

MESSAGE FROM THE CHAIR AND CEO

To our share owners, customers, partners, neighbours and the ATCO family,

If one thing has become clear in the wake of the COVID-19 crisis, it is that we are all connected as one global community. This has accelerated the need for a different approach to commerce—one that considers not just near-term economic pressures, but strives to create truly intergenerational and sustainable prosperity.

For many, this approach is new and unfamiliar territory. For ATCO, it has been our course for more than seven decades. Our decisions have always been based upon a holistic, long-term perspective. And, despite the immense disruption of the pandemic, we have continued to prioritize our environmental, social and governance performance while reliably delivering essential products and services to our customers, each and every day.

ATCO's reputation is built on being there for our people, our customers and our communities in the most critical times. The pandemic, while unfamiliar, is no different. Our companies and our people were tested in 2020—and continue to be tested as the crisis persists. However, as they have time and time again, our people have persevered, banding together to provide uninterrupted essential services on several fronts.

As the exponential spread of COVID-19 strained critical medical infrastructure, we built rapidly deployable mobile health units for victims of the virus, constructed modular hospitals and mobilized hundreds of rapid-response rentals to help governments manage the unique demands of the pandemic. And, within our group of companies, we brought in safety protocols in accordance with public health guidelines and redoubled our focus on mental health support for our greatest assets—our people.

Concurrently, the people of ATCO responded with exacting precision to natural disasters, such as floods in Fort McMurray, Alberta and the devastating bush fires across Australia. Our incredible teams worked around the clock to respond to these crises, all while abiding necessary public health measures to ensure that our customers stayed safe.

When I reflect on their actions, I marvel at our people's courage, heart and determination. In an era when disasters have become more severe and frequent, their unrelenting focus on operational excellence, safety, and preparedness is truly a source of immense pride and our greatest competitive advantage.

Energy and the Environment

Energy innovation is a central pillar of ATCO's strategy. The nature of energy production and consumption is transforming in parallel with our own operations and we have never stopped reimagining the "art of the possible." Today, we continue to pioneer the innovative energy solutions our customers and partners are looking for, with a focus on enabling the transition to a net-zero emissions future.

Our strategy is predicated upon the production of cleaner fuels, renewable electricity, energy efficiency and critical energy infrastructure. This strategy, paired with our existing footprint, assets and expertise, uniquely positions ATCO to enable our customers to affordably achieve their own emissions and energy goals.

Take, for example, northern Alberta, where we recently completed Canada's largest off-grid solar project, providing the remote Indigenous community of Fort Chipewyan with a reliable, sustainable alternative to diesel fuel. Or consider our global focus on hydrogen, including the first-of-its-kind hydrogen blending project now under development in the community of Fort Saskatchewan, Alberta, which will blend hydrogen into the natural gas distribution system. Once completed, it will be Canada's largest hydrogen blending project, paving the way for broader application across the province.

While enabling customers to reduce their emissions, we have also pivoted our electricity generation business to focus on lower-emitting technologies. Primarily as a result of the strategic divestiture of our Canadian fossil fuel-based electricity generation business, we were able to remove 90 per cent



of direct greenhouse gas emissions from our portfolio. At the same time, we are actively growing our renewable energy footprint and recently completed the first phase of our El Resplandor solar project in Chile.

People: Our Social Responsibility

Our success depends not only on operational excellence and technical ingenuity, but also upon people and respectful and meaningful relationships. These principles are fundamentally and inextricably linked.

It manifests in myriad ways, from the Indigenous partnerships we forge to the day-to-day customer interactions of our utility crews in hundreds of communities around the globe. At times, it is simply about being aware of how to best support our customers; hence, our request for regulatory approval to defer electricity and natural gas distribution rate increases to support affordability for our customers in Alberta.

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Take, as just one example, our award-winning Fort McMurray 500-kV West Transmission Project, completed by Alberta PowerLine (APL), in northern Alberta. In September 2020, we received the prestigious International Edison Award for our innovative approach to completing the line—a true made-in-Canada success story. With APL, we pioneered a new model for infrastructure development and advancing economic reconciliation with Indigenous Peoples—testament to the commitment of our partners, the exemplary project execution of our people, and a communal vision for creating shared and sustainable prosperity along the route.

Global events of the past year have also brought renewed focus to the inequalities that remain pervasive in many communities across the globe—putting into stark relief the need for corporates to champion diversity and inclusion, both within and outside the workplace.

I am proud to say that ATCO has long been a champion of diversity and inclusion at home and around the world. I firmly believe that inclusion is not only a moral imperative of the highest order, but a source of customer centricity and innovation. Furthermore, we have long found great value in collaboration. We listen carefully to different perspectives and actively look for new approaches that will continue to challenge the status quo. There is no doubt we can always do better and, over the past year, we have engaged our people to help broaden the aperture on our diversity and inclusion efforts. Their enthusiastic response has been truly inspiring.

I am often awestruck by the unquenchable spirit of our people, perhaps best demonstrated by ATCO EPIC (Employees Participating in Communities), our long-standing employee-led program that rallies the spirit of our people all over the world. Through these challenging times, it is more important than ever to show compassion and give back to our communities. In 2020, ATCO and our people pledged more than \$2.9 million to help hundreds of charities across the globe.

While immensely challenging, the past year has conferred many powerful lessons for our group of companies. We embraced change, instead of bracing for change. We overcame extraordinary disruption—setting new precedents for excellence, while staying true to our values. Most importantly, we never lost sight of our vision of delivering inspired solutions for a better world.

Sincerely yours,

Nancy Southern
Chair & Chief Executive Officer