

# ATCO LTD. 2019 SUSTAINABILITY REPORT

## SUSTAINABILITY FRAMEWORK REFERENCE DOCUMENT

This document includes references to a variety of publicly available documents that contain governance, economic, environmental, and social information for 2019, including the Annual Report, Sustainability Report, financial filings, and website.

The Sustainability Report includes data for ATCO Ltd. (ACO.X, ACO.Y). ATCO's sustainability reporting references Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) as listed below.

For more information on the GRI please visit [www.globalreporting.org](http://www.globalreporting.org).  
For more information on SASB please visit [www.sasb.org](http://www.sasb.org).

### SUSTAINABILITY FRAMEWORK INDEX

Standard Reference	Disclosure	Page number and/or URL(s)			
<b>GENERAL DISCLOSURES</b>					
GRI 102-1	Name of the organization	ATCO Ltd.			
GRI 102-2	Activities, brands, products, and services	<a href="#">Sustainability Report</a> (p. 2-3) ATCO Ltd. <a href="#">Annual Information Form</a> (p. 7-30)			
GRI 102-3	Location of headquarters	Calgary, Alberta, Canada			
GRI 102-4	Location of operations	<a href="#">Sustainability Report</a> (p. 2-3) ATCO Ltd. <a href="#">Annual Information Form</a> (p. 7-30)			
GRI 102-5	Ownership and legal form	Company shares are traded on the Toronto Stock Exchange (TSX) as ACO.Y (non-voting shares) and ACO.X (voting shares). ATCO Ltd. <a href="#">Annual Information Form</a> (p. 2-3)			
GRI 102-6	Markets served	Sustainability Report (p. 2-3) ATCO Ltd. <a href="#">Annual Information Form</a> (p. 7)			
GRI 102-7	Scale of the organization	<a href="#">Sustainability Report</a> (p. 2-3) <a href="#">ATCO Ltd. Year In Review</a> (p. 6-9)			
GRI 102-8	Information on employees and other workers	<b>Organization Profile</b>			
		Employees	count	6,556	
		<b>Workforce by Employment Contract</b>	<b>Permanent</b>	<b>Temporary</b>	
		<b>Gender</b>			
		Male	count	4,164	397
		Female	count	1,782	213
		<b>Region</b>			
		Canada	count	5,043	485
		Mexico	count	39	0
		Australia	count	563	53
		South America	count	7	0
		Other	count	294	72
		<b>Workforce by Employment Type</b>	<b>Full-time</b>	<b>Part-time</b>	
		<b>Gender</b>			
Male	count	4,538	23		
Female	count	1,894	101		
GRI 102-10	Significant changes to the organization and its supply chain	ATCO Ltd. <a href="#">Management's Discussion &amp; Analysis</a> (p. 24-39)			

Standard Reference	Disclosure	Page number and/or URL(s)
GRI 102-11	Precautionary Principle or approach	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.
GRI 102-14	Statement from senior decisionmaker	<a href="#">Sustainability Report</a> (p. 1)
GRI 102-16	Values, principles, standards, and norms of behaviour	<a href="#">Vision &amp; Values Code of Ethics</a>
GRI 102-17	Mechanisms for advice and concerns about ethics	<a href="#">Integrity and Compliance</a>
GRI 102-18	Governance structure	<a href="#">Sustainability Report</a> (p. 33) ATCO Ltd. <a href="#">Management Proxy Circular</a> (p. 24)
GRI 102-22	Composition of Board and its committees	ATCO Ltd. Board Members: <a href="#">Management Proxy Circular</a> (p. 10-23) ATCO Ltd. Committee Members: <a href="#">Management Proxy Circular</a> (p. 29-31)
GRI 102-23	Chair of the Board	ATCO Ltd. <a href="#">Management Proxy Circular</a> (p. 14)
GRI 102-40	List of stakeholder groups	The groups we engage include, but are not limited to: <ul style="list-style-type: none"> <li>• community residents and landowners;</li> <li>• customers and potential customers;</li> <li>• Indigenous communities;</li> <li>• governments and regulators;</li> <li>• special interest groups and non-government organizations;</li> <li>• investors and potential investors; and</li> <li>• employees and potential employees.</li> </ul>
GRI 102-41	Collective bargaining agreements	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 102-43	Approach to stakeholder engagement	<a href="#">Community &amp; Indigenous Relations Sustainability Report</a> (p. 24-29)
GRI 102-45	Entities included in the consolidated financial statements	ATCO Ltd. <a href="#">Consolidated Financial Statements</a> Entities covered in the CFS are also covered in our sustainability reporting unless noted. The treatment of joint ventures may be addressed differently in ATCO's 2019 Annual Report with respect to financial performance.
GRI 102-46	Defining report content and topic boundaries	<a href="#">Sustainability Report</a> (p. 34-35)
GRI 102-47	List of material topics	<a href="#">Sustainability Report</a> (p. 34)
GRI 102-48	Restatements of information	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 102-49	Changes in reporting	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 102-50	Reporting period	January 1 - December 31, 2019
GRI 102-51	Date of most recent report Our 2019	Sustainability Report was released in June 2020.
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	sustainability@atco.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	ATCO's sustainability report references the specific GRI Standards listed in this document.
GRI 102-55	GRI content index	<a href="#">Sustainability Framework Index</a>

Standard Reference	Disclosure	Page number and/or URL(s)
GRI 102-56	External assurance	Senior management and relevant staff have reviewed all information and believe it is an accurate representation of our performance. We undertook a variety of internal and external review activities on information presented in the 2019 Sustainability Report and associated disclosures. However, third-party assurance has not been conducted.
<b>MATERIAL TOPICS</b>		
<b>Energy Stewardship</b>		
<b>Customer Satisfaction</b>		
Company Indicator	Customer Satisfaction Scores (CSAT)	<a href="#">Energy Stewardship Sustainability Report</a> (p. 11)
<b>Security &amp; Reliability</b>		
Company Indicator	Spend on new and refurbished infrastructure (\$)	<a href="#">Energy Stewardship Sustainability Report</a> (p. 8)
<b>Access &amp; Affordability</b>		
Company Indicator	Distributed generation installed (MW)	ATCO Ltd. <a href="#">Annual Information Form</a> (p. 23-24)
SASB EU-240-A4	Discussion of factors that affect energy affordability	<a href="#">Energy Stewardship Sustainability Report</a> (p. 6)
<b>Environmental Stewardship</b>		
<b>Climate Change &amp; Energy Use</b>		
GRI 302-4	Reduction of energy consumption	<a href="#">Environmental Stewardship Sustainability Report</a> (p. 14-17)
GRI 305-1, SASB EU-11-A1	Direct (Scope 1) GHG emissions	<a href="#">Environmental Stewardship Sustainability Report</a> (p. 36-37)
SASB EU-110-A3	Direct (Scope 1) GHG emissions strategy including reduction targets	<a href="#">Environmental Stewardship Sustainability Report</a> (p. 14-17)
GRI 305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental Stewardship Sustainability Report</a> (p. 36-37)
GRI 305-4	GHG emissions intensity	In 2019, we estimate that emissions intensity for power generation was 0.67 CO <sub>2</sub> e/MWh. Emissions intensity for power generation is calculated by dividing direct GHG emissions (CO <sub>2</sub> e) by production (MWh equivalent), for facilities we operate regardless of financial ownership. Operated facilities include power generation facilities in Canada, Australia and Mexico; distributed generation; and a combined heat and power unit at one of our operations centres.
<b>Environmental Management</b>		
GRI 306-3	Significant spills	<a href="#">Environmental Stewardship Sustainability Report</a> (p. 17) <a href="#">Sustainability Report</a> (p. 36-37)
GRI 307-1	Non-compliance with environmental laws and regulations	<a href="#">Sustainability Report</a> (p. 36-37)

Standard Reference	Disclosure	Page number and/or URL(s)
<b>Safety</b>		
<b>Employee and Contractor Health &amp; Safety</b>		
GRI 403-9, SASB EU-320-A1	Work-related injury rates Safety	<a href="#">Sustainability Report</a> (p. 22-23) <a href="#">Sustainability Report</a> (p. 36-37)
<b>Community &amp; Indigenous Relations</b>		
GRI 411-1	Incidents of violations involving rights of Indigenous Peoples	<a href="#">Sustainability Report</a> (p. 36-37)
<b>OTHER TOPICS COVERED</b>		
<b>Economic</b>		
GRI 201-1	Economic value generated and distributed	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 201-3	Coverage of defined benefit pension plan obligations	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 201-4	Financial assistance received from governments	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 205-3	Corruption incidents	<a href="#">Sustainability Report</a> (p. 36-37)
<b>Environment</b>		
GRI 303-5, SASB IF-EU-140a.1	Water consumption	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 305-6	Emissions of ozone-depleting substances	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 305-7, SASB EU-120-A1	Nitrogen oxides, sulphur dioxides and other significant air emissions	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 306-2	Waste by type	<a href="#">Sustainability Report</a> (p. 36-37)
<b>Social</b>		
GRI 401-1	Employee turnover rate	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 405-1	Diversity of governance bodies and employees	ATCO Ltd. <a href="#">Management Proxy Circular</a> (p. 26) <a href="#">Sustainability Report</a> (p. 36-37)
GRI 406-1	Incidents of discrimination	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 416-2	Non-compliance incidents regarding safety of products and services	Included as part of 'Number of Regulatory Noncompliance Incidents' in <a href="#">Sustainability Report</a> (p. 36-37)
GRI 418-1	Customer privacy breaches	<a href="#">Sustainability Report</a> (p. 36-37)
GRI 419-1	Non-compliance with laws and regulations in the social and economic areas	Included as part of 'Number of Regulatory Noncompliance Incidents' in <a href="#">Sustainability Report</a> (p. 36-37)
<b>Gas Delivery Infrastructure</b>		
SASB EU-540-A3	Transmission pipeline in-line inspections	<a href="#">Sustainability Report</a> (p. 16)
SASB EU-540-A4	Integrity discussion	<a href="#">Sustainability Report</a> (p. 16)
SASB EU-000-C	Length of natural gas transmission and distribution pipelines	<a href="#">Sustainability Report</a> (p. 16)

## ENVIRONMENTAL DATA ON A FINANCIAL CONTROL BASIS

The table below reports data for ATCO Ltd. (ACO.X, ACO.Y).

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

As sustainability reporting standards and requirements evolve, we continue to progress our disclosures to meet the needs of shareholders, investors, and other stakeholders. In line with this effort, data for select environmental indicators reported below is broadly guided by the GHG Protocol's definition of financial control. This includes 100 per cent of data from Canadian Utilities Limited, the equity share of joint ventures where available, and excludes entities ATCO does not have financial control of, such as Neltume Ports. The treatment of various entities may be addressed differently in ATCO's 2019 Annual Report with respect to financial performance.

### 2019 ENVIRONMENTAL DATA ON A FINANCIAL CONTROL BASIS

ENVIRONMENTAL INDICATOR	2019 FINANCIAL CONTROL BASIS	2019 OPERATORSHIP BASIS
Direct greenhouse gases - Scope 1 (kilotonnes CO <sub>2</sub> e)	6,686	8,319
Indirect greenhouse gases - Scope 2 (kilotonnes CO <sub>2</sub> e)	134	108
Sulphur dioxide (tonnes)	9,206	14,564
Nitrogen oxides (tonnes)	7,946	8,909
Particulate matter (PM <sub>2.5</sub> ) (tonnes)	254	332
Carbon monoxide (tonnes)	1,494	1,460
Volatile organic compounds (tonnes)	127	143
Water Use (million m <sup>3</sup> )	14.1	16.0
Hazardous Waste (tonnes)	1,226	1,226

## **TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES**

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

In 2019, ATCO expanded alignment to the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have provided available mapping to existing disclosures below, and plan to continue to evolve our external disclosure around climate risks and opportunities in alignment with the TCFD recommendations.

For more information on the TCFD please visit [www.fsb-tcf.org](http://www.fsb-tcf.org).

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

TCFD Recommendations		Links to ATCO Information
<b>GENERAL DISCLOSURES</b>		
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	<a href="#">Management Proxy Circular</a> (p. 24-31) <a href="#">Sustainability Report</a> (p. 33)
	Describe management's role in assessing and managing risks and opportunities.	<a href="#">Management Proxy Circular</a> (p. 24-31) <a href="#">Sustainability Report</a> (p. 33)
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 8-11) <a href="#">Management's Discussion &amp; Analysis</a> (p. 45-47)
<b>STRATEGY</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 61-69) <a href="#">Sustainability Report</a> (p. 14-15)
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 62)
<b>RISK MANAGEMENT</b>		
Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 61-69) <a href="#">Sustainability Report</a> (p. 33)
	Describe the organization's processes for managing climate-related risks.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 61-69) <a href="#">Sustainability Report</a> (p. 14-15) <a href="#">Sustainability Report</a> (p. 33)
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 61-69) <a href="#">Sustainability Report</a> (p. 33)
<b>METRICS AND TARGETS</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">Management Proxy Circular</a> (p. 49-63) <a href="#">Sustainability Report</a> (p. 36-37)
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">Sustainability Report</a> (p. 36-37)
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">Management's Discussion &amp; Analysis</a> (p. 12-17) <a href="#">Sustainability Report</a> (p. 14-15)