

January 18, 2022

## **ATCO ANNOUNCES STRATEGIC ENVIRONMENTAL, SOCIAL AND GOVERNANCE TARGETS FOR 2030**

### **Building on strong historical performance, ATCO commits to net zero emissions by 2050**

**CALGARY, Alberta – ATCO Ltd. (TSX: ACO.X) (TSX: ACO.Y)**

Building upon its long track record of sustainability leadership, ATCO today announced a comprehensive set of 2030 environmental, social and governance (ESG) targets and a commitment to achieve net zero greenhouse gas (GHG) emissions by 2050. ATCO's 2030 ESG targets include reducing its operational and customer emissions, growing its renewable energy footprint, increasing economic benefits for Indigenous partners, continuing its focus on safety, and further promoting diversity, equity, and inclusion in the workplace.

“For 75 years, the people of ATCO have pioneered innovative solutions at the forefront of global trends, generating value for our share owners and creating the conditions for our communities and customers to thrive,” said Nancy Southern, Chair & Chief Executive Officer, ATCO. “Our ambitious ESG targets reflect the same holistic perspective that has underpinned our growth for decades—one that considers not just near-term economic pressures but creates truly intergenerational, sustainable prosperity.”

ATCO's ESG targets will allow the company to measure its progress in achieving its strategic goals of accelerating the energy transition, advancing Indigenous reconciliation, and supporting the communities it serves, while also supporting long-term growth. The company also remains committed to the highest health and safety standards and performance.

#### **ATCO's 2030 ESG targets include<sup>1</sup>:**

##### *Supporting the energy transition and reducing GHG emissions*

- Reducing net operational GHG emissions to earnings intensity by 30 per cent (Scope 1 and 2).
- Reducing our customers' GHG emissions by 2 million tonnes through continued participation in renewable energy, clean fuels, energy efficiency, and energy infrastructure projects.
- Owning, developing, or managing over 1,000 MW of renewable energy.
- Deriving 20 per cent of revenues from transitional product categories (e.g., renewable natural gas and hydrogen).

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<sup>1</sup> As measured against a 2020 baseline.

*Promoting inclusive growth in our workforce and communities*

- Increasing net economic benefits to our Indigenous partners by 40 per cent. Net economic benefits to Indigenous partners capture unique benefits ranging from partnership earnings and Indigenous procurement to liaison work, fees and permits.
- Achieving and maintaining a minimum of 30 per cent female representation at the Board of Director and senior leadership levels.
- Achieving and maintaining a minimum of 25 per cent minority representation within the ATCO Group workforce.
- Maintaining leading health and safety practices and performance.

**ATCO's 2050 Commitment**

ATCO's 2050 net zero commitment builds upon the company's significant progress in recent years in decarbonizing its portfolio, including a 90 per cent reduction in operational GHG emissions from 2019 to 2020 realized primarily through the sale of Canadian Utilities' fossil fuel-based electricity generation portfolio as well as reductions in its retained assets. ATCO is actively pursuing several pathways to further reduce its operational emissions, as well as its customers' emissions, by accelerating the deployment and use of clean hydrogen, energy storage, renewable electricity, and energy efficiency technologies. In support of its net zero commitment, ATCO is also working with all levels of government to advocate for enabling policy and regulation, and to identify barriers that impede cost-effective, economy-wide decarbonization.

"Achieving net zero by 2050 is a societal challenge that no individual, business, or government can solve on its own. It will require unprecedented collaboration among all constituents, as well as an informed, pragmatic, and affordable roadmap from policymakers to unlock the necessary scale and pace of private sector investment and expertise," adds Southern. "With operations across the energy value chain, ATCO will be a leader in driving the energy transition towards cleaner fuels and electricity, without sacrificing the safety, reliability, and affordability of energy that our customers rely on."

ATCO continues to evaluate further ESG targets and conduct additional analysis with respect to the company's 2050 net zero commitment. Additional information and progress towards ATCO's ESG targets will be included in the company's annual Sustainability Report.

**ATCO's Commitment to Sustainability**

For ATCO, sustainability is more than an aspiration; it is interwoven into our strategy, our day-to-day operations, the products and services we provide, and the fabric of our people. It manifests across our family of companies in countless ways, both in how we conduct our day-to-day activities and in the contributions we make to society through both our operations and the community spirit of our people.



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Our enduring and holistic commitment is clearly reflected in our efforts to cost-effectively and reliably accelerate the energy transition; enhance our environmental performance and reduce our greenhouse gas emissions; champion the safety, inclusivity, and equity of our people, communities, and customers; foster Indigenous and community partnerships based on trust, equity and mutual respect; and ensure uninterrupted, resilient, and reliable access to essential products and services—anytime, anywhere.

To learn more about how ATCO delivers reliable, sustainability energy solutions, or to read our 2020 Sustainability Report, please click [here](#).

With approximately 6,200 employees and assets of \$22 billion, ATCO is a diversified global corporation with investments in the essential services of Structures & Logistics (workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services); Utilities (electricity and natural gas transmission and distribution, and international electricity operations); Energy Infrastructure (electricity generation, energy storage and industrial water solutions); Retail Energy (electricity and natural gas retail sales); Transportation (ports and transportation logistics); and Commercial Real Estate. More information can be found at [www.ATCO.com](http://www.ATCO.com).

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## Definitions

**Scope 1 GHG emissions** are direct GHG emissions from sources that are within the applicable reporting boundary for the reporting entity, such as, emissions from combustion in owned or controlled boilers, furnaces and vehicles.

**Scope 2 GHG emissions** are indirect GHG emissions from the generation of acquired and consumed electricity, steam, heat or cooling. Scope 2 emissions physically occur at the facility where electricity, steam, heat or cooling is generated.

**Scope 3 GHG emissions** are indirect GHG emissions not included in Scope 1 or Scope 2 that are a consequence of activities of ATCO but occur from sources not owned or controlled by ATCO.

**Operational GHG Emissions** are Scope 1 and Scope 2 GHG emissions from operations.

**Net Zero GHG Emissions** cover ATCO's entire value chain emissions, including Scope 1, Scope 2, and Scope 3 GHG emissions.

## Forward-Looking Information:

Certain statements contained in this news release constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this news release includes, but is not limited to, references to



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*general strategic plans and targets, including with respect to reducing GHG emissions; intended future plans with regard to 2030 ESG goals related to GHG reduction, diversity and inclusion, and safety; plans to increase economic benefits for Indigenous partners; the aspiration to achieve net zero GHG emissions by 2050; and plans to expand renewable energy infrastructure and revenue.*

*Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to successfully achieve its net zero GHG target by 2050; its ability to achieve its 2030 ESG goals; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and ESG targets; continuing collaboration with certain regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future earnings; and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.*

*The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions (including as may be affected by the COVID-19 pandemic); the availability and cost of labour, materials, services, and infrastructure; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive.*

*Any forward-looking information in this news release that may be considered to be a financial outlook regarding future earnings, prospective financial performance or financial position is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein.*

*Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*