



2020

SUSTAINABILITY REPORT



SUSTAINABILITY
IT'S ALL CONNECTED

CONTENTS

A MESSAGE FROM GARY HART	3	ETHICS AND INTEGRITY	16
INTRODUCTION	4	GOVERNANCE	17
GRI STANDARDS AND OTHER CONSIDERATIONS FOR SUSTAINABILITY REPORTING.....	5	STAKEHOLDER ENGAGEMENT	18
Universal Standards.....	5	Stakeholder identification	18
Topic-specific disclosures	5	Stakeholder engagement process	19
Additional report considerations	5	TOPIC-SPECIFIC STANDARDS	20
OUR APPROACH TO SUSTAINABILITY	6	GOVERNANCE	20
Environmental	6	Anti-corruption and anti-competitive behaviour	20
Social	6	ENVIRONMENTAL	22
Governance	6	Environment, Health and Safety Management System	22
WHO WE ARE	7	Environmental data specific to AltaLink	22
OUR STRATEGY	9	SOCIAL.....	24
Ensuring the reliability of Alberta’s electric system	10	Management of Change	24
Implementing a revised plan for infrastructure projects to ensure the continued reliability and integrity of the power system	10	Diversity and Equal Opportunity	25
ALTALINK’S CORE PRINCIPLES - 2020 UPDATE	11	Indigenous Relations	25
Customer Service	11	Human Rights	29
Employee Commitment	12	Local Communities	30
Environmental Respect	13	AltaLink’s Scholarship Awards Program	32
Regulatory Integrity.....	13	CONCLUSION	33
Operational Excellence.....	14	APPENDIX A	34
Financial Strength.....	15		

A MESSAGE FROM GARY HART



Gary Hart

President and
Chief Operating Officer, AltaLink

“

More than three million Albertans depend on us as an essential service to safely deliver their electricity. That's always been our focus and in the midst of so much uncertainty, it became our driving force.

Gary Hart

It's all connected

Our transmission system is the essential link that connects homes, farms, businesses and industries to the electricity generated across Alberta. It's this link that connects and drives our sustainability efforts at AltaLink. Our environmental, social, and governance (ESG) approach to sustainability helps influence decisions that impact our employees, our customers and the communities in which we work.

As the COVID-19 pandemic unfolded across Alberta, AltaLink employees showed up each and every day, focused on making sure the electricity that powers hospitals, grocery stores, restaurants, small businesses, and homes across the province was there when Albertans needed it most.

More than three million Albertans depend on us as an essential service to safely deliver their electricity. That's always been our focus and in the midst of so much uncertainty, it became our driving force. That meant responsibly moving ahead with projects and maintenance activities that ensured the reliability of our electricity system, looking at how we interacted with our customers, improving our supply chain, working with vendors in a different way, and most importantly, looking after our employees.

We know a sustainable future isn't possible without keeping our employees safe. In a year that had our employees adapting to additional safety protocols and working arrangements, our focus on safety remained sharp. For the fourth consecutive year, AltaLink was awarded the Canadian Electricity Association (CEA) President's Award of Excellence for Employee Safety—Transmission. This is something we wouldn't be able to achieve without the dedication from all of our employees.

Having strong, sustainable relationships with the Indigenous communities we serve not only supports the reliability of the grid but is part of our evolution of sustainability in our operations. Last year, we were recognized by the CEA with the 2020 Award for Advancement of an Integrated Approach to Sustainability for our partnerships with the Piikani Nation and the Blood Kainai Tribe, with whom we formed the first two majority Indigenous-owned transmission facility owners in Alberta.

For AltaLink, sustainability is our values in motion. We know it is essential to support the most vulnerable in our communities. AltaLink employees came together in support of our annual employee giving campaign, *Powerful Giving*, and raised a record-breaking more than \$1 million in donations to charities across the province. The incredible giving spirit of our employees was recognized by the United Way of Calgary and Area as AltaLink was selected as the recipient of the 2020 President's Award as part of its annual Community Impact Awards. I couldn't be prouder.

In 2020, we examined our Diversity and Inclusion efforts and mapped out a strategy to guide and enhance our plan. A steering team was formed to align our Diversity and Inclusion across AltaLink, and one-on-one and small group listening sessions were held with employees across the organization to gather feedback and a deeper understanding of employee perspectives. Our work is just beginning, but the strides we are making will drive sustainability forward at AltaLink not only now, but in the future.

We remain committed to demonstrating our values and will continue our focus on our ESG performance. I hope as you read this report, you'll see how everything that we do at AltaLink is connected to sustainability.



INTRODUCTION

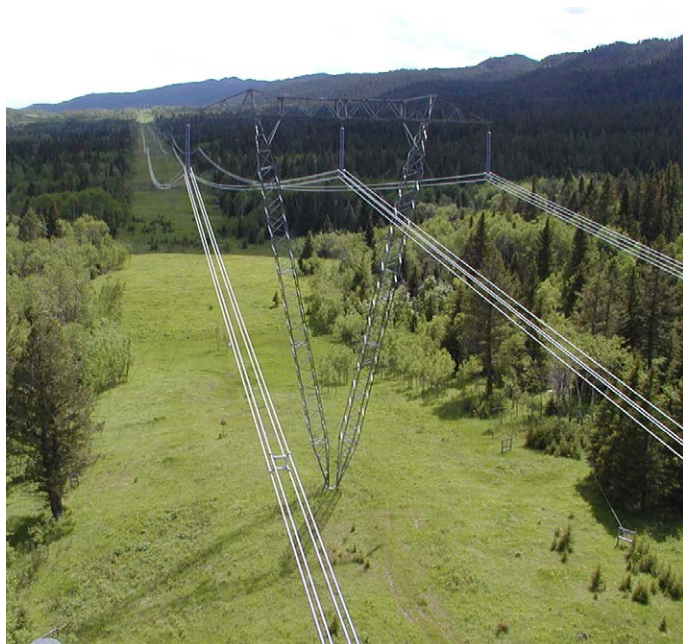
AltaLink is pleased to present our annual corporate sustainability report for 2020. This report will illustrate how our focus on sustainability across the organization is supporting our mission to safely deliver reliable, affordable and clean energy to our customers.

This report builds off of previous years' reports by using the international Global Reporting Initiative (GRI) framework to standardize information and data. Based on results from a formal third party administered materiality assessment, AltaLink is moving from a previous version of the GRI reporting guidelines to aligning report content with the newer GRI Standards. These standards provide common language that improves the quality of information for a balanced and reasonable representation of movement towards the goal of sustainable development.

GRI STANDARDS AND OTHER CONSIDERATIONS FOR SUSTAINABILITY REPORTING

The Global Reporting Initiative (GRI) Standards continue to inform the content of AltaLink's annual Sustainability Report. Considered one of the most influential and most cited sustainability reporting standards internationally, the GRI Standards provide accuracy and consistency in the continued and growing importance of ESG related topics.

GRI recently moved to utilization of standards to improve the overall quality of sustainability reporting. These standards are divided into interrelated modules, three of which are universal to all reporting organizations followed by a set of topic specific standards from which the reporting entity selects material topics.



Universal Standards

GRI 101 – Foundation

This standard provides details about the reporting principles that are fundamental to all organizations to achieve quality sustainability reporting. The reporting principles define and provide guidance on stakeholder inclusiveness and materiality, while defining accuracy, balance, clarity and timeliness. This starting point is important as it allows an organization to decide what information to include in their report and how to ensure the quality of that information.

GRI 102 – General Disclosures

This standard provides information on the size and scope of an organization's operations including geographic location and activities. This contextual information is designed to allow all stakeholders to understand the nature of the organization as well as its economic, environmental and social impacts.

GRI 103 – Management Approach

This standard includes general reporting requirements and disclosures on material topics within the three broad categories of economic, environmental and social impacts.

Topic-specific disclosures

These three standards, GRI 200, 300 and 400, provide guidance and direction as it pertains specifically to economic, environmental and social topics respectively. Reporting organizations determine which material topics to report on using these standards to ensure the quality and comparability of the information being provided.

Additional report considerations

As with AltaLink's previous annual corporate sustainability reports, all information contained within this report is publicly available through our other reporting mechanisms, including our annual financial reports, management discussion and analysis reports and other communications forums.

OUR APPROACH TO SUSTAINABILITY

At AltaLink, our commitment to sustainability is at the heart of everything we do. Every decision and every plan considers environmental, social, and governance impacts now, and in the future.



Environmental

We are committed to delivering long-term sustainable solutions to our customers. We seek opportunities to avoid or minimize environmental impacts, we seek opportunities to reclaim and restore where impacts are unavoidable, and we maintain a responsible approach to resource consumption.



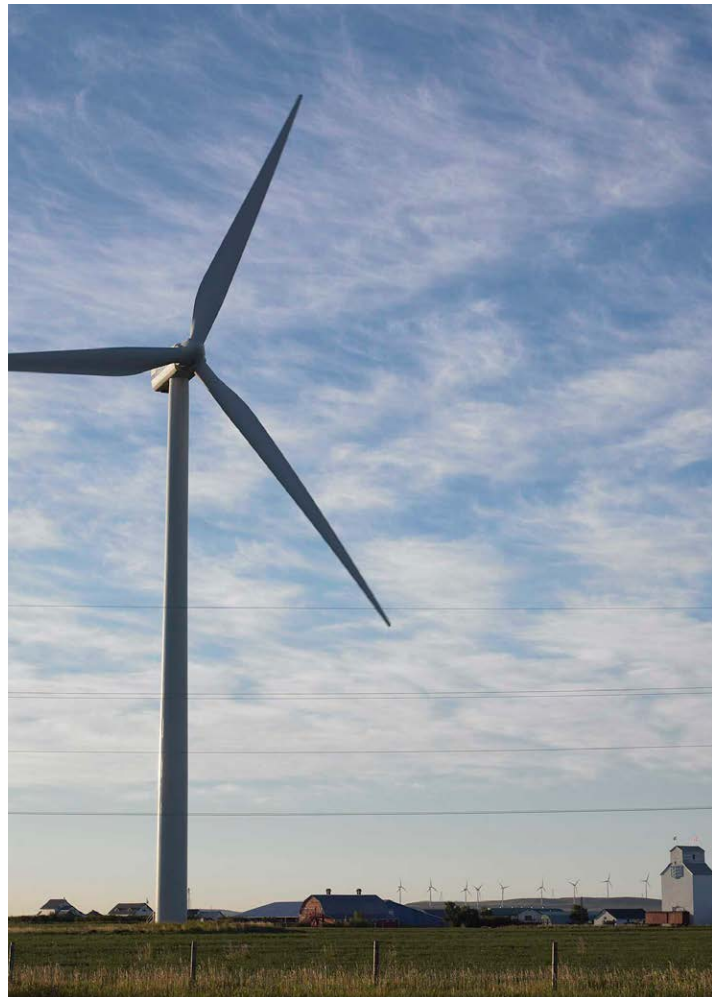
Social

At the heart of AltaLink is our people, it's our competitive advantage. We take a holistic approach to the health and wellness of our employees and make no compromises when it comes to providing a safe work environment. Our commitment to the communities we serve comes to life through our community investment strategy, and our consultation efforts.



Governance

We're fair and transparent in everything we do. We are committed to being ethical, and have policies in place to ensure we operate at the highest standard for our customers.



WHO WE ARE

As Alberta’s largest regulated electricity transmission company, our transmission system is the essential link that connects homes, farms, businesses and industries to the electricity generated across Alberta.

Our more than 720 employees are committed to safely maintaining reliable electrical transmission services for Albertans, and to providing innovative technical and financial solutions to enable Alberta’s growing electricity market.

Electricity generated from thermal energy, wind power and hydro is transported at high voltages over long distances through transmission lines to substations, which lower the voltage so electricity can be delivered safely to homes and businesses via distribution lines.

The Alberta Integrated Electric System (AIES) is a network or grid of transmission facilities operating at high voltages ranging from 69 to 500 kilovolts (kV). The grid delivers electricity from generating units across the province through approximately 26,000 kilometres of transmission lines and over 600 substations. The AIES is interconnected to British Columbia’s transmission system through a 500 kV circuit and two 138 kV circuits that AltaLink owns and operates. The AIES is also interconnected to Saskatchewan’s transmission system via a 150 megawatt direct current converter station and to Montana’s transmission system via a 230 kV line.

AltaLink’s transmission facilities are an integral part of the AIES, as our service area covers 226,000 square kilometres and we service approximately 85 per cent of Alberta’s population. We own approximately 13,000 kilometres of transmission lines and 308 substations which we manage and operate through our control centre and telecommunications network. Our transmission system includes a 300 kilometre high voltage direct current (HVDC) transmission link, to facilitate power transfer, grid resiliency and reduce power system losses for the benefit of customers. Our transmission lines are comprised of wood or metal support structures, conductors, foundations, insulators, connecting hardware and grounding systems.



ALTALINK’S VISION | To be the best energy company in serving customers, while delivering sustainable energy solutions.

Our substations are comprised of high-voltage power transformers, power circuit breakers, switches, capacitor and reactor banks, protection and control systems, metering and monitoring systems, buildings and security systems. Our substations integrate the transmission lines into a network and transform the voltage of electricity to meet the requirements of generators and customers.

We generally accept electricity into our system at our generator interconnection substations and deliver power to distribution facility owners and wholesale customers at our customer supply substations. Where the transmission system connects to a distribution network, transmission substations step down the voltage to distribution level voltages. The HVDC link includes solid state power electronic equipment (valves), converter transformers, cooling systems and control systems utilized in the direct current conversion process.

Our real-time control centre and telecommunications system enable us to continuously monitor, control and manage our transmission facilities and coordinate with the AESO and other transmission facility owners. Our telecommunications system includes microwave radio, fibre optic cable, power line carrier and mobile radio systems. To further support the maintenance and operation of our transmission facilities, we own and operate office and service buildings, transport and work equipment, and information technology assets.

Most of our transmission facilities are situated on lands owned by private landowners, railway companies, industrial customers, and federal and provincial governments, for which we have obtained appropriate land use rights through utility right-of-way agreements, crossing agreements, land easements, permits, licences and other agreements.

We also own land, office and storage space used in connection with our operations in a variety of locations throughout Alberta. In addition, we lease office space and rent storage space on customary terms and at market rates.

HOW WE DELIVER THE ENERGY ALBERTANS NEED

226,000

SQUARE KILOMETRES OF SERVICE AREA, MAKING ALTALINK THE LARGEST REGULATED TRANSMISSION COMPANY IN ALBERTA.

85%

OF ALBERTANS RECEIVE THEIR ENERGY THROUGH OUR FACILITIES.

13,000

KILOMETRES OF OWNED AND OPERATED TRANSMISSION LINES.

308

SUBSTATIONS OWNED AND MANAGED THROUGH OUR CONTROL CENTRE AND TELECOMMUNICATIONS NETWORK.

300

KILOMETRE HIGH VOLTAGE DIRECT CURRENT (HVDC) TRANSMISSION LINK TO FACILITATE POWER TRANSFER, ENHANCE GRID RESILIENCY AND REDUCE POWER SYSTEM LOSSES FOR THE BENEFIT OF CUSTOMERS.

OUR STRATEGY

While Albertans began navigating new challenges and uncertainty brought on by the COVID-19 pandemic, AltaLink employees were working to make sure the lights stayed on, and Albertans had the electricity they needed, when they needed it.

Since the start of the pandemic, our priority has been maintaining the health and safety of our employees, contractors, and the general public.



AltaLink’s short term strategy for the ensuing year consisted of three main components:

- 1. Maintaining the health of its workforce both physically and mentally
- 2. Ensuring the reliability of the Alberta’s electric system
- 3. Implementing a revised plan for infrastructure projects to ensure the continued reliability and integrity of the power system

Maintaining the health of our workforce

As an essential service, we remained working to support Albertans during the pandemic. To maintain the health and safety of all of our employees, and for the people that rely on the energy our transmission system provides, we adapted our work arrangements so that many of our employees could work from home.

The COVID-19 pandemic caused many unique challenges, making it difficult to slow down and focus on wellness. With the added complexities of working from home, and closures of community resources, helping employees balance work life, community life, personal and family life was a priority.

Although many AltaLink employees started to work remotely, there was still a need for some of them to work at the office, in the control centre, or out in the field as they performed important or urgent work that needed to be done on the electric system. This included line workers, substation teams, control centre operators and more.

With most AltaLink employees and contractors rapidly shifting to working remotely, our Information Services (IS) team quickly came together to deploy the equipment, systems and software needed to support the transition. This included providing hundreds of monitors, keyboards, mice and headsets to employees to help them stay connected, remain productive and continue to work effectively within their respective teams.



Early on, AltaLink adapted the delivery, frequency, and volume of communication to employees. At the beginning of the pandemic, weekly virtual townhall meetings were implemented as an opportunity for employees to ask questions and stay informed. Appropriate experts such as medical doctors and mental health experts were frequently on hand to provide the latest updates as well as answer questions from employees.

As the situation was changing frequently, daily COVID-19 emails were sent to employees to provide them with the latest information they needed.



Ensuring the reliability of Alberta's electric system

Utility companies were deemed an essential service early in the pandemic given the heightened importance of maintaining the electrical grid. With very short notice, we implemented new protocols for field crews and control centre employees. Over the course of the first few weeks of the pandemic, key infrastructure components were identified and provided with critical employees, and command centres were established for both north and south based crews.

Adapting to what worked and what needed to be changed, safety remained and remains the fundamental component of these effective work groups. Known as cell structures, these groups are geographically dispersed throughout our service territory and contain skillsets and expertise able to deal with routine maintenance and emergency response preparedness, ensuring reliability of the grid while preserving the health and safety of our employees.

A similar segregation of work teams was undertaken for those individuals responsible for AltaLink's control centre operations, which is essential to the reliability and stability of the grid across Alberta.

Implementing a revised plan for infrastructure projects to ensure the continued reliability and integrity of the power system

Keeping the lights on for Albertans depends upon a well-maintained power system. Early in 2020, it was unclear what work AltaLink would be able to continue to execute as a result of the pandemic. By adjusting the work plan for the year, AltaLink was still able to complete high priority maintenance activities and meet customer commitments for new connections.

AltaLink's projects team worked closely with internal and external resources to ensure appropriate protocols were in place to complete work safely. In March 2020, AltaLink began engaging contractors to develop and share best practices for pandemic response, a process that still continues. Like AltaLink's internal staff, our contractors ensured smaller teams were separated into geographic areas to ensure health and safety precautions were maintained. With proper distancing, sanitation measures, and safety equipment, AltaLink was able to respond to power system events, execute high priority maintenance, and integrate new connections, such as renewable energy projects, into the power system.

AltaLink's long term strategy is focused on providing safe, reliable, affordable, and environmentally sustainable electricity needed to power Alberta's economy. Driving forces for AltaLink continue to be a diversified portfolio of generation resources that are supported by innovative technologies like energy efficiency and storage, as well as strong access to and integration with regional markets.

AltaLink remains committed to positioning Alberta as a leader in creating a more sustainable future for Canada by continuing to reinforce the transmission system in central and southern Alberta, when required. New generation capacity, particularly in renewable energy projects, is necessitating investments in new transmission lines and substations. Exploring effective means to reinforce and build resilience into electrical infrastructure for all Albertans is a primary focus for AltaLink.

ALTALINK’S CORE PRINCIPLES - 2020 UPDATE

At AltaLink, our core principles guide our business. The following section provides details about each core principle, including highlights from 2020.



Customer Service

We are focused on delivering reliability, dependability, fair prices and exceptional service to our customers.

Customer performance

In 2018, we made a commitment to our customers that we would not raise our rates for five years, through to the end of 2023. Since then, we’ve lived up to that promise and have delivered almost \$1.4 billion in tariff levelization and customer refunds since 2015.

To measure our performance on customer service, we survey our customers throughout the year to better understand their needs and what they expect of us. We use the survey results and feedback to establish specific initiatives aimed at improving our customers’ experience. We use the average score out of 10 to track our customer satisfaction performance. Customer satisfaction of direct customers in 2020 was 9.13 compared to 9.25 in 2019, representing our second-best result ever.

Note: These scores are based on the average score out of 10 for all surveys we received from our customers on the question: *On a scale of 0 to 10 where 0 means not at all satisfied and 10 means very satisfied, overall, how satisfied are you with AltaLink’s services?*

External Engagement

We focus our landowner, government, Indigenous and media engagement practices on providing our stakeholders with timely, transparent and easy to understand information about our transmission projects and business. Our processes are designed to gather stakeholder input to help us identify and select routes aimed at minimizing the overall impacts on land use and landowners. We continue this engagement through the lifecycle of our facilities. We survey landowners after consultation and during construction of significant projects, as well as those who already host our facilities, to address any concerns that arise and build long-term relationships.





Employee Commitment

We equip employees with the resources and support they need to be successful. We encourage teamwork and provide a safe, rewarding work environment. We make no compromise when it comes to safety.

We strive continuously to attract, retain and develop a high-quality workforce to enable us not only to sustain our business, but also to remain at the forefront of innovation and continuous improvement. We employ approximately 725 skilled and dedicated people to maintain and operate our facilities and deliver on the capital transmission projects planned in Alberta. Using an independent third party, we conduct ongoing employee engagement surveys with all employees.

AltaLink focuses on creating an environment of mutual trust, respect, and openness. We want everyone to feel comfortable being who they are at work and to be empowered to engage and contribute. Leveraging different perspectives, experiences and ways of thinking allows us to deliver better insights, decisions, and solutions for our customers; it also creates an amazing culture. AltaLink aims to cultivate a diverse, inclusive and safe work environment for all employees and contractors.

In 2020, we conducted two targeted employee surveys on our COVID-19 response. Both surveys had an 86 per cent response rate and we received favourable scores on our COVID response related to employee wellness and support, physical safety, and return to office strategy. We have an engage, train, and develop people framework that guides programs which contribute to the achievement of business results and a positive employee experience in a diverse and inclusive workplace.

In November 2020, for the fourth consecutive year, we received the Canadian Electricity Association's (CEA) President's Award of Excellence for employee safety as the best performing transmission company with 300 to 1499 employees in 2019.

In 2020, we had an all injury frequency rate for employees of 0.15, representing one injury which equals our best result ever.

AltaLink and its employees continue to support the communities in which we live and work. Through employee volunteerism and community investment, AltaLink and its employees contribute valuable time and money to charitable organizations throughout Alberta. Our 2020 annual employee giving campaign, *Powerful Giving*, raised more than \$1 million for registered charities after AltaLink's corporate match. This exceptional effort was recognized by the United Way of Calgary and you can read more about this on page 31 of this report.

AltaLink is also the presenting sponsor of the Shaw Birdies for Kids program at the Shaw Charity Classic PGA Champions golf tournament. In 2020, even though the tournament was cancelled due to the COVID-19 pandemic, more than \$12.5 million was raised for approximately 200 youth-based charities in Alberta.





Environmental Respect

We are committed to using natural resources wisely and protecting our environment for the benefit of future generations.

AltaLink understands the importance of minimizing our impact on Alberta's natural landscapes and its inhabitants, so we strive to balance the effect of our operations on the environment.

Through innovative practices and sound risk management, we provide environmental leadership. In designing and constructing new transmission facilities, as well as operating and maintaining our existing facilities, we consider ways to reduce land use impacts and improve efficiency. All of our employees are responsible and accountable for understanding and incorporating environmental requirements into their daily work activities. We also promote and actively work with energy companies to connect their renewable generation facilities to our existing transmission grid.

We are maintaining our accreditation from the Right-of-Way Stewardship Council for our sustainable integrated vegetation management practices. In 2015, AltaLink became the first utility in Canada to receive this third-party independent confirmation that our practices for environmental management of our transmission right-of-way meet industry standards of excellence.

AltaLink has joint limited partnerships with two First Nations in Alberta, the Piikani Nation and the Kainai (Blood Tribe), who are now long-term investors in high-voltage electricity infrastructure on their lands. In November 2020, the PiikaniLink (PLP) and KainaiLink (KLP) partnerships were recognized with the CEA's 2020 Award for Advancement of an Integrated Approach to Sustainability. You can find out more information on this on page 28 of this report.



Regulatory Integrity

We adhere to a policy of strict regulatory compliance and pursue frequent, open communication with regulators regarding our business performance.

We are regulated by the Alberta Utilities Commission (AUC), pursuant to the Electric Utilities Act (Alberta), the Public Utilities Act (Alberta), the Alberta Utilities Commission Act (Alberta) and the Hydro and Electric Energy Act (Alberta). Through various regulatory decisions, these statutes and their respective regulations impact our tariffs, rates, construction, operations and financing.

We receive all of our regulated transmission tariffs, including settlements of deferral and reserve accounts, from the Alberta Electric System Operator (AESO).

As a transmission facility owner we are permitted to charge a tariff for the use of our transmission facilities. Such tariffs are regulated by the AUC under the provisions of the Electric Utilities Act in respect of rates and terms and conditions of service.

AltaLink has developed a Code of Ethics and Business Conduct for how it conducts business and a Compliance Plan to achieve the purposes of the Inter-Affiliate Code of Conduct as ordered by its regulator. AltaLink seeks to promote integrity and transparency in all aspects of how we conduct our business and in our relations with our colleagues, directors, shareholders and business partners.



Operational Excellence

Together with our employees, we pride ourselves on excellence in every aspect of our work. Our high standards for operations and system maintenance enable us to meet and exceed our customers' expectations, perform our work safely and preserve our assets.

In late January 2020, with the onset of the COVID-19 pandemic in North America, AltaLink implemented its emergency response plan to ensure the ongoing safety of our employees and to maintain the transmission of essential and reliable electricity for Albertans and the industrial customers we serve. Additional safety measures were implemented, including a work from home strategy to maintain appropriate physical distancing for employees and cell structures (split work teams) for our control centre and field operations. Our COVID-19 integrated Emergency Response Plan (iERP) team continues to closely monitor the situation to ensure the safety of our employees, the public, and the reliability of our operations. On March 17, 2020, AltaLink was confirmed as an essential business by the Government of Alberta and our critical employees and contractors continued to work throughout our service territory to maintain and operate our transmission facilities.

We operate our transmission system to minimize disruption of service to our customers. Nevertheless, severe weather and other unplanned events can cause service disruptions to which we respond as quickly as possible. We have a long-term trend of improving reliability through proactive operating practices and capital investment. Our reliability statistics are better than those of our peers, as reported by the CEA, which has ranked us in the top quartile of Canadian electric utilities for outage time and outage frequency.

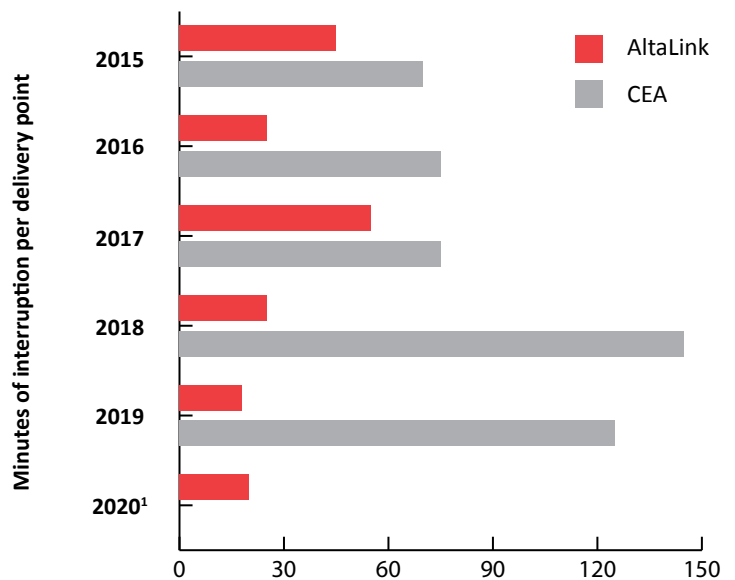
At a time when Albertans relied on us the most, we kept them connected with reliable service in 2020. Reliability of service to customers in 2020 achieved some best ever performance results. When outages did occur, our employees worked safely and diligently to restore power. The frequency of outages in 2020 improved, and was 0.39 compared to 0.43 for the same period in 2019, a new best ever result. Our past 12 month average customer outage duration was 20 minutes, significantly improved over the five year average of 34 minutes and the second best result ever. The outage duration for the same period in 2019 was 18 minutes. Restoration performance throughout all of 2020 was 80 minutes, which was on par with 2019 performance.

Our ongoing focus on capital maintenance investments, operating maintenance activities and initiatives to reduce restoration times, continues to provide consistent power system reliability in support of our customers.

The chart below summarizes AltaLink's reliability performance for the past five years, showing continued favourable comparisons to the latest information reported by the CEA.

Customer Outage Time (SAIDI)

Our customer outage time was 20 minutes.



System Availability Interruption Duration Index (SAIDI) is the average number of interruption minutes per delivery point.

1. CEA customer outage time number is not available at this time.



Financial Strength

We are excellent stewards of our substantial financial resources. Backed by Berkshire Hathaway Energy, we invest in hard assets and focus on long-term opportunities that will contribute to the future strength of the company.

Expanding and improving our system, we energized or completed \$242.2 million of capital project additions in the year ended December 31, 2020 (2019 - \$350.8 million).

We align our financing strategy with the regulated debt and equity capital structure approved by the AUC and with targets for our key financial metrics. Historically we finance our operations and maintenance capital expenditures from operating cash flows, and we intend to fund the growth capital expenditures from the balance of our operating cash flows, additional borrowings under our capital

markets platform and, if required, equity contributions from our limited partner, AILP. AltaLink's Senior Debt has an "A" credit rating from DBRS and S&P.

On November 24, 2020, S&P reaffirmed its issuer credit rating and senior secured rating on AltaLink at "A" with a stable outlook. On July 16, 2020, DBRS reaffirmed AltaLink's Issuer Rating and Senior Debt rating at "A" with stable trends, and the rating of its Commercial Paper at "R-1 (low)".

2020 FACTS

9.13

CUSTOMER SATISFACTION OF DIRECT CUSTOMERS IN 2020. OUR SECOND-BEST RESULT EVER.

\$242.2 MILLION

INVESTED IN CAPITAL PROJECT ADDITIONS

0.15

ALL INJURY FREQUENCY RATE BY EMPLOYEES IN 2020. OUR BEST EVER RESULT.

PROJECTS

CONSULTED WITH 1,100+ STAKEHOLDERS AND NOTIFIED 6800+ STAKEHOLDERS ON PROJECTS IN 2020

20 MINUTES

WAS THE AVERAGE OUTAGE DURATION IN 2020

\$1 MILLION +

RAISED THROUGH OUR POWERFUL GIVING CAMPAIGN

ETHICS AND INTEGRITY

AltaLink actively promotes the importance of professional ethical behavior in all our interactions, both internally and with our external stakeholders. As a regulated utility operating in the province of Alberta, construction and operation of any transmission facility undertaken by AltaLink must be approved by the AUC. The AUC is a quasi-judicial body that provides approval for the development and operation of transmission facilities in Alberta's open market. Utilities provide essential public services and are considered to be natural monopolies in the provision of those services. As a result, they are subject to various laws and regulations. The AUC regulates the utilities sector, natural gas and electricity markets to protect social, economic and environmental interests of Alberta where competitive market forces do not. The AUC is charged with making decisions in the public interest and ensures that services are provided at a fair price.

AltaLink requires 100 per cent of employees to sign off annually on our Code of Ethics and Business Conduct which promotes integrity and transparency in all aspects of how we conduct our business and in our relations with our colleagues, directors, shareholders and business partners. AltaLink expects all parties we interact with to respect and comply with our culture of high ethical standards. We live by our integrity and the transparency of our dealings; our reputation for ethical practices is one of our most valued assets and is crucial to our ability to succeed.

The following link provides information on our Code of Ethics and Business Conduct policy and expectations of our employees: www.altalink.ca/about/governance/code-of-ethics-business-conduct.cfm

The construction and operation of transmission facilities is regulated by the AUC, pursuant to the Electric Utilities Act (Alberta) (EUA), the Public Utilities Act (Alberta), the AUC Act (Alberta), and the Hydro and Electric Energy Act (Alberta) and their respective regulations.

The AUC has a mandate to ensure that transmission development is built and operated within the public interest, which includes financial, societal and environmental aspects. The AUC is also responsible for holding open and transparent quasi-judicial hearings (when required) where directly affected parties are able to bring specific issues forward.

AltaLink is committed to an open, respectful and thorough consultation program. When AltaLink begins to plan transmission line routing, the project area is researched in an effort to find routing with the lowest overall impact. Through the formal application process, AltaLink provides explicit detail on what decisions regarding the location of facilities have been made and how the proposed (and alternate) locations have been determined. The process is outlined on AltaLink's public website located at: www.altalink.ca/projects/for-landowners/route-selection-process-1.cfm

Further information on project development, specifically as it impacts landowners is available at: www.altalink.ca/projects/for-landowners/overview-landowners.cfm

AltaLink's Code of Ethics and Business Conduct, section 2, *Transparency In All Our Dealings*, further outlines expectations regarding fair competitive business practices and outlines the requirement for compliance with all applicable legislation and associated regulations. Issues dealing with anti-trust, anti-bribery and anti-corruption are detailed in terms of employee conduct and expectations. The full document can be reviewed at: www.altalink.ca/files/Code_of_Ethics_and_Business_Conduct_Policy_January_2020.pdf

Finally, the Corporate Communications Policy and the Corporate Compliance Policy both commit AltaLink to transparency, identify who is responsible and what the decision making process is for providing information to various stakeholder groups.

GOVERNANCE

The following links outline AltaLink's governance structure.

Executive Team

www.altalink.ca/about/governance/management.cfm

Scott Thon

Chief Executive Officer, and President and Chief Executive Officer, Berkshire Hathaway Energy Canada

Gary Hart

President & Chief Operating Officer

David Koch

Executive Vice President & Chief Financial Officer

Johanne Picard-Thompson

Executive Vice President, Customer & Corporate Services

Zora Lazic

Senior Vice President, Law & Regulatory, General Counsel

Sheri Allen

Senior Vice President, Human Resources

Mike Bartel

Vice President, Operations

Paul Lee

Vice President, Projects

Board of Directors

www.altalink.ca/about/governance/board-of-directors.cfm

David Tuer - Chair

David R. Collyer - Director

William J. Fehrman - Director

Calvin D. Haack - Director

Natalie Hocken - Director

Douglas Mitchell - Director

Patricia Nelson - Director

Susan Riddell Rose - Director

Scott Thon - Director

Brad Wall - Director

Regulatory Information/Reports relevant to governance

www.altalink.ca/about/governance/regulatory-information.cfm

Through its Annual Information Form, (<https://www.investorx.ca/Doc/UZYGM9C4NPB>) AltaLink provides a variety of information on governance and its activities. This document provides information on where accountability and responsibility lie and what impacts are anticipated. It should be further noted that AltaLink's governance structure clearly supports environmental and social expectations as well as traditional fiduciary duties. The Board of Directors is responsible for governance oversight and includes a number of working committees focused on social and environmental impacts of AltaLink operations.

AltaLink's annual Compliance Report (www.altalink.ca/files/pdf/about/AML_2020_IACC_Compliance_Report.pdf) outlines where and how AltaLink has remained compliant in order to conduct business as it pertains to governance related issues. The purpose of this plan is to detail the measures, policies, procedures and monitoring mechanisms that AltaLink will employ to ensure its full compliance with the provisions of the Code by AltaLink, its directors, officers, employees, consultants, contractors and agents, and by Affiliates of AltaLink with respect to the interactions of the Affiliates with AltaLink.



STAKEHOLDER ENGAGEMENT

Stakeholder identification

The importance of our stakeholder groups cannot be overstated and is of paramount importance to AltaLink. Working collaboratively with all our stakeholders in a timely and transparent manner is key to our long term sustainability.

AltaLink's Customer and Stakeholder Engagement group actively engages with, obtains feedback from, and collaborates with the various stakeholder groups interested in the operation of AltaLink's business.

AltaLink uses the definition of stakeholders as identified by the AUC. This definition essentially identifies all persons whose rights may be directly and potentially adversely affected by a proposed development, such as the development of one of our transmission facilities. (Participant involvement program guidelines: www.auc.ab.ca/Shared%20Documents/Rules/Rule007.pdf p.50)



Stakeholders may include, but are not limited to, the following as it pertains to AltaLink work:

- Landowners
- Renters or lessors
- Proxy, Power of Attorney, or direction holders
- Encumbrance holders
- Occupants
- Residents
- Crown land leaseholders
- Trappers
- Local government representatives, officials and departments
- Regional government representatives, officials and departments
- Provincial government representatives, officials and departments
- Landowner advocate groups
- Public and private companies
- First Nations communities
- Métis communities

All stakeholders receive relevant project information that is largely dependent on their location relative to the project. For example, stakeholders, who are within the notification boundary, are personally consulted with when they request more information than is publicly available. Stakeholders adjacent to proposed facilities are personally contacted and consulted with.

Stakeholder engagement process

Stakeholder engagement process

The stakeholder engagement process begins once a project direction has been provided by the AESO to AltaLink, or a need has been identified to complete work from an operations and maintenance perspective. The direction or need includes a project scope and technical requirements. This allows AltaLink to begin siting the transmission facilities as well as begin the stakeholder identification and selection process.

Stakeholders are specific to each project based on the notification criteria. We provide project specific information to all project stakeholders. The information is provided after material changes or progress in the project such as, but not limited to the following:

- Preliminary siting and routing of transmission facilities
- Site and route updates
- Project scope changes
- Route determinations
- Timing of construction activities

We also notify all stakeholders after:

- The facility application has been filed with the AUC
- Approval of the facility application and receipt of permits and licenses

We also notify stakeholders if:

- A hearing is called by the AUC for the project
- AltaLink files an amendment with the AUC

AltaLink uses the following methods to communicate with stakeholders:

- Mailing, hand delivery and email of project specific information packages
- Phone calls and meetings to complete consultations
- Group meetings and presentations
- Open houses, information sessions and information feedback sessions
- 1-800 number and general email address
- Online and telephone surveys

A compilation of common issues identified by AltaLink's stakeholders as issues of potential concern across our various projects typically includes, but is not exclusive to the following:

- Annual structure payments
- Audible noise
- Compensation
- Electric and magnetic fields (EMF)
- Environment
- Farm/machinery access
- Radio/TV interference
- Right-of-way acquisition
- Tree trimming
- Visual
- Weed control
- Other – future developments, other developments in the area, access roads, construction activities, fire safety

AltaLink records the concerns and questions of stakeholders and either a Stakeholder Engagement team member or subject matter expert within AltaLink will follow up with the stakeholder to address, inform, and hopefully resolve the concern.

Stakeholder consultation changes due to COVID-19

During the unprecedented times brought on by the COVID-19 pandemic, keeping our employees safe and keeping the lights on continued to be our commitment to Albertans.

Based on recommendations from local and national health authorities, we made the decision to not hold public events to limit in-person meetings.

Stakeholder input is very important to us. We rely on the feedback that we receive from people in the community to help us in our project planning.

Although we weren't able to hold public open houses to gather stakeholder feedback, we remained committed to getting stakeholder input on our projects.

We conducted the majority of our meetings via telephone or electronic methods, but some in-person meetings were safely coordinated where appropriate.

We also created a new online feedback portal as an option for stakeholders to provide input on a project. AltaLink consulted with more than 1,100 stakeholders and notified over 6,800 stakeholders on projects in 2020.

TOPIC-SPECIFIC STANDARDS

GOVERNANCE

Alberta is unique on the utility landscape in Canada as it has the only deregulated electricity market. As such, the AESO sets a number of policies and procedures regarding how aspects of the market will be bid, which all affect the company's economic performance. AltaLink is therefore not responsible for developing these policies but must adhere to them as prescribed by the AUC and AESO to ensure fair marketing, factual and unbiased consumer information.

Information and details on how the AESO plans the transmission system and allocates projects to the primary transmission facility owners throughout Alberta is located at the following website: www.aeso.ca/grid/about-the-grid/

Anti-corruption and anti-competitive behaviour

The annual Compliance Report and Annual Information Form both provide explicit information regarding unbiased information, fair contractual practices, and performance for the preceding year and both are critical documents in terms of ensuring anti-corruption and anti-competitive behaviours are adhered to.

Being regulated by the AUC ensures that AltaLink conducts business in a fair and compliant manner. AltaLink's Annual Corporate Compliance Report and the Annual Information Form provide explicit details on its conduct and expectations. The Code of Ethics and Business Conduct include details on expectations for all employees at AltaLink who are also employees of Berkshire Hathaway Inc.



GRI Sustainability Reporting Standards

STANDARD	TOPIC	COMMENT
201-1	Direct economic value generated and distributed:	www.altalink.ca/files/pdf/reports/Q4_2020_ALP_FS.pdf
		2018 2019 2020
	Operating costs	\$98M \$109M \$107M
	Employee wages/benefits	\$101M \$106M \$109M
	Provincial taxes	\$46M \$48M \$47M
	Federal taxes	\$16M \$33M \$29M
	Gross spent in Alberta (cap and operating costs as %)	72% 70% 71%
	Property, plant and equipment	\$8,039M \$8,132M \$8,139M
201-3	Coverage of the organization's defined benefit plan obligations	www.altalink.ca/files/pdf/reports/Q4_2020_ALP_MDA.pdf
Previous reports*	Operating expenses measured against property, plant and equipment (trends operating costs as a ratio of size of the system – relative metric as AltaLink moves towards operations/main. vs new construction)	\$107M/\$8,139M = 1.3%
Previous reports*	Infrastructure maintenance and investment – CRU/PPE (as a %, trends reinvesting in the system)	\$165M/\$8,139M = 2%

* While not a GRI Standard as defined within the reporting framework these criteria have been identified as being material and representative of AltaLink's corporate sustainability profile and representative of AltaLink as it continues to transition and seek opportunities for improvement.

ENVIRONMENTAL

Environment, Health and Safety Management System

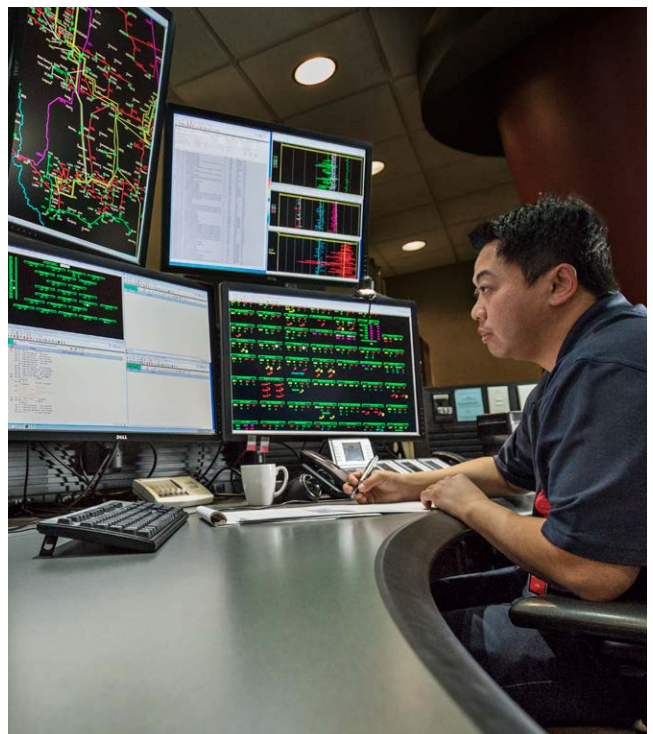
In 2020, AltaLink finalized the integration of the Environment, Health and Safety Management System (EHSMS). The EHSMS replaces the Environmental Management System and Safety Management System that were in place and aligns with the International Standards Organization (ISO) 14001:2015 Standard for Environmental Management Systems and the ISO 45001:2018 Standard for Occupational Health and Safety Management Systems.

To support the EHSMS, AltaLink began using a web-based platform tool with mobile capabilities. The web-based platform is able to manage incident, near miss and hazard reporting, EHS inspections, compliance tracking, management of change and non-conformance reporting. Through the implementation of this new platform, AltaLink employees are able to quickly access real-time incident data and analysis. This new tool has also been leveraged by other departments within the organization and is being used to increase efficiency and reduce costs.

In 2020, AltaLink implemented the MoveSafe program across the organization. MoveSafe is a comprehensive injury prevention process, one that covers body preparation and maintenance, ergonomics and safe movement. The MoveSafe program remains an integral part of ensuring all employees stay healthy and mindful of general wellness, especially as the pandemic continues to impact daily life. Since starting the program, more than 500 employees have gone through the full MoveSafe training and have started implementing the principles into their daily routines.

Environmental data specific to AltaLink

The following information has been presented in previous sustainability reports and, consistent with the focus on materiality, remain important metrics on environmental performance for AltaLink.



AltaLink Specific Environmental Elements

ELEMENT	2017	2018	2019	2020
Number of high-risk substations mitigated	7	9	7	5
High-risk bird electrocution structures/ facilities retrofitted (includes km of bird diverters installed)	6.54 km	~20 km	17.56 km	17.2 km
Number of priority spill events (CEA definition – any spill to water or spill of >500L)	2	0	0	0
Amount of material destroyed containing PCBs (kg)	5,147 kg*	3,492 kg	1,709 kg	1,380 kg
Units of electronic waste removed for repurposing or recycling (3rd Party vendor)	2,127 units	1,585 units	896 units	1,228 units
Amount of paper sent for recycling	19,967 kg	51,959 kg	14,163 kg +	76,316 kg**
SF6 consumed as part of normal operations	23.86kg	44.05kg	61.83kg (22.68 kg or 37% for one piece of equipment)	66.4kg
Electricity consumed***	5,749,013 kWh	3,171,718 kWh	6,984,815 kWh	6,724,408 kWh

* product going to 3rd party for destruction as per invoices/weigh bills (1.16L = 1 kg) – 2017 adjusted

** inconsistent return data resulted in our best estimate. Note, vendor has been replaced for 2021

*** only includes offices and not substations

+ included only AltaLink Plaza and AltaLink East buildings for 2019

SOCIAL

AltaLink has a comprehensive Human Resource Department that ensures all appropriate and applicable laws and regulations are met and that standards are maintained. Human Resource policies detail required working conditions, training requirements, terms of employment and a variety of other expectations relevant to a safe, compliant, accommodating and appropriate work place. All Human Resource related information is available to employees via AltaLink's intranet website.

Other policies that support the employee/employer relationship, which cover all management level positions not included in the referenced collective agreements with our employee unions include:

- Staffing Policy
- Code of Ethics and Business Conduct
- Corporate Compliance Policy

Employee wellness is important to AltaLink and our philosophy takes a total life view: plans, programs and initiatives are in place to support employee work life, community life, and personal and family life. We believe in a positive and proactive approach. We encourage and provide support to maintain and improve the physical, mental and personal wellbeing of every employee, and have a number of resources in place to help employees work, play and live well.

The following policies and programs are in place and focus on employee health and wellness (this is not exhaustive with many more policies, programs and opportunities in place):

- Joint Worksite Health and Safety Committee
- Wellness Fund policy
- Employee Benefits Package
- Ergonomic Assessments
- Short and Long-term Disability policies
- Employee and Family Assistance Program
- Group savings plans
- Recognition programs

Management of Change

The Management of Change (MOC) initiative at AltaLink provides a proactive, systematic approach to assessing, documenting and implementing changes that have the potential to impact AltaLink's operational performance. Currently the scope includes changes that may impact environmental performance or security. MOC will be applied when there are changes in products, equipment, materials, or people and processes that affect procedures and standards. MOC provides a mechanism for the review of the proposed changes and any unintended consequences of those changes. It provides the opportunity to take action to mitigate any adverse effects, as necessary.

The purpose of MOC is to ensure that changes are recognized, documented, formally reviewed, and approved by qualified stakeholders prior to being implemented. A proposed change may not actually proceed if it is determined to be unacceptable through the process. Each component of MOC is applicable to all related changes throughout the lifecycle of assets. This includes all phases of a project. It does not deal with the people side of change, or changing people's behavior – also known as change management.





Diversity and Equal Opportunity

AltaLink is not a federal contractor and as such does not have a business need to request groups to self-identify. However, AltaLink takes non-discriminatory, ethical and inclusive behaviour and business practices very seriously, and requires all employees to review AltaLink's expectations and requirements on this annually as outlined on page 20 of this report.

Freedom of Association and Collective Bargaining

AltaLink employees outside of management level are represented by one of two unions, the International Brotherhood of Electrical Workers and United Utility Workers Association. These unions are sanctioned under collective agreements which are renegotiated and agreed upon every two years. These collective agreements are comprehensive in nature and deal with all aspects of employment as outlined in generally accepted labour practices.

Indigenous Relations

Respectful Indigenous Relations is practiced across the company, as we all benefit from strong and engaged communities across our province. We respect Indigenous ways of life through delivering sustainable and balanced outcomes with our projects and operations. Community support for our projects is essential to our business.

AltaLink's transmission system is located on lands owned by a number of different Indigenous communities throughout Alberta. Successful operation of AltaLink's grid depends on the cooperation of 19 Indigenous communities, two Métis settlements and four regions of the Métis Nation of Alberta.

Recognizing that strong relationships support the reliability of the grid, AltaLink has embarked on a formal engagement process, to listen carefully, learn and conduct business in a way that fosters mutual respect and understanding.

Working with the University of Alberta's Faculty of Indigenous Studies, AltaLink consulted with Elders and their communities to develop several guiding principles for engagement with Indigenous communities:

- Respectful Indigenous relations
- Respecting Indigenous ways of life
- Enhancing relationships
- Communications
- Balanced outcomes
- Meaningful consultation
- Community support

Within the context of the GRI reporting guidelines, aspects that represent or could impact this working relationship are found under the subcategory of Human Rights shown on page 29.

First Nations Limited Partnerships: KainaiLink L.P. and PiikaniLink L.P.

On November 18, 2018, the AUC approved the AltaLink and First Nations Limited Partnerships (L.P.s), KainaiLink L.P. and PiikaniLink L.P. On June 1, 2019, Piikani Nation purchased 51 per cent of PiikaniLink L.P., and January 1, 2020, Blood-Kainai Tribe purchased 51 per cent of KainaiLink L.P. to become the first Indigenous Transmission Facility Owners in Alberta. Joint operating committees were established with the First Nations to review operational activities and receive financial and regulatory updates.

In 2020, the CEA recognized the value of both L.P.s by awarding AltaLink, PiikaniLink and KainaiLink, with its 2020 Award for Advancement of an Integrated Approach to Sustainability for demonstrating outstanding leadership in the development, implementation, and maintenance of an integrated sustainability strategy within the company. In addition to the financial gains to the partners, the qualitative capacity growth for all parties involved further strengthens the economic benefits of the L.P.s:

First Nations Capacity Growth

- First Nations people hired for entry-level transmission construction work, which lead to progressive employment for candidates who continue working in the industry today.
- Increased efficiency in facilitating community engagement and land access for operations and maintenance activities.
- Participation in regulatory requirements of the business improves the First Nations understanding of transmission rates and tariffs.
- Piikani Nation and Kainai-Blood Tribe have greater access to the transmission grid on their reserve for future ventures in the electrical industry.

AltaLink Capacity Growth

- The First Nations agreement for the routing across reserves helped save millions of dollars for Alberta ratepayers.
- Reduced operational and maintenance costs with a shorter route.
- Increased efficiency in managing operational needs of the assets through focused asset management and financial controls to produce accurate reporting to shareholders and our regulator.
- Achieved in-service date on time to enable greater access and system capacity for new generation in the renewable-rich area of Alberta.

Indigenous Business Relations Strategy

Six projects in 2020 totaled \$580K in Indigenous contracting or subcontracting, representing an average of 16 per cent of the total spend on these project scopes.

National Indigenous Peoples Day

On June 19, 2020, AltaLink held its seventh annual National Indigenous Peoples Day (NIPD) celebration. NIPD is a celebration of the cultures, diverse heritages and outstanding contributions of Canada's Indigenous peoples and is celebrated every year to coincide with the summer solstice. As Canadians celebrated NIPD from home in 2020 to keep families and communities safe, AltaLink shared online learning opportunities, from Indigenous language apps, to recipes and recommended readings. We also came together and honoured NIPD virtually with an interactive employee webinar and Talking Circle that featured the United Way's Natoon'si Indigenous healing and well-being initiative, which collaborates with various partners to improve local lives and nurture intergenerational healing.



Community Investments

Indigenous Scholarship program: Since 2007, AltaLink has supported higher education in Indigenous communities through our Indigenous scholarship program. A commitment to investing in the Indigenous people of Alberta is a crucial element of our social responsibility, and the opportunity to help young people succeed is something we can all get excited about.

The scholarship program currently offers a total of eight \$1,000 scholarships to Indigenous students attending post-secondary institutions and are awarded to eligible students from each of the Treaty 6, 7, and 8 areas and the Métis communities in Alberta. AltaLink has partnered with Indspire, an Indigenous charity that invests in the education of Indigenous people, to administer the program on AltaLink’s behalf and to access matching grants to double the amount of scholarships available annually to Indigenous students. Beginning in 2019, Indspire has accessed grants to provide an additional \$8,000 annually in scholarships. Since 2007, a total of \$166,000 in scholarships has been provided to 89 Indigenous students as a result of AltaLink’s investment.

Aboriginal Role Models of Alberta: AltaLink has sponsored the annual awards since 2015 to celebrate excellence and leadership within Indigenous communities. As the 2020 event was postponed due to the pandemic, AltaLink provided seed funding for the awards to carry over into 2021.

Relationship Building

AltaLink strives to raise awareness about its role in the electric system and related business opportunities through a number of Indigenous job fairs and tradeshow hosted by First Nations, Treaty organizations, the Métis Nation, universities and Indigenous organizations. New connections are created by participating in other events such as economic development forums, pow-wows and other cultural events. Because of the pandemic, physical distancing requirements prevented all community gatherings from occurring in 2020.

Meaningful Consultation

Meaningful consultation practices are essential to AltaLink’s core values and to growing Indigenous participation in our business. While AltaLink met or exceeded its regulatory requirements to fulfill the Duty to Consult, we engaged in additional ways to add value. From creating limited partnerships, progressive business relations, and community connections at various levels, to ensuring Traditional Land Use field assessments are conducted respectfully and safely, we believe we are on the right path to reconciliation.



INDIGENOUS CONSULTATION IN 2020

- 18** NUMBER OF PROJECTS REQUIRING REGULATORY APPROVAL WITH INDIGENOUS ENGAGEMENT

- 26** NUMBER OF INDIGENOUS COMMUNITIES/ ORGANIZATIONS ENGAGED ON PROJECTS

- 12** PROJECT MAIL-OUTS

- 13** NUMBER OF FIELDWORK DAYS (PER NATION OR INDIGENOUS RELATIONS PERSONNEL)

- 2** COMMUNITY INFORMATION SESSIONS

- 5** APPLICATIONS FILED WITH INDIGENOUS ENGAGEMENT

FIRST NATIONS LIMITED PARTNERSHIPS DEMONSTRATE AN INTEGRATED APPROACH TO SUSTAINABILITY



This award is given to a utility company across Canada that has demonstrated outstanding leadership in the development, implementation, and maintenance of an integrated sustainability strategy within the company.

“Congratulations to AltaLink and their project partners for achieving the Advancement of an Integrated Approach to Sustainability award. This project not only represents a positive environmental impact, but also a celebration of Indigenous partnerships that will strengthen our collective future,” said Francis Bradley, Canadian Electricity Association President and CEO.

During consultation for the Southwest 240 kV project, AltaLink worked closely with the Piikani Nation and the Kainai-Blood Tribe to reach an agreement that allowed the new transmission lines to cross First Nation land.

The new partnerships – PiikaniLink and KainaiLink – have both Piikani Nation and the Kainai-Blood Tribe investing 51 per cent of the ownership for the portion of the transmission line on their respective lands, allowing them to earn a regulated rate of return on their investment. AltaLink will continue to maintain the transmission line on behalf of each partnership.

PLP acquired approximately \$52.6M of transmission assets (including a portion of the transmission line and substation equipment) located on Piikani Reserve lands.

“Piikani Nation is proud of its partnership with AltaLink and to have become an owner of transmission infrastructure on our reserve,” Councilor Doane Crow Shoe said, who also serves as the President of Piikani Resource Development Ltd. “We believe we have forged a path for our Nation, as well as other Indigenous communities and proponents in the growing energy sector of Alberta. This truly is a sustainable partnership and we look forward to the long-term benefits alongside AltaLink.”

KLP acquired approximately \$34.65M of transmission assets (including a portion of the transmission line) located on Blood Reserve lands.

“I am pleased that this partnership has finally come to fruition. It has been a lengthy process and I would like to thank previous Kainai leadership for their role in setting the groundwork for this to happen. I would also like to thank AltaLink for all their efforts in making this a reality,” said Councilor Tim Tailfeathers, also the Chair of Blood Tribe’s Economic Development Committee. “I am looking forward to Kainai fully participating in the economy of Alberta. I hope that the future brings many more partnerships that will result in stronger relationships between the Blood Tribe and Alberta.”



What happens when you combine our commitment to sustainability and our pursuit of exploring new ways to interact with our business partners in local communities, such as the Piikani Nation and the Kainai-Blood Tribe?

Not only do you find an innovative way to collaborate, you transform what mutually beneficial partnerships can look like.

In November of 2020, the CEA announced AltaLink, PiikaniLink (PLP) and KainaiLink (KLP) as recipients of the 2020 Award for Advancement of an Integrated Approach to Sustainability for AltaLink’s two limited partnerships with the Piikani Nation and the Kainai-Blood Tribe, who are now long-term investors in high-voltage electricity infrastructure on their land.

“Our partnerships with the people of the Piikani Nation and the Kainai-Blood Tribe are a first for AltaLink and a first for Alberta. We are proud of how this collaboration has led to mutually beneficial results for everyone,” said Scott Thon, AltaLink’s Chief Executive Officer. “Having strong, sustainable relationships with the Indigenous communities we serve not only supports the reliability of the grid, but promotes a dialogue to help us better understand the history, culture and priorities of Indigenous communities as we grow together.”



Human Rights

The Code of Ethics and Business Conduct document referenced previously in this report, Sec. 1.3, *Mutual Respect and Integrity in the Workplace* deals explicitly with ensuring commitment to human rights are both met and maintained at the highest levels across AltaLink.

All Human Resource policies are designed and implemented on the understanding that basic and fundamental human rights are neither negotiable nor open for compromise. While the term ‘human rights’ does not appear in these policies, having sections that deal with issues such as workplace discrimination, harassment and violence among others, implicitly implies that human rights are being addressed and ultimately protected.

Additionally, with respect to upholding all human rights, AltaLink has undertaken a thorough review of the ISO 26000 guidance document along with a materiality analysis of Core Subjects and Issues. This review was undertaken in accordance with the CEA verifier process for CEA brand designation re-certification which occurred during 2019. This review included identifying processes, standards or policies that support those areas deemed material to AltaLink’s core business functions.

A detailed review of the ISO 26000 guidance document focused on related actions and expectations for each identified issue. Using this as a guide, AltaLink’s material actions were identified and marked against the overall related actions suggested by the Guidance document. Given the diverse and complex nature of many of the subjects and issues included in the Guidance document, interpretations ranged from literal to general overviews.

Local Communities

AltaLink has long been known for its caring spirit and desire to give back to the communities in which we live and work. AltaLink has a multifaceted community investment program that enables employees to get involved in a variety of ways throughout the year.

Being involved in the communities where AltaLink employees work and live is an important part of our commitment to our customers. Berkshire Hathaway Energy (BHE) is proud to support and encourage employees who invest in their communities through the BHE CARES program. Launched in 2018, the program includes four giving pillars that encompass a wide range of areas that are important for strengthening our communities:

- Community Enhancement/Environment
- Art/Culture
- Education/STEM
- Safety/Wellness



2020 Powerful Giving United Way Campaign

Since the COVID-19 pandemic began to unfold across Alberta, AltaLink employees have been working as an essential service to make sure the lights stay on and Albertans have the electricity they need when they need it.

Last year, our employees stepped up in a different way to support their fellow Albertans through AltaLink's annual employee giving campaign, *Powerful Giving*. The theme of the 2020 Powerful Giving campaign was 'Essential to our Community.' Due to the COVID-19 pandemic, AltaLink's annual campaign moved to an online format, but that didn't mean employees lost their generous giving spirit. Employees participated in online events in record numbers, collected more than 5,100 items as part of a donation collection drive, and volunteered in the community as part of AltaLink's *Days of Caring* initiative.

AltaLink's objectives were to raise \$858,000 and receive an employee satisfaction score of 80 per cent. The 2020 campaign raised a record-breaking total donation of \$1,001,125 for the United Way and other registered charities.

As a long-time supporter of the United Way, we also donated \$50,000 to the United Way COVID-19 Community Response and Recovery Fund, which provided emergency funds to support the demand for immediate social services and our communities' most urgent needs.

Giving by employees increases employee satisfaction and in 2020, AltaLink received an employee satisfaction score of 86 per cent for our Powerful Giving campaign. In recognition of AltaLink's achievements, the United Way of Calgary and Area selected AltaLink as the recipient of the 2020 President's Award as part of its annual Community Impact Awards. The President's Award honours exceptional contribution to the United Way and the local community.

For 2021, the objectives of the Powerful Giving Campaign are to promote participation and enhance the employee experience through educational events and other opportunities to support and give back to our communities.

ALTALINK RECEIVES TOP HONOUR FROM UNITED WAY OF CALGARY AND AREA FOR COMMUNITY IMPACT



Each year, the United Way of Calgary and Area announces its Community Impact Awards, celebrating organizations that have exceeded all expectations of what it means to be an outstanding corporate citizen.

The United Way of Calgary and Area selected AltaLink as the recipient of the 2020 President’s Award as part of its annual Community Impact Awards. The President’s Award honours exceptional contribution to the United Way and the local community, and is the highest honour an organization can achieve.

“AltaLink is an incredible example of corporate leadership in the community – their entire team takes social good to heart, which we have seen first-hand for the past 20 years of partnership,” says Karen Young, President and CEO, United Way of Calgary and Area. “I am proud of their commitment, their tenacity, and their unwavering support for people in need of a hand up during challenging times. Thank you to the entire team for everything you have done for Calgary and the surrounding area.”

Due to the COVID-19 pandemic, AltaLink adapted quickly to move its annual employee giving campaign, *Powerful Giving*, to a virtual format. The 2020 campaign ran from October 26 to November 2, and the theme was *‘Essential to our Community.’*

AltaLink employees, contractors and retirees rallied to make it AltaLink’s most impactful campaign to date, participating in online events in record numbers, collecting more than 5,100 items as part of a collection drive and volunteering in the community as part of AltaLink’s *Days of Caring* initiative.

With all donations matched dollar for dollar by AltaLink’s shareholders, at the end of the campaign AltaLink was proud to announce a record-breaking more than \$1 million in donations to charities across the province.

“Since the start of the pandemic, our employees have continued to work safely as an essential service to keep the lights on for Albertans, and I’m incredibly proud of how they brought that same energy to our 2020 giving campaign,” said Gary Hart, AltaLink’s President and Chief Operating Officer. “This award is a reflection of the innovation, commitment and giving spirit that our team demonstrated in support of our communities, so it is an honour to receive this special recognition from the United Way of Calgary and Area.”

AltaLink has been holding its Powerful Giving annual campaign since 2002, and is proud to have raised more than \$8.5 million to support the communities where we live and work.



AltaLink's Scholarship Awards Program

POWERFUL education

Powerful Education

We are committed to investing in the next leaders of Alberta and we are proud to support them in reaching their goals through our scholarship program. AltaLink launched the Centennial Scholarship program in 2005. This program is directed to students from rural Alberta attending postsecondary institutions. Two students from each of the schools listed below are awarded \$1,000 scholarships. The awards are available to students attending the following Alberta post-secondary institutions:

- Southern Alberta Institute of Technology (SAIT)
- Bow Valley College
- Lethbridge College
- Red Deer College
- Olds College
- Northern Alberta Institute of Technology (NAIT)

Indigenous Student Awards

In 2007, AltaLink launched its Indigenous scholarship program. This scholarship program is designed to recognize leaders in the Indigenous community by offering scholarships to Indigenous students attending post-secondary institutions. Each year, two eligible students from each of Treaties 6, 7, 8 and the Métis communities in Alberta are awarded a \$1,000 scholarship.

AltaLink Employee Scholarship

In 2005, AltaLink launched its employee scholarship program. This scholarship program supports the families of AltaLink employees who have children or grandchildren attending a post-secondary institution by offering a \$2,000 scholarship.



CONCLUSION

2020 was big year in AltaLink's sustainability journey. We received our fourth CEA President's Award of Excellence for Employee Safety, our partnerships with PiikaniLink (PLP) and KainaiLink (KLP) were recognized by the CEA for our Integrated Approach to Sustainability, and our employees came together and raised more than \$1 million in support of Alberta charities. As we move forward and beyond the COVID-19 pandemic, we'll continue to keep the safety and wellness of our employees top of mind.

Our sustainability efforts require all AltaLink employees to work together to embrace this responsibility to help safely deliver clean, reliable electricity while also maintaining exceptional service for our customers.



APPENDIX A

Applicable GRI Standards

GRI Std	Topic	Comment
General Disclosures		
102-1	Name of organization	AltaLink Management Ltd. (ALM)
102-2	Primary services/brands	Alberta's largest regulated electricity transmission company (www.altalink.ca)
102-3	Location of HQ	Calgary, AB
102-4	# of Countries operational in	One, Canada
102-5	Nature of ownership and legal form	http://www.altalink.ca/files/pdf/reports/Q4_2020_ALP_MDA.pdf p.17
102-6	Markets served	www.altalink.ca/files/pdf/reports/Q4_2020_ALP_FS.pdf
102-7	Scale of Operation	<ul style="list-style-type: none"> Total number of employees – 725 Total number of operational employees – 287
102-8	Information on employees	<ul style="list-style-type: none"> 697 full time permanent employees 18 full time term positions 10 part time permanent positions
102-9	Describe the organization's supply chain	AltaLink currently has a procurement policy in place that impacts the entire supply chain within the company. (AltaLink Procurement Policy for Materials and Services, AL-2000)
102-10	Report significant changes to size, structure, ownership	None
102-11	Precautionary principle and approach	AltaLink's enterprise risk management process is located at the following website under the heading of Risk Management and provides insight into assessing risk and appropriate levels of response: www.altalink.ca/files/pdf/reports/Q4_2020_ALP_MDA.pdf p.42
102-12	External initiatives	<ul style="list-style-type: none"> Canadian Electricity Association's Sustainable Electricity Program – (brand re-designation obtained in 2019) International Standards Organization – integrated health, safety and environmental management system, cyber security system Right of Way Stewardship designation

GRI Std	Topic	Comment
102-13	Membership of associations	<ul style="list-style-type: none"> • CEA – Canadian Electricity Association – various working groups • IPPSA – Independent Power Producers Society of Alberta • CIGRE Canada - International Council on Large Electric Systems • EEI – Edison Electric Institute • BCC – Business Council of Canada • Calgary Chamber of Commerce • Edmonton Chamber of Commerce • NATF - North American Transmission Forum • Business Council of Alberta • JUST – Joint Utility Safety Team • PEPS – Provincial Electricity Physical Security group • COAA – Construction Owners of Alberta Assoc. • AEUSA – Alberta Electric Utility Safety Assoc. • Avian Powerline Interaction Committee
102-14	Statement from senior decision-maker	Refer to p. 3
102-16	Values, principles, standards and norms of behaviour	www.altalink.ca/about/governance/code-of-ethics-business-conduct.cfm
102-17	Mechanisms for advice and concerns about ethics	www.altalink.ca/files/doc/AltaLink_Inter-Affiliate_Code_of_Conduct_Compliance_Plan.pdf
102-18	Governance structure	p. 17
102-19	Delegating authority	p. 17
102-20	Executive-level ESG responsibility	p. 17
102-21	Consulting stakeholders on ESG issues	p. 18
102-22	Composition of highest governance body and committees	Compliance and Information report https://www.sedar.com/CheckCode.do (p. 24)
102-23	Chair of highest governance body	p. 17 this report and https://www.sedar.com/CheckCode.do (p. 25)

GRI Std	Topic	Comment
102-40	Provide a list of stakeholder groups engaged by the organization.	p. 18 this report
102-41	% Covered by collective agreement	56% of all employees within two unions: <ul style="list-style-type: none"> • International Brotherhood of Electrical Workers (30) • United Utility Workers' Association of Canada (395)
102-42	Report process to identify stakeholders	p. 18 this report
102-43	Approach to stakeholder engagement	p. 19 this report
102-44	Key topics and concerns raised	p. 19 this report
102-45	Entities included in consolidated financial statements	www.altalink.ca/files/pdf/reports/Q4_2020_ALP_FS.pdf
102-46	Defining report content and topic boundaries	AltaLink's Corporate Sustainability Specialist with direction from Executive Vice President, Customer and Corporate Services and Vice President, Environment, Health and Safety through a comprehensive corporate sustainability strategy. One operational unit (ALM) operating in one geographic territory (province of Alberta, Canada) allowed direct aspect boundary determination.
102-47	List of material topics	This list of GRI Standards
102-49	Changes in reporting	Moved from G4 to 2016 GRI Standards to inform annual report (2019)
102-50	Reporting period	2020
102-51	Date of most recent report	June 2020
102-52	Reporting cycle	Annual
102-53	Contact for questions regarding this report	Corporate Sustainability Specialist; VP OH&S

GRI Std	Topic	Comment
Management Approach		
103-1	Boundary of report	AltaLink Management Limited
Std. - Economic		
Topics		
201-1	Direct economic value generated and distributed:	2018 2019 2020
	• Operating costs	98M 109M 107M
	• Employee wages/benefits	101M 106M 109M
	• Provincial taxes	46M 48M 47M
	• Federal taxes	16M 33M 29M
	• Gross spent in Alberta (cap and operating costs as %) Property, plant and equipment	72 70 71
201-3	Coverage of the organization's defined benefit plan obligations	http://www.altalink.ca/files/pdf/reports/Q4_2020_ALP_MDA.pdf
205-1	Total # or % of ops assessed for risks related to corruption and associated significant risks	100% - Enterprise Risk Mgmt processes are used to review all aspects of AltaLink projects and operations.
205-2	Communication and training for anti-corruption policies	Annual employee training on code of conduct and business ethics, compliance with is a condition of working at AltaLink.
205-3	Confirmed incidents of corruption and actions taken	0
206-1	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices	0

Topic-specific Standards

Standard	Topic	Comment
Social		
401-1	Total employee turnover rate	4%
401-2	Benefits provided to full-time employees	<ul style="list-style-type: none"> • Life insurance • Healthcare • Disability and invalidity coverage • Parental leave • Retirement provision – employer contribution to retirement savings plan • Dental, Health spending account, Wellness spending account, Employee and Family Assistance Program, Travel plan
402-1	Labour/Mgmt. Relations – minimum notice periods	<p>Collective agreement with the UUWA for two-year term ending 2021</p> <p>New collective agreement with the IBEW ratified in 2020 and extends to the end of 2021</p>
403-1	Occupational Health and Safety Mgmt. System	Joint Health and Safety Committee represents all unionized employees (approximately 58% of AltaLink's workforce).
403-4	Worker participation, consultation, and communication on occupational health and safety	Any relevant topic identified through the recently established Joint Health and Safety committee would also be included in subsequent union negotiations.
404-1	Average hours of training per year per employee	While no specific metric or quantifiable amount of time is identified per employee, all employees receive training appropriate to their level and position within the company. High-risk activities or individuals in positions of authority and responsibility will receive appropriate levels of training to ensure they have appropriate certification to perform work activities as required.
404-2	Programs for lifelong learning that facilitate continued employment and mgmt. of career endings	Prior to terms being completed outgoing employees are given access to various transitional services by a qualified third party vendor (counselling and resume writing, etc.)

Standard	Topic	Comment
404-3	% of employees receiving regular performance and career development reviews	100% - employees undergo annual performance reviews (PRD) and develop forward focused annual work plans and career development plans.
405-1	Diversity and Equal Opportunity	p. 25
406-1	Total number of incidents or discrimination and corrective actions taken	0
407-1	Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights.	p. 25 Collective bargaining agreements in place until the end of 2021 (UUWA and IBEW) according to applicable legislation.
411-1	Rights of Indigenous Peoples	p. 25
412-1	Human Rights Assessment	p. 29
413-1	Local Communities	p. 30
415-1	Total value of political contributions and recipients/beneficiary	\$0

