2023
Environmental, Social and Governance Report

ENMAX

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Letter from our CEO

Working together as a team enabled us to achieve incredible things in 2023. We took time to reflect on and adjust our strategic direction, continued to provide safe and reliable electricity to customers and advanced toward our targets. The many accomplishments we describe in this environmental, social and governance report are a testament to our progress.

Extreme weather events during the year reminded us how essential it is to have a resilient electricity system. In Alberta, the effects of a devastating wildfire season followed by record-breaking cold temperatures challenged our systems and team members. In Maine, the Versant Power team worked through the difficult conditions of several destructive winter storms. Both teams effectively and safely responded to these conditions and we continued to deliver reliable electricity to customers. As our climate changes, it is becoming more important to learn about these types of weather events and their potential effects. To better understand Calgary-specific climate impacts, ENMAX began a three-year partnership in 2023 with the Prairie Adaptation Research Collaborative to develop a new, more granular climate model for the Calgary region that leverages funding from the Natural Sciences and Engineering Research Council of Canada and Mitacs (a nonprofit national research organization). Building our understanding of local climate impacts will help us take effective actions to prepare for extreme events and improve the resilience of our infrastructure. At the same time, we must continue to take action to support an energy transition that mitigates the impacts of climate change.

The energy transition will require emissions reductions from power generation and grid adaptations to support increasing levels of electrification. We've made some great progress to date, having achieved a 65 per cent reduction of our absolute GHG emissions since 2015, and we continue to optimize the use of our existing assets. We are also exploring ways to further decarbonize through intentional investments such as our feasibility study on carbon capture at our Shepard Energy Centre. We've also taken a leadership position to enable the energy transition by conducting pilots to test advanced technologies and explore the implications of integrating distributed energy resources. In Alberta, we're working to understand the impacts of EV adoption on the grid through our Charge Up pilot and testing EV heavy-duty trucks for our own fleet. In Maine, Versant Power has a dedicated team currently supporting 450 distributed generation projects including solar and hydro. Through all our activities, we seek to enable the energy transition in a responsible way for customers, that does not jeopardize affordability and maintains grid reliability.

Mark Poweska at Kettles Hill Wind Farm.

Through our many community interactions and events last year, the top concern our team members heard from Albertans was the rising cost of their utility bills. Moving toward lower-carbon energy sources and modernizing the grid will require significant investments in our assets. Our focus is on responsible and prudent cost management and strategic capital investment to optimize the existing grid. We continue to support customers and I'm particularly proud of the work we did around energy affordability in 2023. We advanced several pilot projects, dedicated 36 per cent of our community investment budget toward affordability initiatives like basic needs funding and worked with customers to avoid disconnections, giving them time to catch up on their bills. We also collaborated with industry, the province, municipalities and agencies on the issue of energy affordability for customers and all Albertans. All this work has been made possible thanks to the efforts of ENMAX team members.

We're also building a safer and more inclusive workplace every day. On safety, we've observed a shift to an even more transparent and open culture where we view mistakes as opportunities to learn. As a result, ENMAX has seen our lost time injury frequency decline.

We are also emphasizing the importance of proactive safety activities and reporting through the implementation of a proactive incident rate (PAIR) as one of our key safety metrics to continue building a culture focused on continuous learning and improvement. When it comes to inclusion, we are working to raise awareness and remove barriers for underrepresented groups. We don't shy away from difficult conversations—we talk about topics such as neurodiversity, the newcomer experience and mental health. Creating a welcoming environment for all also extends to the communities in which we work and live. The strong desire to give back to these communities is something ENMAX and Versant Power employees share. I've been delighted to find employees volunteering their time in our lobby packing care packages or participating in community projects almost every month. Last year, as a company, we contributed more than $3.8 million to organizations in Alberta and Maine.

We took steps toward reconciliation in 2023 and developed an Indigenous Relations Framework to establish principles to guide this work. We will advance this work over the next few years. We believe reconciliation begins with understanding. Our senior leadership team and executive team participated in truth and reconciliation training last year with the goal of building our understanding about our shared history.

We acknowledge that Indigenous Peoples have historically been negatively impacted by energy development without having had the opportunity to fully benefit from it. We have an important responsibility as a corporation to advance reconciliation with Indigenous Peoples.

Looking forward, I'm optimistic about leading ENMAX at a time when people are trying to move away from molecules and onto electrons for their energy. We are in a great position as a company to support that transition and grow our business. I'm thankful to the Board for their continued trust and to our Shareholder for their ongoing support. Most of all, I want to thank ENMAX team members for their hard work in 2023 and their ongoing commitment to providing customers with electricity and energy services, safely and responsibly. With your continued support, we look forward to advancing our purpose—*lighting the way to a brighter energy future.*

Mark Poweska
President and CEO

Looking back: 2023 scorecard

At ENMAX, we are proud of our achievements in environmental, social and governance (ESG) practices and performance. To provide transparency around our ESG performance and activities, we are again sharing a scorecard (below) that shows our targets and progress against them. Details about our initiatives and performance can be found in the rest of this report. See page 7 for our targets for 2024 and beyond.

MET | ON TRACK | DID NOT MEET

*** = Target excludes Versant Power**
We have worked with Versant Power to incorporate our operations in Maine into more of our target areas. The targets below include Versant Power, unless otherwise noted with an asterisk. The date stated in our targets indicates by year end of the stated year.

	TARGET	STATUS	PROGRESS
Climate change and the energy transition	Achieve net-zero scope 1 and 2 emissions by 2050.	On track	Continued to evaluate and implement emissions reductions technology and practices at our facilities.
	Achieve 70% reduction of scope 1 and scope 2 GHG emissions by 2030 from 2015 levels.	On track	Between 2015 and 2023 we reduced scope 1 and scope 2 GHG emissions by 65% from 2015 levels.
	Transition 35% of our mobile fleet to zero emission vehicles (ZEV) by 2030.	On track	At the end of 2023, 12% of our fleet was composed of zero emission vehicles.
	Offset 100% of our building[1] GHG emissions (scope 1 and scope 2) annually.* [1] ENMAX purchases carbon offsets for the electricity and natural gas consumed at all ENMAX Corporate buildings, ENMAX Power buildings and ENMAX Power metered substations.	On track	Completed offset purchases for 2022. We will complete offset purchases for 2023 in Q3 2024.
	ENMAX Power, ENMAX Energy and Versant Power each to conduct a pilot project to advance the energy transition by the end of 2023.	On track	Conducted three pilots to advance the energy transition across our operations. Read more on page 30.
Diversity, inclusion and belonging	Update and expand categories of workforce diversity measurement and survey all employees by end of 2023.*	On track	Completed demographic survey with expanded categories in 2023.
	Pilot inclusive training to individual contributors by the end of 2023.*	On track	Conducted inclusive training for key team members.
	Expand training for customer-facing teams on communicating with diverse customers and communities by the end of 2023.*	On track	Provided new diversity training to support customers and communities.
	Provide training to employees in Canada on the history of Indigenous Peoples by end of 2023.*	On track	Hosted learning opportunities for our employees on the lived experiences of Indigenous Peoples in Canada. Read more on page 47.
	Versant Power to create a diversity, inclusion and belonging roadmap by end of 2023.	On track	Launched diversity, inclusion, equity and belonging roadmap in early 2023. Read more on page 45.

MET | ON TRACK | DID NOT MEET

*** = Target excludes Versant Power**
We have worked with Versant Power to incorporate our operations in Maine into more of our target areas. The targets below include Versant Power, unless otherwise noted with an asterisk. The date stated in our targets indicates by year end of the stated year.

	TARGET	STATUS	PROGRESS
Energy affordability	Spend at least 30% of our community investment budget each year on activities and organizations that support customers at the various stages of the energy affordability lifecycle. By 2025, increase the proportion of spending in this area to 40%.*		Directed 36% of our 2023 community investment budget towards energy affordability. We remain on track to reach our target by 2025.
	By 2025, conduct six pilot projects to test programs or solutions that work to remove barriers to energy access and affordability. Versant Power will complete two of the six.		ENMAX has conducted six pilots and Versant Power has conducted one. Read more on pages 52 and 54.
Governance	Develop Sustainable Procurement Strategy by the end of 2023.*		Developed a Sustainable Procurement Strategy to guide our procurement activities. Read more on page 70.
	Maintain Board of Directors composition of at least 30% women and at least one member from an underrepresented group.		Maintained Board composition of 33% women and two members from an underrepresented group.

Looking forward: Our targets for 2024 and beyond

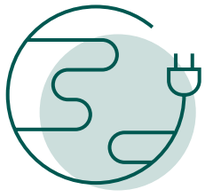
As part of our commitment to continual advancement, we reviewed our previously set targets, considering relevancy, feasibility and other factors. Based on this review, our targets for 2024 and beyond are more focused and reflect intentional actions we can take to achieve our goals. See the "Change" column for details. Unless otherwise specified, these targets include Versant Power.

	TARGET	CHANGE
 **Climate change and the energy transition**	Achieve net-zero scope 1 and 2 emissions by 2050. Achieve 70% reduction of scope 1 and scope 2 GHG emissions by 2030 from 2015 levels.	Our emissions reduction targets from 2023 remain the same. Our target to offset 100% of our building emissions is now part of our normal business. Read more on page 20. We achieved our target of conducting pilot projects supporting the energy transition by the end of 2023. Read more on page 30. Following a review of the operational reliability, supply and market for zero emission vehicles, we removed our fleet electrification target. Read more on page 21.
 **Diversity, inclusion and belonging**	Maintain workforce and leadership composition of at least 30% women.	We achieved all our 2023 diversity, inclusion and belonging targets. Going forward, we will focus on the composition of our workforce.
 **Energy affordability**	Spend at least 30% of our community investment budget each year on activities and organizations that support customers at the various stages of the energy affordability lifecycle. By 2025, increase the proportion of spending in this area to 40%. By 2025, conduct six pilot projects to test programs or solutions that work to remove barriers to energy access and affordability. Versant Power will complete two of the six.	Unchanged
 **Governance**	Launch Indigenous Relations Framework for our Canadian operations by the end of 2024. Maintain a combined Board of Directors and executive composition of at least 30% women and at least one member from an underrepresented group[2]. [2] Underrepresented group refers to Indigenous Peoples, persons with disabilities, visible minorities and persons who identify as 2SLGBTQ+. We seek representation relative to the communities served by the Corporation.	We achieved our 2023 target of developing a Sustainable Procurement Strategy. Our next step in strengthening our ESG governance is the launch of our Indigenous Relations Framework. Read more on page 59. We added an executive component to this target to support our overall representation goals.

SPOTLIGHT

How we help The City of Calgary meet its climate goals

As a future-oriented essential service provider, ENMAX is committed to advancing energy solutions for the benefit of our customers, the communities we operate in and our Shareholder, The City of Calgary. We recognize that climate change is an important and complex issue that impacts everyone. Some of the ways we are working to help The City of Calgary advance its Climate Strategy include:

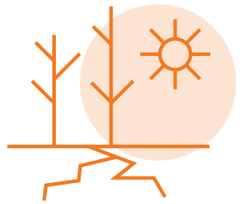


THE CITY OF CALGARY'S GOALS

Net-zero grid and city
- 60 per cent reduction of GHG emissions below 2005 levels by 2030 for The City of Calgary
- Net-zero emissions by 2050 for the city

HOW ENMAX CONTRIBUTES

Net-zero target alignment
Our target to achieve a 70 per cent reduction of GHG emissions below 2015 levels by 2030 and net-zero scope 1 and 2 GHG emissions by 2050 aligns with The City of Calgary's goals. Our approach to reducing emissions considers different avenues based on our current understanding of existing, emerging and potential future technologies. Read more on page 16.



THE CITY OF CALGARY'S GOALS

Drought resilience
- Create a drought-resilient city for all Calgarians
- Ensure people, ecosystems and businesses are prepared to withstand and recover from the impacts of prolonged periods of dry conditions and water shortages

HOW ENMAX CONTRIBUTES

Understanding and building resilience to drought
In 2023, we incorporated The City of Calgary Drought Resilience Plan into our climate-related physical risk workshops to understand the effects the planned drought mitigations could have on our operations and how we can help support The City of Calgary in a drought situation. Read more on pages 74 and 75.

THE CITY OF CALGARY'S GOALS

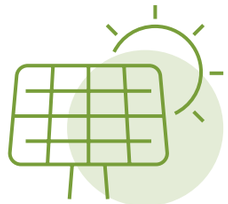
Zero carbon neighbourhoods
- Accelerate the transition to zero emissions vehicles
- Develop a process and financial incentives to support at-home charging infrastructure and retrofit electric vehicle (EV) charging infrastructure in multi-unit residential buildings

HOW ENMAX CONTRIBUTES

Preparing for electric vehicle adoption
ENMAX continues to invest in studies to understand how Calgarians use EVs. We completed phase two of Charge Up, Alberta's first smart charging pilot program, to test the effectiveness of incentives on influencing what time of day EV drivers charge their vehicles. Read more on page 29.

THE CITY OF CALGARY'S GOALS

Zero carbon energy transition
- Support the installation of solar on community buildings
- Support on-site and neighbourhood scale low carbon energy projects



HOW ENMAX CONTRIBUTES

Supporting the adoption of solar
Through the ENMAX Community Solar Fund, a partnership with The City of Calgary, we have supported rooftop solar installs on 25 community association buildings across the city since the program began in 2021.

In 2023, we also introduced our Seasonal Solar™ rate for our Easymax® customers with already-installed solar panels who produce excess power during sunnier months. The rate promotes the use of residential solar by providing customers with bill credits. Read more on pages 22 and 23.

About ENMAX

The ENMAX group of companies is a leading provider of electricity services, products and solutions. We are headquartered in Calgary, Alberta with operations across Alberta and Maine. Through our subsidiaries, ENMAX Power Corporation and Versant Power, we own and operate transmission and distribution utilities that safely and reliably deliver electricity to customers in Calgary and northern and eastern Maine. Through ENMAX Energy Corporation, ENMAX owns and operates power generation facilities and offers a range of innovative electricity and natural gas products and services to residential, commercial and industrial customers across Alberta.

Land acknowledgment

In the spirit of reconciliation, we respectfully acknowledge that we live and work on the traditional lands of Indigenous Peoples. ENMAX headquarters is in Calgary, in southern Alberta, the traditional territory of the Blackfoot Confederacy, comprised of the Siksika, Kainai, Piikani, and Amskapi Piikuni Nations; the Tsuut'ina Nation; and the îyârhe Nakoda Nations of Chiniki, Bearspaw and Goodstoney; and home to citizens of the Métis Nation, as well as many diverse Indigenous people who have made the city their home. In Maine, we operate on the traditional lands of the Wabanaki people. We are committed to strengthening relationships with Indigenous Nations and peoples in all communities where we operate, through respect and collaboration.

ENMAX Power

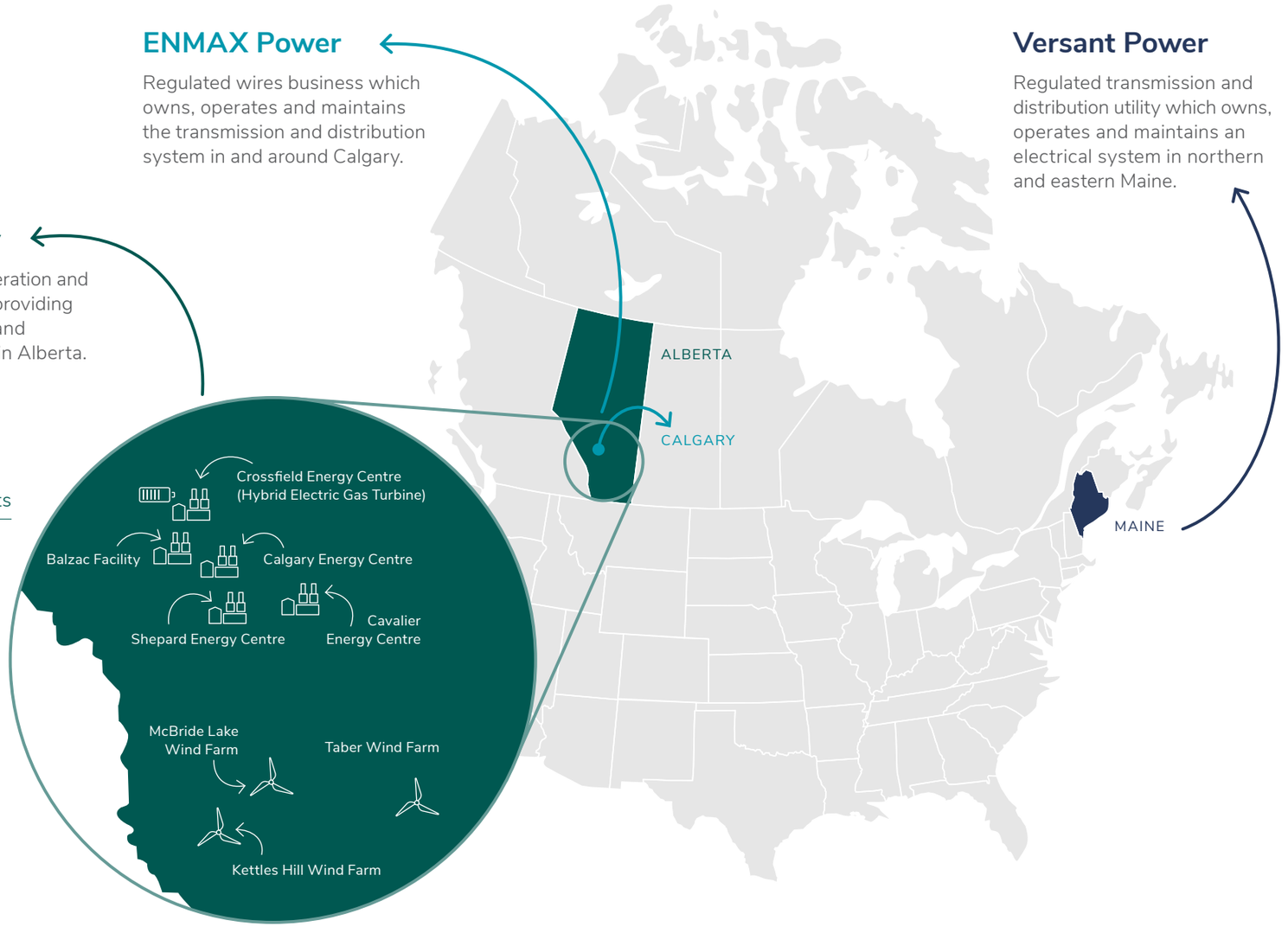
Regulated wires business which owns, operates and maintains the transmission and distribution system in and around Calgary.

Versant Power

Regulated transmission and distribution utility which owns, operates and maintains an electrical system in northern and eastern Maine.

ENMAX Energy

Competitive power generation and energy retail business, providing electricity, natural gas and customer care services in Alberta.



5 Natural gas power plants

4 operated, 1 non-operated

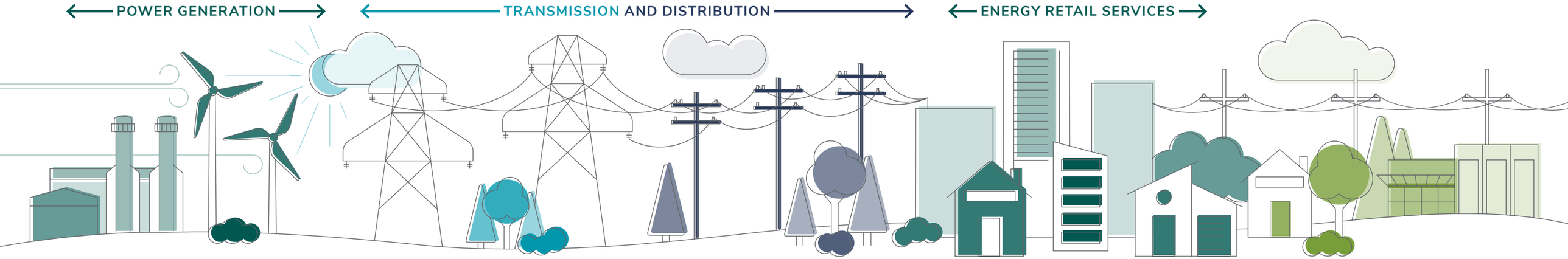
3 Wind power generation facilities

2 operated, 1 non-operated

1 Battery storage

1 operated

Key statistics (as of December 31, 2023)



ENMAX Energy

ALBERTA

1,522 MW
generation capacity, equity based

86%
natural gas

14%
wind

* Adjusted earnings before interest, taxes, depreciation and amortization; non-IFRS financial measure. Refer to our full 2023 Financial Report.

ENMAX Power

CALGARY

1,089 km²
service territory in and around Calgary

334 km
of transmission lines

8,854 km
of distribution lines

~570,000
residential, commercial and industrial customers (i.e., sites)

Versant Power

MAINE

27,000 km²
service territory in northern and eastern Maine

2,072 km
of transmission lines

10,260 km
of distribution lines

~165,000
residential, commercial and industrial customers (i.e., sites)

ENMAX Energy

ALBERTA

~747,000
residential, commercial, and industrial customers

13,532 GWh
electricity sold

Provides:
- Electricity
- Natural gas
- Billing for water services

Key Figures

ALBERTA AND MAINE

~2,270
employees

$9.4 billion
in total assets

$829 million
in adjusted EBITDA* in 2023

$95 million
dividend declared to The City of Calgary in 2024

Our approach to business

In 2023, ENMAX developed a new purpose and evolved our business strategy to better support our goals and meet the needs of our customers. All the elements of our approach to business (illustrated below) are interconnected and guide our collective and individual actions.

Our purpose

Our purpose statement describes the essential reason why we exist and how we contribute to the common good.

Lighting the way to a brighter energy future

Our strategic focus

Our strategy provides clarity and focus around what we will and will not pursue in service of customers. Our strategy is informed by three key themes that are advanced through our exceptional innovation and technology; policy and regulatory advocacy; and people and culture.

1 **Operational excellence**
Run great business through continuous improvement

2 **Responsible growth**
Balance our progress with financial and ecological sustainability

3 **Enable the energy transition**
Invest resources to increase electrification

Shareholder value proposition

Our value proposition outlines the results we aim to achieve when taking strategic actions to be an attractive investment for The City of Calgary.

1 **Increasing the value of the company over time**

As measured by:
- Shareholder equity
- Earnings
- Dividends
- Total ownership return

2 **Maintaining a reliable and agile business model**

We do this by focusing on:
- Managing commodity exposure
- Disciplined capital allocation
- Risks understood and managed
- Maintaining investment quality credit rating
- Regular, ongoing, open and transparent communication between The City of Calgary and ENMAX

3 **Protecting the Shareholder brand**

By demonstrating:
- Alignment with The City of Calgary's economic, environmental and social goals

Our values

Our values continue to guide us in who we are while executing our strategy and in the pursuit of our mission.

Our approach to ESG

We are committed to the highest level of accountability to customers, our Shareholder (The City of Calgary), employees and all community members. As part of that commitment, we have publicly disclosed our ESG performance for 17 years, publishing an extensive range of environment, safety, social and governance indicators each year.

Determining what to report: Materiality assessment

The list (shown on the right) is the result of the materiality assessment we conducted in 2020. This assessment included input from subject matter experts across the organization, the executive team and our Board of Directors (the "Board"), as well as external engagement with key customers, our Shareholder (The City of Calgary) and providers of capital. The assessment considered topics suggested by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and best practices in reporting within our industry.

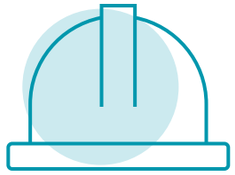
Materiality in this context is not a judgment on the importance of the topic to our company or to society. For example, our relationships with our customers, the unions that represent our employees and the governments that enact public policy are of utmost importance to us. However, the level of external interest in these relationships is lower than the level of interest in, for example, our impact on GHG emissions or energy affordability. We use these materiality results to inform the level of our reporting.

ESG MATERIAL TOPICS		LEVELS OF REPORTING
GHG emissions and energy transition **Grid resiliency and reliability** **Diversity and inclusion**	**Energy affordability** **Employee/ contractor safety** **Public safety** **Corporate governance**	These are our ESG priority topics. We provide metrics, description of programs and extensive qualitative information for these topics in this report since they are both crucial to our business success and of high interest to external parties. Although all these topics are critical, we have set objectives and targets for topics on which we believe we can make the most meaningful progress.
Employee development **Economic impact**	**Cybersecurity/ data privacy**	We provide a comprehensive and balanced discussion of these topics that combine metrics and qualitative discussion.
Physical impacts of climate **Air quality** **Water** **Responsible procurement**	**Occupational health** **Unions** **Customer satisfaction** **Public policy** **Spills/releases**	We include these topics in the report with limited qualitative discussion and data, if readily available.

SPOTLIGHT

Awards and recognition

Each year, ENMAX is recognized by third-party organizations for our leadership in different ESG-related initiatives or practices. Here are some of our more outstanding awards:

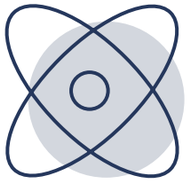


2023 AWARD

Canada's Greenest Employers

ENMAX was selected as one of Canada's 100 Greenest Employers.

This award recognizes the employers that create a culture of environmental awareness, have developed exceptional sustainability initiatives and are attracting people to their organizations because of their environmental leadership.
Read more



2023 AWARD

Safety Excellence

ENMAX received the President's Award of Safety Excellence from Electricity Canada.

This award recognizes companies that have the least number of injuries across the metrics of: Total Recordable Injury Frequency (TRIF), All Injury/Illness Frequency and Lost-Time Injury Severity Rates.
Read more

2024 AWARD

Alberta's Top Employers

ENMAX was selected as one of Alberta's Top 80 Employers.

This award recognizes Alberta employers that lead their industries in offering exceptional places to work.
Read more

2023 AWARD

Customer care

ENMAX Customer Care received the Achievements in Employee Experience award from E Source.

This award celebrates innovative methods in employee engagement that result in a favourable customer experience.
Read more

2024 AWARD

Innovation

ENMAX received a CS Week Expanding Excellence Award in the category of Innovation in People and Process for our load limiter pilot.

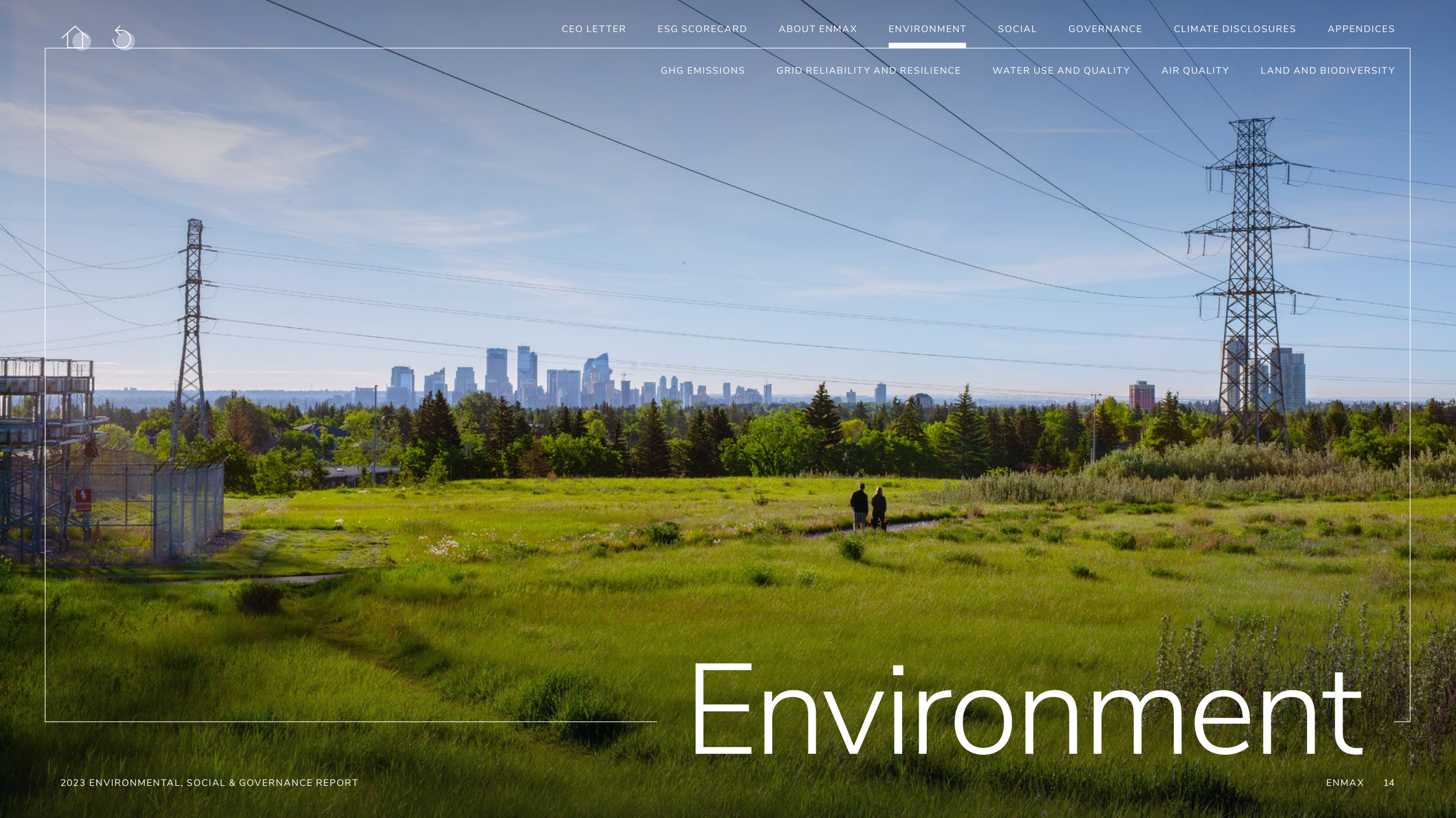
This award is presented to utilities that have developed an innovative, low-tech or non-technological approach to improving customer service.
Read more

2023 AWARD

Integrating sustainability

ENMAX received a Sustainable Electricity Award from Electricity Canada in the category of Advancement of an Integrated Approach to Sustainability.

We were recognized for outstanding leadership in the development, implementation and maintenance of an integrated sustainability strategy.
Read more



Environment

GHG emissions

WHY IT MATTERS TO ENMAX

As a future-oriented essential electricity service provider, we are committed to advancing energy solutions for the benefit of our customers, the communities we operate in and our Shareholder (The City of Calgary). For many years, the reduction of greenhouse gas (GHG) emissions has been a key component of our environmental protection and stewardship practices.

2023 HIGHLIGHTS

- **Reduced our GHG emissions by 65 per cent from our 2015 baseline.**
- **Met our target to offset 100 per cent of our building GHG emissions (scope 1 and scope 2).***

* Completed offset purchases for 2022. Offset purchases for 2023 will be completed by Q3 2024.

[3] ENMAX purchases carbon offsets for the electricity and natural gas consumed at all ENMAX Corporate buildings, ENMAX Power buildings and ENMAX Power metered substations.

ENMAX's Crossfield Energy Centre, a hybrid electric-gas turbine facility

Our approach

In 2021, we shared our ambition to achieve net-zero scope 1 and scope 2 GHG emissions by 2050. As a milestone towards achieving our net-zero vision, we plan to reduce or offset 70 per cent of our scope 1 and scope 2 GHG emissions by 2030 from a 2015 baseline. To reach our targets, we are identifying efficiencies at our natural gas power generation facilities, offsetting and managing emissions from our corporate and operational buildings[3] and examining different ways to reduce emissions from our mobile fleet. Read more about the options we are examining on page 17.

Our generation portfolio

We hold no coal-fired generation in our portfolio, and our power generation facilities are a combination of modern natural gas-fuelled power generation facilities and wind generation facilities. Our emissions have increased slightly over the last five years due to the high utilization rates of our natural gas-fuelled generation facilities.

Our generating facilities have been operating more frequently in order to meet increased electricity demands and in response to a changing provincial power generation fleet. Despite this, we have reduced our GHG emissions by 65 per cent when compared to our 2015 baseline.

GHG emissions across our business

At ENMAX, the vast majority of our GHG emissions come from our natural gas power generation facilities. Our primary source of GHG emissions is natural gas combustion at these plants, followed by a smaller proportion originating from natural gas and electricity consumption at our corporate and operational buildings, as well as gasoline and diesel combustion within our mobile fleet (see table to the right). The mobile fleet in Alberta includes 218 light-duty vehicles, 75 medium-duty vehicles and 64 heavy-duty vehicles. At Versant Power, the primary source of GHG emissions is gas and diesel combustion from its mobile fleet. The mobile fleet in Maine includes 155 light-duty vehicles and approximately 103 medium- and heavy-duty vehicles.

What are scope 1, 2 and 3 emissions?

Scope 1
Direct GHG emissions from fossil fuel combustion in power generation, fuel in fleet vehicles, and natural gas for heating.

Scope 2
Indirect GHG emissions from consumption of purchased electricity and transmission and distribution line losses.

Scope 3
Indirect GHG emissions not covered in scope 1 and 2 that are created upstream and downstream of our business.

We calculate our emissions using the equity share approach.

ENMAX GHG EMISSIONS

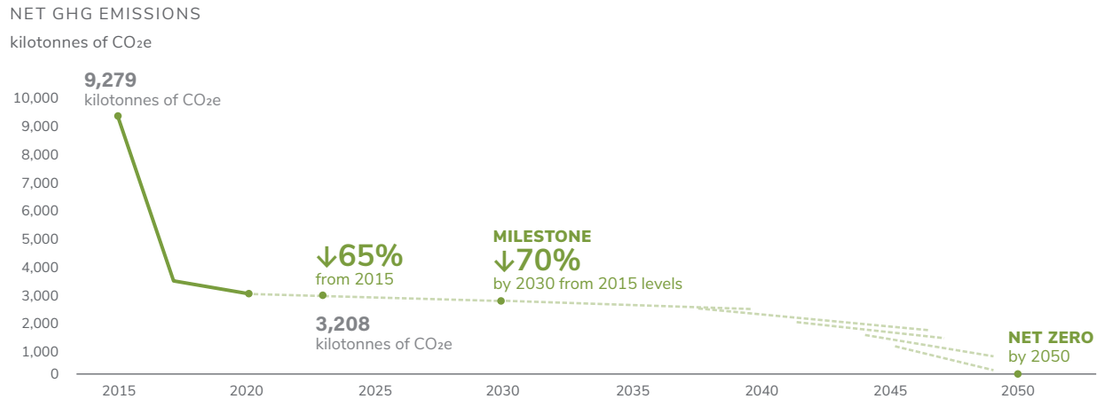
scope 1 and scope 2 contributions by category	2023
Power generation	99.6%
Operational and corporate buildings	0.3%
Mobile fleet	0.1%
SF_6 and line loss	<0.5%

VERSANT POWER GHG EMISSIONS

tonnes CO_2e	2022	2023
Scope 1 emissions	6,890	4,143
Scope 2 emissions	1,370	1,753

How we plan to reduce our emissions

The illustration below represents the categories we are exploring to achieve our target of net zero by 2050, based on our current understanding of existing, emerging and potential future technologies. Our targets and expected timelines are informed by developing GHG Action Plans that capture multiple avenues for each asset to meet its individual contribution to our corporate target. These GHG Action Plans are evaluated each year and are updated as technologies advance and become more commercially available. Our targets and expected timelines are subject to change based on the development and economic viability of emerging and future technologies.



2015 TO TODAY

Achieved

- Transitioned our generation portfolio with our coal Power Purchase Arrangement (PPA) terminations
- Implemented efficiency improvements at natural gas generation facilities
- Offset 100% of building GHG emissions—from 2021 onwards

2020 TO 2025

Exploring

- Further efficiency improvements at natural gas generation facilities
- CCUS
- Wind facility capacity increases and/or life extensions
- Utility- and commercial-scale renewables
- Energy storage
- Offsets
- Energy efficiency for customers
- Distributed generation

2025 TO 2035

Emerging

- CCUS
- Utility-scale renewables
- Energy storage
- Offsets
- Energy efficiency for customers
- Distributed generation

2035 TO 2050

Potential

- Hydrogen
- Energy storage
- Other technologies

WANT TO LEARN MORE?

Click here to read about the options we are examining.

Principles guiding our planning

We use the following principles to guide us as we explore future opportunities.

We keep our customers front and centre

As a customer-facing electricity service provider, we always consider the impacts our decisions have on our customers and on overall energy affordability. We also consider our customers' desire for modern electricity products and a decarbonized grid.

We collaborate with governments, regulators and other groups

Our pathway assumes a supportive regulatory environment and the availability and commercial viability of technologies, such as energy storage. We continue to engage in conversations with a variety of groups to work towards common goals.

We are open to new technologies

A combination of technologies and solutions including renewables, fuel and energy efficiencies, energy storage, small modular reactors (SMR) and carbon capture, utilization and storage (CCUS) are being explored by the electricity sector to achieve Canadian and global decarbonization goals. ENMAX will continue to evaluate new technologies.

We seek broader benefits

Although most projects have a clear environmental benefit, we also consider the social benefits of projects, for example considering community and Indigenous participation in energy projects.

Options we are examining

We are committed to enhancing our ESG performance through the exploration and adoption of technologies that can help reduce the emissions associated with our business. Options we are exploring include:

Efficiencies at natural gas generation facilities

Our commitment to operational excellence means we regularly seek out process efficiencies and incorporate updated equipment as new technologies emerge. Although there is a limit to the emissions reductions that can be achieved through efficiency, we continue to invest in our natural gas-fuelled generation facilities. We do this because these facilities provide baseload power for the Alberta grid and enable the integration of intermittent renewable assets by providing a backstop to the variability of wind and solar generation.

Carbon capture, utilization and storage (CCUS)

CCUS is not a new technology, but it is novel in the electricity sector. According to the International Energy Agency (IEA), there are currently about 40 CCUS commercial facilities around the globe. While CCUS requires large capital investment, large volumes of CO_2 can be captured, utilized and/or stored.

We continue to examine the feasibility of carbon capture in our operations. Read more about our exploration of carbon capture technology on page 19.

Offsets

An offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases to compensate for emissions made elsewhere. Offsets can play an important role in helping organizations achieve their net-zero goals by neutralizing residual emissions that cannot be addressed through emissions-reduction initiatives alone.

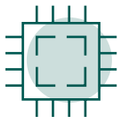
In addition to offsetting GHG emissions in our corporate and operational buildings, we are evaluating the role that offsets can play in helping us achieve our net-zero vision. Our structured approach to offsetting includes the prioritization of offsets from local communities that consider additionality and permanence.[4]

Renewables

We own and operate two wind facilities—Taber and Kettles Hill—and hold a 50 per cent ownership stake in McBride Lake wind farm. We have completed end-of-life studies for our wind facilities and are starting to examine our options for repowering or life extensions. The benefits of life extension include long-term waste reduction (i.e., waste associated with decommissioning) and a potential increased return on capital invested. We are also evaluating adding larger utility-scale solar projects to our generation portfolio to help our commercial and industrial customers achieve their ESG goals by giving them an opportunity to purchase renewable electricity.

Hydrogen

While already widely used in some industries, large-scale hydrogen combustion technology continues to advance within the power generation sector. Already the largest hydrogen producer in Canada, the Government of Alberta released its Hydrogen Roadmap in November 2021. Hydrogen produces no direct GHG emissions and can be blended with natural gas (often with only relatively minor retrofits to natural gas turbines) to generate lower-carbon power. At the moment, there are no regulatory frameworks to guide the use of hydrogen in this manner, and hydrogen is not currently economically feasible at our facilities. We continue to monitor advancements and evaluate the opportunities of hydrogen technology for power generation and within the transportation industry. We are optimistic about the opportunities for hydrogen in our heavy-duty fleet vehicles.



Energy storage and other technologies

Energy storage using utility-scale batteries increases grid flexibility and reliability. When used with intermittent power generation, batteries can store and release power when needed, which helps balance the electrical grid. When used with natural gas generation (such as the hybrid electric gas turbine at our Crossfield Energy Centre), energy storage can also provide standby power without having to burn natural gas. While stand-alone utility-scale batteries are not currently in use at ENMAX, we continue to stay informed on relevant technology advancements and pursue opportunities that align with our business and net-zero target.

In the longer term, new technologies will emerge and may offer additional emissions reduction solutions.

[4] Additionality refers to GHG emissions that would not have occurred in the absence of a market for offset credits and are beyond business as usual, i.e., the project would not happen unless the offsets were available for carbon credit. Permanence refers to offset credits associated with permanent GHG reductions, e.g., a forestry project that preserves the trees from being harvested.

ENMAX's Kettles Hill wind farm near Pincher Creek, Alberta. Our generation portfolio includes 14 per cent wind power.

GHG Action Plans

We maintain GHG Action Plans for each of our business units (ENMAX Power, ENMAX Energy and Versant Power) as well as a corporate GHG Action Plan focused on our buildings. Each GHG Action Plan includes specific information on our GHG-emitting facilities and business units and identifies potential mitigation actions alongside estimated emissions reductions and costs. The Plans identify benchmark (2015) and projected GHG emissions that align with our budget and our five-year business planning cycle. We have connected the Plans to the Enterprise Risk Management (ERM) program to verify that mitigation actions focus on climate-related risks for each business unit. As we work toward net zero, we have an interim target of achieving a 70 per cent reduction in scope 1 and scope 2 emissions by 2030. We update our Plans annually as we adapt to a changing business environment.

We maintain and annually update our GHG Action Plans for each business unit

A tool to evaluate emissions reduction opportunities

To compare the cost and emissions impact of different projects and technologies, we have developed a marginal abatement cost curve (MACC). MACCs are a useful tool for normalizing a series of projects, providing both the cost and the scale of the carbon reduction opportunity for each initiative. By ranking each project based on the dollar amount per tonne of carbon dioxide ($/$tCO_2$) and the tonnes of carbon abated, projects across a wide range of areas can be compared. We use the MACC to help evaluate our options and to identify the largest emissions reduction opportunities with the lowest costs. In 2023, we focused on engaging our Climate Action Working Group (a group of employees who work to increase our organizational knowledge of climate-related risks, opportunities and actions—read more on page 74) in these discussions to provide key education and insight across our business units. In the future, we plan to incorporate the information from our MACC into investment criteria used to support investment decisions.

Progress in 2023

We are taking the following steps toward achieving our GHG emissions reduction target:

Opportunities for emission reductions at our natural gas power generation facilities

While natural gas is one of the lowest carbon emitting fossil fuel options available for power generation, we are proactively working to find efficiency, incremental and step-change improvements to reduce our GHG emissions.

Analyzing emissions

In 2023, ENMAX Energy began using data analytics and machine learning to identify potential inefficiencies at one of our generation facilities and how efficiency improvements could reduce our emissions. Read more on page 30.

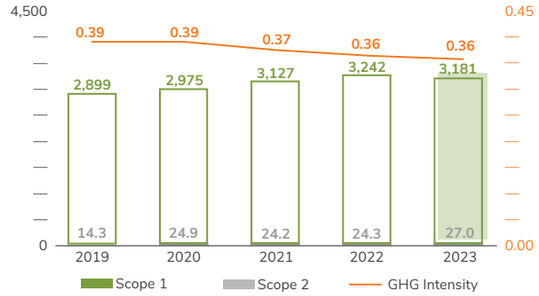
Evaluating carbon capture

ENMAX Energy and its joint venture partner[5] initiated a study to explore carbon capture technologies at Shepard Energy Centre. With $3 million in funding from Emissions Reductions Alberta, the study is intended to evaluate the technical and economic feasibility of capturing CO_2 at this facility. Shepard Energy Centre is one of the most efficient natural gas-fuelled combined-cycle generation facilities operating in Canada today, as measured by tonnes of CO_2 per megawatt hour (MWh) but carbon capture can significantly reduce emissions. However, integrating carbon capture at this facility is not without its technical and financial challenges.

As a dispatchable facility, Shepard Energy Centre's flue gas stream is non-continuous (i.e., it starts and stops with production). Additionally, a combined-cycle power plant such as Shepard Energy Centre has different flow rates of emissions as well as very low concentrations[6] (only about 3.5 per cent CO_2 in the flue gas). Capturing CO_2 in these unique conditions is a novel application that has not yet been tested on a combined-cycle power plant.

GHG EMISSIONS (EQUITY)

kilotonnes of CO_2e | tonnes CO_2/MWh



While our emissions intensity has slightly decreased over the past five years, our absolute emissions have increased by nine per cent in the same timeframe. Absolute GHG emissions are directly correlated to higher production at our natural gas facilities due to strong electricity demand.

Notes:

- We report GHG emissions using the equity approach to reflect financial risks and rewards.
- Our GHG emissions are composed predominantly of CO_2. While we include sulfur hexafluoride (SF_6) in our GHG emissions, it represents less than one per cent of our scope 1 emissions.
- Emissions from our substations include all SF_6 releases. However, these emissions only include emissions associated with a portion of electricity and natural gas combustion, since not all substations are directly metered. We estimate this contribution to be immaterial.
- This data excludes Versant Power.

Shepard Energy Centre is a 860 MW natural gas-fuelled combined-cycle generation plant in Calgary, Alberta.

[5] Capital Power owns a 50 per cent interest in Shepard Energy Centre through a joint venture agreement with ENMAX Generation Portfolio Inc (EGPI), the facility operator.

[6] Compared to other facilities currently using carbon capture technology.

Offsetting and managing emissions from our buildings

ENMAX currently owns or leases multiple office and operational buildings and 161 substations across Alberta and Maine. As part of our commitment to reducing our emissions from buildings, we continue to invest in:

Offsetting our building emissions

ENMAX has been purchasing renewable energy certificates and voluntary carbon credits for the past 12 years to offset 100 per cent of ENMAX Place (head office) scope 2 GHG emissions. In 2020, we set a target to offset 100 per cent of our building GHG emissions (scope 1 and scope 2) from 2021 onwards. We have achieved this target and now consider offsetting 100 per cent of our building GHG emissions to be part of our regular business activities. ENMAX purchased carbon offsets for our 2022 building emissions. The offsets come through the Verified Emissions Reduction Registry, which is certified by the Canadian Standards Association Clean Projects Registry. We follow several key principles in our annual purchase of offsets (such as prioritizing local offsets) and have developed governance to standardize our approach going forward.

Incorporating solar

To further reduce scope 2 GHG emissions at our facilities, we have incorporated rooftop solar installations on ENMAX buildings, including at one of our substations as a pilot project. In September 2023, ENMAX energized a 14.40 kW solar installation on Substation No. 9 to offset some of the building's energy load (approximately seven per cent) and reduce operating costs. Preliminary data indicates this solar addition will reduce emissions by 6,300 kilograms of CO_2e annually, removing 172 tonnes of emissions over its expected lifetime. Read more about this work on page 30.

Monitoring substations

Sulfur hexafluoride (SF_6) is a gas used as an electrical insulator in high-voltage switchgear found in substations. As SF_6 is a powerful GHG, ENMAX Power closely monitors and reports all SF_6 releases and has stringent SF_6 management practices in place. ENMAX Power assets include 43 substations of which 79 per cent have SF_6 gas insulated breakers. This gas is monitored by automated alarms and investigated by crews immediately. Any gas loss is documented as part of our regular inspection and reporting process. Additionally, we proactively replace seals to lower the probability of SF_6 leaks from equipment and follow industry research to explore alternatives to SF_6 gas. ENMAX Power closely follows the manufacturing industry and other utilities, which have been exploring and testing alternatives to SF_6.

Through our participation with organizations, such as the Institute of Electrical and Electronics Engineers and the Centre for Energy Advancement through Technological Innovation, we continue to stay abreast of the best practices and newest technologies in the marketplace.

Versant Power assets include 118 substations, of which only 35 per cent have breakers with SF_6. Versant Power maintains strict control measures to closely manage SF_6 gas releases from its substations and replaces breakers when possible. Versant Power has a specific inspection cycle for breakers containing SF_6 gas and uses a special camera that can detect SF_6 gas leaks.

ENMAX Power team members completing a tailboard meeting at Substation 21. Safety equipment includes ankle-to-cuff fire-retardant and high-visibility clothing, hard hats, steel-toed boots and safety glasses.

Electrifying our mobile fleet

We have a mobile fleet used by crews to inspect, maintain and repair our transmission and distribution lines, substations and network underground assets. Some of these vehicles are also used by our community investment team members and for other corporate services. We have 357 vehicles in Alberta and 258 in Maine. Approximately 60 per cent of each fleet is comprised of light-duty[7] vehicles.

In 2023, we re-assessed our target of transitioning 35 per cent of the ENMAX mobile fleet to zero emission vehicles (ZEVs) by 2030. Results from our exploration of ZEVs thus far indicated a risk of reduced operational reliability and efficiency. As well, significant delays in the supply of ZEVs and charging infrastructure present challenges to meeting our initial target. Given these areas of concern, we determined our ZEV target was too ambitious at this time and decided to remove it. Going forward, we will add ZEVs to our fleet on a case-by-case basis and continue to explore fleet electrification.

Medium-duty work trucks
In Alberta, we completed our one-year demonstration project to test two medium-duty electric work trucks. With just over $1 million in funding from Emissions Reduction Alberta, the project—the first of its kind in Canada—examined the performance, feasibility and cost-effectiveness of medium-duty electric vehicles (EVs). Environmental findings were positive, with the trucks reducing GHG emissions by more than 16 tonnes and diesel use by 9,000 litres during 11,000 kms of driving (compared to traditional internal combustion engines).

However, the pilot highlighted challenges such as reduced ranges in cold weather and the need for additional public charging infrastructure. We intend to share results with other municipal and commercial fleet operators in Alberta, driving collaboration in the adoption of EVs across the province.

Electric pick-up trucks
Versant Power has added two new electric pick-up trucks to its fleet. Each truck is assigned to test capabilities and performance during various activities. Broader implementation has been challenging in Maine, given the limited public charging infrastructure and predominantly rural nature of Versant Power's service area.

Hybrid tech for heavy-duty vehicles
In 2023, ENMAX piloted the use of a typical internal combustion engine chassis with a bolt-on Electric Power Takeoff (e-PTO). An e-PTO uses a battery pack, electric motor and hydraulic pump to raise and lower the boom on a bucket truck without using diesel. The pilot assessed capabilities and associated emissions reductions, with positive results. As hybrid technology progresses, equipment manufacturers are producing vehicles from the factory with e-PTO units pre-fitted. ENMAX plans to pilot three of these trucks in 2024 and assess both pre-fitted and bolt-on e-PTO technologies to determine the best fit for our fleet.

Charging infrastructure
To help us understand the performance and usage patterns of charging infrastructure, we continue to install fleet and employee chargers for EVs in Alberta and Maine. Over the last two years, ENMAX has installed 109 chargers (some for staff use and some for our fleet) in Alberta with the support of $1.1 million in funding from Natural Resources Canada's Zero Emission Vehicle Infrastructure Program.

[7] Light duty (less than 8,000 kg Gross Vehicle Weight Rating [GVWR]); Medium duty (8,000 to 11,793 kg GVWR); Heavy duty (more than 11,794 kg GVWR).

Quantifying scope 3 emissions

Scope 3 GHG emissions are those generated upstream and downstream of our business. To begin understanding our scope 3 emissions, we conducted a readiness assessment in 2022 using the GHG Protocol's 15 categories of scope 3 emissions. We determined nine categories to be the most material to our business. We then conducted internal interviews and collected and compiled data to prepare an estimated measurement of each of those categories. We estimated emissions using kilometres travelled, dollars spent for goods or services, the amount of electricity or natural gas sold and others. Metrics are multiplied by emission factors (either provided by vendors or using industry best practices) to estimate the emissions. The readiness assessment identified data gaps and areas where we can improve our data collection and compilation and these are being prioritized and actioned. These are not expected to materially change our overall footprint; however, improved data integrity will allow for better emissions management in the future.

Supporting reductions of customer emissions

Customers' emissions are one of the most significant contributors to scope 3 emissions for companies that have an energy business. Customers' emissions are the GHG emissions associated with electricity and natural gas that we sell and deliver to customers, but do not generate ourselves. Some of the ways we help customers better understand and manage their energy usage and support renewable energy solutions that meet their needs, aspirations and expectations include:

1. Seasonal Solar rate
In 2023, ENMAX Energy introduced our Seasonal Solar™ rate for ENMAX Easymax customers with previously installed solar panels who produce excess power during the sunnier months of the year. These customers earned 30.0 cents per kilowatt hour for power they exported back to the grid. This rate may help a homeowner reduce the payback period for home solar, supporting greater solar adoption.

2. Energy use
We offer a free online tool for ENMAX Easymax customers that provides information and reports to enable customers to make informed decisions and better manage their energy use. All residential and small business ENMAX Easymax customers have convenient access to the associated tools, reports and insights as part of their online account. This tool enables customers to see how their home energy usage compares to similar homes nearby, build a customized savings plan, receive tips tailored to their home, see bill comparisons and historical use charts, learn what may consume the most energy in their home and how weather impacts consumption.

3. Electricity or natural gas green add-on
ENMAX Energy offers "green add-on" selections for customers to pay an additional variable fee (the amount is chosen by the customer). For electricity consumption, this fee goes towards the purchase of certified Renewable Energy Certificates that support renewable energy generation. For natural gas consumption, this fee goes towards the purchase of carbon offsets, where each offset represents a reduction in the release of GHG emissions by one tonne of CO_2e.

4. Lower-carbon emissions heating
Since Maine's grid sources add approximately 60 per cent[8] of its electricity from renewable sources such as wind, solar, hydroelectric and biomass, switching to heat pumps and electric vehicles results in lower emissions. To encourage customers to switch from using fossil fuels to using these technologies, Versant Power introduced new 'eco rates' that offer savings for using heat pumps, electric vehicles and energy storage. Read more about these rates on page 30.

[8] https://www.eia.gov/state/analysis.php?sid=ME

5. Solar installations
As renewable generation continues to expand in Alberta, solar remains the largest source of total installed micro-generation capacity [under five megawatts (MW) in size] at approximately 207 MW as of the end of 2023. In Alberta, ENMAX Energy has supported the installation of more than 37 MW of solar micro-generation to date. We continue to work with industry and community partners to expand solar micro-generation in Alberta.

6. Community Solar Fund
Calgary is one of Canada's sunniest municipalities with approximately 2,390 hours of sunshine annually. The ENMAX Community Solar Fund launched in 2021 to take advantage of this resource, build on our community relationships and support the energy transition. The fund—a partnership between ENMAX and The City of Calgary—provided $5 million in-kind from ENMAX Energy to designated community associations to support rooftop solar installations. ENMAX Energy, through its dealers, provides the solar equipment and oversees installation of the solar panels on community halls selected by The City of Calgary at no cost to the community association. The solar panel installations can generate up to 100 per cent[9] of the facility's annual energy consumption, for an average lifespan of 20 to 25 years. At the end of 2023, we had completed 25 of the 31 total installations. Through these 31 installations, we expect to mitigate approximately 1,027 tonnes of CO_2 and provide a savings total of nearly $240,000 annually on energy bills. The remaining six installations in the program are scheduled for mid-2024. We continue to work with The City of Calgary to evaluate other opportunities to partner on solar generation projects.

The Willow Park Ridge Community Centre, a participant in the ENMAX Community Solar Fund program.

7. Integrating distributed generation into the grid
Across the state of Maine, Versant Power currently supports 450 distributed generation projects, the majority of which are solar installations, together with a few small or run-of-river[10] hydro projects. The projects range in size from 5 kW to 7 MW of installed capacity. A dedicated distributed generation team manages each project through its development stages—from application, engineering studies, design and construction to establishing detailed billing.

Versant Power expanded this team in 2023, with greater involvement in transmission and substation projects. Integrating these renewable energy projects safely and efficiently into Maine's existing grid is an important part of advancing ENMAX and Versant Power's shared vision of providing energy solutions for our customers.

Bringing solar energy to community associations

Through the ENMAX Community Solar Fund, many Calgary community associations are benefitting from rooftop solar on their community centers. Together, all 31 installations have the capacity to provide approximately 2.95 MW of renewable energy, which allows for more operating funds to enrich our neighbourhoods.

At the Willow Ridge Community Association, for example, a 50 kW solar install is producing approximately 48,000 kWh per year.

"The decision to embrace solar energy has significantly enhanced our community by reducing our carbon footprint and aligning with our values of responsible environmental stewardship. As an added benefit, the sleek and innovative look of the solar panels serves as a visible reminder of our community's commitment to progress and sustainability. Our sincere thanks to The City of Calgary and ENMAX for making this possible."

ANNA GLICKMAN, COMMUNITY SERVICES MANAGER, WILLOW RIDGE COMMUNITY ASSOCIATION

WANT TO LEARN MORE?
Click here to watch a video about the ENMAX Community Solar Fund program.

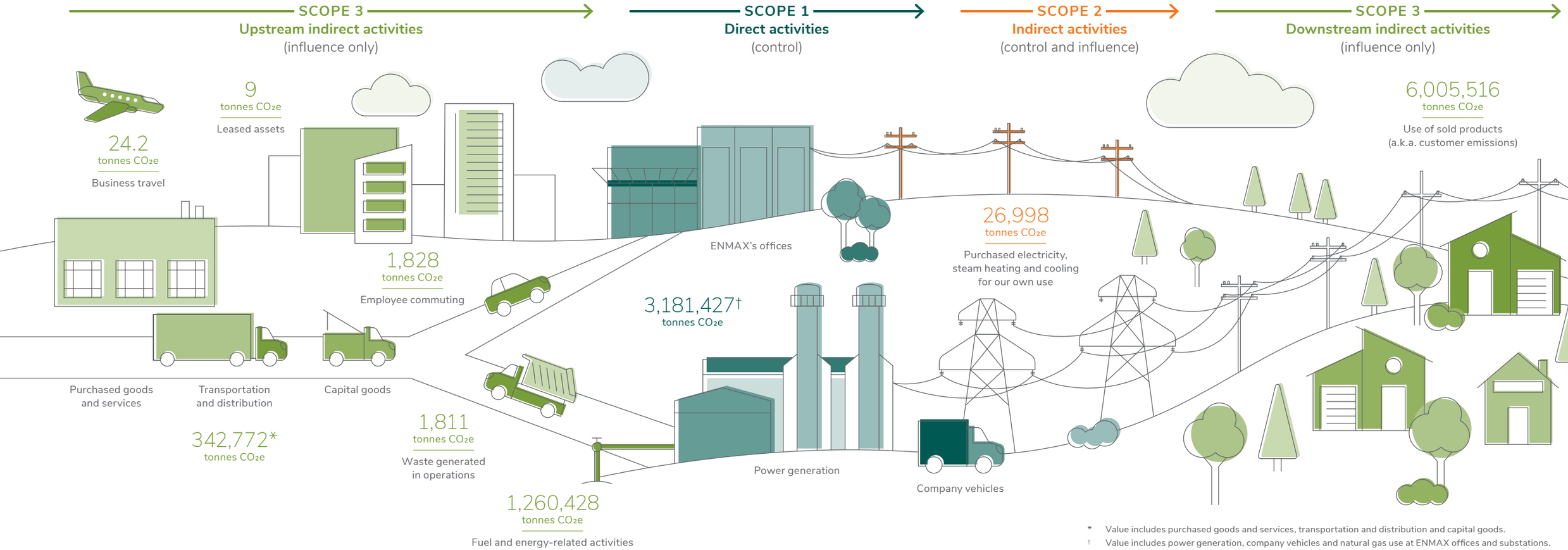
[9] Subject to weather conditions and electricity consumption at each facility.
[10] Run-of-river hydro projects use the flow rate of the river instead of dams and reservoirs to generate energy. Generally, run-of-river projects have little to no storage capacity.

SPOTLIGHT

Understanding our scope 3 GHG emissions

Scope 3 GHG emissions are those created upstream and downstream of our business. To begin understanding our scope 3 emissions, we conducted a readiness assessment using the GHG Protocol's 15 categories of scope 3 emissions. We determined nine categories to be the most material to our business. Our estimates for those categories are noted below. We review our scope 3 emissions annually and continue to update emission factors used in our quantification as our external data improves.

Use of sold products (i.e., customers' emissions) are one of the most significant contributors to scope 3 emissions for companies that have a consumer-facing energy business. Customers' emissions are the GHG emissions associated with electricity and natural gas that we sell and deliver to customers, but do not generate ourselves.



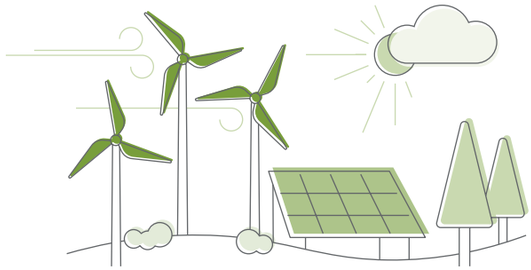
* Value includes purchased goods and services, transportation and distribution and capital goods.

† Value includes power generation, company vehicles and natural gas use at ENMAX offices and substations.

SPOTLIGHT

A balanced approach to the energy transition

As the world seeks to avoid the worst consequences of climate change, the electricity sector is experiencing a rapid transformation to power a lower-carbon future. Recognizing the importance that energy systems have in our lives, ENMAX seeks to take a steady and equitable approach to the energy transition, by balancing:



Low-carbon electricity

GOAL

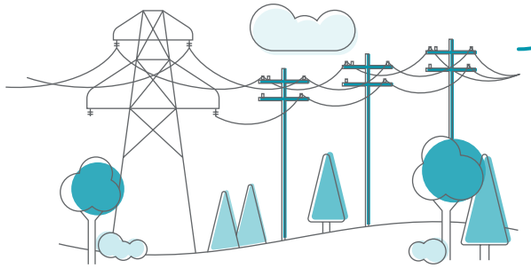
Increasing renewables while maintaining grid stability

To meet global and local emissions reduction goals, increasing levels of inverter-based renewable resources (such as wind and solar power), which are intermittent, are being added to the power system. If there is not enough stable and reliable base generation (often from gas and steam turbines), the stability and reliability of the power system could be impacted. Solving this challenge will likely require energy storage technologies such as utility-scale batteries. We continue to evaluate emerging technologies (read more on page 16).

GOAL

Promoting the growth of low-carbon electricity while protecting affordability

Exploring, developing, installing and maintaining technologies such as carbon capture and renewable energy necessitates significant investments and could add costs to customer bills. To reduce costs on our energy transition projects, we leverage government funding, when available. At the same time, we work to support customers through our energy affordability programs, policy advocacy, collaboration with industry peers and partnerships with local organizations (read more on pages 51-54).

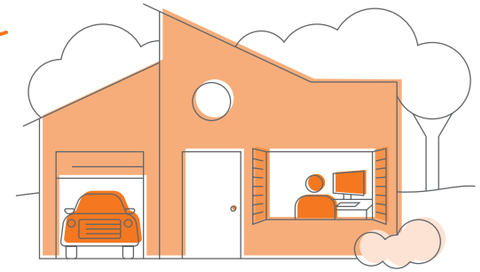


Grid reliability and resilience

GOAL

Preserving grid reliability and resilience while keeping energy affordable

Consumers are switching from fossil-fuel powered to electrified solutions, such as electric vehicles and heat pumps. Staying ahead of this rapid pace of electrification while improving grid resilience and reliability involves updating existing infrastructure to manage the increased demand. These updates require up-front and long-term investments, potentially leading to higher electricity costs. ENMAX invests in initiatives to understand customers' changing energy needs and to support grid flexibility (read more on page 29).



Energy affordability

Grid reliability and resilience

WHY IT MATTERS TO ENMAX

Nearly every aspect of modern life relies on electricity. As operators of transmission and distribution electricity systems, ENMAX Power and Versant Power are advancing technology solutions that will meet customer electricity needs today and into the future. Our electricity grid must continue to deliver power reliably while enabling the transition to diverse energy sources, withstanding increasingly severe weather events and adapting to changing customer expectations.

2023 HIGHLIGHTS

- **Introduced new data tools to improve grid resilience and reliability.**
- **Installed a new synchronous condenser in Maine to support grid reliability.**

Our approach

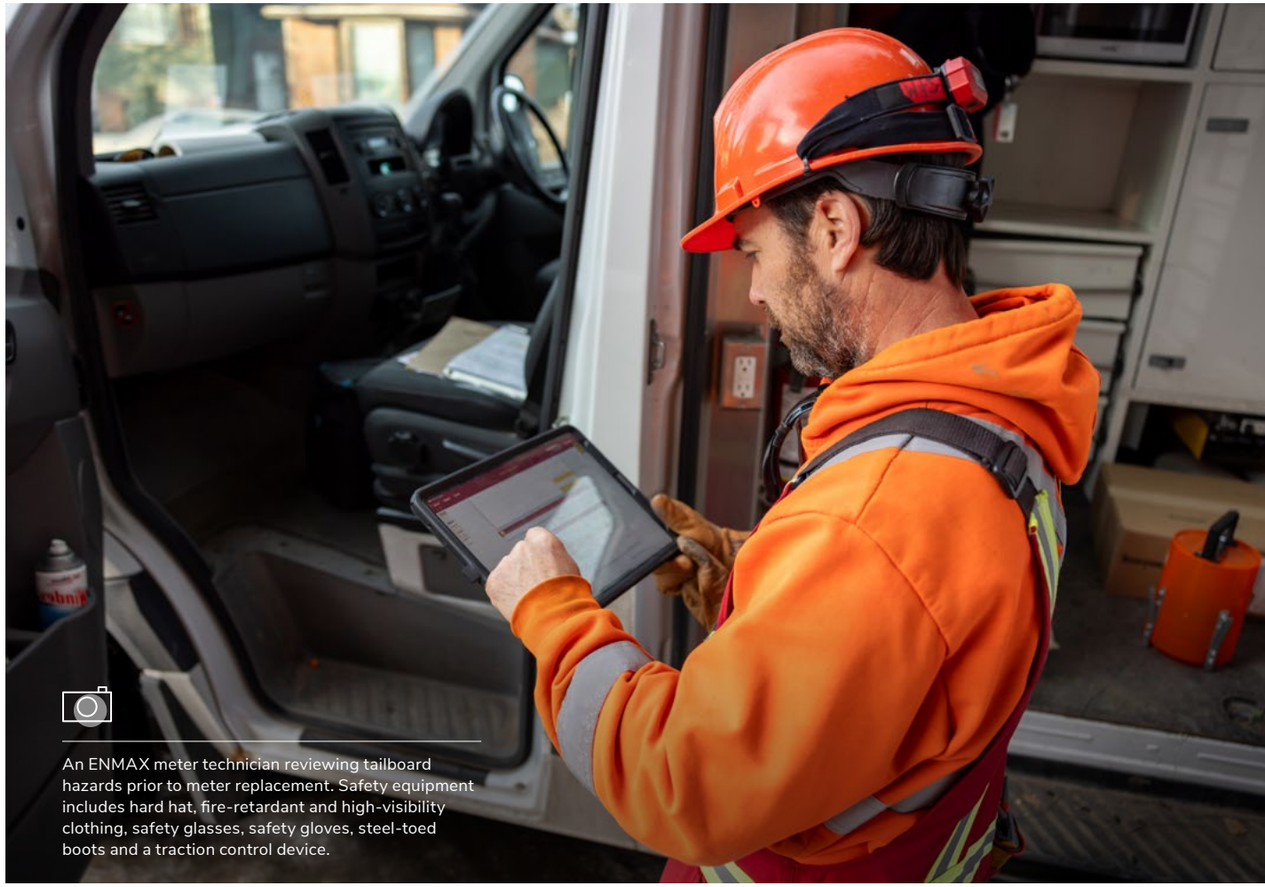
To provide customers with the critical and dependable energy they need, we manage a complex system of infrastructure, equipment and software. We have advanced our ability to predict, detect and respond to outages and are planning and integrating a series of innovative technology solutions to ensure our grid is prepared for the future. We are committed to connecting our customers to safe and reliable electricity through prudent cost management and strategic capital investment to optimize the existing grid in alignment with our focus on energy affordability.

Leveraging data analytics

We also use predictive programs and processes to strengthen the reliability of our system, including:

Planning for load capacity
To support reliable service to customers in Calgary, we use load capacity planning to identify the existing constraints and upcoming demands on Calgary's electricity system (loads) and to verify that redundancies are in place. Our interactive Load Capacity Map uses an ENMAX-developed load forecasting model to help communicate the estimated available capacity in our distribution system. Using the map, customers can search for an address to quickly identify the system's available capacity.

Simplifying access to complex data
ENMAX Power uses our Risk Analyzer tool to identify and evaluate the specific risks potentially experienced by different types of customers, should they experience an outage. The tool includes a street view to allow different teams to see and gain insights about various grid components (such as fuses, transformers and switches).



An ENMAX meter technician reviewing tailboard hazards prior to meter replacement. Safety equipment includes hard hat, fire-retardant and high-visibility clothing, safety glasses, safety gloves, steel-toed boots and a traction control device.

The Risk Analyzer is making the grid more accessible and understandable to different parts of our business, including those without operational backgrounds. ENMAX Power continues to use our complementary System Load Analyzer tool to identify the customer load at risk under a single unplanned outage.

In 2023, we upgraded the System Load Analyzer to provide visual simulations including 3D mapping, heat maps and relevant demographic data to better understand operational risks and analyze potential mitigations.

Delivering power reliably

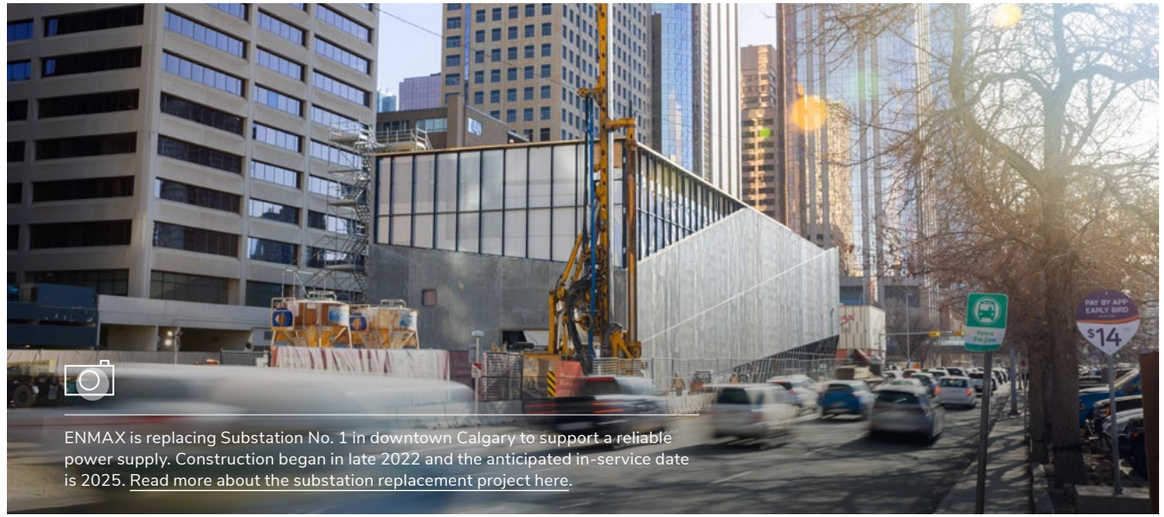
Strong reliability is linked to building sufficient capacity across the system, but also to our ability to prevent, withstand and recover rapidly from system disruptions. We are strengthening the reliability of our system through:

Inspections

Visual inspections: We regularly conduct ground line visual inspections to provide a bottom-up look at our assets in Alberta and Maine. Typically, one to two inspectors complete these vehicle or foot patrol assessments from the road with binoculars and often use infrared or corona scanning to look for any signs of degradation.

Thermal and acoustic: As electrical connections loosen, a resistance to current can cause an increase in temperature. In Maine, thermal imaging cameras are used to look for these hot spots that can cause components to fail. Versant Power also completes acoustic assessments on its transmission lines that 'listen' for devices that are slowly breaking down and, as a result, give off radio frequency.

Drones: In Maine, Versant Power uses drones to provide top-down inspections of transmission lines in a right-of-way. Versant Power has 2,060 km (1,280 miles) of transmission lines, 1,448 km (900 miles) of which are in a right-of-way. The drones can provide an extremely detailed 360-degree look at the assets, identify micro-cracks in porcelain insulators and collect valuable inspection data. With learnings from Versant Power's drone program, ENMAX Power conducted a drone pilot in Alberta in 2022. As drones provide higher-quality data and are generally safer than visual inspections, ENMAX plans to incorporate additional drone inspections into operations going forward.



ENMAX is replacing Substation No. 1 in downtown Calgary to support a reliable power supply. Construction began in late 2022 and the anticipated in-service date is 2025. Read more about the substation replacement project here.

Preventative maintenance and repairs

Assessing assets: We use ENGIN, an analytics software, to improve our long-term asset management strategy in Alberta and Maine. ENGIN examines our inspection results and historical asset data, enabling us to predict future reliability impacts. The software also uses risk-based evidence to assist with the prioritization of maintenance and replacement of assets in our transmission and distribution systems. Versant Power assessed its strategic asset management plan in 2023 to ensure alignment with business strategy, processes and technology. The outcome of the assessment included an increased focus on combining individual asset management plans with ENGIN analytics to support long-term planning.

Replacing and improving aging assets: Each year, certain assets undergo major maintenance or replacement as part of the Capital Asset Replacement Programs at ENMAX Power and Versant Power. This program helps our assets run optimally and minimizes the occurrence of outages. We prioritize assets based on condition and other factors.

Tree and vegetation management: We use a combination of methods—depending on the voltage of the line—to provide effective long-term vegetation control, including manual tree control, brush mowing, tree trimming within the right-of-way and herbicide application. The aim is to remove trees that can impact our wires during storms. Part of this work is to reclaim the full width of the right-of-way if it has become narrowed over time. Versant Power integrates the use of LIDAR (Light Detection and Ranging) technology into its asset inspection program to monitor vegetation encroachment on transmission lines and maintain safe distances between transmission line conductors and the ground.

Managing and communicating outages

ENMAX Power has an Outage Management System that estimates the origin of an outage to efficiently dispatch a service person to the location for restoration. The system also automatically identifies and posts outage information for customers via social media and on an integrated website map (the Calgary Outage Portal Map), which shows planned and unplanned outages occurring real-time and within the last 24 hours.

Minimizing the impact of outages

Despite our best efforts, some of our customers experience power outages. To minimize the impact on our customers, we invest in:

Automated outage restoration

To substantially reduce the duration of outages and the number of customers affected, over 50 per cent of Calgary's distribution system (excluding the secondary network) uses a technology called Distribution Automation. This system has saved an estimated 32 million minutes of outage time over the past 10 years. Distribution Automation is self-healing and uses SCADA (supervisory control and data acquisition) systems to detect a fault, automatically isolate it and rapidly restore the system.

Intelligent devices

Similar to Distribution Automation in Alberta, Versant Power has installed 143 intelligent devices in Maine since 2019. They require no operator and they automatically detect a fault, isolate it and rapidly restore the system.

Progress in 2023

Adapting to the pace of change in our industry while maintaining a reliable and resilient grid requires innovative thinking and is not possible without significant strategic investment. We take a prudent approach when investing in reliability initiatives.

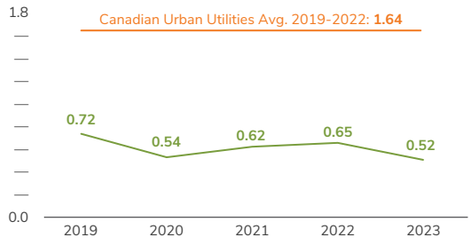
Measuring our reliability

We are committed to delivering power safely and reliably. In Alberta, we operate under Alberta Reliability Standards—the requirements followed by the Alberta Electric System Operator and all electricity market participants to maintain high reliability within the Alberta Interconnected Electric System. We deliver reliability levels that are top quartile when compared to Canadian urban utilities that report to Electricity Canada (see charts to the right). In 2023, ENMAX invested approximately $369 million to maintain and improve grid reliability and resilience.

In Maine, Versant Power's reliability metrics for its predominately rural service area have trended lower over the last few years (see charts on the right). To meet increased customer expectations and comply with ISO-New England planning and reliability standards as well as Maine Public Utilities Commission (MPUC) targets for power reliability, Versant Power currently invests more than US$130 million (approximately C$176 million) annually to maintain and improve its transmission and distribution system.

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI) – ENMAX

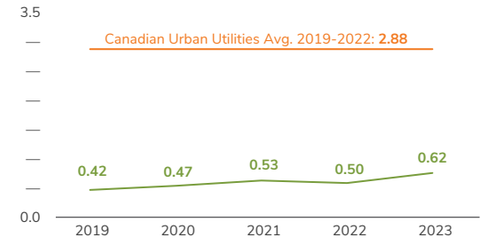
number of interruptions per customer



On average, our customers experience fewer than one outage per year, while customers of EC member companies experience, on average, 1.71 outages per year. In 2023, our customers experienced fewer interruptions.

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) – ENMAX

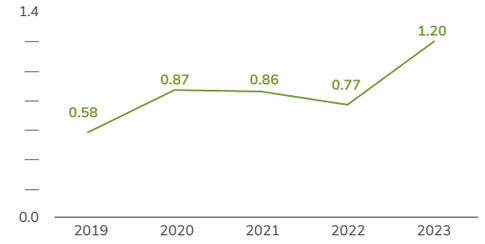
hours



On average, our customers experience approximately 37 minutes of power interruption during one year, while customers of EC member companies experience, on average, two and a half hours of outages per year. Our SAIDI increased in 2023 due to equipment failures, scheduled outages and higher-than-normal outages due to wildlife and public interference.

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI) – ENMAX

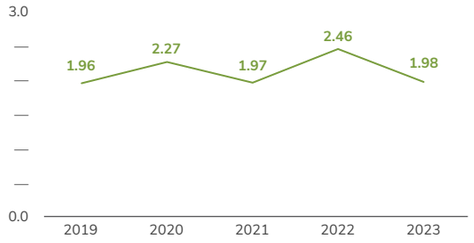
hours



Our CAIDI increased in 2023 due to equipment failures, scheduled outages and higher-than-normal outages due to wildlife and public interference.

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI) – VERSANT POWER

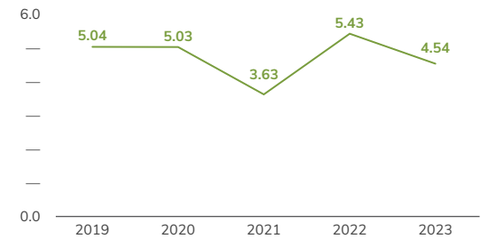
number of interruptions per customer



Versant Power experienced improved SAIFI levels compared to 2022 as a result of fewer weather events and increased vegetation management.

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) – VERSANT POWER

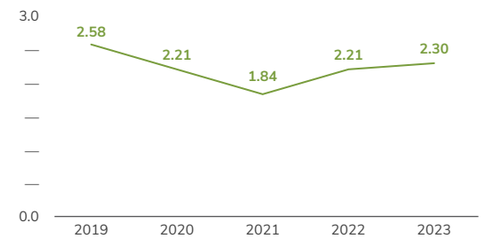
hours



Versant Power experienced improved SAIDI levels compared to 2022 as a result of fewer weather events and increased vegetation management.

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI) – VERSANT POWER

hours



Versant Power's CAIDI levels weakened due to fewer short duration outage events.

SAIFI represents how often the average customer experiences a sustained interruption during the reporting period. The lower the SAIFI, the better the reliability. A sustained interruption has a duration greater than or equal to one minute (for ENMAX) or five minutes (for Versant Power). This is a known distinction from the Canadian equivalent definition.

SAIDI represents the total duration of a sustained interruption per average customer during the reporting period. The lower the SAIDI, the better the reliability. A sustained interruption has a duration greater than or equal to one minute (for ENMAX) or five minutes (for Versant Power).

CAIDI represents the average hours of service interruption for customers who experience a service interruption. The lower the CAIDI, the better the reliability. Unlike SAIDI, this metric includes major event days (for example, extreme weather events).

Investing to maintain reliability

To support our understanding of, and response to, infrastructure resilience challenges, we are investing in:

Understanding outage impacts
ENMAX Power uses a custom Distribution Automation Reconciliation Tool (DART) to review the sequence of power restoration following an outage. DART provides a more efficient method of calculating the number of potential customers impacted by a system fault and improves our ability to configure distribution automation switches for optimal grid self-healing.

Improving outage restoration
ENMAX Power installs Smart Fault Indicators on feeder lines that send better information to our control centre operators. With this new technology, we can collect and share more precise fault location data, allowing field crews to restore outages faster.

Investing to advance the energy transition

In addition to investing in our own systems, we also invest in projects to make the grid more flexible, support lower-carbon power generation and adapt to changing customer needs.

Increasing grid stability to support renewables
Versant Power is installing a synchronous condenser at its Boggy Brook substation. This piece of equipment increases short circuit current and uses inertia to stabilize grid voltage. By helping to stabilize the grid, it can support increased renewable power generation such as wind or solar.

Simulating operational areas
In 2023, with the support of Alberta Innovates, ENMAX Power partnered with RunWithIt Synthetics to develop a synthetic twin pilot project on a section of ENMAX's distribution system. Using this 'digital twin' technology, ENMAX can model how external factors like weather, policies and retail pricing influence customer electricity demand. With targeted completion in Spring 2024, the project is expected to generate local insights into how the energy transition might impact the ENMAX system and could enhance reliability and resilience forecasting.

Bringing modern meter technology to customers
ENMAX Power and Versant Power continue to roll out modern meters, otherwise known as Advanced Metering Infrastructure (AMI), in Calgary and Maine. AMI technology supports the collection of analytics that can assist with distribution system planning, asset management and outage reviews, as well as potentially provide customers with actionable insights into their own energy use.

Preparing for electric vehicle adoption
ENMAX continues to invest in studies and programs to understand how Calgarians use EVs and their impact on our electricity system. In 2023 we partnered with the Universities of Calgary and Alberta to analyze data from Charge Up, Alberta's first smart charging pilot program. Pilot findings showed that many customers require only small daily charges and incentives are more effective than education alone to promote balanced charging behaviours. Going forward, we will engage with industry peers to leverage insights from similar charging pilots.

Supporting decarbonization
We also invest in decarbonization technologies through Energy Impact Partners (EIP), a global investment firm custom-built to invest in the energy transition. ENMAX has invested approximately US$8 million of the US$10 million it has committed to this fund, joining more than 60 partners in EIP's efforts to decarbonize the global economy. ENMAX also committed US$10 million between 2024 and 2026 to Mobility Impact Partners, a private equity fund investing in the future of transportation. The investment provides access to experts and insights regarding vehicle electrification to help us prepare for the expected increase of EVs in Calgary (~8,000 in 2023 to ~200,000 by 2035).

Read more about our projects supporting the energy transition on the next page.

Versant Power team member testing installation of new switch at the University of Maine substation. Safety equipment includes hard hat, gloves, safety glasses, steel-toed boots. High-visibility clothing is not required. The line is de-energized and the worksite is enclosed.

Increasing grid reliability at the University of Maine

In May 2023, Versant Power installed a new transformer at the University of Maine's east substation to increase load capacity and reliability. Prior to the installation, Versant Power was unable to perform maintenance on the existing east substation transformer as there were no options to maintain the university's power. With the addition of new facilities on campus, including an engineering centre and a planned arena project, the University of Maine required increased load capacity.

The new transformer can support the current peak load of the entire campus. It will also provide power for contingency or maintenance purposes.

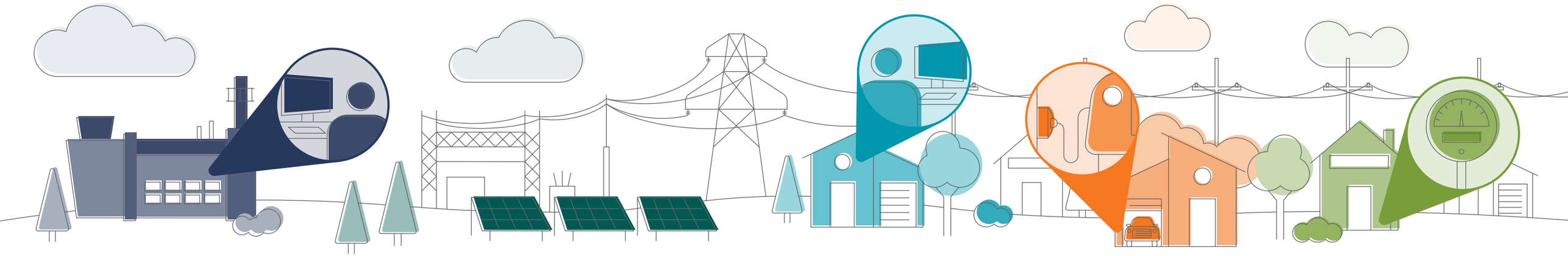
SPOTLIGHT

Enabling the energy transition

At ENMAX, our goal is to embrace technologies that advance the energy transition while supporting our customers and maintaining reliable service. In addition to our ongoing investments to harden the grid, we invest in pilots and studies to test and understand the implications of new technologies, models and energy service offerings. Some of the technologies and processes we have explored over the past few years include:

IN OUR OPERATIONS

FOR OUR CUSTOMERS



Analyzing emissions data

STAGE: PROJECT COMPLETE

ENMAX Energy used historical data and machine learning to better understand the relationship between plant efficiency and emissions at our Calgary Energy Centre. We verified the expected correlation between ambient temperature variability and fuel use. We also quantified potential emissions reductions from efficiency measures and identified potential operational improvements. This work provides a way to understand climate-related impacts on gas generation plant efficiency, which may help reduce emissions and operational costs.

Installing solar on substations (pilot)

STAGE: PILOT COMPLETE

ENMAX installed solar panels on our Substation No. 9 to assess energy use reductions and cost savings. The panels have the potential to produce more than 450 MWh over their 30-year lifespan (about seven per cent of the substation's total energy consumption) and reduce emissions by an estimated 172 tonnes CO_2e. We are evaluating pilot data to understand the benefits of using solar on additional facilities and plan to use our learnings to inform next steps.

Encouraging energy efficiency

STAGE: IMPLEMENTED/ONGOING

In 2023, Versant Power offered incentives and savings for customers using electric vehicles, energy storage, heat pumps and heat pump water heaters. The new and expanded eco rate options are offered for homes and businesses and encourage electricity use during periods of lower demand to help customers save money. Read more.

Enabling electric vehicle adoption

STAGE: PILOT PHASE 2 COMPLETE

Data from our Charge Up pilot is helping us understand how Calgarians use electric vehicles (EVs) and the impact on our electricity system. The pilot provided important learnings as we prepare for the number of EVs in Calgary to increase from approximately 8,000 in 2023 to a forecasted 200,000 by 2035.

Adopting smart metering

STAGE: ONGOING

ENMAX Power and Versant Power are integrating Advanced Metering Infrastructure (AMI) into our systems. In the future, AMI can support a faster outage response time and potentially provide customers with energy consumption insights.

Water use and quality

WHY IT MATTERS TO ENMAX

We recognize water is a precious resource that must be used responsibly. We carefully manage our water withdrawals and monitor our wastewater disposal.

Our approach

The majority of our water use is for essential power generation processes. Intake water is used for cooling purposes in cooling towers and the remainder is purified onsite to create steam in our combined-cycle power plants. Combined-cycle facilities extract waste heat from the gas turbine exhaust and use it to create high pressure steam, which produces additional electricity when expanded across a turbine.

Our water reduction initiatives have been focused on reducing facility water intensity by:

Optimizing our water use

We seek to optimize water use at our operated facilities in the following ways:

Shepard Energy Centre
While this facility already uses reclaimed water, we have sought to further optimize its water use. The cooling water used in a power plant declines in quality each time it runs through the facility, wherein every pass through the cooling towers increases the concentration of dissolved substances. After three years of research, observation and innovative lab testing, we found the optimal operating efficiency of the cooling towers. This work, which was recognized by Electricity Canada, has increased the reuse cycles from 3.5 to 5, while still maintaining all cooling water chemistry within required concentration limits. This initiative has reduced the plant's annual wastewater volume by 25 to 29 per cent (compared to 2017 values) and reduces wastewater discharged by 430,000 to 500,000 m³ of wastewater each year.

Calgary Energy Centre
We examined our water use at this facility and determined that the plant is already optimizing its water use to the extent possible with existing technology.

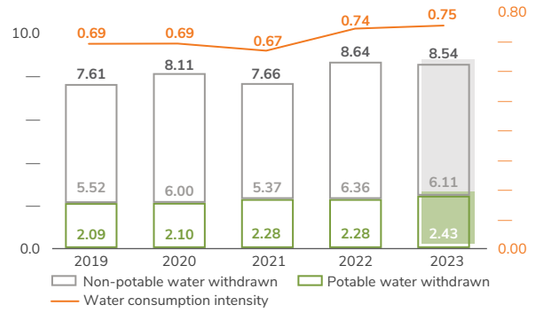
Cavalier Energy Centre
This facility is located just east of Strathmore and sources its water from an irrigation canal connected to the Bow River. While using water from this source presents challenges due to source water quality, Cavalier uses a complex process to recycle and treat water at a very high rate of efficiency, leaving very little that cannot be recycled.

Reducing potable water use

We strive to minimize our potable[11] water use by using as much non-potable water in our operations as practically possible. Non-potable water includes reclaimed water which is wastewater that has been processed for reuse for an additional purpose before passing back into the water cycle. By design, our largest generating facility, Shepard Energy Centre, uses 100 per cent reclaimed water from The City of Calgary's Bonnybrook Wastewater Treatment Plant for all its power generation needs. Each year, this saves the plant from having to draw nearly six million cubic meters (m³) of freshwater from the Bow River.

FRESHWATER USE

million m³ | m³/MWh



Our water intensity increased slightly over the last year due to the high utilization rates of our natural gas-fuelled generation facilities. Most of the water we use is non-potable and for power generation cooling processes.

Water quality

We comply with all City of Calgary bylaw requirements for wastewater quality disposal in Calgary, which applies to Shepard Energy Centre and Calgary Energy Centre. This includes directives that set out requirements for handling, treatment and disposal. At Cavalier, wastewater is reused to a point where it can no longer be treated and is disposed of using deep well injection in accordance with provincial regulations. More than 99 per cent of our wastewater is treated at The City of Calgary's wastewater treatment plants.

~72%

of our water withdrawn is non-potable water

[11] Potable water refers to treated water safe for human consumption. Non-potable water is raw, reclaimed or recycled water unsafe for human consumption. Both potable and non-potable water are considered freshwater.

Air quality

WHY IT MATTERS TO ENMAX

ENMAX Energy operates power generation facilities in Calgary and the surrounding urban area and is committed to helping protect local air quality. In addition to GHG emissions, our operations generate other air emissions that can impact air quality.

Our approach

We diligently track and report air emissions from our power generation facilities. We are working to reduce these emissions by incorporating emissions reduction technologies, adhering to best practices and maintaining our commitment to continuous improvement.

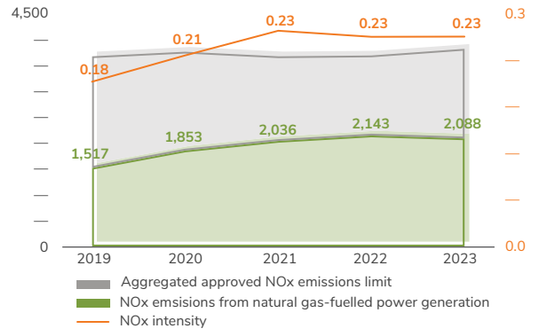
Nitrogen oxides

We operate our facilities below our allowable nitrogen oxide (NOx) levels, which are facility-based NOx limits granted by Alberta Environment and Protected Areas and other provincial regulations. To maintain these emissions levels, we use a combination of pre- and post-combustion NOx reduction technologies at our natural gas-fuelled power generation facilities.

Two of our power generation facilities use post-combustion exhaust gas treatment (selective catalytic reduction) to reduce NOx emissions. Crossfield Energy Centre has installed low-NOx combustors and Cavalier Energy Centre uses water injection into the turbine to control NOx. As part of our continuous efforts to improve operational efficiencies, we replaced two turbines at our Crossfield Energy Centre in 2023. The new turbines will reduce NOx emissions at this site by 10 per cent compared to the previous turbines. In 2023, we also replaced the continuous emissions monitoring system at Cavalier Energy Centre to improve our measurement of NOx at the facility.

NOx EMISSIONS

tonnes | kg/MW



We maintain NOx emissions levels from our operated power generation facilities below our allowable NOx levels. However, to reduce excessive wear on equipment, we have had to reduce ammonia injection (one of our NOx reduction methods) and, therefore, have seen an increase in absolute and intensity NOx emissions levels when compared to previous years.

Sulfur oxides

Sulfur oxides (SOx) are no longer a significant source of our overall emissions since the termination of our coal-fired Power Purchase Arrangements in 2016. Our SOx emissions levels vary in relation to the volume of our power generation output.

OTHER AIR EMISSIONS

tonnes	2019	2020	2021	2022	2023
SOx	16	17	13	18	**17**
Particulate matter (PM_{10})	15	15	12	16	**16**

We generate other air emissions in smaller quantities. While there are no operational approval limits attached to these emissions, ENMAX tracks these quantities annually. Our air emissions remain stable over the last five years.

Note: Air emissions data only includes our operated power generation assets.

Partnerships to protect air quality

We participate as an industry member of the Clean Air Strategic Alliance (CASA) and Calgary Region Airshed Zone (CRAZ) to represent our power generation assets. CASA is a multi-agency partnership created to help manage air quality in Alberta. CASA's Board of Directors has representatives from industry, government and non-government organizations. CRAZ monitors, analyzes and provides information on air quality and develops strategies to manage air quality issues within the Calgary Region Airshed Zone.

The Crossfield Energy Centre is a hybrid electric gas turbine facility, providing standby electricity without burning fuel to significantly lower emissions.

Land and biodiversity

WHY IT MATTERS TO ENMAX

Environmental protection and stewardship are integral components of our strategy and are embedded across our business.

Our approach

At ENMAX, we conduct our business with respect for living species and the land around our operations. We have an established environmental management system, clear data collection and reporting processes, and strong internal procedures to manage our environmental risks. We modeled our environmental management system after ISO 14001:2015, an international standard for environmental management.

Land stewardship

ENMAX Power operates approximately 40,000 distribution pad-mounted transformers as well as 112 high voltage substation power transformers at 40 substations. While we continually work to prevent oil spills in our daily operations, we do experience some releases. In 2023, we had three significant[12] spills, and have completed cleanup of all these spills.

Some of the ways we are working to reduce spills and improve our land stewardship practices include:

Proactive spill prevention and response
Our routine inspection program includes the assessment of oil-filled equipment because leaks can lead to equipment failure, electrical outages, and costly site clean-up and/or remediation. When minor leaks are identified, we increase inspection frequency to allow for ongoing monitoring and assessment of the leak severity. In instances where a leak condition progresses or a major leak or equipment damage is identified, we schedule the repair or replacement of the equipment, including any site clean-up or remediation required. We also have spill response and reporting procedures to address spills due to equipment failure, including damage and releases caused by third parties.

Versant Power experiences low frequency and volumes of spills but can experience higher frequency of oil spills from pole-mounted transformers due to storms. Over the past several years, Versant Power's diligent tree and vegetation management practices have helped to significantly decrease these types of spills.

Project-based land management
In 2023, we refreshed our environmental screening process for projects. The process provides the ability for our environment team to assess ENMAX Power projects during the design phase. This allows the environment team to identify any mitigations needed for the protection of wildlife, vegetation, waterways or other environmentally sensitive components in the area and provide those requirements to design and construction teams.

Hydrovac slurry management
We use hydro vacuum excavation, or hydrovac, to perform many tasks including safely excavating around buried cables that need repairs. Hydrovac uses high-pressure water to loosen the soil and dig a hole. The muddy excavated material, or slurry, is then suctioned into a tank mounted on a specialized truck and taken to a designated facility. Soil is tested prior to hydrovac excavation to identify any contaminants within the soil and determine the best means of disposal or potential for reuse.

In 2023, ENMAX began working with a new, local facility that cleans and recycles excavated material, including material from hydrovac operations. The cleaned material, such as rocks and sand, can then be purchased for reuse in utility construction activities.

[12] A significant spill is defined as more than 500 litres, in alignment with industry standards (including Electricity Canada).

Creating space for pollinators

In 2023, an ENMAX team member spearheaded an initiative to bring beehives to the Calgary Energy Centre (CEC) as a team-building activity that would also support biodiversity in the local area. After receiving training and permitting to host the pollinators, CEC team members welcomed two queen bees and tens of thousands of worker bees.

The team manages honey harvesting, works to ensure the queen bees are healthy and productive during warm weather and protects the hives during Calgary's colder months. The bees help our team members understand the critical role pollinators play in Calgary and the importance of environmental conservation. Read more.

Protecting biodiversity

Across our operations, we work to protect biodiversity while maintaining the reliability of our services. In both Alberta and Maine, we direct additional efforts towards birds as the primary class of animals impacted by our operations.

Preventing disturbance to nesting birds

Birds often use power poles or substation equipment for perching, roosting and nesting, and may also nest in areas where project or maintenance work will occur. We work to protect birds by identifying high-risk areas, delaying work to accommodate nesting birds and conducting nest searches prior to project work occurring during the nesting period. Nest searches are conducted by trained biologists and involve the identification of breeding birds and nests within a defined area. After completing a search, if nesting birds are discovered, we adjust accordingly to complete our work without disrupting the birds.

25

bird nesting platforms have been built by Versant Power

Nesting platforms

In coastal areas of Maine, ospreys tend to build nests at the top of utility poles, which presents a danger to the birds and raises the risk of disruptions to electric service. Since 2020, Versant Power has erected osprey nesting platforms near power poles in high-risk areas to prevent safety risks to the birds while helping to ensure the reliability of its services. Versant Power consults with environmental groups, including the Maine Department of Inland Fisheries and Wildlife, to ensure these nesting platforms meet the needs of ospreys.

The osprey platform in Lamoine, Maine includes a camera powered by EarthCam, allowing for observation of the resident osprey. The local Lamoine Consolidated School streams the live video within their school and works with Versant Power to engage students in education about the birds.

Versant Power crews installed two more osprey nesting platforms in Deer Isle and Ellsworth in 2023, bringing the total number of platforms built to 25.

Osprey are also common in Calgary's fish-bearing waterbodies. ENMAX maintains and monitors 18 nesting platforms located along the Bow and Elbow Rivers to provide safe places for osprey to nest.

Social

Employee safety

WHY IT MATTERS TO ENMAX

Safety is a core value that underpins our company culture. A solid safety record is also crucial in attracting and retaining talent and maintaining a positive reputation.

2023 HIGHLIGHTS

- **Introduced a new safety classification system to emphasize our collaborative culture.**
- **Included the ENMAX PAIR metric as part of employee compensation.**

Our approach

Our robust safety policies, procedures and systems guide our work so everyone can go home safe at the end of the day. Our Occupational Health and Safety Handbook sets out our fundamental rules, called the Rules to Live By (commonly referred to in other industries as lifesaving rules). The rules are simple, succinct reminders of the most critical safety hazards that have caused serious injury or worker loss of life in our industry.

Our incident investigation process emphasizes collaboration, problem solving and implementing lessons learned

A strong safety culture

We encourage a proactive safety culture where every individual takes responsibility for and ownership of safety—regardless of their position or work environment. We build our safety culture by continually enhancing our safety communications, learning and improving from every incident and near miss, broadening our safety awareness and strengthening our safety governance. We also collect employee sentiment on safety, which enables us to establish a baseline for comparison in future years. Some things we do to improve our safety culture include:

Embracing human and organizational performance philosophy
At ENMAX, we integrate the philosophy of human and organizational performance into our safety management approach and processes. The philosophy emphasizes that because human error is normal, we must build error-tolerant processes and procedures, allow our workers to successfully manage complexity and variability and fail safely when incidents happen. This philosophy follows five principles: 1) human error is normal, 2) blame fixes nothing, 3) context drives behaviour, 4) learning is essential and 5) how leaders respond to errors and incidents matters. We also circulate communications following incidents, share corrective actions across the organization to promote learning and have developed learning teams to support continuous improvement. At Versant Power, team members learn peer-to-peer positive communication principles to improve safety in the workplace. The principles include how to discuss unsafe situations with team members, the best ways to respond to safety issues and how to communicate safety concerns to leaders.

Maintaining strong safety governance
Across ENMAX, we have several Joint Worksite Committees (JWCs) that include a mix of leaders, front line workers and individual contributors who meet monthly to discuss worksite safety, past incidents and lessons learned. We have a Vice President Safety Committee to promote alignment of safety practices and approaches across our operations. We also maintain an Executive Safety and Environment Committee that includes executives from across the ENMAX group of companies to provide oversight of safety and environment performance and alignment with policy and strategy. Additionally, ENMAX is a member of Electricity Canada's Occupational Health & Safety and Executive Safety committees, which provide opportunities to share and learn from peer companies across Canada.

Collaborating on safety incident investigations
Over the last three years, ENMAX has shifted the focus of our safety incident investigation process to emphasize collaboration in understanding and solving problems and implementing lessons learned. To ensure we capture a wide range of perspectives and maximize the learning potential from every incident, we conduct incident reviews using a "learning team" structure that includes the employees involved, those who may have witnessed the incident and safety specialists. This approach helps us understand all aspects of incidents which improves our safety practices and operational procedures.

ENMAX Power field services crew completing a reconductor on a power line. Safety equipment includes fire-retardant and high-visibility clothing, rubber gloves, hard hats, safety glasses, steel-toed boots and fall protection harnesses. The line is de-energized and the laneway is closed to traffic.

Our safety processes

Hazard identification and assessment is how we determine and evaluate both the existing and potential hazards in our work. Our key safety processes related to hazards include:

Hazard identification
Our hazard identification program covers activities across all business units. In addition, ENMAX Energy implemented the Assess and Share Knowledge (ASK) program to provide a formal process for workers to proactively discuss how they will perform a job, share knowledge and insights, document the conversation and report findings back to the observer and their supervisor.

An enhanced tailboard process
Workers must also complete a field-level hazard assessment to proactively identify and control hazards in their work areas and environment. At ENMAX Power and Versant Power, these are called tailboards and are completed by our field teams in real-time on electronic devices. We have integrated ENMAX Energy's work permit process into a single electronic tailboard process and are working towards full implementation. Standardizing and consolidating this process will enable improved tracking of hazard trends and create better alignment across ENMAX.

Hazard ranking
We rank all identified hazards based on their probability, severity and frequency. The rankings enable us to prioritize and maintain quality data around the hazards observed in the field and allow us to prioritize all corrective actions and monitor each action through to completion.

Focusing on high-risk activities

We have customized safety programs that target:

Electrical contact
Electrical hazards pose high risks to our employees, contractors and the public. We follow strict lockout/tagout requirements to safely shut down and isolate or disconnect equipment to protect workers from unexpected releases of energy. As part of our commitment to improving the safety of both energized and de-energized procedures, we use the human and organizational performance lens to focus on reducing the risks associated with energized work. To date, we have eliminated seven energized work procedures, improving worker safety.

ENMAX Power's apprentice training program provides new workers with proper supervision and support. As part of our journeyman refresher program, our Alberta powerline technicians go through annual reviews and assessments of key high-risk activities. Versant Power has an in-house four-and-a-half-year apprenticeship program for line workers. In 2023, five apprentices completed the program and received their First-Class Line Worker status and 95 are currently in various stages of progression.

Driving
ENMAX mitigates driving risks through the use of: 1) electronic monitoring devices in mobile fleet vehicles that track driver behaviour data to help reduce unsafe driving, 2) extra safety measures for our heavy-duty mobile fleet (greater than 11,794 kilograms) such as licence class audits and specialized driver safety training courses, 3) a driving simulator that teaches about distractions and 4) supplementary training following any driving incidents.

Given Versant Power's large service territory, employees must drive long distances for work (6.4 million kilometres in 2023). To reduce the risk of vehicle accidents, Versant Power is diligent about auditing qualifications for specific driver class licences, reinforcing driver skills in its apprenticeship program and assisting workers with driver training. In recent years, we have directed additional focus towards distracted driving awareness for both ENMAX and Versant Power.

Preventing common injuries

In addition to high-risk activities, everyday injury risks are present for all staff members.

Slips, trips and falls
Slips, trips and falls are a common cause of injuries in Alberta and Maine compounded by winter weather. To help prevent these incidents, we invest in plowing and salting efforts at our facilities, advise team members about upcoming or ongoing hazards and encourage the use of proper footwear and traction aids. We also include information about these risks in our regular safety meetings.

Field and office ergonomics
Approximately half of Versant Power's injuries are soft tissue injuries. To help address these risks, the company has a field ergonomics program in collaboration with an occupational therapist and three internal resources. The program assesses field workers completing tasks and recommends improvements.

Progress in 2023

To advance our vision of being a leader in proactive safety, we progressed our focus on a collaborative safety approach and leading indicators in 2023.

Moving towards a more proactive approach to safety

Using leading indicators effectively requires a perspective shift from the traditional approach of minimizing negative safety behaviours to increasing positive safety behaviours and activities. Key ways we are shifting our approach and metrics tracking include:

Tracking and refining our proactive metrics
We developed a company-wide proactive incident rate (PAIR) calculation that combines several leading indicators and measures them as a frequency rate. In developing this metric, we collaborated and leveraged lessons learned from Versant Power, who have measured and linked their PAIR metric to performance for all team members since 2016. We are now tracking PAIR across the organization. ENMAX now incorporates our PAIR metric in employee compensation (read more on page 36).

Learning from near misses
We take all near misses seriously and consider them an opportunity to learn and improve before somebody gets hurt. ENMAX experienced six near misses considered serious in 2023, and Versant Power experienced one. We conducted a root cause analysis for each serious near miss and identified corrective actions and learning opportunities to prevent future incidents.

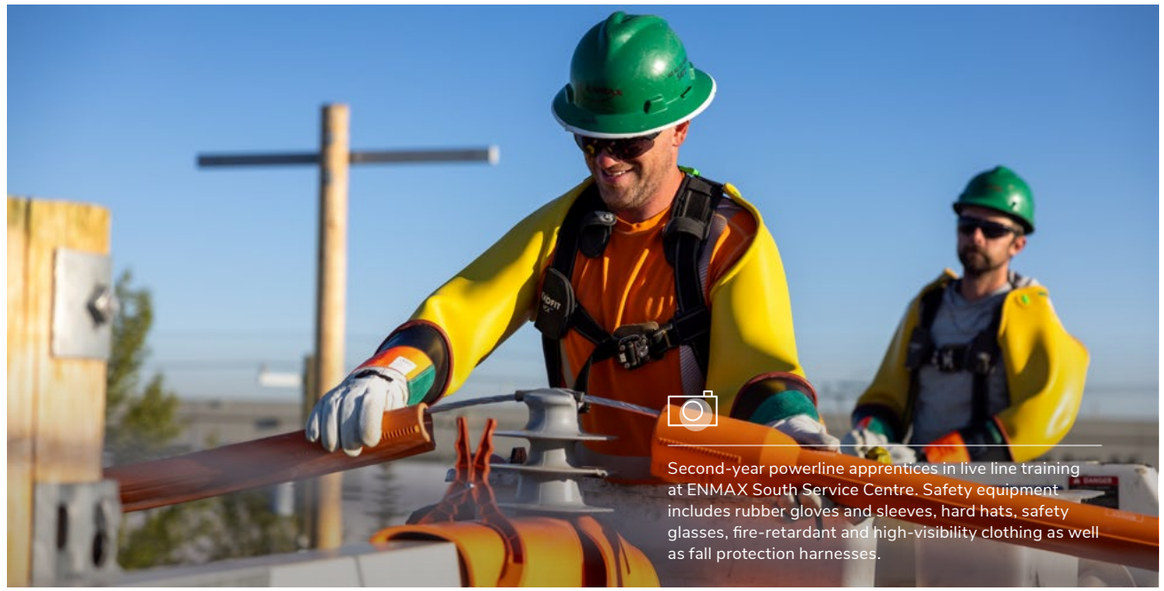
Enhancing our safety culture

We enhanced our safety culture in 2023 by:

Evolving our incident classification system
In 2023, ENMAX and Versant Power began implementing the Safety Classification and Learning (SCL) model to categorize safety risks and injuries. This model is a standardized method developed by the Edison Electric Institute to classify safety incidents and near misses, allowing for easier peer-to-peer collaboration, communication and learning. The SCL model also focuses on direct controls by verifying their use and ability to prevent serious injuries and fatalities. ENMAX plans to fully implement the SCL model in 2024.

Providing dedicated safety training
At Versant Power, all employees participate in annual Safety Days training. This five-day event covers live line demonstrations, ergonomics for field and office and Versant Power's emergency operations plan. At ENMAX, all employees participate in mandatory safety training as part of their annual training requirements and undergo specific safety training based on their job profiles.

Focusing on high-risk tasks
At ENMAX Power, our field workers use our high-risk tasks (HRTs) app to identify and rank these tasks before they start any job. HRTs are activities that are most likely to result in serious harm or injury, such as live line tasks, work in trenches and excavations or work with high-energy.



Second-year powerline apprentices in live line training at ENMAX South Service Centre. Safety equipment includes rubber gloves and sleeves, hard hats, safety glasses, fire-retardant and high-visibility clothing as well as fall protection harnesses.

SAFETY STATISTICS – ENMAX

injuries per 200,000 hours worked

ENMAX reduced our lost time injury rate in 2023 through an increased focus on preventative measures and the removal of several energized work procedures, which improves employee safety.

SAFETY STATISTICS – VERSANT POWER

	2021	2022	2023
Proactive Incident Report (PAIR) rate (Proactive measures per 200,000 hours worked)	1,020	1,031	**1,191**
Total recordable incident rate (Injuries per 200,000 hours worked)	0.67	1.63	**2.47**
Lost time injury rate (Injuries per 200,000 hours worked)	0.00	0.00	**14.5**

In 2023, Versant Power's lost time injury rate increased significantly due to a higher number of low-severity incidents during everyday tasks. Versant Power plans to work closely with seasoned workers and peer influencers to set expectations, hold each other accountable and support training and competency assessments.

Contractor safety

WHY IT MATTERS TO ENMAX

Our contractors are a valued and essential part of our workforce. Taking care to select contractors with strong safety performance and effectively managing contractor safety leads to improved engagement, alignment, stronger working relationships and improved safety for all.

2023 HIGHLIGHTS

Improved communication with contractors through use of a shared safety portal.

Our approach

We work alongside contractors who partner and collaborate with the ENMAX team. In some of our business units, we also work with contracted companies, which are third parties that do work on our behalf.

Contractor safety

In our ENMAX Energy-operated generation facilities, the majority of our skilled trade workers are employed by a single contracted company. The site management teams perform regular site observations and undertake the ASK process to verify that safety protocols and procedures are followed and the work is safe. At our Alberta corporate office locations, contractors may include security guards, cleaners or crews completing facility upgrades to ENMAX Place or our South Service Centre. We oversee contractors working at our office locations to verify they are performing daily field-level hazard assessments and have the proper hazard reporting protocols in place.

Working with safe companies

At ENMAX Power and Versant Power, we work with contracted companies that provide construction, maintenance and other services. We hold contractors that work for ENMAX in roles requiring management of physical safety risks to high safety standards.

Choosing safe contractors

As part of the ENMAX contractor selection process, safety sensitive contractors must be registered with ISNetworld, an online contractor and supplier management platform used to prequalify and monitor contractors. Each contracted company must fully demonstrate technical capabilities, adequate safety practices and have appropriate insurance in place.

We meet with selected companies to audit these items and confirm that they have satisfactory safety and environmental management systems in place. We ask questions regarding safety practices including their exposure hours, incidents, serious near misses and hazard reporting practices. In some contracts, we ask them to provide us with their improvement initiatives over a three-year period. An internal dashboard allows us to monitor this data and informs decisions. We continually seek opportunities to improve the way we work with our contractors and may periodically re-evaluate our minimum safety requirements. In Maine, Versant Power advanced its implementation of ISNetworld (read more on page 70) and updated its contractor safety program to combine environment and safety components, streamlining contractor onboarding.

Contractor management

To promote a consistent approach from the third parties that do work on our behalf:

- Our field inspectors are onsite daily to verify that contractors use the approved safety and work procedures.
- We hold monthly meetings with contracted companies, including a quarterly scorecard review between the contracted company's management and our safety team, supply chain management and management to review incidents, hazard reporting and the status of any corrective actions.
- We monitor all contracted companies to confirm that any incidents are followed up with an investigation, corrective actions and preventative measures. We also review contractor incident investigations and promote alignment with our incident investigation practices.
- We provide regular updates and share safety messaging with our contracted companies through our contractor portal.

An ENMAX Energy team member checking water instrumentation at Shepard Energy Centre. Safety equipment includes hearing protection, safety glasses, fire-retardant clothing, hard hat and steel-toed boots.

Emergency preparedness and incident management

WHY IT MATTERS TO ENMAX

Reliable power generation and delivery depends on both maintaining our assets and on restoring power when outages or emergencies occur. The last several years have intensified our resolve to enhance our resilience and ensure business continuity and power delivery through a variety of incidents.

2023 HIGHLIGHTS

Participated in the biennial GridEx exercise to evaluate our systems against a potential grid shutdown.

Our approach

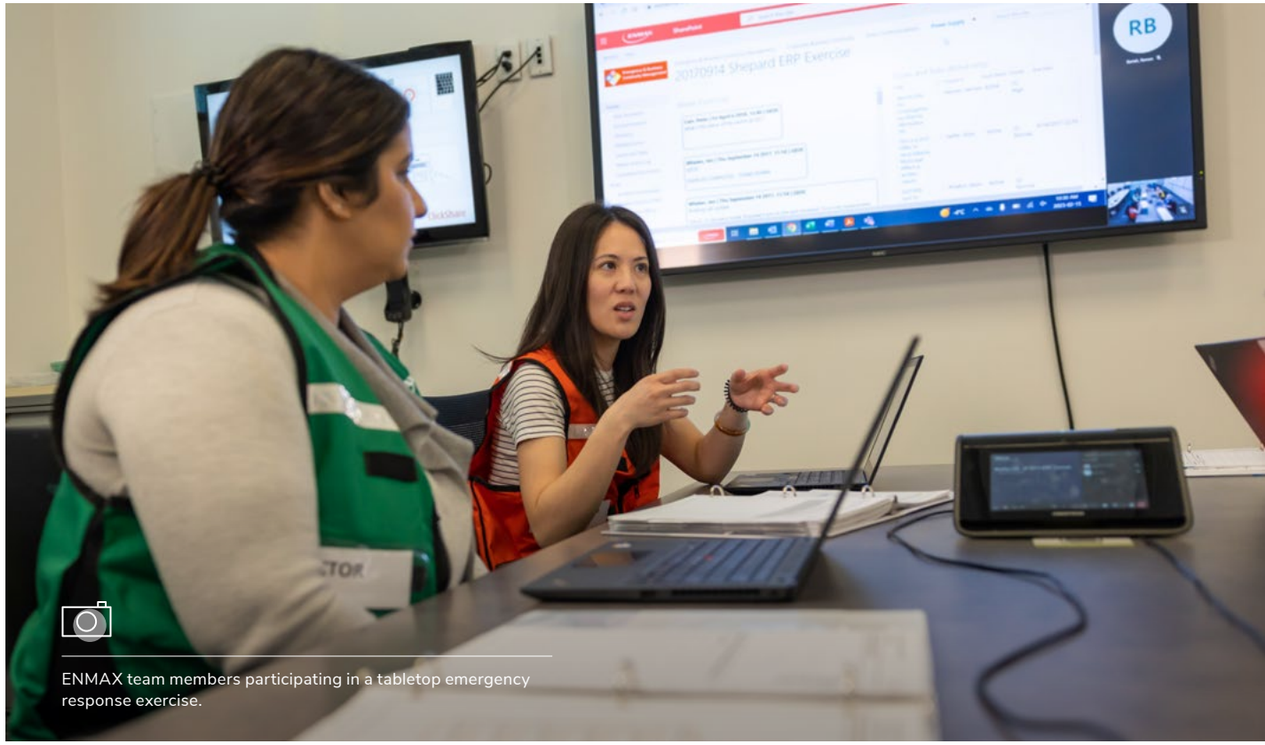
We use the internationally recognized Incident Command System (ICS) to manage our emergency response. ICS is a standardized command and control system used to manage emergency incidents. We maintain a regularly reviewed Incident Management Plan, which contains all emergency response plans and protocols. Our emergency preparedness is tailored to our power generation and transmission and distribution teams:

Power generation

Emergency preparedness at ENMAX Energy means ensuring our generation facility control centre, field and power plant employees are equipped to respond safely, while complying with all requirements of the Alberta Interconnected Electrical System. Our employees receive emergency response training as part of their operational training and during regular emergency exercises. Each year, we conduct a combination of full-scale and virtual tabletop exercises, and pandemic-type exercises are now part of our scenarios.

Transmission and distribution

ENMAX Power is a partner member of the Calgary Emergency Management Agency (CEMA), which plans and coordinates emergency services and resources during major emergencies and disasters in Calgary. We participate in all their exercises and preparedness planning, along with our neighbouring utilities. This collaboration supports public and staff safety, minimizes damage to electrical infrastructure and allows for faster recovery and return to normal operations, resulting in less disruption to our customers.

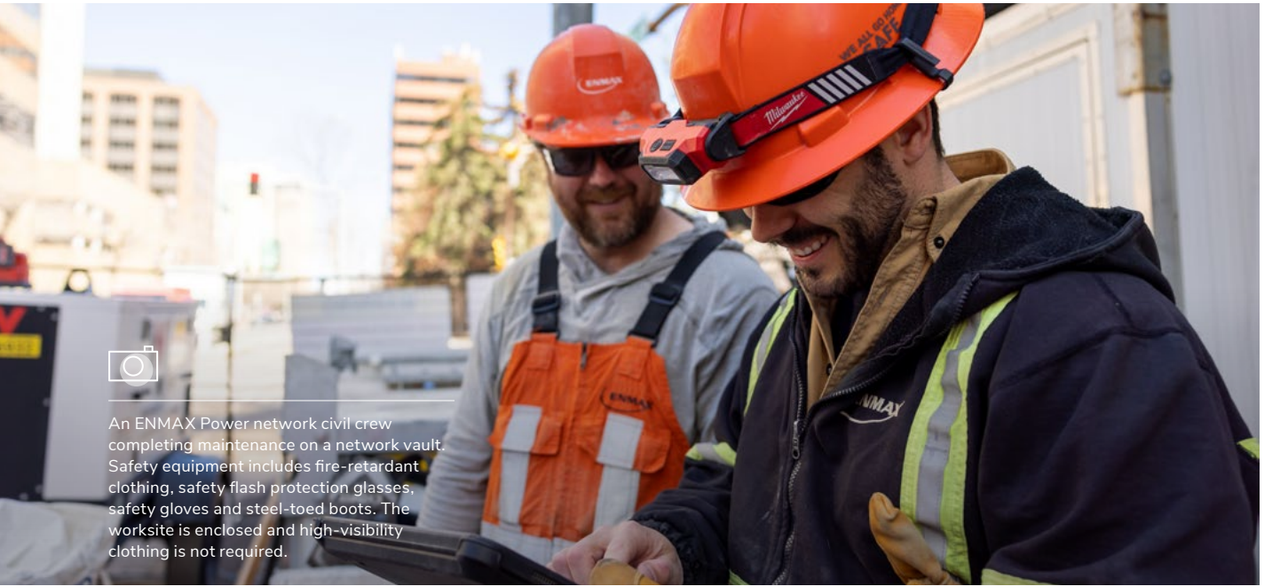


ENMAX team members participating in a tabletop emergency response exercise.

As a key CEMA member, we have seats at their Emergency Operations Centre, which opens during disasters or major emergencies and acts as The City of Calgary's coordination centre. To test the real-time effectiveness of our response, we also complete one full-scale exercise per year with one of our closest mutual assistance partners, EPCOR[13].

These exercises are multi-agency, multi-jurisdictional activities involving the mobilization of emergency personnel, equipment and resources, as if a real incident had occurred. Our aim is to complete one emergency response exercise per quarter.

[13] In 2023, ENMAX Power (along with ENMAX Energy and ENMAX Corporate) participated in the 2023 GridEx exercise in place of the EPCOR full-scale exercise.



An ENMAX Power network civil crew completing maintenance on a network vault. Safety equipment includes fire-retardant clothing, safety flash protection glasses, safety gloves and steel-toed boots. The worksite is enclosed and high-visibility clothing is not required.

Progress in 2023

We completed sixteen emergency exercises across ENMAX and Versant Power in 2023, including participation in a number of industry emergency preparedness and response exercises. The exercises included a combination of cybersecurity exercises and full-scale and/or virtual tabletop exercises.

Preparing for emergencies

ENMAX Energy and ENMAX Power participated in seven internal emergency exercises during 2023 in which team members discussed their roles during an emergency and their responses to a particular situation, with a facilitator guiding participants through the scenario.

Versant Power completed its annual System Emergency Operations Plan tabletop review exercise in August 2023, involving all Emergency Operations Center leads in a storm response scenario. From this exercise and storm response events that occurred throughout the year, Versant Power incorporated process improvements and learnings into the plan for use in future emergency restoration events.

In addition, ENMAX carries out a variety of exercise scenarios each year including cybersecurity, grid resilience and preparing for extreme weather events. Some examples of our 2023 exercise scenarios included wildfire risks to our operations, access risks due to extreme weather events and the impact of loss of water at our Shepard generation facility due to operational concerns.

ENMAX also participated in multi-agency external exercises to practice coordination with other agencies, including:

Black start: The province-wide restoration (black start) exercise held by Alberta Electric System Operator (AESO). A “black start”-capable power generation facility is a power plant that can provide the first minimum amount of electric power needed to activate the power grid in case of a complete blackout caused by an unforeseen emergency situation.

Flood exercise: The Bow River Rising Flood exercise held at ENMAX Place brought together participants from The City of Calgary’s River Engineering Climate and Environment team and Building Safety and Electrical Inspection Services, as well as CEMA. The exercise demonstrated the complexity of our system and the importance of early flood evacuation zone notification when de-energizing customers in an emergency.

Rapid damage: The Rapid Damage Assessment (RDA) Task Team exercise hosted by The City of Calgary Building Safety and Electrical Inspection Services team, along with ATCO Gas, was an opportunity to test the functionality of the RDA Task Team and best practices in emergency ad-hoc training for task teams.

GridEx: Team members across ENMAX Energy, ENMAX Power and ENMAX Corporate participated in the seventh biennial GridEx event to exercise our emergency response and recovery plans in November 2023. Hosted by the North American Electric Reliability Corporation (NERC), GridEx provides an opportunity for utilities, law enforcement and government agencies to test emergency responses to events that could cause power outages.

This year, the simulations included severe winter weather, a cyberattack and coordinated physical attacks on equipment such as substations and generation facilities. We shared learnings from the exercise with participants to support our existing and new emergency plans.

Advancing our business continuity planning

Following our 2022 activities to identify critical business processes, ENMAX is now expanding our business continuity management to encompass risk-informed mitigation. This effort involves implementing an operational resilience management program. We have shared business impact analysis, scenario workshop and business continuity plan templates across ENMAX to provide each business unit with the necessary tools to prepare for and address business interruptions.

16

emergency exercises were completed in 2023

Public safety

WHY IT MATTERS TO ENMAX

Public safety around electricity is extremely important. We are active in promoting the safe use of electricity in the community.

Our approach

We are committed to keeping the public safe while conducting our business. In our operations, one of the most significant risks to public safety is electrical contact with underground or overhead distribution lines or transformers. We strive to do our part to protect, educate and inform the public about electrical safety risks through the following:

Timely communication about outages

As power outages can impact public safety (for example, if traffic lights go out), we maintain the ENMAX Power Trouble Line for reporting outages and offer our online Power Outage Map to publicly communicate outage location, cause and estimated time of restoration. Versant Power also maintains a live outage map with outage information and estimated restoration times.

Protecting the public and our assets

Many types of digging or excavations can pose hazards to the public, workers and the environment. In Alberta, we encourage individuals planning any excavations to use Alberta One-Call, a free service that notifies ENMAX Power. Additionally, our ground disturbance guidelines provide requirements that companies and individuals must comply with when exposing buried ENMAX Power cables or equipment. In Maine, Versant Power is a member of the Dig Safe® system, a communication network similar to Alberta One-Call, which notifies Versant Power prior to any intended ground disturbance by the public. In 2023, ENMAX Power expanded its damage prevention team, a group of employees who work with third-party contractors, homeowners and The City of Calgary to provide safety education and assistance. Their work includes site meetings with contractors, completing site assessments for development permits and working with homeowners to resolve hazards such as vegetation encroachment on ENMAX lines.

Providing power safety education

We continue to broadly share our Hazardous Electrical Awareness Tutorial (HEAT), a free safety presentation available to the public, first responders and ENMAX contractors. The presentation demonstrates how to work safely near electrical infrastructure in Calgary and what to do if there is a failure in the system. In 2023, we offered 44 HEAT sessions to approximately 840 people. We also host annual public events to bring awareness to electricity safety, including the ENMAX Rodeo & Safety Expo, which includes our trade show and family fun zone. This family-friendly event highlights the critical importance of safety as a core value and celebrates the essential role powerline technicians have in our everyday lives. In 2023, more than 900 people attended the Rodeo and 87 powerline technicians from across North America, including four teams from ENMAX Power and three from Versant Power, competed in the event—view photos here. Versant Power launched a public safety program focused on teaching students about safety around electricity in 2023—read more about this program to the right.

>900

people attended the ENMAX Rodeo & Safety Expo

Promoting electricity safety in Maine

In 2023, Versant Power launched a new public safety program to teach kids how to keep themselves and others safe around electricity.

During in-school presentations, Versant Power's safety education specialist uses an electrified safety model to show fourth-grade students the danger of live electricity and how to safely navigate electrical emergencies such as downed wires. The program also provides teachers and students with curriculum-aligned learning materials to further their understanding of electrical safety following the presentation.

In addition to these presentations, Versant Power's public safety program includes resources and training for first responders and industry members. Learn more about the program and its resources here.

Diversity, inclusion and belonging

WHY IT MATTERS TO ENMAX

We believe that diverse views improve decision making and contribute to improved financial and operational performance. A diverse and inclusive workforce fosters unique perspectives that enhance our culture, spark creativity, foster innovation and create value.

2023 HIGHLIGHTS

- **Developed Versant Power's diversity, equity, inclusion and belonging roadmap.**
- **Provided inclusion training to select roles and groups at ENMAX.**

Our approach

Across our organization, we work to foster a culture of inclusion that embraces diversity and allows everyone to feel respected, valued and like they belong. We do not tolerate any form of harassment at ENMAX. Our Safe and Respectful Workplace Standard guides our efforts around fostering a healthy and respectful workplace. Team members complete training to understand this standard when they join the organization and undertake annual refresher training. We maintain a Diversity, Inclusion and Belonging Executive Steering Committee to progress initiatives, identify opportunities for improvement and provide governance and direction on diversity and inclusion matters.

Diversity and inclusion roadmap

ENMAX developed a three-year Diversity, Inclusion and Belonging (DI&B) roadmap which outlines our aspirations to achieve cultural transformation and our approach to improve diversity and inclusion. In year two of the roadmap, we focused on progressing our internal DI&B processes and building external processes with our partners. To provide employee input and support DI&B implementation work, we created a new Inclusion Council in 2023. Featuring team members across ENMAX and an executive sponsor, the council represents a mix of lived experiences, business units and interest areas.

Equal access to opportunities

We are committed to the principles and practices of equal employment opportunity. In Maine, our commitments are formalized in Versant Power's Diversity and Inclusion Policy. In Alberta and Maine, we employ and promote the advancement of qualified persons with disabilities, minorities, women, Indigenous individuals and, in Maine specifically, veterans.

Versant Power maintains an objective external third-party audit and completes an annual filing of its Equal Employment Opportunity and Veterans' Employment and Training Service reports. Versant Power also developed an Affirmative Action Plan that sets specific targets to increase its underrepresented populations through outreach efforts and training programs.

Wellness supports

We believe strong mental health and physical well-being is foundational for developing a culture of inclusion. We continue to invest in our team's mental and physical health through the following supports:

Headversity
To create a space where we promote psychological safety and wellbeing, we offer access to the headversity app for our employees and their families. The app provides resources and practice tools to help build key resiliency skills and mental health awareness.

Buddy Up
A campaign by the Centre for Suicide Prevention, Buddy Up addresses the issue of men's suicide by fostering candid conversations between men about mental and emotional wellness. ENMAX provides virtual Buddy Up sessions for our field teams.

The Working Mind
Offered by the Mental Health Commission of Canada, this training for customer service agents and ENMAX Energy leadership teams focuses on destigmatizing and recognizing mental health issues. We plan to extend this program to other areas of the organization in 2024.

Healthy Workplace Month
ENMAX observes Healthy Workplace Month annually in October with presentations throughout the month to promote physical, financial and mental wellness and social connection. We end the month with a one-day health fair featuring vendors representing these four pillars of wellness.

Mental health awareness
In Maine, Versant Power includes mental health awareness sessions delivered by a licensed clinical practitioner in its annual all-employee Safety Training Days curriculum.

Read about our 2023 wellness activities on page 47.

Inclusive leadership training

We believe fostering a culture where employees feel a sense of belonging begins with inclusive leadership. ENMAX provides inclusivity training for new leaders, covering unconscious biases, the business case for diversity and how to leverage a team's unique identities and ways of working. The training equips leaders with tips to start healthy conversations about inclusivity and belonging with their teams. As part of our annual Leaders' Summit, we provide sessions and learning opportunities to support inclusive leadership, focusing on the impact and benefits of inclusion.

Progress in 2023

Over the past year, we have worked towards a more inclusive workplace and have encouraged dialogue and awareness around inclusion. The following efforts support our vision of building a workforce that is reflective of our communities and where everyone has a sense of belonging.

>30%

women work across our company in Alberta and Maine

Expanding our diversity, equity, inclusion and belonging work

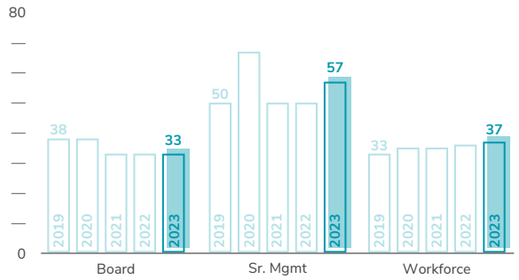
In 2023, Versant Power developed a diversity, equity, inclusion and belonging (DEI&B) roadmap to guide their ongoing actions, achieving our 2023 target. The three-year roadmap aims to grow Versant Power's inclusive capabilities and culture. In year one, Versant Power hosted sessions on bias and awareness, retention efforts and diversity challenges in the workplace at its 2023 Leadership Forum. Versant Power integrated discussions about biases into weekly communications, encouraging leaders to review hypothetical scenarios with their leadership teams. Next year, Versant Power plans to provide DEI&B education for all team members and a training program for customer service agents.

Updating demographics

In 2023, ENMAX undertook work to update and expand categories of workplace diversity measurement to improve our understanding of employee demographics. In addition to collecting data required of federal contractors (i.e., gender, Aboriginal identity, visible minority and disability status), we now include other important categories such as caregiver status, sexual orientation, gender identity and racial/ethnic identity. We selected the expanded categories with the support of our Inclusion Council and to reflect areas where we can demonstrate meaningful action through policies, benefits and learning sessions. In November 2023, we conducted a survey to begin capturing this data and better understand the composition of our workforce.

WOMEN AT VARIOUS LEVELS

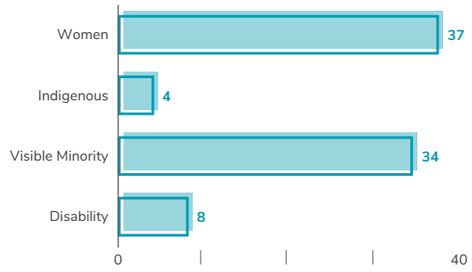
per cent



We have gender balance in senior management roles (senior vice-president and above) and will continue working on promoting diversity, inclusion and belonging across the entire organization.

2023 – REPRESENTATION IN OUR WORKFORCE (ALBERTA)

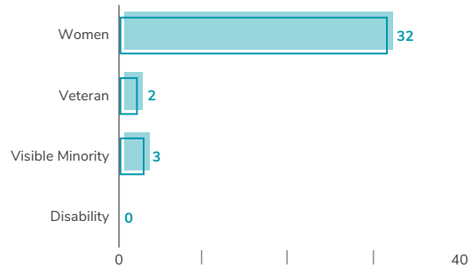
per cent



We report diversity metrics in accordance with Canada's four designated groups. Categories are not inclusive of all diversity groups. Workforce demographics outside of gender are based on self-disclosed data from 83 per cent of our workforce.

2023 – REPRESENTATION IN OUR WORKFORCE (MAINE)

per cent



In Maine, we employ and promote the advancement of qualified persons with disabilities, minorities, women and veterans.

Developing a culture of inclusion

Through organizational and employee-led initiatives, ENMAX is creating momentum towards inclusion and belonging organizationally. In 2023, our teams focused on increasing our cultural awareness and understanding the lived experiences of our employees and community members.

Inclusive training
At ENMAX, we achieved our goal to pilot inclusive training to individual contributors by the end of 2023, beginning with members of our human resources, communications, field and customer care teams. The training focused on the importance of workplace diversity, managing unconscious biases and how to have healthy conversations about diversity and inclusion in the workplace. Participant response to the training was positive, and we intend to expand the training to more employees in 2024.

Building our awareness
To incorporate more lived experiences in our inclusivity learning and connect our remote at-home customer care teams, ENMAX Energy team members participate in our Friday in Fifteen program. Each Friday morning, team members volunteer to join a live video meeting and share their experiences in areas such as neurodiversity, the newcomer experience and mental health, to provide education and insight on key inclusivity topics.

Focusing on equity
Using an equity lens, we introduced two new initiatives in 2023 to support:

Wellbeing of our Indigenous employees: In 2023, ENMAX made the decision to become a first payer with the Non-Insured Health Benefits (NIHB) program for First Nations and Inuit employees, beginning in 2024. This will allow Indigenous employees to receive claim reimbursements faster, supporting our commitment to prioritize the health and wellbeing of our Indigenous team members and their families.

Cultural diversity: ENMAX recognizes that our employees observe and celebrate a variety of religious and cultural holidays. As part of our commitment to foster a culture of inclusion and equity, we developed an initiative to give employees the opportunity to swap Easter Monday with another cultural or religious holiday of their choosing.

Supporting the 2SLGBTQ+ community

We aim to find purposeful opportunities to support the 2SLGBTQ+ community, including:

Participating in Pride celebrations
In Calgary, more than 80 ENMAX team members along with their family members, friends and pets participated in the Pride Parade in September 2023, marching alongside our decorated bucket truck. In Maine, Versant Power sponsored the Bangor Pride Parade and Festival in June, with employees volunteering at the vendor table to connect with community members and support the 2SLGBTQ+ community.

ENMAX team members participated in the 2023 Calgary Pride parade.

Celebrating Transgender Day of Visibility
In Alberta, we marked Transgender Day of Visibility for the first time to advance our commitment to diversity and inclusion. We hosted a panel featuring team members and representatives from local support groups to help employees learn more about supporting youth navigating gender diversity, gender affirmation and their transition experiences.

Increasing awareness
ENMAX hosted a Pride Education Challenge during Calgary's Pride Week, providing employees a chance to learn more about 2SLGBTQ+ history, rights and communities in Canada.

Indigenous Relations working group participating in the KAIROS blanket exercise.

Growing our Indigenous awareness

We are actively working to grow our understanding of Indigenous histories and culture through learning opportunities, observances and events. In 2023, we promoted Indigenous learning opportunities such as:

Exploring urban Indigenous identities
As part of Indigenous History Month in Alberta, ENMAX hosted a panel discussion about the experiences of Indigenous people living in Calgary. During the panel, three professionals from Métis, First Nations and Inuit backgrounds shared their perspectives on working towards truth and reconciliation within our community.

Understanding land acknowledgements
In recognition of National Day for Truth and Reconciliation, ENMAX hosted a land acknowledgement workshop. During the workshop, two experts in this area offered participants fundamental knowledge about the history and purpose of land acknowledgements. Afterwards, ENMAX provided employees with templates to integrate land acknowledgements into our work.

Learning from a residential school survivor
To further our understanding of the residential school experience and impact, we invited Emile Highway, a residential school survivor and Indigenous veteran, to speak with ENMAX employees in November. Emile's first-hand knowledge helped our team members better understand Indigenous history in Canada and how we can advance our work towards reconciliation.

Advancing reconciliation
To help guide our organizational approach to reconciliation, our senior leadership team, executive team and Indigenous Relations working group participated in the KAIROS Blanket Exercise, an Indigenous-led opportunity to reflect on using our privilege to advance reconciliation (see photo to the left). Our Board also participated in a reconciliation training session which incorporated elements of the blanket exercise.

Wellness

We strive to help our employees maintain balance across different health dimensions including financial, physical and mental wellbeing.

Building a healthy workplace
ENMAX hosted our annual wellness fair during Healthy Workplace Month in October 2023, bringing together vendors and speakers to promote various aspects of health to our team members. Fair participants in 2023 included the Calgary Sport and Social Club, the Centre for Suicide Prevention and telehealth providers. We also offered webinars on burnout prevention and financial health, an in-person presentation about neurodiversity in the workplace and information on depression screening options in our community.

Conducting a wellness survey
Versant Power's Wellness Committee conducted a survey of team members to understand their areas of interest. Financial and mental health topics ranked high for all employees, and the committee plans to use the feedback to organize future programming.

Providing on-site health services
In Maine, Versant Power offered an on-site biometric screening program for employees in November 2023. Focusing on baseline testing and preventative care, the screening helps to identify potential health issues and connect team members with nurse practitioners for continuing care support. As part of Healthy Workplace Month in Alberta, flu shots, eye exams and The Man Van's prostate cancer screening clinic were on-site for employees to access.

Supporting men's health
ENMAX employees participated in Movember, supporting men's mental and physical health and raising money for the Movember organization. We hosted the Movember SpeakEasy program, a 90-minute in-person session designed to support men's mental health through prevention and early intervention by providing attendees the tools to support themselves and raise awareness about their own and others' mental health.

Employee engagement and development

WHY IT MATTERS TO ENMAX

Fostering the potential of our people is critical to our success as an organization. Engaged employees have fewer safety incidents, are healthier and more customer-focused and feel valued, respected and invested in their own success. Strong employee engagement and development improves organizational effectiveness and contributes to a more satisfied workforce, increased retention and a better bottom line for our Shareholder.

2023 HIGHLIGHTS

- **Completed our fifth annual employee engagement survey, with results showing an improved engagement rate.**
- **Introduced new learning opportunities for Versant Power employees in Maine.**

Our approach

At ENMAX, we care about how committed, invested and engaged our team members are. We understand that learning and development are critical factors in employee engagement, and therefore target our programs to support employee growth by providing opportunities for career development. We complete annual employee engagement surveys and are working to ingrain employee engagement into daily practices. In Maine, Versant Power offers professional development and human resources programs and practices such as employee engagement surveys, succession planning for key positions and a tuition reimbursement policy. Versant Power's talent acquisition practice is to source talent from the local service territory.

Flexible work

ENMAX offers flexible work options with the ability to work from home Mondays and Fridays for employees whose positions allow. Originally introduced as a pilot program, we implemented hybrid work as an ongoing program to support our employees' work-life balance while working within operational efficiencies.

>81%

of ENMAX employees participated in the 2023 engagement survey

Progress in 2023

Over the past year, we have continued to measure and improve our employee engagement and have worked to support the learning, development and advancement of our team members in the following ways:

Measuring engagement

At ENMAX, we have conducted an annual employee engagement survey through Gallup since 2019. After each survey, we share results with all employees and involve employees in action planning within their teams. We maintained our very high employee participation rate in 2023 and continue to exceed the average participation rate of 81 per cent among electricity service provider peers according to Gallup. Compared to our first survey conducted in 2019, the number of employees who are actively engaged has risen by 21 per cent. In the survey, there are a set of questions that measure a "culture of inclusion" index. Gallup's inclusion index measures three fundamental qualities of inclusive culture: respect, strengths and trust. ENMAX's mean inclusion scores have increased steadily year over year since 2019. It is encouraging to observe increases in all three dimensions of the 'culture of inclusion' index, suggesting employees feel our workplace operates with respect and integrity and that ENMAX is committed to building the strengths of each employee. Overall, our results in 2023 show improvements across Gallup's core engagement questions. We also launched Engagement Moments in 2023, sharing check-in questions each month for teams to promote meaningful conversations about engagement.

Versant Power launched its third engagement survey through Gallup in 2023. The survey results showed improvements across each of Gallup's core engagement questions and that Versant Power continues to score high on engagement. To follow up on the survey results, leaders will develop and implement action plans in early 2024. Versant Power's HR team delivers monthly newsletters to leaders to provide additional education, resources and guidance on creating engagement within their teams. The newsletter covers a monthly theme and includes a related podcast, article or webinar.

107

pairs of mentors and mentees were part of our mentorship program in 2023

Learning and development

Our goal in 2023 was to foster continuous learning opportunities with a focus on skills and capabilities useful in regularly changing environments. In addition to skill development, our learning opportunities created a sense of belonging and connection for participants. We advanced our learning and development offerings this year through:

Talent mobility
ENMAX continued to mature our talent programs and develop leaders in our organization through ongoing focus on development needs, internal mobility, project work and succession planning. Development plans include providing targeted individual development opportunities. The process involves leaders and team members intentionally selecting development activities to support the team members' professional goals. Succession practices at ENMAX enhance talent mobility, identify development areas and mitigate the risk of unexpected leadership vacancies.

Mentorship
ENMAX maintains our internal mentorship program, which matched a record 107 pairs of mentors and mentees in 2023 and established formal mentoring relationships over six months. Many of these relationships continue informally following completion of the program.

Developing our leaders
In 2023, we continued to support skills development for ENMAX leaders through training opportunities such as our Coaching 201 program, which assists leaders in applying the coaching skills acquired in our Coaching 101 fundamentals program, with approximately 60 leaders participating.

We also offered our popular four-week Speaking as a Leader program, which helped 31 mid-level leaders learn how to communicate a powerful message in a concise and clear manner. We launched Leading for Results, a program that provides leaders with insights on driving team accountability and managing performance through results. We also maintained our partnership with a Calgary-based executive coaching firm, providing a group of 20 ENMAX senior leaders with individualized coaching to support leadership and personal development growth. An additional 30 alumni participants continue to receive support through this program by accessing supplementary coaching.

In Maine, Versant Power offers a leadership learning curriculum, which includes sessions on personal leadership styles, delegation and accountability, productive conflict and bridging generational gaps in the workplace. As of the end of 2023, 70 leaders have completed the program. In addition, Versant Power provided executive coaching for individual leaders and the senior leadership team.

Sharing knowledge across the organization
Versant Power introduced their Power Your Mind program featuring virtual learning sessions for all employees in 2023. These monthly sessions allow employees to learn more about Versant Power's departments and work, timely utilities sector news and resources available through the employee benefit package.

Unions

WHY IT MATTERS TO ENMAX

We welcome the contributions of organized labour and respect the right of our employees to associate. More than 60 per cent of our workforce is represented by union members of the International Brotherhood of Electrical Workers (IBEW) Local 254 and the Canadian Union of Public Employees (CUPE) Local 38. Forty-six per cent of Versant Power's workforce is represented by IBEW Local 1837.

Our approach

We endeavour to be proactive in our communications and transparent as decisions are made. We consult with union representatives in advance of policies or business initiatives that directly impact union members. Collective bargaining agreements for the unions have a well-defined and documented process for raising grievances.

Collective agreements

In Alberta, ENMAX reached a collective agreement with CUPE that was ratified in early 2023. ENMAX and IBEW successfully ratified a collective agreement in 2022 for a three-year term. In Maine, Versant Power and IBEW continue to work under a collective agreement negotiated in 2022 that is set to expire June 30, 2024.

Valuing our collaborative relationships

We value the positive relationships we have with our bargaining unit representatives. Some of the most common matters we work with our unions on are compensation, job stability and safety. We strive for open two-way dialogue to enable effective issue resolution. To promote collaborative union relationships, some of the structures we have in place include:

Employee Relations Council
This council (which is a bargaining item within IBEW) is a way to work through issues or concerns that need to be resolved outside of active bargaining in Alberta.

Bid Committee
This committee includes representation from IBEW and ENMAX management in Alberta and meets as required to discuss any changes to job descriptions or qualifications.

Job Evaluation Committee
Any significant changes to job descriptions in our Alberta operations go to this committee for discussion and agreement. The committee includes representation from the CUPE and the ENMAX labour relations and total rewards teams.

An ENMAX Power meter technician leaving a worksite, watching for icy, uneven ground. Safety equipment includes fire-retardant and high-visibility clothing, hard hat, steel-toed boots with a traction control device and a meter puller to safely remove an electrical meter.

Leadership sessions
In Alberta, ENMAX leaders of unionized teams conduct yearly sessions with our labour relations partners to better understand the collective agreements in place and highlight how we work with CUPE and IBEW. Forty-two leaders attended these sessions in 2023.

Regular communication
In Maine, Versant Power resumed quarterly meetings between team managers and union leaders to discuss the terms of labour agreements.

Energy affordability

WHY IT MATTERS TO ENMAX

Electricity is an essential need, and energy affordability is critical to our customers' quality of life. We aim to help eliminate barriers for vulnerable customers that may impact or inhibit access to safe, reliable and affordable electricity.

2023 HIGHLIGHTS

- **Joined the Chartwell Vulnerable Customer Leadership Council.**
- **Conducted seven pilots or programs to address energy affordability in Alberta and Maine.**

Our approach

We manage our energy affordability efforts across Alberta and Maine through a cross-functional Energy Affordability Working Group overseen by an Energy Affordability Steering Committee. The steering committee is responsible for providing strategic direction that promotes continued attention and action on the topic of energy affordability. The working group is responsible for knowledge sharing and progress tracking. We centre our efforts on supporting customers at each stage of the affordability lifecycle:

Conservation: Sustainable and efficient energy solutions, tools, education and awareness.

Prevention: Programming to reduce barriers to affordable-energy access.

Crisis management: Relief to customers in energy-need crisis through agency partnerships.

We have a range of community partnerships and customer programs in place to improve access to energy:

Supporting vulnerable customers
In both Alberta and Maine, we have a dedicated team that offers payment arrangements or installment plans to assist customers struggling to pay their electricity and/or natural gas bill and connects customers with community resources. To further support vulnerable customers with essential services, ENMAX has long-standing relationships with Trellis Society, Distress Centre Calgary, United Way of Calgary and Area, Aboriginal Friendship Centre of Calgary, Bissell Centre (Edmonton) and United Way of Central Alberta.

In Maine, Versant Power works closely with state and county programs that qualify customers to receive assistance for heating. When customers qualify for heating assistance or for a means-tested program through Maine's Department of Health and Human Services, they also qualify to receive assistance through Versant Power's Low Income Assistance Program, which provides an annual credit on electric bills for income-qualified applicants each year they apply. Low-income residential customers who fall behind on electricity bills may also be eligible for the company's Arrearage Management Program, which applies a forgiveness credit to overdue balances for on-time payments of current bills.

Helping customers understand and optimize energy use
We have tools to enable retail customers to take greater control over how they use energy through monthly reports on their energy use, bill comparisons, energy-saving tips and more. In Alberta, for customers who have chosen a competitive retail plan with ENMAX Energy, we offer this information through an online tool and in Maine, we offer home energy reports through Opower.

Demand-side management
ENMAX continues to advocate for the development of a demand-side management (DSM) framework in Alberta. To support these efforts, we are a member of Alberta Energy Efficiency Alliance and have partnered with utilities from across the province. Our objective is to study DSM in an Alberta context and identify initiatives for electric and gas distributors in rural and urban markets. DSM programs seek to influence customer demand through energy efficiency investments and programs that encourage customers to shift their usage to avoid periods of high demand on the distribution system.

Billing supports
We offer options to help customers better manage and understand their bills. ENMAX Energy's Equalized Payment Plan and Versant Power's budget billing program give customers the ability to redistribute their annual energy charges to equal amounts each month, helping customers avoid price spikes due to higher seasonal demand and variable pricing. In addition to these programs, the Government of Alberta extended the Electricity Rebate Program from January to April 2023, providing bill credits totalling $200 over the four months for residential and small business customers who consumed less than 250 MWh of electricity in the last year.

Progress in 2023

Our Energy Affordability Working Group brought together key team members from across the organization to connect our combined efforts in 2023 as we continue to advance energy affordability initiatives for our customers.

Understanding energy use and spending

Over the course of the year, we continued several pilot programs and implemented new initiatives to improve access to energy and enable learnings to build future energy affordability programs.

Promoting energy efficiency

Maintaining lower consumption though energy efficiency is one of the first steps to support affordability. In Alberta, we provided $96,355 in funding and in-kind support (including digital content production and energy efficiency kits) to Green Calgary, an organization focused on sustainable living, to deliver energy efficiency workshops in 2023. Green Calgary hosted 29 workshops for more than 550 people interested in understanding and improving their energy efficiency and continued to create and broadly share digital education pieces to reach more Calgarians.

Supporting customers through crisis

We strive to understand different ways we can effectively support customers who are experiencing financial difficulties. To minimize disconnections, ENMAX evaluated the use of load limiters in 2022 and continued this practice in 2023. A load limiter is a device installed on a customer's meter that allows the furnace and a few lights to run but will turn the power off if too much electricity is used at one time. Following the pilot in 2023, we learned that offering this option provides customers the opportunity to become current and enables us to better support customers during a crisis. ENMAX extended this pilot and installed more than 5,000 load limiters in 2023 for regulated rate option customers and saw an 84 per cent reconnection rate. In May 2023, ENMAX was recognized by Electricity Canada for this work.

550

people attended energy efficiency workshops supported by ENMAX

Green Calgary workshops help Calgarians learn more about improving their home energy efficiency.

Helping community members facing challenging situations

Since 2011, ENMAX has invested more than $1.12 million through donations and gifts in-kind to Distress Centre Calgary. The Distress Centre offers professional counselling, a 24-hour crisis hotline, financial assistance and resources to community members experiencing any kind of crisis in Calgary and southern Alberta.

Our contributions support the Basic Needs Fund that offers emergency financial support to families in crisis and the Distress Centre annual volunteer appreciation event.

"A heartfelt thank you to ENMAX for their generosity over the last 13 years, including funding to assist families and individuals and sponsoring our annual volunteer appreciation event. The team at ENMAX go beyond monetary support, providing snack bags and other delights to our volunteers, a treat for those in our contact centre. We greatly value this long-term partnership."

ROBYN ROMANO, CEO,
DISTRESS CENTRE CALGARY

Collaborating with industry to advance energy affordability

ENMAX continued to lead the Customer Affordability Resources for Energy Education (CARE) industry group in 2023, working with Alberta energy retailers and representatives from the Alberta Utilities Commission (AUC) and the Utilities Consumer Advocate (UCA). Through CARE, participants exchange ideas, find consensus and discuss energy affordability programs already in place. Over the last year, CARE focused on developing and providing consumer education, resources and access to accurate energy affordability information. The group also explored affordability options in other jurisdictions, working to identify viable programs and services for Alberta.

In 2023, ENMAX and Versant Power joined the Chartwell Vulnerable Customer Leadership Council, a working group for utility companies to discuss and act on the challenges faced by vulnerable customers. In addition to peer-to-peer conversations, Council members leverage each other's findings and programming to better understand and address affordability issues. ENMAX Energy leads a Canadian retailer group within the Council focused on topics unique to our jurisdiction.

Versant Power is also a member of the Maine Electric Ratepayers Council, a group that includes utilities, regulators and educators. The group provides the Maine Legislature with an annual report, including recommendations to support low-income and vulnerable customers. The inaugural report in 2022 was instrumental in receiving an extra $15 million of state appropriated funds supporting Low Income Assistance Programs in 2023.

Supporting basic needs in our communities

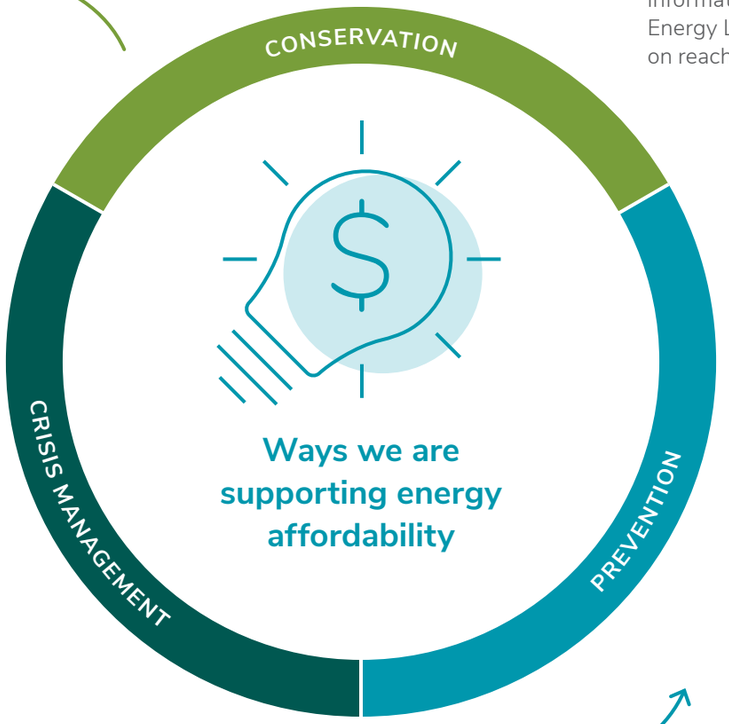
As part of our commitment to support energy affordability efforts, ENMAX continued to focus on basic needs funding through support of our long-standing community partners, Trellis Society, Distress Centre Calgary (read more at left), United Way of Calgary and Area, Aboriginal Friendship Centre of Calgary, Bissel Centre (Edmonton) and United Way of Central Alberta. These partnerships support the crisis intervention stage of the energy affordability lifecycle and allow us to direct people to organizations to get the help they need. Increasing our support to these agencies and others in key communities where we operate, such as the Lethbridge Housing Authority, means that more families and individuals will have access to funding for essential needs and services.

Versant Power provides funding for local non-profit organizations to replace fossil fuel heating with electric heat pumps. In 2023, Versant Power supported the Homeless Services of Aroostook and All Things Become New respite centre with two heat pumps each, which can lower their utility bills.

SPOTLIGHT

Our role in supporting energy affordability

Although energy affordability is a complex challenge that requires collaboration across the industry, we strive to do our part in making energy accessible to all by addressing the different stages of the affordability lifecycle: conservation, prevention and crisis management. ENMAX and Versant Power spent nearly $1.6M on programs and pilots in 2023 to support energy affordability, including:



Promoting energy literacy

In 2023, Versant Power piloted its first Energy Literacy Day in partnership with local organizations.

Team members shared information about understanding utility bills and financial supports available. Attendees asked utility or bill payment questions and received professional, accurate information. Versant Power plans to host more Energy Literacy Days in the future, with a focus on reaching vulnerable customer groups.

73%

of participants surveyed said this program reduced their overall stress

Incentivizing energy efficiency

Energy use reductions can result in monthly bill reductions, which is helpful for all customers but especially those struggling to pay their bills.

ENMAX identified 150 customers who required assistance with their energy bills over the previous year and offered them a monthly credit to incentivize lower energy consumption. We learned that to be successful, the credit must be meaningful enough to impact energy affordability. This learning, along with the positive customer feedback, will help us design future programming.

70%

of participants surveyed said this program improved their financial situation

Increasing flexibility for fixed income customers

Customers on a fixed income, such as seniors or those receiving medical benefits, may experience bill payment challenges if their financial support pay dates conflict with utility bill due dates.

Over a six-month period, ENMAX allowed 150 fixed income customers to change their bill due date to a time that worked best for them. Customers provided favourable feedback and experienced fewer late payment charges compared to their previous fixed bill dates.

Supporting vulnerable customers

There are customers who do not qualify for low-income assistance but are struggling to pay their power bills.

In late 2022, Versant Power launched its Power Match program, matching donations from community members and local organizations to support customers in need. In 2023, the Aroostook County Action Program provided US$75,000 to Power Match, and Versant Power paid out a total of US$88,000 to customers in need.

US$88K

was paid out by Power Match to support customers in 2023

Reducing financial stress

ENMAX requires customers who are not on preauthorized payments, have not passed a credit check or are unable to show a good ENMAX payment history over the past year to provide a deposit (modelled on three months of typical electricity charges). For some customers, this deposit can create significant financial hardship.

In 2023, ENMAX waived the deposit for 150 customers. Compared to a 300-customer control group that paid the deposit, pilot customers received fewer late payment charges and provided favourable feedback.

84%

of participants surveyed said they experienced reduced financial stress

Community investment and economic impact

WHY IT MATTERS TO ENMAX

Our investments and employee volunteer contributions make a positive impact in the communities where we operate. We continually strive to do our part to build stronger and more resilient communities.

2023 HIGHLIGHTS

- **$3.8 million contributed in cash, in-kind and through matching of employee donations to Alberta and Maine community organizations.**
- **Continued to focus on maximizing social impact and supporting basic needs.**

Our approach

We are committed to supporting our communities in Alberta and Maine through sponsorships, donations, partnerships and employee volunteerism. Over the past several years, ENMAX and Versant Power have been working to enhance our partnerships and focus our funding to directly target community needs and make an even bigger difference. Our community investment program has four priority areas (read more at right).

Creating a broader positive economic impact

Providing access to safe and reliable energy is one of the ways ENMAX enables economic development. Reliable energy access is correlated to improved economic trade and growth, increased safety, comfort and security, better employment opportunities and is critical to supporting overall quality of life. In addition to our mission of safely and responsibly providing electricity and energy services, our extended financial strategy includes returning a stable and growing dividend to The City of Calgary. The dividend we pay to The City of Calgary, in addition to municipal taxes and other sources of income, helps fund public transit, water supply and treatment services as well as parks and recreation amenities. As part of our business, we develop infrastructure projects that create enduring improvements for the province of Alberta and future generations. We also generate value through the jobs we create, the materials we purchase and the financial contributions and time we invest in communities. We are transparent about our financial position and results and share our annual and quarterly financial reports and our Annual Report on Governance and Compensation on our website.

ENMAX team members assembling craft kits for the Alberta Children's Hospital and Children's Cottage.

ENMAX's priority funding areas

Essential needs
Families experiencing poverty often struggle to overcome the challenges of everyday life and meet their basic needs. We understand the importance of a warm meal, clean clothing and a safe place to sleep. This is why we are passionate about supporting non-profit organizations that help meet these critical basic needs for families in our communities.

Energy safety, education and efficiency
Whether it is in the classroom or the community, we strive to educate community members about electricity and how it relates to customers, young and old.

Enriching communities
We care about the wellbeing of our communities. We are committed to supporting initiatives that build vibrant communities and organizations that help our customers thrive.

Scholarships
We believe strongly in supporting the workforce of tomorrow. As part of this, ENMAX offers various student scholarships in the areas of environmental leadership, trades, electrical engineering and business.

Progress in 2023

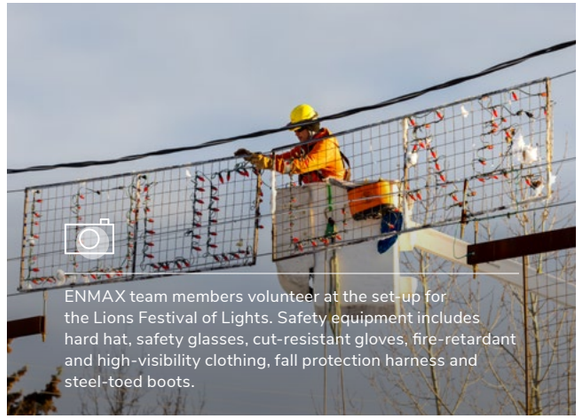
Last year, we donated $3.77 million across Alberta and Maine. ENMAX contributed more than $3.2 million in cash, in-kind and through matching of employee donations to local agencies, and Versant Power contributed more than US$419,000 (approximately C$566,000).[14]

Over the past year at ENMAX, we:
- Allocated 36 per cent of our community investment budget to activities and organizations that support customers at various stages of the energy affordability lifecycle.
- Enhanced our commitment to the Alberta Ecotrust Foundation and its Home Upgrades program with an additional $100,000, supporting Albertans with home upgrades, energy education and efficiency tools including our energy efficiency kits.
- Maintained and actioned our strategy for future community investment spending to increase the proportion of basic needs funding to 40 per cent by 2025.

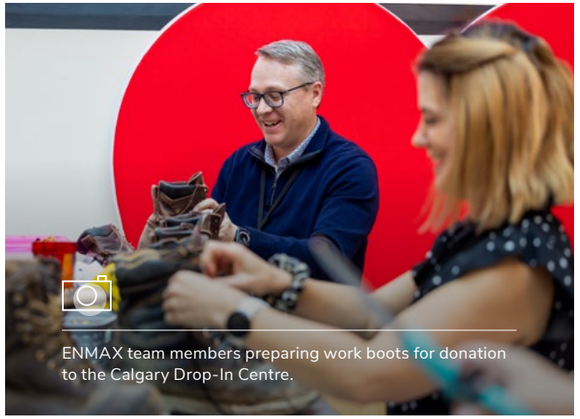
In Maine, Versant Power:
- Allocated 57 per cent of its community investment budget on activities and organizations that help advance energy affordability.
- Provided more than US$88,000 through its Power Match program to those who struggle to pay their electricity bill but are unable to qualify for income-based assistance. Read more on page 54.
- Continued its campaign with the United Way in support of serving basic needs.

[14] Versant Power's community investment totals more than US$440,000 (approximately C$594,000) when sponsorships are included.

ENMAX team members volunteering at Avenue 15, a shelter for youth experiencing homelessness.



ENMAX team members volunteer at the set-up for the Lions Festival of Lights. Safety equipment includes hard hat, safety glasses, cut-resistant gloves, fire-retardant and high-visibility clothing, fall protection harness and steel-toed boots.



ENMAX team members preparing work boots for donation to the Calgary Drop-In Centre.

Employee volunteerism and giving

The Employee Giving program at ENMAX provides our team members the chance to give back and engage with their community in ways that matter to them. ENMAX supports employee giving by matching employee donations—including double matching for donations to our energy affordability partners—and offering grants for personal volunteering. ENMAX implemented the Benevity platform in 2023, bringing all employee giving and volunteering opportunities to a single platform.

ENMAX team members contributed 5,460 volunteer hours to support community organizations in 2023, including packing food hampers at the Calgary Food Bank, gardening at Silvera for Seniors Dream Haven location, wrapping trees with the Friends of Fish Creek Park to support beaver management, installing energy efficiency items at Penbrooke Meadows Community Association and our popular holiday lights set ups at Alberta Children's Hospital, Children's Cottage, Heritage Park and Confederation Park. Through employee donations and ENMAX matching, we provided more than $330,000 to 220 organizations during the year.

In 2023, Versant Power refreshed their employee volunteer program, now called Power Partners. The program encourages team-building volunteering to support the local community by matching employee donations and individual or team volunteer hours with donation funding to a charity of the team's choice. Employees contributed more than 1,000 hours of time through Power Partners in 2023, and shared funds with more than 45 non-profits including Travis Mills Foundation, Sarah's House of Maine, Girl Scouts, Boy Scouts and Special Olympics of Maine, among others.

Community relations

WHY IT MATTERS TO ENMAX

Our relationships with people and communities across our operations are an important part of our success. We are committed to understanding their needs and interests and work to maintain positive relationships through open communication and respect.

Our approach

We supply and deliver safe and reliable power to all our customer groups, which include residential, commercial, industrial and institutional customers as well as developers, builders and Indigenous communities. Through the course of our daily operations, we also work with many municipal, provincial and state elected officials, government agencies, advocacy groups and industry advisors.

The ENMAX Power electrical distribution service area spans more than 1,000 square kilometres (km²) in and around Calgary. We work to engage with any individuals or organizations that have distribution lines coming to their home or building. ENMAX Energy has customers in the city of Calgary as well as across Alberta and operations in southern Alberta.

From a broader perspective, ENMAX also works with anyone who could be impacted by our operations or who has an interest in our company, including regulators, municipalities, rural landowners, developers, new businesses, elected officials, the media and the general public.

Ongoing engagement with individuals or communities in Alberta

We promote two-way communication with individuals or communities impacted by our projects in the following ways:

- We offer a variety of contact avenues on our contact page in the areas of residential customer care, business customer care, and power and meter services.
- We seek feedback from customers through our Voice of the Customer surveys.
- We also learn what individuals and communities want through monthly engagement activities with various advocacy groups (e.g., representatives of developers, builders or electrical contractors).
- When we submit a proposal to the regulator to explain a proposed rate increase, we make those submissions available to our customers and the public on our website.
- We disclose direct contact information on our website, including access to our Board of Directors.
- We provide advance notification of any planned Calgary distribution system outages, offer an outage map and engage on social media to alert customers about outages.

The ENMAX Enlight team is one way we reach out to customers and communities. Read more on page 67.

- At ENMAX Power, our Customer Relations team handles inquiries and complaints promptly. In response to common concerns about outage locations, causes and estimated restoration timeframes, we installed a robust customer-facing interactive voice response system in 2019 to improve outage communications (read about our Outage Management System on page 27).
- At ENMAX Energy, we are open to receiving questions and concerns and encourage individuals to call us or contact us through our Live Chat.

An ENMAX safety team member completing a site review and answering community questions. Safety equipment includes high-visibility jacket, hard hat, safety glasses and steel-toed boots with a traction control device.

Engaging during project development in Alberta

Development or alteration to transmission lines, substations or generation facilities can impact a variety of groups. We ensure compliance with the Alberta Utilities Commission (AUC) Rule 007 stakeholder consultation guidelines for all our projects. Rules may require notification or consultation with potentially affected landowners, customers, Indigenous communities or other interested parties. This may involve sending a project information package, door knocking to directly engage or hosting an open house. We encourage people with comments or questions to contact us through our dedicated customer phone lines. Our community relations team works closely with our regulatory and project teams to ensure compliance with AUC requirements and an understanding of concerns for consideration in our project development and permitting.

27,000 km²

across northern and eastern Maine are served by Versant Power

Engaging with people and communities in Maine

Versant Power's service territory extends across 27,000 km² in northern and eastern Maine. Versant Power aims to maintain positive relationships with people or communities impacted by its projects, including property owners, municipalities, lawmakers, elected officials, regulators, advocacy groups interested in energy policy and affordability and business and development organizations. Nearly all of Versant Power's transmission right-of-way areas are easements (i.e., Versant Power does not own the land, but the easements provide Versant Power with access to the property). Versant Power believes in being good stewards of the land and being respectful, open and collaborative with all landowners. Any time field workers require special access through woodlands, temporary licenses or leases are obtained prior to any work being done. It is Versant Power's practice to record before and after video inventory and to complete any mitigations or inspections with the property owner.

Working with Indigenous communities

WHY IT MATTERS TO ENMAX

The relationships we forge with Indigenous communities are meaningful to us. We acknowledge that Indigenous Peoples have historically been negatively impacted by energy development without having had the opportunity to fully benefit and we embrace our responsibility as a corporation to take action toward reconciliation with Indigenous Peoples. To develop open and honest relationships, we strive to act in line with our fundamental guiding principles—being responsible, relational, transparent and respectful.

Developing our Indigenous Relations Framework

As part of our commitment to forge strong relationships with Indigenous communities, ENMAX set a target to launch an Indigenous Relations Framework by the end of 2024. We recognize that ENMAX benefits from the use of the traditional lands of Indigenous Peoples and requires a public, company-wide approach to governing our relationships. Focused on Indigenous communities in Canada, this framework and the accompanying policies will guide our actions to foster mutually beneficial relationships, promote economic inclusion and advance reconciliation.

Purpose of the framework

Build and strengthen mutually beneficial and trusting relationships through learning, governance and economic inclusion.

Goals

1

Increase knowledge and build understanding among ENMAX employees about Indigenous history, experiences and interests through training, cultural experiences, internal knowledge exchange, capacity building and external relationships.

2

Demonstrate commitment to strengthen Indigenous relations through appropriate and effective internal corporate structure, governance and resourcing as well as external engagement and reporting.

3

Contribute to economic reconciliation in a meaningful way by improving Indigenous workforce development, leveraging ENMAX's supply chain and partnering with Indigenous businesses.

Objectives

1

Learn, share and take action by supporting ENMAX employees to advance reconciliation among Indigenous and non-Indigenous people.

2

Support Indigenous employment and ENMAX culture by celebrating, recognizing and accommodating the unique experiences of current and future Indigenous-identifying employees.

3

Establish internal governance to effectively implement and steward the Indigenous Relations Framework.

4

Meaningfully engage with Indigenous Nations to build and strengthen relationships for the long term.

5

Focus on Indigenous procurement and economic inclusion by developing a framework to cultivate and grow relationships with independent and Nation-owned businesses.

6

Develop an Indigenous Customer Relations Strategy to improve the experience of Indigenous customers on and off reserve across Alberta.

Moving forward with the Tsuut'ina Nation

While our generation assets are located within the traditional territory of Treaty Seven Nations, ENMAX predominantly engages with the Tsuut'ina Nation as an operator of the distribution system on the Nation. As our neighbours, we value our relationship with the Tsuut'ina Nation and respect its values and culture. Since the signing of a Relationship Agreement in November 2022, ENMAX and the Tsuut'ina Nation continue to work together in support of the community and its members. In 2023, we invested in three areas:

Supporting Tsuut'ina youth
As part of our agreement with Tsuut'ina Nation, we maintain a community investment budget dedicated to supporting initiatives within the community. In 2023, we supported the Youth Advisory Committee (YAC) by providing funding to host engaging events such as monthly meetings and discussion sessions for youth on the Nation. In addition, we offer funding and assistance to support the development of a YAC scholarship for learning opportunities not often eligible for traditional scholarships.

Fostering growth through employment opportunities
In March, ENMAX team members attended the Tsuut'ina Nation's education and employment fair with ENMAX Power partners, including Wright Tree Services, Inertia Hydrovac, Iconic Power Systems and Primary Engineering and Construction. In November, ENMAX Power field teams and ENMAX Energy customer care teams attended a second Tsuut'ina Nation employment fair to connect with community residents. Participating in these employment fairs enables us to build stronger relationships with Tsuut'ina Nation members and to share information on our training and employment opportunities.

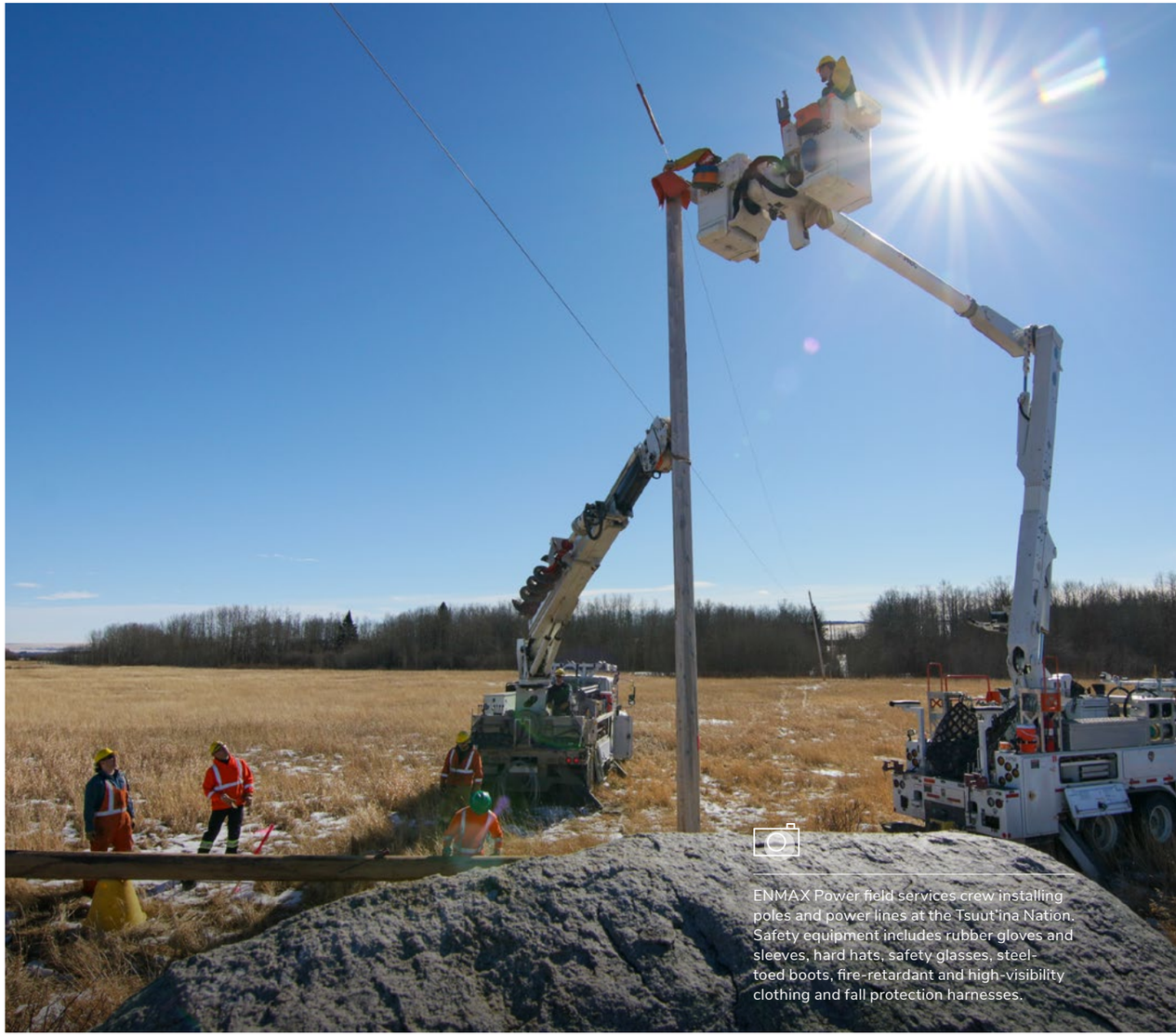
Connecting new homes
Since 2021, we have been working with Tsuut'ina Nation on an initiative to connect several new-build homes on the Nation. Working closely with the Nation and three Nation-owned builders, we are adding new electrical infrastructure including distribution lines, poles and transformers, with more than 32 homes connected to date. We completed 16 connections in 2023. Connecting these new homes allows us to continue providing Tsuut'ina Nation families with safe and reliable power.

Investing in Indigenous communities

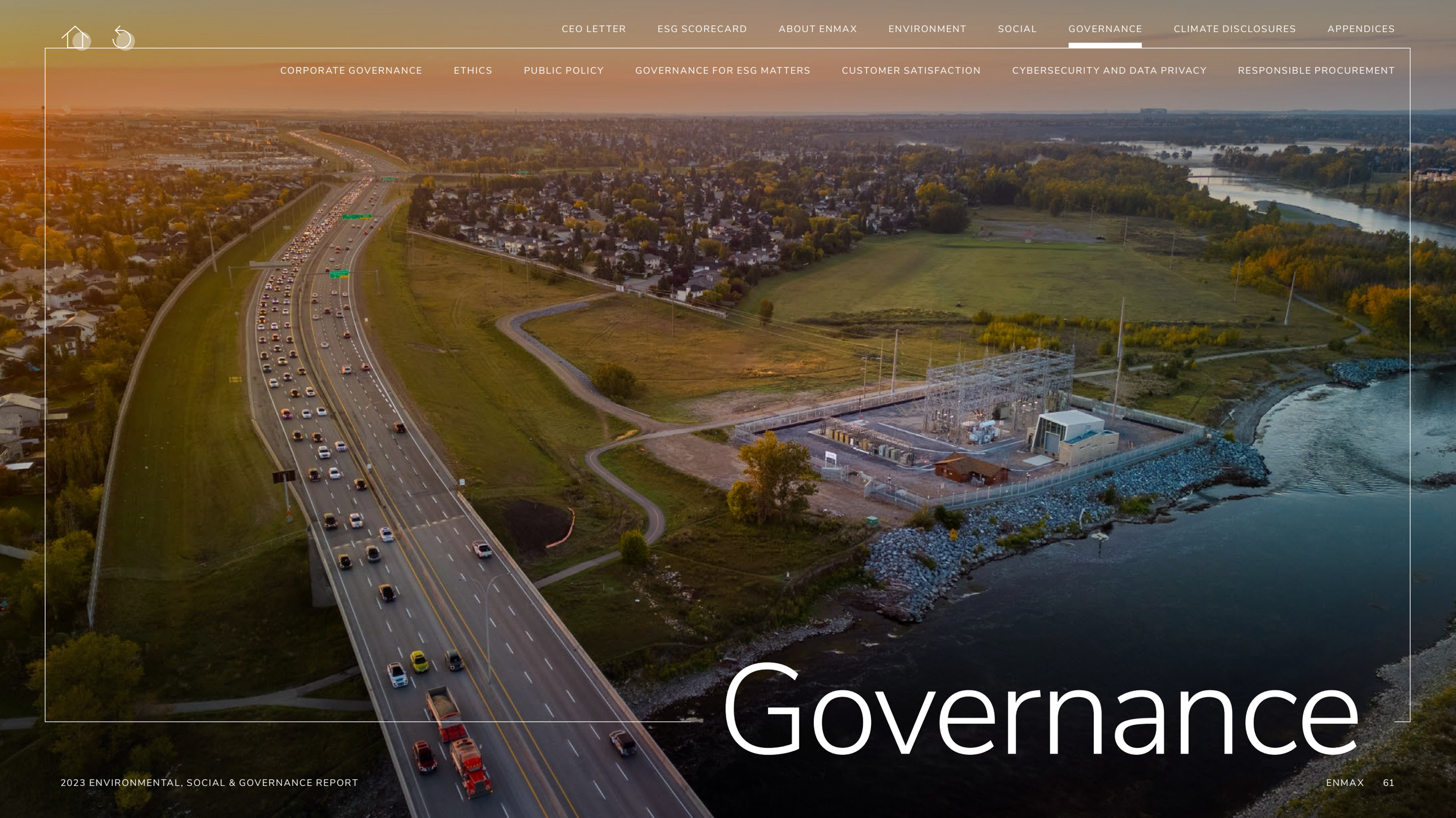
We aim to contribute to economic reconciliation in a meaningful way, including support for programs that assist Indigenous Peoples in advancing their knowledge and skills, maintaining their wellbeing and supporting the celebration of Indigenous culture.

Over the past three years, we have increased our focus on basic needs funding across Alberta, which includes an Indigenous focus. In 2023, we enhanced our funding to the Aboriginal Friendship Centre of Calgary, continuing support for the essential needs of the urban Indigenous community in Calgary.

We directed funding to the Tsuut'ina Food Bank, the United Way of Central Alberta's Lights On Fund (which benefits the Red Deer Native Friendship Society) and the Edmonton Bissell Centre Community Bridge Program (which supports Bent Arrow working with the Indigenous community).



ENMAX Power field services crew installing poles and power lines at the Tsuut'ina Nation. Safety equipment includes rubber gloves and sleeves, hard hats, safety glasses, steel-toed boots, fire-retardant and high-visibility clothing and fall protection harnesses.



Governance

Corporate governance

WHY IT MATTERS TO ENMAX

We are committed to the highest standards of ethical conduct and corporate governance. We believe sound corporate governance contributes to shareholder and public value, as well as trust and confidence in our organization.

Our approach

Although ENMAX is not required to publicly file an annual information form or a proxy circular for our annual general meeting, we release a voluntary Annual Report on Governance and Compensation. This report provides annual disclosure of our governance practices as well as Board and executive compensation practices, consistent with disclosure requirements applicable to Canadian public companies.

Shareholder relationship

ENMAX is a private corporation, incorporated under the Alberta *Business Corporations Act*, and our sole shareholder is The City of Calgary. Calgary's City Council acts in the capacity of the Shareholder on behalf of Calgarians. Ongoing communication and engagement with The City of Calgary is an integral part of our framework of good governance. Our Board of Directors and executive team meet with Calgary's City Council quarterly, including a meeting with City Council and Administration to present the ENMAX budget each fall. We meet annually with The City of Calgary's Audit Committee to review our financial, risk management and governance practices in detail. We also hold an annual general meeting that is open to all members of the public.

Board independence

We recognize that having a majority of independent, highly qualified directors from diverse backgrounds is essential to effective decision making. For the year ended December 31, 2023, 11 out of our 12 directors were considered "independent" for the purposes of applicable Canadian securities law policies.[15]

Board diversity

We believe that having a diverse Board brings different perspectives and experience to the boardroom, enhancing healthy discussion, debate and effective decision-making. Our Board Diversity Policy states that when selecting director candidates, consideration will be given to the following diversity criteria: gender, age, residency, race, culture, ethnicity, people with disabilities (including invisible and episodic disabilities), members of the 2SLGBTQ+ community and other factors that may enhance our ability to deliver value to our Shareholder. The Board Diversity Policy also includes diversity targets to maintain or exceed a Board composition in which: 1) at least 30 per cent of our directors identify as women and 2) at least one member of the Board is from an underrepresented group beyond gender, relative to the communities served by ENMAX. As of December 31, 2023, 33 per cent of the members of the Board of Directors are women and 17 per cent of the members of the Board of Directors self-identify as a member of an underrepresented group (beyond gender).

Board evaluation and assessment

The Board undertakes an annual evaluation of its performance to ensure the Board is providing effective oversight. The Corporate Governance Committee assesses the results to identify actions for improvement, consider Board succession planning and confirm the Board consists of directors who possess the desired skills, abilities and expertise needed for long-term performance and strategy execution, as well as determine educational opportunities to enhance our directors' expertise.

GOVERNANCE SNAPSHOT

Ethics	
Code of Conduct for directors, officers and employees	Yes
Board composition and independence	
Size of Board	12
Number of independent directors	11
Separate Chair and CEO	Yes
Independent Chair	Yes
Comprehensive Board assessment process	Yes
Directors that are financially literate	100%
Board and committee meetings held in 2023	21
Average meeting attendance	100%
Board renewal and diversity	
Annual election of directors	Yes
Average age of directors	62
Mandatory retirement age	No
Average director tenure	4.4 years
Women Board members	33%
Board members that identified as members of underrepresented groups other than gender	17%
Board Diversity Policy	Yes

All chart information as of December 31, 2023.

[15] The only non-independent Director on the Board is the ENMAX President and CEO.

Ethics

WHY IT MATTERS TO ENMAX

We are guided by strong principles of accountability, transparency and ethics in our decision making and behaviour. We expect all directors, officers and employees of ENMAX to act with honesty, integrity and impartiality. This allows us to earn and maintain the trust of our Shareholder, employees, customers and the communities in which we operate.

Our approach

ENMAX promotes ethical conduct of our team members through strong policies, training and reporting structures.

Policies

Principles of Business Ethics Policy
This policy establishes the appropriate and expected behaviour for maintaining our reputation for honesty and integrity. Our Board reviews and approves the policy at least once every three years and works closely with our executive team to promote a strong governance culture that influences ENMAX at every level. All employees annually acknowledge their responsibility to perform their duties at ENMAX in accordance with the Principles of Business Ethics Policy.

ENMAX Power civil crew connecting ductwork to a new underground vault. Safety equipment includes hard hats, safety glasses, cut-resistant class 4 gloves and steel-toed boots. High-visibility clothing is not required in this area as the worksite is enclosed.

Code of Conduct Regulation
This regulation must be followed by all owners of electricity distribution systems, their affiliated retailers and their regulated rate providers in Alberta. ENMAX Power is a distribution system owner, while ENMAX Energy is both an affiliated retailer and the regulated rate provider for ENMAX Power and others. Our compliance plan outlines how we will abide by the Code of Conduct Regulation.

Training

We require all employees, including our contractors as assigned, to complete annual training on the Principles of Business Ethics Policy, Safe and Respectful Workplace and Code of Conduct.

Reporting concerns and conflicts of interest

ENMAX has a confidential ethics hotline where individuals can anonymously express concerns about inappropriate business conduct through a confidential third-party service. Submissions to the ethics hotline are reported to the ENMAX Corporate Governance Committee. All reports are investigated with oversight of legal counsel. In accordance with our Principles of Business Ethics Policy, the directors and officers of ENMAX are also required to disclose conflicts of interest and declare outside business interests on an annual basis. This helps ensure directors exercise independent judgment when considering transactions and agreements. The Board ensures our directors do not participate in discussions or vote on matters when they are conflicted.

Public policy

WHY IT MATTERS TO ENMAX

Our principles guide us to act honestly and with integrity in all business relationships, including in our interactions with government officials. Our public policy engagement includes direct interactions with government officials and administrators.

Our approach

We comply with all provincial, state and federal lobbying legislation in Canada and the United States, as applicable. We have an internal lobbying policy and provide training for any executives and directors that interact with government officials. ENMAX tracks and reports lobbying activities to the Office of the Ethics Commissioner of Alberta and to the Federal Office of the Commissioner of Lobbying to comply with the lobbying requirements directly focused on policies, programs and regulations. Versant Power reports lobbying activities to the Maine Commission on Governmental Ethics and Election Practices and reports qualifying political activities to the Maine Public Utilities Commission. To support industry positions and to stay informed of policy development, we are also members of industry associations such as Electricity Canada, Independent Power Producers Society of Alberta, the Edison Electric Institute and the Western Energy Institute.

Governance for ESG matters

WHY IT MATTERS TO ENMAX

We are dedicated to conducting our business responsibly and overseeing and managing our risks in a diligent manner.

Our approach

The ENMAX Board of Directors and executive team are committed to setting the "tone from the top" to create a culture of high ethical standards, accountability and good corporate governance through our organization and business operations, which includes our ESG practices. Additionally, we have strong management systems that formalize the management of environmental and safety topics.

Board oversight of ESG matters

The Board of Directors has ultimate oversight of our ESG strategy and approach to ESG matters, including ESG targets and ensuring alignment between ESG initiatives and business strategy. The Board is also responsible for establishing the company's risk tolerance and decision making approach.

The Board is supported by its Safety, Environment and Sustainability Committee (SESC), and the mandate of this committee is to assist the Board in fulfilling its oversight responsibilities with respect to health, safety, environmental, sustainability, social and governance matters, and approach to climate-related issues. The SESC supports the Board by (a) reviewing our progress and performance against our ESG targets, (b) reviewing periodic reports related to developments, trends, best practices, risks and issues related to our ESG targets and reporting and (c) recommending for approval the publication of our annual ESG Report. In addition to their mandates, each of the four Board committees oversees and provides guidance on different ESG-related topics:

Our Board has ultimate oversight of our ESG strategy

BOARD/BOARD COMMITTEE	ESG TOPICS	
Board of Directors	– Corporate strategy – ESG targets – Enterprise risk management	– Shareholder relations – Compliance – Disclosure
Corporate Governance Committee	– Business ethics and integrity – Board diversity – Enterprise Risk System	– IT/cybersecurity – Board education – Board governance – Nominations
Human Resources Committee	– Talent and culture – Diversity and inclusion	– ESG compensation link – Succession
Safety, Environment and Sustainability Committee	– Safety and health – Environment – ESG progress and performance	– Sustainability – Social governance – Indigenous relations
Audit Committee	– Financial reporting – Internal controls and procedures	– Tax strategy

ESG Governance

Board of Directors

Safety, Environment and Sustainability Committee

OVERSIGHT

Reports ESG performance and progress

Executive Team

MANAGEMENT

Reports ESG performance and progress

ESG Working Group

Includes representatives from across the organization with the following experience:

- Sustainability
- Shareholder Relations
- Governance
- Legal
- Safety
- Environment
- Treasury
- Finance
- IT
- Risk
- Compliance
- Communications
- Community
- Marketing
- Operations
- Human Resources
- Supply Chain
- Customer Relations
- Public Policy
- Internal audit

Management's role

To support the implementation of our plans and the achievement of our targets, our executive team and subject matter experts participate in the management of ESG issues in the following ways:

Executive team's role

Our executive team is responsible for the management of our ESG commitments. The executive team regularly reports to both the Safety, Environment and Sustainability Committee and Board on ESG and climate-related matters. Read more in the Climate Disclosures section of this report. In 2023, we added new performance measures related to our ESG targets into our Long-Term Incentive Plan (LTIP), a three-year plan for ENMAX senior leaders. We have integrated key ESG factors including our GHG Action Plans, PAIR metrics, cybersecurity metrics and diversity metrics into our executive compensation strategies as success in these areas is critical to our long-term success and sustainability. Compensation for the President and CEO considers the achievement of short-term objectives, and longer-term business and strategic objectives, including our ESG framework and progress against our commitment to achieve net-zero scope 1 and 2 GHG emissions by 2050.

ESG Working Group

We formed an ESG Working Group with people from across the organization in 2020. The role of the group is to advance and communicate progress towards our ESG targets. Our director of ESG performance and reporting chairs the group and discusses and drives organizational progress on our ESG targets.

Safety and environmental management systems

To support the execution of our policies and practices, ENMAX has mature management systems, clear data collection and reporting procedures and strong internal structures to effectively manage our safety and environmental risks:

- We work in accordance with the Alberta Safety Codes Act, which governs public safety. We also report any instances of employee, contractor or public electrical contacts.
- All work carried out in Alberta is in accordance with Alberta's Occupational Health and Safety Act, Regulation and Code, and our fleet safety program is in compliance with Alberta Transportation rules and regulations.
- We continue to align our safety management system to ISO 45001. We also maintain an Alberta Certificate of Recognition (CoR) to help us satisfy provincial safety standards. To maintain our CoR, we must subject our safety management system to a third-party recertification audit that includes employee interviews at all levels, a review of documentation and observations of workplace conditions and practices every three years. We completed our latest recertification audit in November 2022 and received recertification.
- Our environmental management system is modeled after the requirements of Electricity Canada's Sustainable Electricity™ program and is aligned with ISO 14001:2015, an international standard for environmental management systems.
- We upgraded our environmental screening process for projects in 2023, streamlining the proactive assessment of ENMAX Power work zones for environmental concerns and increasing oversight by our environmental teams.

- Versant Power has its own robust safety management system aligned with ISO 45001. Each year, Versant Power develops and receives executive approval for its Safety Management System Action Plan, which contains more than 35 separate actions and metrics within the 10 management system elements. The action plan includes all aspects of Versant Power's safety program and has strong accountabilities built into it. Versant Power is committed to completing a minimum of 90 per cent of those actions and an ENMAX auditor verifies the results.

Our leadership compensation is tied to meeting ESG targets

Customer satisfaction

WHY IT MATTERS TO ENMAX

As a provider of energy products and services, ENMAX Energy serves approximately 747,000 residential, commercial and industrial customers in Alberta. Versant Power serves approximately 165,000 customers in Maine.

Our approach

We take customer experience seriously and approach customer satisfaction with the philosophy that "every moment matters." We aim to treat every customer with respect, kindness and empathy.

Customer satisfaction in Alberta

To continue improving customer satisfaction, we have a dedicated, locally based team of 250 employees who work in our customer care centre in Alberta. Our customer care agents receive more than 680,000 contacts (including chat, email and phone contacts) per year. Additionally, we receive approximately 45,000 responses to our Voice of the Customer survey (a 12 per cent response rate) each year. We analyze the data trends and look for opportunities to improve our processes and coach or reward our agents.

Our High Five Program recognizes agents who receive five out of five in customer ratings, and we celebrate them during our annual ENMAX Energy Power Performers event. We believe that helping our customer care team members feel supported and included (through recognition, training and supports like the Working Mind program) empowers them to help our customers feel the same.

In the community, ENMAX Power provides support to customers by connecting their homes and businesses to the electrical grid and helping them stay informed about projects and power outages. We strive to create an effortless customer experience with customer relations advisors available to address real-time needs.

>912,000

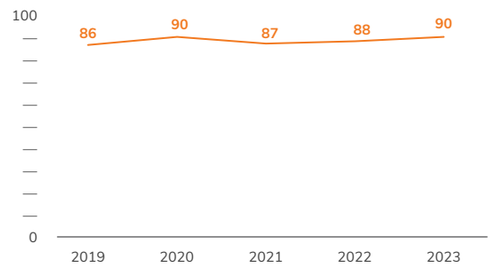
residential, commercial and industrial customers served by ENMAX Energy and Versant Power

We continue to advance the ways customers can interact with ENMAX Power by implementing customer-focused technologies through improved self-service offerings. We work to understand the needs of our customers through regular surveys and use customer feedback to innovate and develop pilot programs to prepare for future electricity needs.

In 2023, ENMAX undertook a needs assessment process to identify improvement areas in how we engage with our customers and community. We worked with a third-party consultant to survey and engage with customer-facing teams and their leaders across ENMAX and identified opportunities for additional training.

CUSTOMER SATISFACTION (ALBERTA)

per cent



Customer satisfaction increased in 2023 compared to the previous two years. We continue to explore options to meet our customers' needs.

Customer satisfaction in Maine

Versant Power has a customer contact centre staffed with local customer service representatives in two locations in Maine: Presque Isle and Bangor. To foster high-quality customer service, Versant Power provides a 10-week training program to onboard new representatives and offers continuing coaching and training for tenured representatives. Versant Power also has an online user portal to view and pay bills, report and see status on outages and to view daily and hourly usage information. Customers who use online services also receive weekly usage reports by email and can sign up for high usage alerts by email or text.

CUSTOMER SATISFACTION (MAINE)

METRIC	TARGET	2023 PERFORMANCE
Responsiveness to customer calls (calls answered in 30 seconds)	80%	**80.23%**
Call abandonment rate	<7%	**3.86%**
Bill error rate	<0.40%	**0.38%**

Versant Power's responsiveness to customer calls and call abandonment rate metrics assume full exemption of four additional extraordinary storm days in December 2023. During this time, the call centre fielded a daily volume of calls up to five times greater than average. Versant Power filed a Maine Public Utilities Commission waiver that permits the exclusion of the four days following the December 18, 2023 storm, recognizing the exceptionality of that event.

Progress in 2023

In Alberta and Maine, we endeavour to understand customer needs and provide support by meeting our customers where they are.

Upgrading the ENMAX Energy app

Adapting to changing customer needs is a key part of our approach to customer satisfaction. ENMAX launched a new phase of our customer service application, the ENMAX Energy app, in early 2023. Available for Easymax customers, the app provides account management capabilities including bill payments and rate switches, as well as access to services information. By providing more self-service options, customers can find solutions and information quickly and easily, in addition to receiving support from our care team if needed.

Supporting all customers

ENMAX customers have diverse backgrounds and life experiences. We strive to support all customers by creating solutions to the issues our customers and team members identify, including:

Integrating language options
The ENMAX customer care team has access to a translation service when needed to support customers—however, real-time translation of privacy policies and terms and conditions can be difficult for customers to understand due to the legal and technical terms used, and key details may be missed. Acting on a team member's suggestion, we pre-recorded these messages in our twelve most common customer languages to help avoid misinterpretation.

Supporting name and gender changes
Through our Voice of the Customer survey, we received customer comments about the process to change name and gender on ENMAX accounts. In response, we worked to simplify the process for our customers and customer care team members.

Promoting accessibility
ENMAX offers customer care communications via chat for deaf or hearing-impaired customers and via voice message or calls for visually impaired customers to navigate their online or printed bills.

Supporting newcomers to Canada
After reviewing our customer support data, we learned newcomers to Canada are often most comfortable navigating services in person. To improve these customer experiences, we are refreshing our physical customer support office to better connect with customers and address their needs.

Enhancing the customer experience

In Maine, Versant Power continues to progress its new customer experience strategy. This strategy aims to improve customer experiences by delivering on promises, communicating honestly and demonstrating empathy in all interactions. In 2023, Versant Power focused on sharing the strategy with employees to align all team members in keeping customers at the centre of the business and implemented a new survey to track and report customer service metrics to the Maine Public Utilities Commission.

Meeting customers where they are

In 2023, ENMAX launched the Enlight Team, a group of trusted customer service advisors who attend events and set up booths in public locations to connect with customers and community members. Team members share energy education resources, answer questions and support Albertans in making the right energy choices for their lives.

During the year, the Enlight Team attended community events including Calgary Pride, AirdrieFEST, the Okotoks Community Roundup and the Tsuut'ina Annual Celebration. They also spent two weeks at CrossIron Mills to engage with customers. In addition, the Enlight team works with local organizations including the Centre for Newcomers and various seniors living groups to improve our support of vulnerable customers.

Cybersecurity and data privacy

WHY IT MATTERS TO ENMAX

Resilience to cyber threats is exceptionally important for organizations like ours that own and operate critical electricity infrastructure. We place high attention on maintaining the cybersecurity of our operational technology systems as they directly impact physical systems and the delivery of power to our customers. Further, the trust placed in ENMAX by customers and other external parties requires that we uphold the personal information standards set out in Alberta's *Personal Information Protection Act* with respect to the proper collection, use, disclosure and storage of personal information.

2023 HIGHLIGHTS

- **Completed a Security Program Assessment with positive outcomes.**
- **Introduced guidelines for the use of artificial intelligence programs in our business.**

Our approach

We continuously monitor the global geopolitical situation and act proactively to maintain and strengthen our cybersecurity posture. We also exercise diligence in monitoring and assessing third-party risks. In 2023, we adopted cybersecurity key performance indicators as a component of incentive pay.

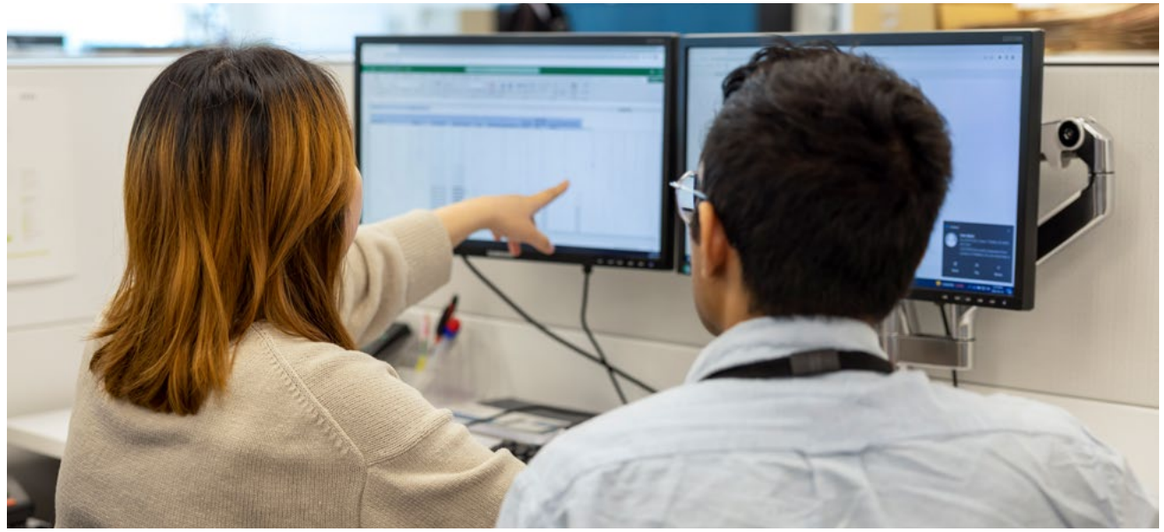
Frameworks

Our cybersecurity practices are constantly advancing through alignment with the following frameworks:

NIST Cybersecurity Framework
The National Institute of Standards and Technology (NIST) framework is considered a best practice in cybersecurity for utilities. ENMAX is standardizing our alignment to NIST across the business.

Critical Infrastructure Protection rules
We comply with the Alberta Reliability Standards, which requires following Critical Infrastructure Protection on the Bulk Electric System.

Center for Internet Security controls
We implement security controls in line with the Center for Internet Security (CIS) security controls standard and maintain an advanced suite of software for threat detection, log processing and monitoring. We conduct regular testing and retain external cybersecurity experts to provide audits. In addition, we built an automated process for measuring our compliance with the CIS controls. A dashboard provides current metrics, giving us an immediate snapshot of our maturity and progress towards implementing these standard controls.



Privacy compliance
ENMAX regularly reviews and updates policies and procedures governing the proper collection, use and disclosure of personal information of our customers, employees and other individuals whose information is in our custody or control. Our employees receive annual training as well as regular privacy updates and communications to keep this important risk area top of mind.

Cybersecurity awareness

Training our employees on cybersecurity empowers them to recognize potential threats and helps to prevent cyber-related incidents. As employees join the company, and annually thereafter, our mandatory corporate training includes a module on cybersecurity and data protection. We offer regular cybersecurity awareness courses and hold an in-depth Cybersecurity Awareness Month in October during which we circulate relevant articles, share tips of the day and host virtual events with a number of external industry experts as guest speakers. We also have a comprehensive phishing performance management process, monthly phishing tests and supplemental training for employees.

Progress in 2023

We are committed to evolving our security culture and capabilities to keep pace with the rapid changes in cybersecurity. To do this, we focus on three key pillars: governance and organization, process maturity and the evolution of technology and controls.

Cybersecurity

Refining our incident response
ENMAX continues to refine and mature our response to cybersecurity-related events through improved incident response planning and tabletop exercises. As an organization, we use the Incident Command System (ICS) to manage incidents. More than 90 of our employees (including IT, risk and business continuity) completed ICS training in 2023 to enable a more integrated and coordinated response to incidents. We conducted a tabletop exercise with our executive team in 2023 to test our preparedness for serious cyber incidents and clarify roles and responsibilities for key decision-makers in a critical situation.

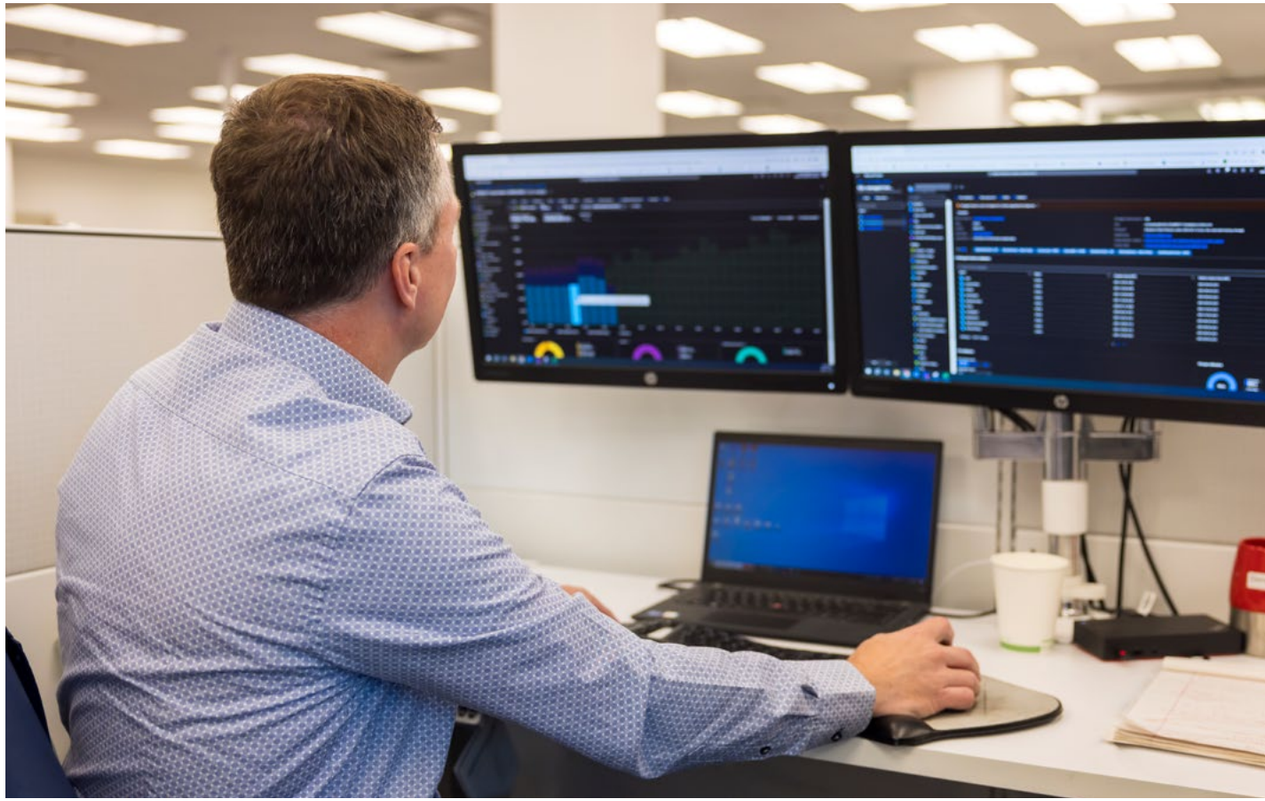
All ENMAX operational business units participated in GridEx in November 2023. This biennial North American-wide exercise tests the resilience of the electricity system against coordinated physical and cyber attacks that threaten grid operation and technology stability. Our 2023 GridEx planning committee expanded the traditionally operational-focused exercise to include IT considerations, resulting in a more comprehensive exercise that required the activation of incident management plans across ENMAX.

Assessing and enhancing our cybersecurity program
ENMAX completed a third-party security program assessment in 2023 to evaluate the maturity of our cybersecurity program. To support continual improvement, we received recommendations related to security governance, security risk management, security architecture and cyber defense which have been incorporated into our cybersecurity teams' workplans.

Integrating artificial intelligence
At ENMAX, we aim to embrace and use innovative technologies, such as artificial intelligence (AI) tools, to support our work. In response to the proliferation of generative AI programs, we created a set of guidelines to help our employees use these tools responsibly. We encourage team members to leverage this technology to gain insight into complex problems while aligning to ENMAX data security and privacy policies. We are also beginning to test the use of generative AI in a variety of functions across our business to determine whether and how AI could support information sharing, productivity improvements and access to assistance in a timely manner.

Data privacy

As an essential services organization, our business requires the collection and management of customer data. We collect only the data we require to provide service to our customers, such as billing details. Additionally, we restrict data accessibility and all instances of access to customer data are logged and auditable. Every customer service agent in our customer care team receives data privacy and protection training when hired.



Each year, we diligently educate employees on the importance of data protection and promote awareness of potentially fraudulent activity by third parties as and when we become aware of such attempts by individuals or organizations misrepresenting themselves as ENMAX.

ENMAX completed a Payment Card Industry (PCI) assessment in 2023 to align with PCI best practices and security against data breaches. As ENMAX does not store customer credit cards and uses a third party to process payments, the risk of a breach is low, and the assessment indicated there are no concerns.

Responsible procurement

WHY IT MATTERS TO ENMAX

We are committed to fair competition in all dealings with suppliers and to making our purchases honestly and objectively. We also want to make sure that our suppliers and contractors respect and uphold our ethics, safety and environmental practices.

2023 HIGHLIGHTS

Developed our Sustainable Procurement Strategy to integrate ESG considerations in our supply chain.

Our approach

We designed our contractor screening process to verify that any contracted companies we work with have similar safety practices and systems to ENMAX. We are currently using ISNetworld, an online data-driven contractor and supplier management platform. Through the platform, we can verify contracted companies have insurance and appropriate safety performance and practices. Read more about contractor safety on page 39.

Supply chain resilience

Geopolitical instability around the world continues to impact supply chains with delays to materials and products, increased lead times and costs and skilled labour shortages. We proactively work to navigate ongoing situations by strengthening our supplier relationship management, placing orders well in advance of need, securing alternate sources of supply, monitoring changes in the market and working with our business units to advance demand planning.

We developed a Sustainable Procurement Strategy in 2023

Progress in 2023

During the last year, we focused on enhancing our procurement strategy and aligning our approach across ENMAX.

Sustainable Procurement Strategy

Following an assessment of our procurement practices, we met our target to develop a Sustainable Procurement Strategy by the end of 2023. Objectives of this strategy include fostering environmental and social responsibility, aligning with the development of our Indigenous Relations Framework (read more on page 59) and promoting diversity, inclusion and fair competition in our supply chain. To achieve these objectives, we intend to engage with our suppliers and expand our procurement criteria and training.

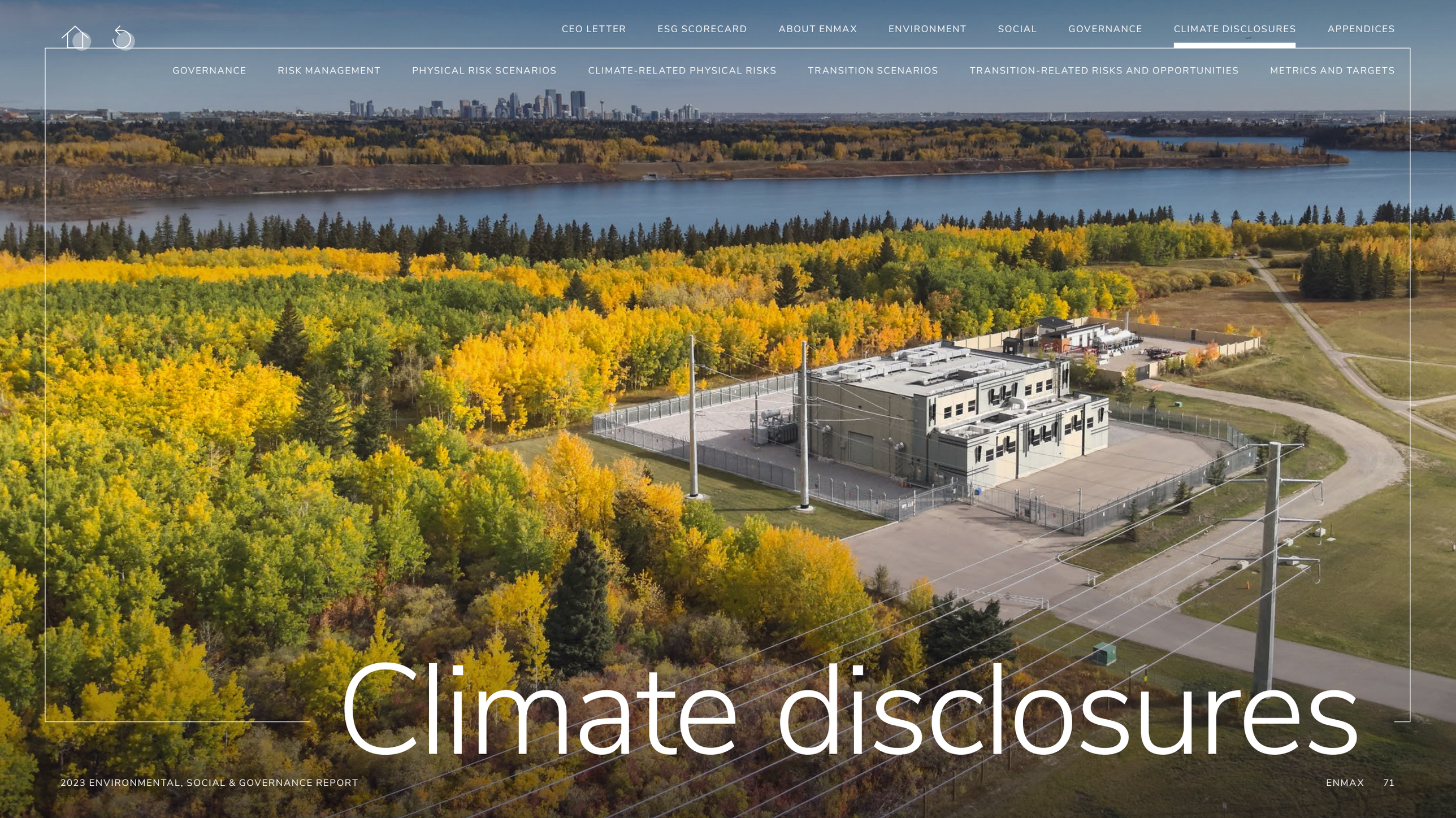
Modern slavery in Canada

In January 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into force to help prevent the exploitation of vulnerable individuals, including children and migrants, through forced labour. The Act requires Canadian companies to report annually on supply chain practices and due diligence in preventing forced or child labour. ENMAX will complete our first year of modern slavery reporting by May 31, 2024, and the full report is available on our website.

Contractor management in Maine

In 2023, Versant Power revised its ISNetworld safety questionnaire to incorporate environmental questions for vendors. Versant Power continues to assist small contractors with this questionnaire and evaluate changes to simplify the process. Since implementing ISNetworld in 2021, Versant Power has onboarded 107 vendors.

ENMAX Power field services crew preparing to complete a lateral pull, which transitions cable from overhead to underground. Safety equipment includes safety gloves, fire-retardant and high-visibility clothing, hard hats and fall protection harnesses. Traffic control is in place.



Climate disclosures

Climate disclosures

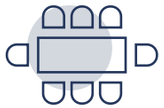
ENMAX recognizes that climate change is an important and complex issue that impacts businesses and communities. We believe that effective climate-related disclosures can promote more informed investment, credit and insurance underwriting decisions. The following pages outline our climate disclosures.

Governance of climate-related risks and opportunities

We have risk oversight and management at the Board, executive and management levels.

Board oversight

At ENMAX, the Board of Directors has ultimate oversight for climate-related risks and opportunities. The Board's role is to oversee the ENMAX strategy and development of ESG targets, ensure alignment between ESG efforts and business strategy and hold responsibility for the organization's risk profile. In 2023, oversight for ESG matters, including climate, moved to a newly formed Safety, Environment and Sustainability Committee to provide increased focus on these topics.



Our Board created a new Safety, Environment and Sustainability Committee to enhance our ESG focus

The ***Safety, Environment and Sustainability Committee*** is comprised of directors with safety, environment and ESG expertise gained through previous senior executive and leadership experience and/or through directorship experience. This Committee primarily supports the Board in fulfilling its ESG oversight by:

- Discussing and reviewing ESG and climate-related matters at Board meetings.
- Recommending Board approval of the publication of our annual ESG report.
- Making recommendations regarding the development and ongoing refinement of our ESG targets.
- Reviewing our progress and performance against our ESG targets.
- Reviewing periodic reports related to developments, trends, best practices, risks and issues related to our ESG targets and reporting.

The ***Corporate Governance Committee*** is comprised of directors with governance expertise, and supports the Board in fulfilling its ESG oversight by:

- Reviewing quarterly reports on enterprise risk at ENMAX. Our risks include environmental and social risks, climate-related risks and opportunities such as extreme weather events, carbon regulations and transition-related electricity demand changes.

Board skills

To support informed decision making, climate-related competencies are one of the desired skillsets for our Board of Directors. The Board's combined knowledge in this area helps us to navigate the energy transition and evaluate climate-related risks and opportunities.

Management's role

To better understand and manage the full spectrum of climate-related risks and opportunities, we have three teams that support our executive team. Two teams are focused on risk management and the other on identifying opportunities.

The ***Enterprise Risk Management Committee (ERMC)*** is an executive-level committee whose role is to oversee our Enterprise Risk Management program. The committee supports business units in identifying and assessing risks and then consolidates information to be presented to the Corporate Governance Committee and the Board. Once risks have been identified, each area of the business where the risks reside is responsible for implementing risk mitigation management plans.

The ***Commodity Risk Management Committee (CRMC)*** is similar to the ERMC but focuses exclusively on identifying and managing our exposure to natural gas and electricity market risks. This committee oversees our commodity hedging program and manages risks for our offset and Renewable Energy Certificate commercial activities.

The ***Energy Market Policy Committee (EMPC)*** is an executive-level committee whose role is to identify and assess how changes to Alberta market and carbon policy impact our competitive energy business. The committee studies generation, transmission, carbon pricing, policy and related topics.

Risk management

Effective risk management empowers us to actively identify, assess and mitigate risks to our business. We work to develop, monitor and progress our risk management strategies to ensure they are both representative of key impact areas of our business and address changing environmental and social matters.

ENMAX uses an established Enterprise Risk Management (ERM) program to identify, analyze, evaluate, treat and communicate our risk exposures in a manner consistent with our business objectives and risk tolerance. Our ERM program helps us monitor and evaluate financial, reputational, regulatory, environmental and social risks.

Risk identification

As part of our ERM program, we identify and group risks into nine categories that include operational, financial, regulatory, customer- and cybersecurity-related risks. Although the categories remain relatively unchanged, the specific risks within each category are reviewed quarterly. To support a broad understanding of risk across the company, we also identify and evaluate emerging risks, which include ESG and transition-related risks, as well as technology disrupters and innovators.

In 2023, ENMAX updated its process for identifying and evaluating emerging risks. Our executive team reviewed more than 25 emerging risks identified by our Planning and Performance Management group. We plan to conduct this risk identification process on an annual basis. We incorporate climate-related risks into the most impacted risk categories within our existing ERM program. The most relevant physical risks are summarized on page 75 and the most relevant transition-related risks are discussed on page 77-79.

Risk assessment

For each of our identified risk categories, we evaluate the level of residual risk (after current mitigation is in place). We also use specific signposts (e.g., results of a local or federal election, publication of a regulation) to ensure consistency of risk evaluation and provide guidelines for risk assessments. Quarterly, a group of subject matter experts and senior leaders across the business reviews our top risk categories and their assessment to make sure they remain accurate.

Our risk group updates the Board of Directors on changes to risk assessments and/or new risks each quarter. This year, the executive team also ranked emerging risks based on key factors including severity, time to impact and velocity to impact and identified nine key emerging risks ENMAX will closely monitor.

Risk mitigation plans

Once risks have been identified and assessed, then the development of mitigation and management plans is the responsibility of the impacted business unit. Mitigation plans are summarized and shared with our risk group to inform our risk assessment.

Risk integration

We incorporate climate-related risks into different aspects of our business by:

- Providing a quarterly ERM update to our executive team and Board of Directors with any new observations or issues related to our key risk areas and an overall assessment of our corporatewide risk level.
- Considering the impact that new investments have on our greenhouse gas (GHG) emissions profile.
- Incorporating extreme weather events into emergency preparedness (read more on page 40).
- Commodity risk forecasting and management.
- Severe weather planning at Versant Power to ensure resources are available for potential infrastructure impacts.

Physical risk scenarios

To prepare for and adapt to climate change, ENMAX undertakes annual scenario work to understand the evolving risks and opportunities that a changing climate may present for our business over the long term. We conducted five physical risk workshops in 2023, with more than 20 subject matter experts across our operating areas in Alberta and Maine to discuss the potential impacts of climate change on our assets.

Physical risk scenarios commonly use the Intergovernmental Panel on Climate Change (IPCC) scenarios; however, as such scenarios are global in nature, they do not provide the information we require to assess local impacts. We therefore use Climate Projections for Calgary (developed by The City of Calgary), which leverages the IPCC model with the highest carbon concentration (IPCC model RCP 8.5)—and therefore the most severe outcomes—and applies it to the Calgary region.

To further improve our understanding of Calgary-specific climate impacts, in late 2023 ENMAX began a three-year partnership with the Prairie Adaptation Research Collaborative (PARC). The project is supported in part by $600,000 in joint funding from the Natural Sciences and Engineering Research Council of Canada and Mitacs (a nonprofit national research organization).

The first two years of the project will focus on the creation of a new, more granular climate model for the Calgary region. Development of the model will include assessing historical data and variability for the prairies, as well as leveraging the existing Canadian Climate Model projections, to establish a downscaled model focused on the microclimates and projections for Calgary. The climate model will allow ENMAX to conduct area-specific climate risk analysis. In the third year, PARC team members will provide training to ENMAX employees to build familiarity with the model and capacity to apply it to our risk assessment and management process.

We continue to evaluate each of our ENMAX Corporation, ENMAX Power, ENMAX Energy and Versant Power assets against the following relevant climate hazards: floods, drought, storms (short duration high-intensity storms, severe storms such as tornadoes and hail, and high winds including convective storms and strong wind gusts), wildfires and heat (extreme heat and higher average temperatures). In addition, we assess Versant Power assets in relation to hurricanes and sea level rise, hazards specific to their operating areas in Maine. See the next page for details.

Climate scenario analysis is a multi-year process. We will continue to discuss and develop more detailed climate models to better understand the climate hazards and potential changes to future power demand.

Elevating our organizational knowledge of climate

Our Climate Action Working Group brings together representatives from across the ENMAX group of companies to increase organizational knowledge and engagement on climate-related risks, opportunities and actions.

The employee-led group provides regular reports to its Executive Sponsor on the progress of climate-related initiatives. The group's focus includes offsets, mitigation and adaptation planning.

Climate-related physical risks

The ENMAX group of companies operates in two distinct geographical regions with different types and levels of climate-related physical risks. The following is a summary of the results of our physical scenario workshops and of our key mitigation activities.

	ALBERTA AND MAINE					MAINE	
CLIMATE HAZARD	**Floods**	**Drought**	**Storms**	**Wildfires**	**Heat**	**Hurricanes/Storms**	**Sea level rise**
POTENTIAL IMPACT	Severe flooding can: – Limit access to water suitable for power generation. – Restrict or prevent access to substations and other critical infrastructure. – Damage infrastructure.	Prolonged drought can: – Increase load for our transmission and distribution wires. – Limit access to water suitable for power generation. – Impact our ability to effectively operate our facilities.	Impact will likely be local, specifically, storms can: – Knock down poles or wires. – Result in localized flooding due to blockage of storm drains. – Bring large hail, causing property damage. – Increase the risk of vehicle accidents and therefore damage to poles. – Impact our ability to respond to customers.	More frequent and severe fires can: – Increase risk of damage to poles, wires and facilities. – Impact air quality for air intake at power generation plants.	Higher average temperatures can: – Increase generation and load. – Increase wear and tear on equipment and wires. – Impact health and wellbeing of crews.	On average at Versant Power, two out of three power outages are caused by trees. The trees in Maine can typically grow 25 to 30 metres tall, while the average power pole reaches 10 to 14 metres, meaning trees can easily fall on powerlines. Heavy winds, rain, ice and heavy snowfalls can make the risks of tree falls even greater.	Sea level rise and storm surge can submerge assets and cause outages.
WHAT ARE WE DOING TO MITIGATE?	– Revised our internal mapping to include flood inundation zones and evacuation zones (provided annually by The City of Calgary) after the 2013 Calgary flood. – Continue to engage closely with Calgary Emergency Management Agency (CEMA) partners to maintain alignment and coordinate responses with these valuable partners. – We periodically incorporate flood-related tabletop exercises into our emergency planning training. – Review our flood action plan annually.	– Our areas of operation are characterized as low-to-medium baseline water stress.[16] – We continue working to reduce our freshwater use and optimize water use at our operated facilities. – We minimize potable water use through water recycling and treatment processes and by using 100 per cent reclaimed water at our Shepard Energy Centre. – We incorporated considerations from The City of Calgary Drought Resilience Plan (released in September 2023) into our climate-related physical risk workshops in late 2023. Read more on page 74.	– Our operations control centre proactively monitors and prepares for a variety of weather events that Environment Canada identifies as a "Watch" or "Warning" such as strong winds, heavy rain, severe hail, tornadoes and heavy snowfalls. – We hold seven to eight emergency response exercises each year with several focused on weather-related events. We also join CEMA to participate in exercises they host. – We maintain a list of customers and sites most likely to experience response impacts in the case of a storm.	– Our operations include the use of fibreglass cross arms that greatly minimize the risk of pole fires due to extreme weather changes. – We use extensive air inlet filtration systems to limit the impact of smoke particulate on our facilities and protect the efficiency of our gas turbines. We continuously monitor the filtration systems to plan replacements. – We increased our focus on wildfires in 2023, examining our liability for wildfire damage and identifying proactive measures to reduce these risks.	– Many of our critical equipment in substations have monitoring systems that allow us to monitor, track and measure equipment condition due to higher ambient temperature. – We have heating, ventilation and air conditioning (HVAC) maintenance programs and a root cause analysis program which mitigate the risk of recurring heat-related failures.	– Each year, Versant Power covers more than 3,000 kilometres trimming trees and working with landowners to remove trees identified as threats to the reliability of the system. To proactively address the issue, about 10 per cent of the operational budget is spent on vegetation management. – Our reliability program includes replacing aging assets, covering conductors and completing a wide range of inspections to inform our maintenance plans. Read more on page 27.	– In 2023, Versant Power worked with a third-party consultant to better understand the impact of sea level rise on its assets.

[16] Using the World Resources Institute's Aqueduct™ Water Risk Atlas, https://www.wri.org/aqueduct

Transition scenarios

At ENMAX, we annually conduct transition scenario analysis to assess energy transition-related risks and evolve our business strategy to mitigate these risks and take advantage of opportunities. In 2023, ENMAX expanded our transition scenario analysis timeframe to 2040, five years longer than our previous analysis considered. The extension allows us to incorporate factors, such as increased heat pump usage, that are expected to have a greater impact in the longer term.

We continue to leverage the energy demand assumptions in the International Energy Agency's (IEA) Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE). We also incorporate carbon pricing and future electricity demand from scenarios within Canada's Energy Future 2023 (developed by the Canada Energy Regulator). STEPS provides a more conservative, business-as-usual view with its own challenges. The NZE shows a faster, more aggressive energy transition. We compare assumptions in our business plans with market and policy assumptions in both scenarios to evaluate a range of outcomes. In 2023, we also incorporated the draft Clean Electricity Regulations from the Canadian federal government into our scenario work, assessing the impact the regulations (as drafted) could have on our operations. Meeting the NZE scenario and the Clean Electricity Regulations requires rapid, substantial growth in clean energy technology.

At ENMAX Energy, we build multiple scenarios examining how our generation portfolio could pivot and aggregate these with the ENMAX Power and Versant Power transmission and distribution scenarios to support our analysis. Read more about transition risks on page 77 and our work to advance the energy transition on pages 29 and 30.

We plan to continue expanding and improving our scenario analysis to better inform how our Enterprise Risk Management (ERM) program addresses climate-related risks and to support strategic action on climate change. As an example, in 2023 we updated our process for identifying and evaluating emerging risks as part of our ERM program (read more on page 73).

ENMAX team members after climbing down from the top of a wind turbine. Safety equipment includes fall protection harnesses (unclipped after descent was completed), fire-retardant and high-visibility clothing, climbing hard hats, safety glasses and steel-toed boots.

Transition-related risks and opportunities

The electricity sector, as a key player in a lower-carbon future, is experiencing rapid transformation as it responds to the opportunity of electrification, enables growth in distributed forms of renewable energy and embraces lower carbon sources of energy as part of the energy transition. Advancements in transportation electrification, energy storage and energy efficiency are accelerating this transition. Organizations like ENMAX have a critical role to play in supporting customers and enabling opportunity throughout this transition.

Transition-related risks and opportunities include regulatory, market and technological changes that result from the energy transition and could impact our company. Some of these changes present both a risk and opportunity for our organization.

There is still uncertainty about the pace and detailed implementation of some of the regulatory and policy changes and we continue to monitor these changes.

At ENMAX, we support a measured approach to the energy transition that maintains continued system reliability and affordability for customers. We believe that federal and/or provincial funding can support environmental goals while keeping customers' needs in mind.

TREND OR EVENT	WHAT IS THE RISK?	WHAT IS THE OPPORTUNITY?	WHAT IS ENMAX DOING TO MITIGATE THE RISK? OR TO TAKE ADVANTAGE OF THE OPPORTUNITY?
REGULATORY			
Carbon pricing Our power generation facilities are experiencing higher annual operating costs due to changes in GHG pricing and regulations in two ways: the emissions allowance for power producers reduces by two per cent each year and the cost per tonne of CO_2 increases each year.	In January 2023, the Alberta carbon tax regulation received equivalency until 2030. The carbon tax in the province will match the federal tax and will reach $170/tonne of CO_2 by 2030. This will increase carbon compliance costs and wholesale power prices, as well as natural gas prices at the customer and retail level.	Increases in carbon costs will have consumers seeking options for electrification, which will result in an increase in electricity demand and the need for more investment in the distribution system.	We have set a target to reach net-zero scope 1 and scope 2 emissions, with an interim target of 70 per cent reduction by 2030 from 2015 levels. Working towards those targets, we have and/or are evaluating: – Carbon capture – Utility-scale renewables – Batteries – Offsets We have been working with the federal government to provide feedback on the *Clean Electricity Regulations* to highlight the implications to our business and our customers. We continue to explore renewable energy generation and focus on emissions reductions across our Canadian operations. In addition, we incorporate proposed, drafted and finalized regulations into our annual transition scenario analysis work (read more on page 76).
Canada's net-zero economy by 2050 The *Canadian Net-Zero Emissions Accountability Act* became law in 2021 and is supported by Canada's 2030 Emissions Reduction Plans. The federal government's drafted *Clean Electricity Regulations* support net-zero electricity by 2035. The regulations (which are expected to be finalized in late 2024) include requirements for certain natural gas generation facilities to use carbon capture to continue operating as baseload facilities post-2035.	The main risk of these regulations is a limit on combustion of fossil fuels. This can have a secondary impact of reducing industrial electricity demand, which could impact ENMAX. Due to a lack of flexibility, implementation of the *Clean Electricity Regulations* as drafted could put our natural gas generation facilities at risk of reduced output.	Any potential reduction in industrial electricity demand may be partially offset by increases in residential electricity demand as electrification becomes a substitute for fossil fuels in different applications (e.g., passenger vehicles, residential heating). Canada announced a plan to deploy $5 billion to advance clean power generation, transmission and storage across Canada. If support for mitigating technologies is sufficient, it could create opportunities for investment and accelerate progress towards our target.	
Changes in labour market and talent availability Regulatory changes to advance towards electrification and a net-zero economy are likely to create employment changes in the fossil fuel sector, in sectors currently dependant on fossil fuels and in the emerging renewables sector.	A decrease in oil demand in Canada and around the world could reduce available jobs in economies based on fossil fuel production, including Alberta. This could lead to talented workers looking for work in other industries.	ENMAX can benefit from talented individuals looking to switch industries and is positioned to support the workforce needs required to support increased electrification and renewable generation.	ENMAX continues to recruit transitioning oil and gas workers and provide training on the electricity industry as part of onboarding, with a focus on job sustainability. In Maine, Versant Power currently has a junior workforce well-positioned for reskilling. ENMAX continues to support the reskilling of oil and gas workers to help build the workforce of the future.
Access to government funding The U.S. *Inflation Reduction Act* increased financial support for technologies and projects to support the energy transition, like carbon capture and green hydrogen.	This regulation initially created asymmetrical benefits between the U.S. and Canada, which could impact economic feasibility and/or timelines of carbon capture projects. The regulation increases competition within supply chains and the job market between Canadian and U.S. companies seeking to implement projects to support the energy transition.	The federal government announced additional Investment Tax Credits in the Federal Budget 2023 to support clean electricity in Canada.	We continue to advocate for federal and provincial funding to enable the energy transition in a way that protects both reliability and affordability.

TREND OR EVENT	WHAT IS THE RISK?	WHAT IS THE OPPORTUNITY?	WHAT IS ENMAX DOING TO MITIGATE THE RISK? OR TO TAKE ADVANTAGE OF THE OPPORTUNITY?
REGULATORY			
Regulatory support for hydrogen Alberta has a Hydrogen Roadmap supporting natural gas and hydrogen blending for heating. Canada has a Hydrogen Strategy to position us as a world-leading producer, user and exporter of clean hydrogen and to set the country on a path to meet its climate goals.	If either the federal or provincial support is not equally applied, the risk might be an uneven benefit to existing or new generation facilities that can be located closer to hydrogen production facilities, which may pose a disadvantage for ENMAX.	The Alberta Roadmap shows support for leveraging current natural gas heating infrastructure and a more gradual transition. The federal strategy can create financial incentives to replace natural gas with hydrogen (partially or fully) at some of our generation facilities. Our retail natural gas business would have to adapt to the changing landscape and look for opportunities to supply hydrogen services as a substitute.	At this point in time, hydrogen is not economically feasible for ENMAX. We continue to monitor advancements in hydrogen technology and the regulatory environment supporting hydrogen-based energy generation.
MARKET			
Natural gas pricing Market changes will likely result in highly volatile natural gas prices. There is also the potential for an oil and gas production cap, which would reduce supply.	Increases in natural gas prices result in an increase to our electricity generation costs. This can impact our electricity and natural gas customers. An oil and gas production cap may result in demand outpacing supply, further increasing prices.	Volatile prices can mean that fixed-price retail offerings are more appealing to customers. By having more electricity volumes under contract, ENMAX can more effectively manage our generation portfolio, load and GHG compliance obligations.	To reduce the risk, we have a hedging program on the power generation side that allows us to manage commodity risk exposures within levels approved by the Board and the CEO. Read more about how we are helping vulnerable customers on pages 51-54.
Renewables development Renewable power generation (such as wind and solar) has been increasing significantly in the province over the last few years. The Government of Alberta announced new proposed conditions for the approval of new projects that exclude certain types of farmland, include setbacks from certain protected areas, and add provisions for reclamation and consultation with municipalities.	We have conducted a preliminary impact assessment of the proposed rules on potential projects. Although we estimate the impact to be low, we will continue to monitor the implementation details of this proposed regulation.	More renewable power generation lowers the emissions intensity of the grid overall and offers ENMAX new investment opportunities in emissions-free generation. More renewables may also increase the availability of offsets to be used as compliance tools in achieving our net-zero target.	We support the development of renewable generation and are actively participating in federal and provincial advocacy for renewables development that balances the impact on reliability. ENMAX Energy's Business Development group is evaluating adding larger utility-scale solar projects to our generation portfolio.
Increased demand for electricity Beneficial electrification, defined as replacing direct fossil fuel use with electricity in a way that reduces overall emissions, is expected to be a driver for increased electricity demand.	As owners and operators of transmission and distribution assets, risks are related to the investments required to support the transmission and distribution of increased load and generation and of non-traditional disruptive participants.	This presents a significant opportunity for our power generation and electricity service provider sides of the business.	ENMAX is well positioned to support an increase in electricity demand.
Transportation transformation The federal government has announced that all new light-duty vehicles sold in Canada will be zero emission by 2035, with an interim sales target of at least 50 per cent by 2030. In addition, Canada's *Clean Fuel Regulations* requires liquid fossil fuel primary suppliers (i.e., producers and importers) to reduce the carbon intensity of their liquid fossil fuels used in Canada from 2016 levels. Both of these announcements are likely to contribute to an increase in zero emission vehicle (ZEV) adoption in Canada.	As owners and operators of transmission and distribution assets, risks are related to the investments required to support the transmission and distribution of increased load and generation. The speed of ZEV adoption will impact the severity of this risk. The main risk of clean fuel regulations is a limit on production of fossil fuels. This can have a secondary impact of reducing industrial electricity demand, which could impact ENMAX.	The expected pace of ZEV adoption and the fact that charging will likely be done at home or work is expected to increase electricity demand for utilities like ours. Clean fuel regulation will increase the costs of gasoline and diesel to Alberta users, which may accelerate the move to electric vehicles. This can result in an increase in electricity demand and the need for more investment in the distribution system. It may also create opportunity for ENMAX to receive investment funding toward ZEVs for our fleet.	We are currently undertaking projects, both in our own mobile fleet and for customers, to better understand the impact of this opportunity on the grid. ENMAX is taking steps to quantify the impacts of EV adoption on the grid (read more about our Charge Up pilot) but we believe we are well positioned to support an increase in electricity demand related to electrification of transportation.
Geopolitical events Ongoing global conflict disrupts global supply chains and increases concerns about energy security. Other unforeseen external events could cause market and/or supply chain disruptions.	Sourcing materials from countries impacted by geopolitical events carries the risk of longer delivery times, increased prices and lack of availability from preferred suppliers which could result in sourcing less sustainable materials and supplies.	Conversation about enhancing North American energy security could positively impact policy or regulatory development in Canada and the U.S. Developing alternate supply plans that may more closely align with sustainable procurement practices.	As a power producer and electricity service provider, we continue to participate in and support developments that can strengthen energy security. In 2023, ENMAX developed a Sustainable Procurement Strategy. This strategy will be considered when sourcing alternate supply caused by geopolitical risks. Read more on page 70.

TREND OR EVENT	WHAT IS THE RISK?	WHAT IS THE OPPORTUNITY?	WHAT IS ENMAX DOING TO MITIGATE THE RISK? OR TO TAKE ADVANTAGE OF THE OPPORTUNITY?
TECHNOLOGY			
Advancement in battery technology Energy storage will play a larger role in the future as costs for battery storage technologies decline.	Energy storage technology is still in early stages of development (scale and cost challenges) and therefore does not pose a significant risk to our company.	Energy storage can create an opportunity to supplement our portfolio and support an increase in renewable generation.	We are operating a battery storage system at Crossfield Energy Centre, which is a hybrid electric gas turbine. Read more. We continue to monitor the compelling work around energy storage advancements.
Advancement in other technologies As they progress, technologies such as hydrogen, carbon capture technology and advanced metering will play an important role in the future.	Technology-related risks are related to the timing of investment. Early investment can lead to increased cost. Delayed investment can lead to missed opportunities.	Advancements in technology present great opportunities for us to meet our net-zero target.	To support innovation and technology development in a way that can lower risk for our company, we are investing in Energy Impact Partners and Mobility Impact Partners. We support several technology developments, such as: – Two-way power flow – Electric mobile fleet – Advanced metering Provincial and federal funding can accelerate technology advancements. These advancements reduce technology costs over time and help to maintain energy affordability for customers.
REPUTATION			
Public view of fossil fuel electricity generation Increased awareness and societal or investor activism around fossil fuels.	Customer perceptions of fossil fuels are increasing pressure on companies to reduce emissions.	ENMAX has a strong history of continual improvement in emissions reduction and will continue to seek cost-effective ways to reach environmental goals.	We have set a target to reach net-zero scope 1 and scope 2 emissions, with an interim target of 70 per cent reduction from 2015 levels. Read more on page 16.
Public view of energy affordability As the pace of the energy transition increases, additional infrastructure investments will be required and the resulting costs will likely be borne by customers.	Costs associated with renewable energy generation and the move towards a net-zero economy may cause customer rates and bills to increase, which can negatively impact our reputation.	Our ongoing efforts to keep our customers' needs in mind while building programming with respect to energy affordability supports our reputation and can aid in customer satisfaction.	We continue to invest in programs and participate in industry groups to support energy affordability. We also work with regulatory and governmental bodies to promote energy affordability. Read more on pages 51-54.

Metrics and targets

We currently focus on our GHG emissions as our main climate-related risk but continue to incorporate our understanding of other climate-related risks and opportunities into the refinement of our ESG targets. The table below summarizes our targets that relate to reducing transition risks or physical risks (e.g., water scarcity) and how we are taking advantage of transition-related opportunities.

CLIMATE-RELATED TARGETS	BENEFITS
Achieve net-zero scope 1 and 2 emissions by 2050.	– Reduces carbon regulation exposure. – Aligns with The City of Calgary and Government of Canada commitments.
Achieve 70% reduction of scope 1 and scope 2 GHG emissions by 2030 from 2015 levels.	– Reduces carbon regulation exposure.

ENMAX has been publicly disclosing its scope 1 and 2 GHG emissions since 2009. See our performance for the last five years in the table below. Read more about our GHG emissions reduction initiatives on pages 15-21.

GHG EMISSIONS (KILOTONNES CO_2E)	2019	2020	2021	2022	2023
Equity share					
Scope 1 emissions	2,899	2,975	3,127	3,242	**3,181**
Scope 2 emissions	14.3	24.9	24.2	24.3	**27.0**
Operational control					
Scope 1 emissions	3,362	3,475	3,451	3,676	**3,613**
Scope 2 emissions	12.8	21.3	21.4	21.2	**25.9**

Appendices

About this report

This report communicates the ESG initiatives and key metrics that demonstrate ENMAX's progress and our commitment to continual advancement.

- The terms ENMAX, our, we, us and the organization, refer to the ENMAX group of companies (ENMAX Corporation, ENMAX Power, ENMAX Energy and Versant Power) unless otherwise noted.
- The data included in tables and charts in this report reflects the performance of our companies in Alberta (ENMAX Corporation, ENMAX Power, ENMAX Energy) and, unless otherwise noted, excludes Versant Power. When data is available for Versant Power, it is provided separately and noted accordingly.
- Qualitative information about the operations and achievements of Versant Power is provided throughout the report and noted explicitly with "Versant Power" or "in Maine."
- Unless otherwise indicated, this report covers data and qualitative information for the year ended December 31, 2023. When available, historical data is provided for five years.
- For all of our targets, the date stated indicates by year end of the stated year. For example, completing an activity by 2023, means completion by the end of 2023.
- For our companies in Alberta, we report environmental and social performance for all assets over which we have operational control. This means we report 100 per cent of data related to environment, human resources, safety and business practices for assets we operate. The only exception to this principle is in accounting for greenhouse gas (GHG) emissions that we report based on financial ownership (see next point).
- We report GHG emissions using guidance from the Greenhouse Gas Protocol, developed by the World Resources Institute and the World Business Council for Sustainable Development, and account for our GHG emissions based on financial ownership (equity share approach). Reporting under the equity approach means that we include ENMAX's proportional output share of the emissions from our Shepard Energy Centre and 50 per cent from our Balzac facility. In alignment with the protocol, we also include GHG emissions associated with structured power agreements such as Energy Service Agreements. In these agreements ENMAX has ownership of the environmental attributes of the power generated and is responsible for carbon compliance obligations, and the agreements are therefore included under the equity approach. Following this principle, our 2015 baseline for our net-zero target includes GHG emissions related to our Power Purchase Arrangements (PPAs).
- Unless otherwise noted, data does not cover third-party service providers.
- Unless otherwise noted, financial data is in Canadian dollars and all other data is in metric units.
- The accuracy of this report is of significant importance to our company. Senior management, our internal auditors and relevant staff have reviewed key information and believe it is an accurate representation of our performance. In some instances, estimates are made based on best-available information and records at the time of writing.
- See Forward-looking Information Advisory (on page 92) for information regarding estimates and other forward-looking statements contained in this report.

Aligning with ESG reporting standards

We cross-reference our disclosures in this report to the following recognized standards:

SASB — page 90

Climate disclosures (aligned with the Task Force on Climate-related Financial Disclosures) — page 71

Read our caution regarding forward-looking statements on page 92.

ENMAX Power field services crew preparing for electrical work in a closed laneway. Safety equipment includes fire-retardant and high-visibility clothing, safety glasses, safety gloves, steel-toed boots and a hard hat.

Performance table – ENMAX

OPERATIONS	UNIT	2019	2020	2021	2022	2023
Electric utility						
Number of customers served (ENMAX Energy)[1]	number	674,800	690,861	711,233	725,370	**747,222**
Electricity sold to customers in Alberta	GWh	19,250	17,891	15,509	14,405	**13,532**
Electricity delivered in Calgary service area	GWh	9,332	9,050	9,271	9,483	**9,653**
Power generation						
Generation capacity, equity based	MW	1,506	1,509	1,512	1,522	**1,522**
Net Energy Output (electricity generated), equity based	MWh	7,889,814	8,372,681	8,505,430	8,940,035	**8,814,301**
Natural gas	MWh	7,309,027	7,636,598	7,857,367	8,296,491	**8,227,209**
Wind	MWh	570,769	713,197	640,238	643,544	**587,092**
District Energy[2]	MWh	10,018	22,885	7,825	NA	**NA**
Transmission and distribution						
Total km wire in Calgary[3]	km	9,908	9,694	9,891	9,063	**9,189**
Number of distribution transformers[4]	number	54,258	54,754	55,451	56,198	**57,102**

ENVIRONMENT	UNIT	2019	2020	2021	2022	2023
GHG emissions (equity)[5]						
Scope 1 emissions	kilotonnes CO_2e	2,899	2,975	3,127	3,242	**3,181**
Scope 2 emissions	kilotonnes CO_2e	14	25	24	24	**27**
Total GHG emissions[6]	kilotonnes CO_2e	2,913	3,000	3,151	3,266	**3,208**
GHG emissions intensity (scope 1 only)	tCO_2e/MWh	0.39	0.39	0.37	0.36	**0.36**

NOTES

NA = not applicable
NR = not reported

1 ENMAX Energy customers include customer sites for customers with electricity and electricity and gas as well as sites that are billed for City services such as water.
2 ENMAX completed the sale of its District Energy Centre facility in May 2021.
3 The 2022 and 2023 numbers exclude downtown network cable. The numbers for 2022 have been restated since the publication of our 2022 ESG report. The numbers for 2018-2021 are not comparable to 2022 and 2023.
4 2021 count updated due to improved calculation methods.
5 We report GHG emissions based on financial ownership (equity) which means we include ENMAX's proportional share of the emissions from our Shepard Energy Centre, 50 per cent from our Balzac facility, and GHG emissions associated with structured power agreements such as Energy Service Agreements in which ENMAX is responsible for carbon compliance obligations. Following this principle, our 2015 baseline includes GHG emissions related to our Power Purchase Agreements (PPAs). Our GHG emissions from 2017-2020 have been restated since the publication of our 2020 ESG report to account for changes in methodology. The changes represent less than one per cent of our total GHG emissions.
6 Minor updates were made as a result of a third party review of our emissions data.

ENVIRONMENT	UNIT	2019	2020	2021	2022	2023
GHG emissions (operational control)[7]						
Scope 1 emissions	kilotonnes CO_2e	3,362	3,475	3,451	3,676	**3,613**
Scope 2 emissions	kilotonnes CO_2e	13	21	21	21	**26**
GHG emissions intensity (scope 1 only)	tCO_2e/MWh	0.38	0.37	0.37	0.37	**0.39**
Scope 1 GHG emissions by source[8]	tonnes CO_2e	3,362,456	3,460,573	3,435,996	3,672,142	**3,612,609**
Natural gas combustion	tonnes CO_2e	3,355,241	3,455,937	3,430,995	3,667,306	**3,609,347**
Fugitive	tonnes CO_2e	1,336	818	590	745	**736**
Fleet	tonnes CO_2e	3,507	3,316	3,275	2,911	**2,229**
SF_6	tonnes CO_2e	2,372	502	1,136	942	**297**
Flaring	tonnes CO_2e	0	0	0	0	**0**
Other	tonnes CO_2e	0	0	0	238	**0**
Energy transition						
Scope 1 GHG emissions covered under emissions-limiting regulations[9]	per cent	NR	100	100	100	**100**
Scope 1 GHG emissions covered under emissions-reporting regulations	per cent	NR	100	100	100	**100**
Grid resiliency						
Investment in Calgary's Transmission and Distribution (T&D) System and other assets	$ million	305	259	253	273	**369**
Reliability and availability						
System Average Interruption Duration Index (SAIDI)	hours	0.42	0.47	0.53	0.50	**0.62**
System Average Interruption Frequency Index (SAIFI)	# interruptions per customer	0.72	0.54	0.62	0.65	**0.52**
Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	hours	0.58	0.87	0.86	0.77	**1.20**
Average generation plant availability factor[10]	per cent	93.3	98.7	91.9	94.7	**94.7**

NOTES

7 To allow comparability with historical information, we also provide GHG emissions under operational control which means 100 per cent of GHG emissions from facilities which we operate regardless of financial ownership.
8 In previous reports, this breakdown included only ENMAX Energy. It has been revised to include ENMAX Energy, ENMAX Power and corporate facilities.
9 Emissions-limiting regulations include carbon tax.
10 Due to recalculation, the 2022 number has been restated since the publication of our 2022 report.

ENVIRONMENT	UNIT	2019	2020	2021	2022	2023
Air quality[11]						
NOx intensity[12]	kg/MWh	0.18	0.21	0.23	0.23	**0.23**
NOx (excluding N_2O)	tonnes	1,517	1,853	2,036	2,143	**2,088**
Particulate matter (PM_{10})	tonnes	15	15	12	16	**16**
SOx	tonnes	16	17	13	18	**17**
NOx in or near areas of dense population	tonnes	1,231	1,312	1,637	1,749	**1,701**
PM_{10} in or near areas of dense population	tonnes	13	14	10	15	**15**
SOx in or near areas of dense population	tonnes	15	15	10	16	**16**
Water for power generation (ENMAX Energy only)						
Water consumption[13]	million m^3	6.18	6.57	6.14	7.03	**6.97**
Water consumption intensity	m^3/MWh	0.69	0.69	0.67	0.74	**0.75**
Water withdrawal and discharges (company-wide)						
Total water withdrawn	million m^3	7.61	8.11	7.66	8.64	**8.54**
Fresh	million m^3	7.61	8.11	7.66	8.64	**8.54**
Non-fresh	million m^3	0.00	0.00	0.00	0.00	**0.00**
Fresh water withdrawn	million m^3	7.61	8.11	7.66	8.64	**8.54**
Potable	million m^3	2.09	2.10	2.28	2.28	**2.43**
Non potable	million m^3	5.52	6.00	5.37	6.36	**6.11**
Total water discharged	million m^3	1.40	1.53	1.50	1.60	**1.55**
Spills[14]						
Significant spills, number	number	1	2	3	4	**3**
Significant spills, volume[15]	litres	552	2,516	2,177	779	**1,869**

NOTES

11 Air quality data is limited to air emissions from power generation facilities, excluding Balzac Facility.
12 The calculation methodology for NOx was reviewed in 2022, which resulted in the corrected values now shown.
13 Our water consumption intensity is calculated using our net output MWH, operational basis.
14 All significant spills are spills of more than 500 litres in alignment with industry standards (including EC) for sustainability reporting. At ENMAX all releases to the environment are reported to our Environment personnel, who report to Environment and Protected Areas (EPA) any release in excess of one gram of Polychlorinated Biphenyl (PCB) concentration from in-service equipment or two parts per million or greater of PCB from stored equipment, any release that has the potential to cause an adverse effect, or any release that has the potential to contravene an EPA facility operating approval.
15 In 2023, we had three significant spills and have completed clean up of all these spills.

SOCIAL	UNIT	2019	2020	2021	2022	2023
Employee and contractor safety						
Total recordable incident rate (TRIR)	injuries per 200,000 hours worked	0.94	0.34	0.74	0.74	**0.57**
Lost time injury frequency rate	injuries per 200,000 hours worked	0.20	0.07	0.45	0.15	**0.07**
Fatalities	number	0	0	0	0	**0**
Near misses – serious	number	6	1	12	8	**6**
Public safety						
Number of public injuries	number	0	0	0	0	**0**
Number of public fatalities	number	0	0	0	0	**0**
Employees						
Total number of employees	number	1,797	1,692	1,651	1,690	**1,756**
Employee turnover rate	per cent	8	9	11	8	**5**
Training and development						
Average hours of training per year per participant (excludes mandatory)	hours	12	8	11	14	**13**
Diversity and inclusion						
Employees who completed respect in the workplace training	number	1,859	1,793	1,684	1,619	**1,684**
Total number of incidents of discrimination reported[16]	number	0	0	1	1	**1**
Women at various levels						
Board	per cent	38	33	36	33	**33**
Senior management (Senior VP and above)	per cent	67	50	50	50	**57**
Total workforce	per cent	35	35	35	36	**37**
Unions						
Employees covered by a collective bargaining agreement	per cent	61	62	63	63	**62**

NOTES

16 The matter was investigated under the Safe & Respectful Workplace Policy with full resolution.

SOCIAL	UNIT	2019	2020	2021	2022	2023
Energy affordability						
Number of residential and small commercial customer electric disconnections for nonpayment[17]	number	14,903	6,006	14,018	9,328	**8,407**
Customers reconnected[18]	number	NR	3,869	11,540	7,185	**7,175**
Community investment						
Community investment[19]	million $	3.5	2.8	3.3	3.7	**3.8**

GOVERNANCE	UNIT	2019	2020	2021	2022	2023
Customer satisfaction						
Customer satisfaction	out of 100%	86%	90%	87%	88%	**90%**
Anti-corruption and anti-competition						
Number of legal cases regarding corrupt practices	number	0	0	0	0	**0**
Number of significant legal actions for anti-competitive, anti-trust behaviour	number	0	0	0	0	**0**
Physical and cybersecurity						
Number of phishing tests conducted	number	8	14	11	15	**12**
Personnel who received cybersecurity training[20]	number	1,856	1,792	1,832	1,882	**2,687**

NOTES

17 Disconnection data includes both disconnections and load limiter installations. 2020 disconnections are lower than previous years due to ENMAX halting disconnection activities for most of the year due to the deferral program related to the COVID-19 pandemic. The 2022 disconnections are lower due to the Load Limiter Pilot. The number of customer electric disconnects for nonpayment or vacancies includes residential and small business customers.

18 Total reconnections, not necessarily within 30 days. Reconnections may not happen due to extended vacancies or customer changes in provider.

19 Total community investment for ENMAX and Versant Power.

20 Includes cybersecurity training provided to contractors that meet criteria for training. 2023 training number reflects increased focus on cybersecurity exercises and training.

Performance table – Versant Power

COMPANY CONTEXT	UNIT	2020	2021	2022	2023
Electric utility					
Number of customers served	number	166,236	162,000	164,000	**165,560**
Electricity sold to customers	GWh	1,971	1,995	2,054	**2,009**
Electricity delivered	GWh	1,938	2,075	2,050	**2,221**
Transmission and distribution					
Total km wires	km	12,022	12,022	12,258	**12,332**
Number of distribution transformers	number	68,000	68,000	68,000	**66,255**

ENVIRONMENT	UNIT	2020	2021	2022	2023
GHG emissions					
Scope 1 emissions	tonnes CO_2e	NA	NA	6,890	**4,148**
Scope 2 emissions	tonnes CO_2e	NA	NA	1,370	**1,765**
Spills					
Significant spills, number	number	0	0	0	**0**
Significant spills, volume	litres	0	0	0	**0**
Reliability					
System Average Interruption Duration Index (SAIDI)	hours	5.03	3.63	5.43	**4.54**
System Average Interruption Frequency Index (SAIFI)	# interruptions per customer	2.27	1.97	2.46	**1.98**
Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	hours	2.21	1.84	2.21	**2.30**

NOTES

NA = not applicable

NR = not reported

SOCIAL	UNIT	2020	2021	2022	2023
Energy affordability					
Number of residential customer electric disconnections for nonpayment	number	65	1,292	924	**2,042**
Number of residential customer electric disconnections reconnected	number	6	962	691	**1,426**
Employees					
Total number of employees	number	433	454	497	**518**
Percentage of employees covered by collective bargaining agreements	per cent	55	51	49	**46**
Employee and contractor safety					
Proactive incident report (PAIR) rate	Proactive measures per 200,000 hours worked	867	1,020	1,031	**1,191**
Total recordable incident rate (TRIR)	injuries per 200,000 hours worked	0.94	0.67	1.63	**2.47**
Lost time injury frequency rate	injuries per 200,000 hours worked	0.00	0.00	0.00	**14.50**
Fatalities	number	0	0	0	**0**
High potential near misses	number	0	3	3	**1**
Diversity and inclusion					
Women in the workforce	per cent	NR	NR	32	**32**
Communities					
Community investment[1]	US$	NR	NR	486,096	**419,297**
Volunteered hours	hours	NR	298	700	**1,080**

NOTES

1 In 2023, Versant Power contributed more than US$419,000 (approximately C$566,000), and greater than US$440,000 (approximately C$594,000) when sponsorships are included.

SASB index

Below are the metrics and references to qualitative descriptions in this report that align with the Sustainability Accounting Standards Board (SASB) standard for *electric utilities and power generators*. SASB is a non-profit organization with the goal of enabling businesses around the world to identify, manage and communicate financially-material sustainability information to their shareholders and providers of capital. This index excludes Versant Power.

SASB INDEX	SASB SUGGESTED DISCLOSURES	2023 DATA
GHG emissions & energy resource planning		
IF-EU-110a.1	Gross global scope 1 emissions (operational control) [tonnes CO_2e]	3,612,609
IF-EU-110a.1	Gross global scope 1 emissions (equity) [tonnes CO_2e]	3,181,428
IF-EU-110a.1	Percentage of scope 1 emissions covered under emissions-limiting regulations	100%
IF-EU-110a.1	Percentage of scope 1 emissions covered under emissions-reporting regulations	100%
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	4,501,048
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and performance against targets	pages 5, 7, 15-24, 80
IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	not applicable
Air quality		
IF-EU-120a.1	NOx (excluding N_2O) [tonnes]	2,088
IF-EU-120a.1	SOx [tonnes]	17
IF-EU-120a.1	Particulate matter (PM_{10}) [tonnes]	16
IF-EU-120a.1	Lead (Pb)	not applicable
IF-EU-120a.1	Mercury (Hg)	not applicable
IF-EU-120a.1	Per cent of NOx in or near areas of dense population	81%
IF-EU-120a.1	Per cent of SOx in or near areas of dense population	94%
IF-EU-120a.1	Particulate matter (PM_{10}) in or near areas of dense population	94%
Water management		
IF-EU-140a.1	Total water withdrawn (fresh and non-fresh) [million m^3]	8.54
IF-EU-140a.1	Percentage of water withdrawn that is fresh	100%*
IF-EU-140a.1	Total water consumed [million m^3]	6.97
IF-EU-140a.1	Percentage of water withdrawn and consumer in regions with High or Extremely High Baseline Water Stress	not reported
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	not reported
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	page 31

* Reclaimed wastewater meets the criteria for freshwater under the *Alberta Water Act*.

SASB INDEX	SASB SUGGESTED DISCLOSURES	2023 DATA
Coal ash management		
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	not applicable
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	not applicable
Energy affordability		
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	not reported
IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	not reported
IF-EU-240a.3	Number of residential customer electric disconnections for nonpayment	8,407[17]
IF-EU-240a.3	Percentage of customers reconnected (not necessarily within 30 days)	84%
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	pages 10, 51-54
Workforce health & safety		
IF-EU-320a.1	Total recordable incident rate (TRIR)	0.57
IF-EU-320a.1	Fatalities	0
IF-EU-320a.1	Near misses (serious)	6
End-use efficiency & demand		
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	not applicable
IF-EU-420a.2	Percentage of electric load served by smart grid technology	not reported
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	not reported
Nuclear safety & energy management		
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	not applicable
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	not applicable
Grid resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical standards or regulations	not reported
IF-EU-550a.1	Number of incidents of non-compliance with cybersecurity standards or regulations	not reported
IF-EU-550a.2	System Average Interruption Duration Index (SAIDI) [hours]	0.62
IF-EU-550a.2	System Average Interruption Frequency Index (SAIFI) [number of interruptions per customer]	0.52
IF-EU-550a.2	Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	1.20

Forward-looking information advisory

This report contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") about our current intentions, expectations, estimates and projections about the future, as well as targets that we have set for future business conditions, in each case based on certain assumptions made by us in light of our experience and perception of historical trends. Forward-looking information in this report is identified by words such as "aim", "ambition", "anticipate", "believe", "can", "committed", "confident", "continue", "develop", "enhance", "ensure", "estimate", "expect", "focus", "goal", "improve", "increase", "integrate", "invest", "maintain", "plan", "potential", "priority", "reduce", "remain", "strategy", "strive", "target", "vision" and "will", or similar words or expressions and includes suggestions of future outcomes. Although ENMAX believes that the expectations represented by such forward-looking information are reasonable, there is no assurance that events will occur in accordance with such expectations. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Forward-looking information in this report includes, but is not limited to, statements about: our vision for achieving net-zero scope 1 and scope 2 greenhouse gas (GHG) emissions by 2050 and our targets in implementing this vision; our plans to complete GHG offset purchases for our buildings in 2024; our plans to achieve 70 per cent reduction of scope 1 and scope 2 GHG emissions by 2030 from a 2015 baseline and our strategies to achieve that, including the transition of our mobile fleet to zero emission vehicles and offsetting 100 per cent of our building GHG emissions (scope 1 and 2) annually as part of our normal business practice; our plans to update our GHG Action Plans for our GHG-emitting facilities annually; options we are considering to enhance ESG performance through new technologies; plans to identify efficiencies at our natural gas power generation facilities; Versant Power's plans to continue progressing actions against their diversity, inclusion and belonging roadmap; our plans to maintain workforce and leadership composition of at least 30 per cent women; our plans to expand inclusiveness training to more employees in 2024; our plans to pilot the use of a typical internal combustion engine chassis with a bolt-on electric power takeoff on three trucks in 2024; our plans to spend at least 30 per cent of our community investment budget each year on activities and organizations that support customers in the energy affordability lifecycle and our plans to increase this spending to 40 per cent by 2025; our goal to conduct six pilot projects across our business for energy access and affordability by 2025; our plans to continue installing rooftop solar panels on community association buildings in 2024 and the expected CO_2 mitigations from these installations; our plan to continue the construction of substation No. 1 in downtown Calgary to be in-service in 2025; our plans to continue to evaluate emerging technologies that could increase grid stability and facilitate the integration of renewable energy sources; our plans to continue to invest in studies and programs to understand how Calgarians use EVs and their impact on our electricity system; our intent to engage with industry peers to leverage insights from similar EV charging pilots; our commitment to a private equity fund to invest in the future of transportation; the expected impacts of the energy transition arising from current energy trends; expectations regarding future federal, state and provincial government regulatory programs, including changes in carbon pricing and GHG regulations; our efforts to improve our safety culture; our plans to improve our risk management strategies; our plans to continue our hybrid work model; Versant Power's plans to develop and implement action plans in early 2024 to address the results of its engagement survey; Versant Power's plan to provide diversity and inclusion-related education for all team members and a training program for customer service agents in 2024; ENMAX's plans to fully implement the Safey Classification and Learning model to categorize safety risks and injuries; Versant Power's plans to advance ISNetworld with the support of ENMAX; our plans to integrate Versant Power's data with ENMAX's; ENMAX's plans to expand our business continuity management to encompass risk-informed mitigation, as well as our longer term plan to add financial and regulatory components to the program; our plans to incorporate our operations in Maine into our ESG target areas; our plans to maintain a combined Board of Directors and executive composition of at least 30 per cent women and at least one other member from an underrepresented group; our plans to launch an Indigenous Relations Framework for our Canadian operations by the end of 2024; our plans to engage with our suppliers and expand our procurement criteria and training in alignment with our Sustainable Procurement Strategy; our intent to complete modern slavery reporting by the end of May 2024; our plans to incorporate additional drone inspections into operations in Calgary to support asset visual inspections; our plans to continue to implement AMI meters in Calgary and Maine; our plans to complete a model of a section of ENMAX Power's distribution system to provide insights into the impact of the energy transition on the ENMAX system towards enhanced reliability and resilience forecasting; our plans related to our three-year partnership with the Prairie Adaptation Research Collaborative to further improve our understanding of Calgary-specific climate impacts; our plan to continue expanding and improving our scenario analysis and develop more detailed climate models to better inform how our Enterprise Risk Management program addresses climate-related risks and to support strategic action on climate change; our expectations regarding NOx emissions reductions from the new turbines at our Crossfield Energy Centre; and expectations regarding information to be included in future ESG reports.

This forward-looking information is based on certain assumptions, including: that ENMAX will have the financial, human and other resources available to carry out its plans and meet its targets; that laws and regulations will not change in a material way in a manner that requires significant changes to our plans or to our targets; that general economic conditions will not change materially; that technological changes will not occur in a material way that affects our ability to carry out our plans and meet our targets; that our relationship with our Shareholder (The City of Calgary), our employees and applicable unions, our lenders and our applicable communities, including Indigenous communities, do not vary significantly in the future in a manner that requires significant changes to our plans or targets or the ability to meet our GHG reduction and other ESG targets; that unexpected external events will not occur that affects the business generally and our plans and strategies; and other assumptions as to the businesses of ENMAX generally, and of Versant Power, not changing materially in the foreseeable future.

There are risk factors and uncertainties that could cause our actual results to differ materially from those set forth in the forward-looking information contained herein. These include risks to ENMAX meeting our 2030 and 2050 climate and GHG emissions reductions targets and further ambitions, including: ENMAX's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results; the commercial viability of emissions reduction strategies and related technology and products; uncertainty regarding the status of offsets, including due to renewable energy generation, recognition under future government policies and by ESG rating organizations and the measurability of offsets to count as emissions reductions. There are also general risks with respect to ENMAX meeting its ESG targets, commitments, ambitions and strategies in the manner expected, including: restrictions on access to resources needed to meet our plans and targets; increased operating, capital and compliance costs; increasing consideration of ESG factors by parties with whom we have relationships, including among credit rating agencies, lenders and investors, which may impact ENMAX's ability to access capital required to finance growth and sustaining capital expenditures; our ability to receive necessary regulatory and operating approvals in a timely manner; maintenance of key relationships with government and other regulatory bodies; risks associated with technology and its application to ENMAX's business; risks associated with reputation of companies that generate electricity from fossil fuels and litigation related thereto; changes in general economic, market and business conditions; the effectiveness of ENMAX's risk management program; ENMAX's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively achieve expected future results; the occurrence of unexpected events such as fires, extreme flooding, other severe weather, equipment failures, transportation incidents and other accidents or similar events; unexpected cost increases or technical difficulties in building or maintaining our facilities; availability of, and our ability to attract and retain qualified human resources in a timely and cost-efficient manner; risks associated with climate change and our assumptions relating thereto; changes in the regulatory framework in any of the locations in which we operate, including changes to regulatory approval processes and tax, environmental, GHG, carbon, climate change and other laws or regulations; potential changes to market expectations and practices related to human resources, diversity, equity, inclusion and governance practices; risks relating to threats from cybersecurity and other technological challenges; and the occurrence of unexpected events such as pandemics, terrorist threats, foreign conflicts and related geopolitical events and the instability resulting therefrom.

In addition, there are risks that the effect of actions taken by us in implementing targets, commitments and ambitions for ESG focus areas may have a negative impact on our existing business, plans and future results from operations.

It is not possible to predict precisely how the future will unfold and as such, each scenario is inherently uncertain. Our assumptions may prove to be incorrect or inadequate. Events or factors currently unknown to us could materialize and materially affect the outcome of a particular scenario or lead to a scenario not considered, which scenario may adversely affect our operations and financial condition.

All estimates and targets contained in this report are made as of the date of the report based on currently available information. ENMAX undertakes no obligation to update or revise any forward-looking information except as required by law.