificate program at the University of Calgary. Since the program began in 2012, more than 450 University of Calgary students and 100 ATCO employees have participated.

ATCO also maintains ongoing educational awards and scholarship programs that provide valuable financial assistance to Indigenous students pursuing post-secondary education.

ATCO SUSTAINABLE COMMUNITIES

ATCO Sustainable Communities is in its third year of operation providing a full range of prefabricated, culturally-sensitive building solutions for Indigenous and remote communities.

Understanding our customers' specific cultural and physical requirements allows **ATCO Sustainable Communities** to identify solutions that best meet their customers' needs. Our engagement process welcomes and encourages community-owned businesses and members to participate

through the life cycle of a project. Identifying and incorporating local resources strengthens the partnership and helps ensure project success.

Following project completion, we offer specific training and education programs to ensure qualified resources exist in the community to manage the infrastructure over the long term.

In 2014, seven projects were either completed or nearing completion across Canada including:

- a gas station at Dene Tha' First Nation near Meander River, Alberta;
- fire halls at Peerless Trout First Nation near Slave Lake, Alberta, and Attawapiskat First Nation in Attawapiskat, Ontario;
- a school expansion for the Blood Tribe in southern Alberta; and
- community centres in Nain, Newfoundland and Labrador, and at Swan River First Nation in Kinuso, Alberta.



Councillor Fabian North Peigan (left) from the Piikani Nation and Dean Seiz, ATCO Sustainable Communities, at a land blessing ceremony for the Piikani Nation's new Multipurpose Centre to be constructed by ATCO Sustainable Communities. The facility is scheduled for completion in early 2016 and will provide a new space for the community to gather and participate in hockey and other recreational activities year-round.



2014 recipients Danielle Lightning (left) and Danika Lightning (right) celebrate after receiving scholarships through the ATCO Pipelines Indigenous Education Awards Program. The program recognizes students from Indigenous communities who demonstrate leadership capabilities and strive to be role models in their schools and communities.

Performance Summary

Indicator ¹	Units	2008	2009	2010
ENVIRONMENT				
Air Emissions ²				
Direct GHGs	kilotonnes CO ₂ e	17,049	15,847	15,205
Indirect GHGs ³	kilotonnes CO ₂ e	-	-	-
Sulphur dioxide	tonnes	63,182	53,825	56,244
Nitrogen oxides	tonnes	26,566	24,626	24,523
Particulate matter (PM2.5)	tonnes	510	501	523
Carbon monoxide	tonnes	3,768	3,552	3,297
Volatile organic compounds	tonnes	168	162	148
Mercury	kilograms	157	181	189
Ozone depleting substances	kilograms	77	6	0
Water Use ⁴	million m ³	22.1	21.6	19.1
Spills ⁵				
Number		-	16	11
Volume	litres	-	47,820	5,130
Hazardous Waste	tonnes	-	-	-
Environmental Fines and Penalties	\$	0	0	0
SOCIAL⁶				
Health & Safety ⁷				
Lost time injury rate (employees)	Cases/200,000 hours worked	0.77	0.53	0.43
Lost time injury rate (contractors) ⁸	Cases/200,000 hours worked	-	-	-
Recordable injury rate (employees)	Cases/200,000 hours worked	3.50	2.55	3.07
Fatalities (employees)	number	0	0	1
Fatalities (contractors)	number	0	0	0
Employees ⁹	number	7,781	7,524	7,726
Voluntary Turnover Rate ⁹	per cent	12.8	-	7.0
Employees in Employee Unions or Associations ⁹	per cent	54	-	56
Non-compliance incidents regarding safety of products and services	number	-	0	0
Diversity ⁹				
Women in workforce ¹⁰	per cent	29	-	30
Women in senior management	per cent	14	-	15
Women on Board of Directors	per cent	9	-	11
Human Rights and Ethics Incidents				
Discrimination incidents	number	-	0	0
Indigenous rights incidents	number	-	0	0
Corruption incidents	number	-	0	0
Customer Privacy Breaches ¹¹	number	40	82	83
Number of Regulatory Non-compliance Incidents	number	-	-	-
Fines and Penalties for Regulatory Non-compliance	\$	-	-	-
ECONOMIC¹²				
Economic Value Generated ¹³	\$ million	3,266	3,109	3,486
Economic Value Distributed				
Suppliers	\$ million	1,127	1,064	1,412
Employees ¹⁴	\$ million	466	405	540
Lenders	\$ million	239	244	231
Shareholders	\$ million	166	183	196
Governments ¹⁵	\$ million	365	358	343
Communities ¹⁶	\$ million	5	5	6
Economic Value Retained ¹⁷	\$ million	897	850	758
Financial Assistance Received from Governments ¹⁸	\$ million	-	3.28	3.42
Coverage of Defined Benefit Pension Plan Obligations	per cent	99	99	89

2011	2012	2013	2014
15,217	13,290	12,913	12,909
275	275	269	254
61,294	57,357	55,734	54,273
27,126	24,360	24,277	23,806
559	573	533	606
3,879	3,263	3,264	3,207
358	280	344	335
81	63	53	44
66	1	11	18
19.4	19.8	19.5	20.1
20	11	16	20
12,158	3,165	38,376	63,881
886	839	678	1,005
0	1,000	0	0
0.35	0.32	0.34	0.23
-	-	-	0.37
3.64	3.37	3.09	2.39
0	0	0	0
0	2	0	0
8,891	9,428	9,816	9,170
7.8	7.8	7.3	9.3
52	50	51	53
0	0	0	0
30	32	32	31
22	19	21	18
13	20	20	25
0	0	0	0
0	0	0	0
0	0	0	0
86	42	2	15
0	0	2	2
0	0	7,750	7,750
3,991	4,012	4,359	4,554
1,704	1,518	1,659	1,807
590	669	705	716
244	286	312	343
212	222	234	254
323	387	401	407
6	7	8	8
912	923	1,040	1,019
2.37	0.51	0.41	0.38
85	80	92	89

We strive to continually improve our tracking and measurement systems, and may adjust indicator definitions and performance data to reflect current best practice. In most cases, we use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy.

NOTES

- 1 This report includes performance data on indicators that were not included in all previous reports. Data for the new indicators for previous years is not included, and is denoted with a “-” symbol.
- 2 Emissions figures include amounts that are required to be reported under federal, provincial, regional or other regulations, or under facility permits. We use standard industry calculation methodologies and emission factors, which sometimes change to be more accurate. Due to such changes, the figures for particulate matter, carbon monoxide and volatile organic compounds have been re-stated since the publication of our last report.
- 3 Data for indirect emissions currently includes six of our operating companies.
- 4 Water use = water diverted minus water returned to source. Includes estimated data from ATCO Australia, ATCO Electric Yukon, ATCO Energy Solutions, ATCO Pipelines, ATCO Structures & Logistics, and ATCO Power. Includes water for process use; does not include water used for domestic purposes. We estimate that these figures account for more than 99 percent of our water use.
- 5 Includes spills of the sizes that meet the thresholds for regulatory reporting in the jurisdiction in which they occurred. Volume spilled is often estimated due to variables such as duration, location and when the spill was identified. 2010 volume spilled has been restated since the publication of our last report. We improved reporting from previously including only significant spills, to now including all reportable spills, starting in 2011.
- 6 We are not able to report data for some employee indicators for 2009 because we integrated multiple data management systems into one during that year.
- 7 In cases where we direct the work of joint venture (JV) employees, we include their data in safety statistics.
- 8 Figures previously reported for 2012 and 2013 are not included here due to the discovery of inaccurate tracking of contractor exposure hours in those years, and the inability to recalculate the rates.
- 9 Does not include JV employees.
- 10 Does not include international employees.
- 11 All incidents were resolved successfully, and typically involved a call centre agent providing information to a caller who was not listed as an additional responsible party.
- 12 Figures for 2012 economic value generated, distributed and retained have been restated for the application of IFRS 11 Joint Arrangements requiring equity accounting for joint ventures and reclassifications resulting from discontinued operations. Prior years have not been restated.
- 13 Economic value generated includes revenues, gains on asset dispositions, and interest income.
- 14 Payments to employees include the expensed cost of wages and benefits.
- 15 Payments to governments include income, property, and franchise taxes.
- 16 Distributions to communities include donations, in-kind contributions, and sponsorships.
- 17 Economic value retained is economic value generated minus economic value distributed. This is not a financial reporting indicator and should not be confused with retained earnings.
- 18 Financial assistance received from governments includes tax relief/credits, investment grants, R&D grants, financial awards, and favourable financing terms from domestic and foreign governments.

GRI Content Index

This report has been prepared using the Global Reporting Initiative's (GRI) 3.1 Sustainability Reporting Guidelines. The GRI Guidelines are the world's most widely referenced standards on sustainability reporting and disclosure. We self-declare this report

Category	GRI Indicator	Description	Page #
Strategy & Analysis	1.1	CEO statement	4-5
	1.2	Key impacts, risks and opportunities	10-13, 17-18, 27-31
Organizational Profile	2.1	Company name	8
	2.2	Primary brands, products, and/or services	2-3
	2.3	Operational structure	2-3
	2.4	Location of headquarters	Back Cover
	2.5	Countries where ATCO operates	2-3
	2.6	Nature of ownership and legal form	6
	2.7	Nature of markets served	2-3
	2.8	Scale of the company	2
	2.9	Significant changes during reporting period	8
	2.10	Awards received	IBC
Report Parameters	3.1	Reporting period	8
	3.2	Date of most recent previous report	8
	3.3	Reporting cycle	8
	3.4	Contact point for questions	Back Cover
	3.5	Process for defining report content	8
	3.6	Boundary of report	8
	3.7	Limitations on report scope or boundary	8, 33 (Notes)
	3.8	Basis for reporting on non-wholly owned operations	8
	3.9	Data measurement techniques and the bases of calculations	8
	3.10	Explanation of information restatements	8, 33 (Notes)
Governance, Commitments & Engagement	3.11	Significant changes in measurement	33 (Notes)
	3.12	List of GRI indicators addressed	34
	3.13	Policy and current practice on external assurance of report	Note 1
	4.1	Governance structure, including major committees under the Board	6
	4.2	Independence of Board chair	6
	4.3	Independent, non-executive directors on Board	MPC p. 18
	4.4	Mechanisms for shareowner participation	MPC p. 25
	4.5	Link between compensation and ATCO's performance (including social and environmental performance)	MPC p. 44
	4.6	Processes for the Board to avoid conflicts of interest	MPC p. 25
	4.7	Process for determining qualifications and expertise of Board members for guiding ATCO's sustainability strategy	MPC p. 17
	4.8	Mission and values statements, internally developed codes of conduct or principles and policies	7
	4.9	Organizational structure for economic, environmental and social management	7
	4.10	Processes for evaluating Board performance, particularly with respect to economic, environmental, and social performance	MPC p. 24
	4.11	Application of the precautionary principle	Note 2
	4.12	Adoption of externally developed sustainability charters or principles	IBC
	4.13	Association memberships	IBC
	4.14	Stakeholder groups engaged	27
	4.15	Basis for identification and selection of stakeholders with whom to engage	27

and associated disclosures on our website as achieving Application Level B. Application levels reflect the level of disclosure and are not representative of sustainability performance. For more information on the GRI please visit www.globalreporting.org.

Category	GRI Indicator	Description	Page #
	4.16	Approaches to stakeholder engagement	26-30
	4.17	Key topics and concerns raised through stakeholder engagement	28
	EC1	Direct economic value generated and distributed	32-33
	EC3	Coverage of defined benefit plan obligations	32-33
Economic	EC4	Significant financial assistance received from government	32-33
		Disclosure on Management Approach - Environment	Website
	EN6	Initiatives to provide energy-efficient products and services	11
	EN7	Initiatives to reduce indirect energy consumption	11-12
Environmental	EN8	Water use	15, 32-33
	EN14	Strategies, actions and plans for managing impacts on biodiversity	12
	EN16	Greenhouse gas emissions	13, 32-33
	EN18	Initiatives to reduce greenhouse gas emissions	11, 13
	EN19	Emissions of ozone depleting substances	13, 32-33
	EN20	NOx, SOx, and other significant emissions	13, 32-33
	EN22	Wastes	32-33
	EN23	Number and volume of significant spills	14, 32-33
	EN28	Environmental non-compliance and fines	32-33
		Disclosure on Management Approach - Employees	Website
Social	LA1	Workforce profile	23-24, 32-33
	LA2	Employee turnover rate	25, 32-33
	LA4	Employees in employee unions or associations	32-33
		Disclosure on Management Approach - Safety	Website
	LA7	Standard injury and lost day rates and fatalities	17-19, 32-33
	LA13	Diversity	22-24, 32-33
	HR4	Incidents of discrimination and actions taken	32-33
	HR9	Incidents of violations of indigenous rights and actions taken	32-33
		Disclosure on Management Approach - Communities	Website
	SO4	Incidents of corruption and actions taken	7
	SO5	Participation in public policy development	7
	SO7	Incidents of anti-competitive behaviour	7
	SO8	Regulatory non-compliance and fines	7, 32-33
	PR2	Non-compliance incidents regarding safety of products and services	32-33
	PR8	Customer privacy breaches	7, 32-33

Notes

1 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 assurance activities on information presented in this report, including financial, environmental, health and safety performance, and management systems. However, third-party assurance of this report has not been conducted.

2 Although ATCO 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.

MPC = 2014 Management Proxy Circular.

IBC = Inside Back Cover.

ASSOCIATIONS AND INITIATIVES

ATCO companies participate in a variety of industry associations and related groups to understand and share best practices. The major groups include:

- Alberta Common Ground Alliance
- Alberta Energy Efficiency Alliance
- Alberta One-Call
- Alberta Power Industry Consortium
- Alberta Water Council
- American Gas Association
- Australian Institute of Energy
- Australian Pipeline & Gas Association
- Canadian Council for Aboriginal Business
- Canadian Electricity Association
- Canadian Energy Partnership for Environmental Innovation
- Canadian Energy Pipeline Association
- Canadian Gas Association
- Canadian Natural Gas Vehicle Alliance
- Canadian Off Grid Utilities Association
- Clean Air Strategic Alliance
- Committee for Economic Development of Australia
- Electric Power Research Institute
- Energy Networks Association (Australia)
- Energy Supply Association of Australia
- International Council on Large Electric Systems
- Modular Building Institute
- Pipeline Research Council International
- Utility Vegetation Management Association
- Various business associations and chambers of commerce
- Various safety-related associations
- Various watershed and airshed alliances
- Western Energy Institute

We have also signed on to or subscribe to the following externally developed initiatives that specify sustainability related principles or commitments:

- Canadian Energy Pipeline Association Integrity First® Program
- Sustainable Electricity Program (Canadian Electricity Association)

RECOGNITION

External recognition we receive for our initiatives and operational excellence is a measure of our performance and gives us a benchmark for further improvement in these activities. The following is a sample of the significant external recognition we received in 2013-2014:

- Alberta Professional Planners Institute: 2013 Award of Planning Merit for Special Studies, for ATCO Electric's Historical and Archaeological Protection Program
- Association of Fundraising Professionals (AFP): 2014 Outstanding Corporation, for numerous initiatives, including ATCO EPIC
- Canadian Council for Aboriginal Business: 2014 Silver-Level Certification in Progressive Aboriginal Relations, for ATCO Structures & Logistics
- Canadian Gas Association: 2014 Leadership Award in Public Safety, for ATCO Gas' Carbon Monoxide Awareness Week
- Electricity Human Resources of Canada: 2014 Award of Excellence for training management system
- International Energy Agency Solar Heating Programme: 2013 SHC Solar Award, for involvement in Drake Landing
- Alberta Roadbuilders & Heavy Construction Association: 2014 Environment Award, for ATCO Pipelines' Elbow River pipeline exposure mitigation project



Andrew Watt, President & CEO, AFP, (left) presents Erhard Kiefer, Senior Vice President & Chief Administration Officer, ATCO Group, (right) with the 2014 Outstanding Corporation Award.

For more information, contact ATCO at sustainability@atco.com



700, 909-11th Avenue SW, Calgary, Alberta T2R 1N6

Telephone (403) 292-7500

Fax (403) 292-7623

ATCO.com