# **2020** ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

ENMAX


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# Message from Wayne

At ENMAX, we recognize that access to safe, reliable, clean and affordable electricity is critical to the lives and livelihoods of those we serve, and that we are responsible for ensuring we carry out our operations in ways that place priority on the needs of our customers, communities and the environment.

On behalf of ENMAX, I am pleased to present our 2020 Environmental, Social and Governance (ESG) Report. Our report represents the next milestone in our sustainability practices, reflecting a combined effort of the ENMAX team and our vision for our future.

We are proud of ENMAX's strong history of environmental, social and governance leadership, and I want to thank our team and leaders, past and present, who worked hard to make that happen. As we move forward, we build on this legacy as we advance our sustainability efforts in ways that benefit those we serve and the environment in which we operate. I also want to recognize the ENMAX team for the remarkable safety, dedication and resiliency they demonstrated over this past year while continuing to prepare for the opportunities and challenges ahead in a changing world.

We are pleased to share with you an overview of our ESG performance in 2020 and provide an outlook on the long-term goals and objectives we have set for ourselves. We have taken a holistic view towards how we approach sustainable value through striving to achieve a lower carbon future, advancing electrification, seeking to invest in resiliency and innovation, enabling a talented, diverse and inclusive team, and doing our part to enable continued acccess to safe, reliable and affordable energy for years to come. Our goals and objectives reflect our commitments, and I look forward to reporting on the progress we will continue to make in the years ahead.

Thank you for your engagement. Be well and stay safe.

**Wayne O'Connor**
President and Chief Executive Officer

# 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 all Calgary homes and businesses, and customers in 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.

## Creating Shareholder Value

We seek to deliver a stable, predictable and growing dividend, enhance long-term value and provide:

- Industry leadership and corporate citizenship
- Safe, reliable products, goods and services
- High standards of efficiency and customer service
- Alignment with The City of Calgary economic, environmental and social goals

## Our Mission

We power the potential of people, businesses and communities by safely and responsibly providing electricity and energy services in ways that matter to them today and tomorrow.

## Our Values

### Safety
Nobody gets hurt

### Integrity
Do what's right with courage and conviction

### Accountability
Own it

### Service
Act with others in mind

### Teamwork
Together, we are better and stronger

### Agility
Adapt and act

### Innovation
Aim high and create possibilities

## Key Statistics

We operate across the electricity value chain.

**$569 million**
in EBITDA* in 2020

**~$8 billion**
in total assets in 2020

**$58 million**
dividend declared to The City of Calgary in 2021

### ENMAX Energy

#### Power Generation

**1,509 MW**
generation capacity

**86%** and **14%**
natural gas and wind

#### Energy Retail Services

**~690,000**
residential, commercial and industrial customers

**>40**
municipalities

Provides
- Electricity
- Natural gas
- Solar power

### ENMAX Power

#### Transmission & Distribution

**1,089 km²**
service territory in and around Calgary

**322 km**
of transmission lines

**9,429 km**
of distribution lines

### Versant Power

#### Transmission & Distribution

**26,900 km²**
service territory in northern and eastern Maine

**2,044 km**
of transmission lines

**9,900 km**
of distribution lines

**~160,000**
customers

ALBERTA | CALGARY | MAINE

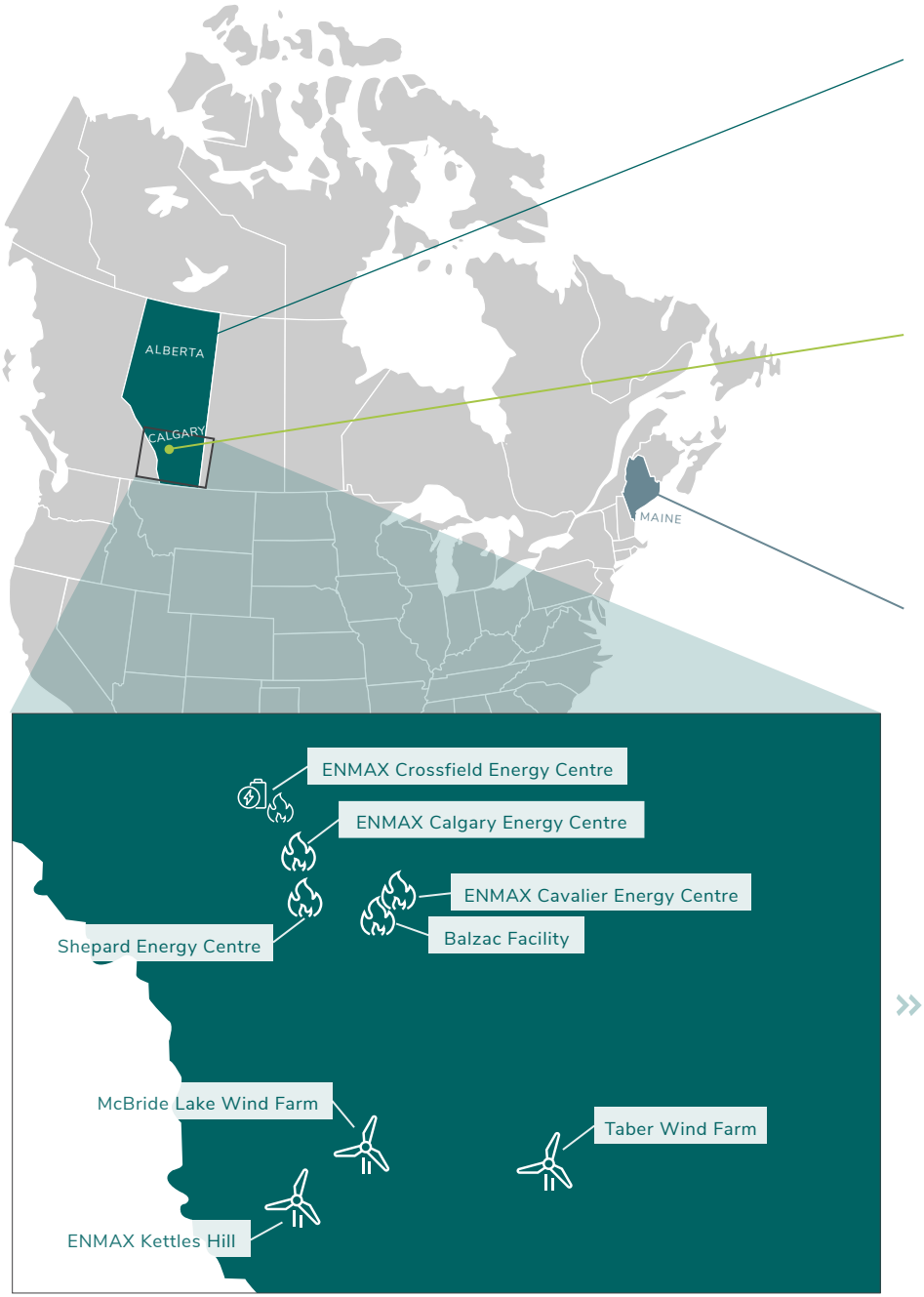
* *Earnings Before Interest, Taxes, Depreciation, and Amortization*

# Where we operate

## Significant acquisitions, divestitures and leadership changes in 2020

2020 was a significant year for ENMAX and its businesses. While navigating COVID-19 with the health and safety of our team paramount, we realized exceptional safety results in both Alberta and Maine, as well as strong operational and financial performance for the year. Our organization's most significant developments included:

- In March 2020, ENMAX successfully completed the acquisition of Versant Power, a regulated electricity transmission and distribution company operating in the State of Maine. This transaction aligns with our focus on the strategic growth of our regulated transmission and distribution asset base to create stable and growing value to our Shareholder, The City of Calgary.
- In May 2020, ENMAX announced Wayne O'Connor as ENMAX's new President and CEO, following the retirement of Gianna Manes as President and CEO following her eight-year leadership of ENMAX.
- In November 2020, ENMAX consolidated its Alberta businesses in response to changing customer requirements and a challenging economic environment in Alberta, while also announcing the proposed sale of the District Energy Centre (a central heat and hot water service facility in downtown Calgary, Alberta) as part of its ongoing focus on its core electricity business.




### ENMAX Energy

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

### ENMAX Power

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

### Versant Power

Regulated wires business that provides electricity and customer care services to residential, commercial and industrial customers in Maine.

» **5** natural gas power plants (4 operated, 1 non-operated)

**3** wind power generation facilities (1 non-operated)

**1** battery storage (operated)

# About this report

This report communicates the environmental, social and governance (ESG) initiatives and key metrics that demonstrate ENMAX's progress to date and our commitment to continual advancement.

- The terms ENMAX, our, we, us and the organization refer to the ENMAX Group of Companies, unless otherwise noted.
- For the purposes of this report, we provide data only for our companies in Alberta (ENMAX Corporation, ENMAX Power, ENMAX Energy) through tables and graphed data, which, unless otherwise noted, excludes Versant Power. Having finalized the acquisition of Versant Power in March 2020, we continue in our efforts to integrate our overall data, reporting and performance management systems which will enable further consolidation of our ESG reporting next year.
- 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". Additionally, we provide the same ESG information about Versant Power in a supplement on page 60 to meet the needs of Maine stakeholders.
- Unless otherwise indicated, this report covers data and qualitative information for the year ended December 31, 2020. When available, historical data is provided for four years.
- For our companies in Alberta, we report environmental and social performance for all assets over which we have operational control, which 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, which we report based on financial ownership (see next point).
- We report GHG emissions in alignment with the Greenhouse Gas Protocol, developed by the World Resources Institute and the World Business Counsel for Sustainable Development, and account for our GHG emissions based on financial ownership (equity share approach). Note that in previous sustainability reports, we had reported 100 per cent of the GHG emissions from facilities that we operated. Reporting under the equity approach means that 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). Prior years' metrics have been restated under the equity share approach.
- Unless noted, data does not cover third-party service providers.
- Unless noted, financial data is in Canadian dollars, and environmental data is in metric units.
- The ENMAX Board of Directors has oversight of ENMAX's ESG strategy and reporting.
- 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.

## Aligning with ESG reporting standards

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

**SASB** page 72
(Sustainability Accounting Standards Board)

**TCFD** page 74
(Task Force on Climate-related Financial Disclosures)

In addition to this report, our 2020 GRI Report references the GRI Sustainability Reporting Standards.

Read our caution regarding forward-looking statements on page 75.

# Determining what to report: materiality assessment

In 2020, subject matter experts across the organization participated in an extensive materiality assessment to determine which ESG-related issues were most relevant to ENMAX. The results of the assessment were reviewed and confirmed by the executive team and Board of Directors. Our assessment of ESG-related issues was guided by standards set out under the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). It was also informed by best practices in sustainability reporting within the electricity industry. Our priorities were additionally informed by external stakeholder engagement with key customers, our Shareholder (The City of Calgary), providers of capital and employees.

In completing this assessment, we identified 10 material topics (tier 1 and tier 2), which are summarized in the next chart. We then used our materiality assessment results to determine areas of organizational commitment and advancement, objectives and targets for those deemed most critical in support of our long-term growth strategy, business planning and decision-making processes.

| | ESG material topics | Levels of reporting |
|---|---|---|
| **TIER 1** | • GHG emissions and energy transition<br>• Grid resiliency and reliability<br>• Diversity and inclusion<br>• Energy affordability<br>• Employee/contractor safety<br>• Public safety<br>• Corporate governance | These are our ESG priority topics. We provide metrics, description of programs and extensive qualitative information for these topics since they are crucial to our business success and of high interest to our stakeholders. 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. |
| **TIER 2** | • Employee development<br>• Cybersecurity/data privacy<br>• Economic impact | We provide a fulsome and balanced discussion of these topics that combines metrics and qualitative discussion. |
| **TIER 3** | • Physical impacts of climate<br>• Air quality<br>• Water<br>• Occupational health<br>• Responsible procurement<br>• Unions<br>• Customer satisfaction<br>• Public policy<br>• Spills/releases | We include these topics in the report with limited qualitative discussion and data, if readily available. |

# Our approach to ESG

At ENMAX, we are proud of our strong history of achievements in ESG practices and performance. As an essential service organization, we are grounded in the belief that our business success is fundamentally linked to how well we manage the environmental impacts of our operations, create an engaging and inclusive workplace, meaningfully contribute to our communities, and uphold strong standards of governance and transparency.

We are committed to the highest level of accountability to our Shareholder (The City of Calgary), customers, employees and all Calgary citizens. As part of that commitment, we have publicly disclosed our ESG performance in alignment with Global Reporting Initiative (GRI) Standards for 14 years, publishing an extensive range of environment, safety, social and governance indicators each year.

In efforts to continually evolve the robustness of our sustainability commitments and communications, in 2021, we have enhanced our ESG reporting. As a component of this process, we undertook a review of our ESG practices, engaged with key stakeholders and identified a series of forward-focused sustainability objectives and commitments. To provide transparency to our stakeholders, this report presents our ESG practices and performance and sets out ENMAX's vision to further advance, and build on, our strong commitment to sustainable business practices across an evolving landscape and industry.

As we move forward, we remain committed to monitoring and enhancing our ESG performance. ESG considerations have been integrated within our strategic direction and into our business planning processes, practices and reporting. As we advance under our ESG framework, this annual report will serve as a vehicle through which we will report on our progress in future years.

## Our ESG targets

The disclosure of our ESG commitments, objectives and targets in 2021 represents the next stage of our evolution as a responsible corporate citizen and as a future-oriented energy provider. Our ESG practices and targets are also aimed at providing reliable and affordable power to our customers through the energy transition and ensuring our business practices align with their evolving expectations.

Our approach to setting targets included conducting workshops with subject matter experts, followed by extensive evaluation and approval by our executive team and Board of Directors. This process allowed us to achieve clarity across the organization on our vision for each specific area of ESG focus, as well as specific actions and targets that can help us demonstrate accountability over time. Each year, as we disclose our ESG performance and activities, we will report our progress on our targets (see next page for details).

| | VISION | FOCUS | TARGETS[1] |
|---|---|---|---|
| **Greenhouse gas emissions and the energy transition** | As a solutions-driven and future-oriented essential electricity service provider, ENMAX aims to actively contribute to a cleaner energy future by committing to achieve net-zero scope 1 and scope 2 GHG emissions by 2050. | Contribute to a cleaner energy future by reducing the emissions associated with our business footprint. | • As a milestone towards achieving our net-zero vision, we plan to reduce or offset **70%** of our scope 1 and scope 2 GHG emissions by 2030 from a 2015 baseline. Our three-part approach includes our plan to:<br>  • Electrify **35%** of our mobile fleet by 2025 towards our aspirational goal of electrifying **100%** of our mobile fleet by 2030;<br>  • Offset **100%** of our building GHG emissions (scope 1 and scope 2) from 2021 onwards; and<br>  • Reduce or offset GHG emissions associated with our power generation portfolio by continuing to invest in efficiency improvements and new technologies. |
| **Reliability and innovation** | As we seek to advance a cleaner energy future and enable the future needs of customers, ENMAX will evolve our grid to meet changing expectations. | Prepare for and enable the opportunities presented by decarbonization, electrification and the adoption of distributed energy resources. | • ENMAX Power plans to invest **$60** million to enable a more resilient grid by 2030 while maintaining its reliability levels. |
| **Diversity, inclusion & belonging** | ENMAX aims to attract and retain a workforce that is reflective of our community and create an environment where everyone has a sense of belonging. | Meaningfully embed diversity, inclusion and belonging into our people and business practices to drive how we attract, retain, and grow team members and engage our customers and communities. | • Complete a third-party assessment of our HR policies to identify additional opportunities to remove bias and promote equal access to opportunities in 2021.<br>• **100%** of senior leaders (director and above) to complete inclusive leadership competency training in 2021, and all other leaders to complete the training in 2022.<br>• Complete an assessment of our customer and vendor practices by 2023 to identify further opportunities to advance inclusive customer experiences and vendor management processes. |
| **Energy affordability** | ENMAX's goal is to eliminate barriers for vulnerable customers that may impact or inhibit access to safe, reliable and affordable energy. | Support vulnerable customers through programs, resources and partnerships. | • 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%**.<br>• Deliver **1,000** energy saving kits to Albertans by 2022.<br>• By 2025, conduct **four** pilot projects to test programs or solutions that work towards removing barriers to energy access and affordability. |

1 *Our current ESG targets cover only our assets and operations in Alberta. In the next few years, we will work with Versant Power to fully incorporate our operations in Maine into our targets.*

# ENVIRONMENT

At ENMAX, we are committed to advancing a cleaner energy future for the benefit of our customers, communities and our Shareholder, The City of Calgary. Environmental protection and stewardship are integral components of our strategy that are embedded across all aspects of our business.

We endeavour to provide environmentally responsible energy solutions to the communities we serve by continuously reducing our GHG emissions, managing air quality, delivering reliable power, evolving the grid to meet customer needs, mitigating climate-related physical impacts and optimizing our water use.

# GHG emissions across our business

As a provider of essential electricity services, we are deeply committed to delivering safe, reliable and responsible energy. The advancement of a cleaner energy future is a mandate under which ENMAX has operated for decades. The increasing importance of advancing efforts to address climate change is a core part of our strategy and business focus. This commitment is demonstrated through examining and continuously reducing our GHG emissions.

The vast majority of our GHG emissions are generated from our power generation facilities. Our primary source of GHG emissions is natural gas combustion at our gas-fuelled power generation plants, followed by a smaller proportion originating from natural gas and electricity consumption at our corporate and operational buildings together with diesel fuel combustion within our mobile fleet.

## Power generation

Today, ENMAX Energy owns one of the most efficient generation portfolios in Alberta, with 86 per cent of its generation capacity coming from natural gas and 14 per cent from wind energy. Our natural gas-fuelled power generation facilities have the lowest GHG intensity in Alberta at 0.39 tonnes of carbon dioxide ($CO_2$) per megawatt hour (MWh). These natural gas-fuelled generation facilities also enable the integration of intermittent renewable assets into the Alberta grid by providing a backstop to the variability of the wind and solar generation.

Over the past decade, we have achieved significant emissions reductions through the following:

- Transitioning our power generation portfolio
- Improving efficiency at our natural gas power generation facilities

| GHG emissions (scope 1 and scope 2) contributions by each business | 2020 |
|---|---|
| 1 Power generation | 99.5% |
| 2 Operational and corporate buildings | 0.3% |
| 3 Mobile fleet | 0.2% |

*[Note: These numbers are approximate and will be recalculated with final data.]*

### OUR RENEWABLE ENERGY INVESTMENTS

14 per cent of our generation portfolio is renewable power from wind. Our early investments in wind power continue to provide value in lowering the emissions intensity of our generation fleet.

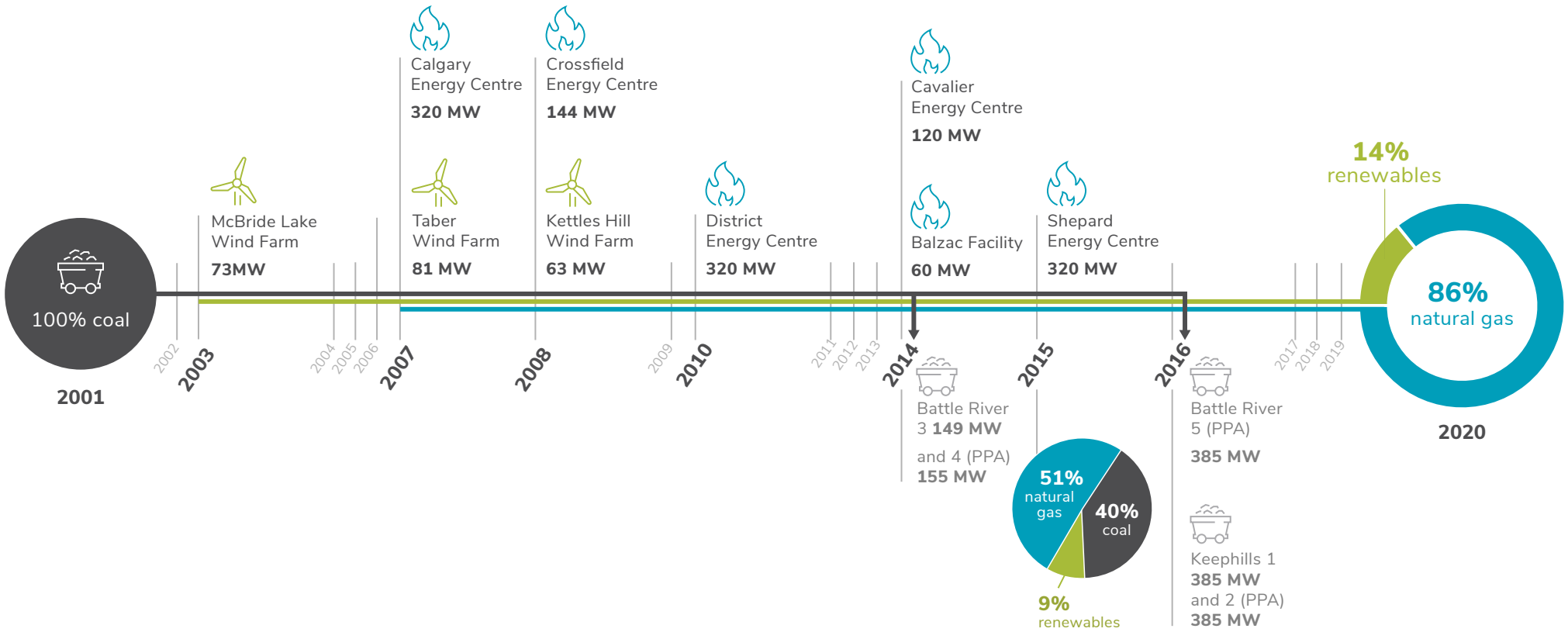
- Taber (81 MW) - In operation since 2007, the Taber wind farm is 100 per cent owned and operated by ENMAX
- Kettles Hill (63 MW) - Acquired in 2008, Kettles Hill is 100 per cent owned and operated by ENMAX
- McBride Lake (73 MW) - First on stream in 2003, ENMAX holds a 50 per cent ownership of this facility through a joint venture and purchases 100 per cent of the output for our customers

## Transitioning our power generation portfolio

In 2001, 100 per cent of our generation capacity was coal-fired. With the termination of all PPAs associated with coal-fired generation by 2016, we materially reduced the GHG intensity of our generation capacity by 65 per cent when compared to our 2015 baseline.

Today, we hold no coal-fired generation facilities in our portfolio, and our power generation facilities are a combination of modern natural gas-fuelled power generation facilities and wind facilities. Our largest power generation facility, Shepard Energy Centre, is the most efficient natural gas-fuelled combined-cycle generation facility operating in Canada today, as measured by tonnes of $CO_2$ per MWh.

## The Evolution of our Generation Portfolio



## Improving efficiency at our natural gas power generation facilities

While natural gas is considered one of the lowest carbon emitting fossil fuel options available for power generation, we are proactively working to find efficiencies and incremental improvements that further reduce our GHG emissions intensity.

### Turbine upgrades

As part of our ongoing efforts to improve operational efficiencies, we upgrade our turbines to increase power capacity while reducing emissions intensity. In 2019, we completed a turbine upgrade at Shepard Energy Centre that added 15 megawatts (MW) of generation capacity. This upgrade reduced the GHG intensity of an already modern and efficient facility. Similar upgrades are planned for the second turbine at our Shepard Energy Centre in 2021 and at our Calgary Energy Centre in 2022.

### Inlet air heater upgrade

In 2020, we upgraded the inlet air heaters at the Shepard Energy Centre. This upgrade significantly reduced the amount of steam required to operate the heating system, which improved the efficiency of steam use for power generation. Specialized heaters stop gas turbine inlet icing and keep the air channels (that bring air into the gas turbines) clear. The upgrade has provided two key benefits. First, the new heaters no longer accumulate ice during cold humid conditions, allowing the plant to operate at optimal performance at a wide range of temperatures. Second, the improved heat transfer reduces the use of steam for heating and improves the overall efficiency of the steam cycle.

The recent upgrades to our Shepard Energy Centre are estimated to have avoided the generation of 87,000 tonnes of $CO_2$ in 2020.

### Partners in emissions reduction innovation

Our Shepard Energy Centre is also home to the Alberta Carbon Conversion Technology Centre (ACCTC), which uses exhaust gas from the facility to enable research and innovation focused on finding ways to reduce and repurpose emissions. CarbonCure Technologies Inc., who tested their technology at the ACCTC, was recently declared one of two grand prize winners in the NRG COSIA Carbon XPRIZE competition, a global technology challenge to convert $CO_2$ emissions into usable products.

## STANDBY POWER GENERATION AT NEAR-ZERO EMISSIONS

Our Crossfield Energy Centre is designed to contribute to meeting demand on Alberta's electrical grid during high consumption periods. As a peaking facility, Crossfield operates only an estimated five to 20 per cent of the time. However, this facility is critical for serving Albertans and meeting peak customer demand – typically in the daytime and seasonally when temperatures are high or low.

We have installed a battery storage system at Crossfield Energy Centre, which turned the facility's existing natural gas turbine into Canada's first hybrid electric gas turbine. Without the battery system, the natural gas turbine at Crossfield cannot offer standby power without continuously staying online at low levels. With the installation of a 10 MW lithium-ion battery, we will be able to offer this standby power generation without having to burn natural gas. When this power is required, the battery will provide the initial supply while the turbine ramps up to meet the demand. The battery is charged with natural gas generation, but the combination optimizes the system and results in a significant reduction of GHG emissions.

The project entered commercial operation on May 8, 2021. This project is estimated to directly reduce 45,000 tonnes of GHG emissions from the grid per year from 2020 to 2025. In 2019, we were the recipients of project funding from Emissions Reductions Alberta (EEA).

## Operational and corporate buildings

ENMAX currently owns or leases six office and operational buildings in Alberta and 40 substations. As part of our commitment to reducing our emissions footprint, we have invested in:

### Real estate consolidation

We increased the density at our company headquarters (ENMAX Place) from hosting 1,100 workstations in 2015 to 1,400 workstations in early 2020. During that same multi-year period, we also reduced the number of Alberta office and operations locations from 10 to six.

### Facilities energy efficiency

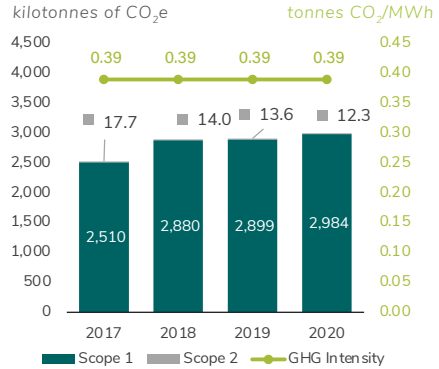
We continually look for opportunities to improve energy efficiency, which in turn helps facilitate GHG emissions reductions from our corporate facilities. In the last four years, we converted all interior lighting to motion sensor LEDs at ENMAX Place and also replaced heating, ventilation and air conditioning units with more efficient units. We also continually promote behavioural changes, such as regular reminders to promptly close the shop doors at our service centres, which helps to reduce heating needs (and associated emissions).

### Substations

ENMAX Power assets include 40 substations. The purpose of a substation is to "step down" high-voltage electricity from the transmission system to lower-voltage electricity, so it can be easily supplied to local homes and businesses with lower-voltage distribution lines. Substation emissions are predominantly derived from natural gas consumption, electricity use and sulfur hexafluoride ($SF_6$) releases. $SF_6$ is a gas used as an electrical insulator in high-voltage switchgear. Since $SF_6$ is a powerful GHG, ENMAX Power closely monitors and reports all $SF_6$ releases and has stringent $SF_6$ management practices in place. Since 81 per cent of ENMAX Power substations have breakers with $SF_6$, 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 closely follow industry research to explore alternatives to $SF_6$ gas.

Versant Power assets include 117 substations. Only 35 per cent of those substations 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.

**GHG emissions (equity)**




While our emissions intensity remains unchanged over the past four years, our absolute emissions have increased by 19 per cent since 2017. Absolute GHG emissions are directly correlated with the degree of utilization of our assets and our natural gas facilities have very high utilization rates.

*Notes:*

- *This data excludes Versant Power.*
- *In 2020, we changed the method of consolidation of our GHG emissions. In our sustainability reports over the last five years, we reported 100 per cent of the GHG emissions from facilities we operated regardless of financial ownership (operational control approach under the GHG Protocol). We have now switched to the equity approach to better reflect financial risks and rewards. Our target baseline (2015) and all data in this chart has been restated using the equity approach.*
- *Our GHG emissions are composed predominantly of $CO_2$. While we include $SF_6$ 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 but only a portion of electricity and natural gas combustion, since not all substations are directly metered.*

## Mobile fleet

ENMAX operates across the electricity value chain by generating, delivering and selling electricity services and products. We have more than 9,000 kilometres (km) of transmission and distribution lines, several substations and control centres, and crews of employees in Alberta who maintain and repair the electric grid. To support this work, we have a mobile fleet of 348 vehicles in Alberta. Of this fleet, 39 per cent of vehicles are light duty, 39 per cent medium duty and 23 per cent heavy duty. To reduce the emissions associated from our Alberta mobile fleet, we have implemented:


### Fuel efficiency improvements

Since emissions are directly correlated with gas and diesel fuel consumption, we focus on improving fuel efficiency. We are working to reduce GHG emissions from our fleet through several initiatives, including:

- Company-wide adherence to our mobile fleet anti-idling policy and anti-speeding policy;
- Making our fleet vehicles more fuel efficient as they are replaced; and
- Using Geotab monitoring software to control idling, optimize routes and help change driving habits to reduce fuel consumption.

### Fleet Electrification Pilot project

We are currently carrying out a pilot to test electric vehicle (EV) technology on two medium-duty trucks (under 10,000 lbs) within our fleet. This demonstration project is the first of its kind in Canada and could reduce diesel fuel consumption by an estimated 4,300 litres of diesel per vehicle annually. The project plans to test truck capacity and performance in all weather conditions and track the performance and usage of the battery and charging infrastructure to determine overall viability. We received funding from EEA to complete this project. This is one of our first steps in our steadfast commitment to the advancement of fleet electrification (see our targets on page 10).

The primary source of Versant Power's GHG emissions is gas and diesel combustion from its mobile fleet. The company's fleet includes 140 smaller-class vehicles and approximately 120 medium- and heavy-duty vehicles. In recent years, Versant Power has added two EVs and two EV charging stations to its mobile fleet assets.

*International EV concept vehicle. Prototype may not be exactly as shown.*

### TESTING TWO MEDIUM-DUTY ELECTRIC TRUCKS

ENMAX Power is currently in the initial stages of a demonstration project to test two medium-duty fully electric trucks—the first project of its kind in Canada.

During the pilot, we plan to test truck capacity and performance in all weather conditions and track the performance and usage of the battery and charging infrastructure to determine overall viability.

# Looking forward: GHG emissions

## Vision

As a solutions-driven and future-oriented essential electricity service provider, ENMAX aims to actively contribute to a cleaner energy future by committing to achieving net-zero scope 1 and scope 2 GHG emissions by 2050.

## Focus

Contribute to a cleaner energy future by reducing the emissions associated with our business footprint.

## Targets

As a milestone towards achieving our net-zero vision, we plan to reduce or offset **70%** of our scope 1 and scope 2 GHG emissions by 2030 from a 2015 baseline. Our three-part approach includes our plan to:

- Electrify **35%** of our mobile fleet by 2025 towards our aspirational goal of electrifying **100%** of our mobile fleet by 2030;
- Offset **100%** of our building GHG emissions (scope 1 and scope 2) from 2021 onwards; and
- Reduce or offset GHG emissions associated with our power generation portfolio by continuing to invest in efficiency improvements and new technologies.

## Our approach

ENMAX is committed to achieving net-zero scope 1 and scope 2 GHG emissions by 2050. As milestones towards our vision, we have established 2030 interim targets that provide ambitious, yet achievable, guideposts on our journey. Our commitment encompasses our operational and corporate buildings, vehicle fleet (348 vehicles at the end of 2021) and our electricity generation portfolio in Alberta. Over the next year, as part of our continued assessment and exploration of this area, we plan to assess the appropriateness and applicability of similar targets in Maine as we advance towards our shared vision of a cleaner energy future. We also recognize the degree of collaboration required to advance the electricity grid for the benefit of customers and will continue to actively partner with policymakers and regulators in these areas.

Our focus areas for our plans to reduce our GHG emissions include:

### 1. Power generation

Reduce and offset our emissions through a combination of technology advancements, innovation, and capital replacement over time

### 2. Buildings

Offset emissions from our building to provide a net-zero carbon electricity source for our building and for our electric fleet

### 3. Mobile fleet

Invest in asset replacement and charging infrastructure towards full fleet electrification by 2030. Continue to actively engage with suppliers, other utilities and vehicle manufacturers to support the development of the specialized EVs needed to meet our goals.

We are committed to reducing our GHG emissions, which have increased over the last four years with the high level of demand required from our facilities. While we continue to operate our current fleet of efficient power generation assets with a high degree of availability and run-time, we recognize that this increases their environmental impact and have therefore set emissions reduction targets.

## Next steps

In 2021, we have established our baseline, data gathering guidelines and analysis for the development of our target and actions plans. The next steps toward our GHG emissions reduction targets are:

For our power generation

- Complete turbine upgrades at our Shepard Energy Centre in 2021 and at our Calgary Energy Centre in 2022;
- Operate the Crossfield hybrid electric gas turbine battery in the ancillary services market; and
- Evaluate the implementation of new technologies that align with our business strategy and future plans.

For our buildings

- Develop and action an emissions offset strategy that balances economic and environmental cost and benefits.

For our mobile fleet

- Proceed with the orderly replacement of vehicles with electric counterparts as they reach end-of-life (within vehicle availability constraints);
- Prepare for the deployment of two medium-duty electric trucks in 2022; and
- Develop a fleet electrification plan that includes both asset replacement and charging infrastructure investment.

# Customer emissions

ENMAX commitments and actions are geared towards contributing meaningfully to the transition to a cleaner energy future. As part of our essential role in the energy transition, we are committed to reducing our own impacts in conjunction with our customers over time. In our interactions with customers, we will continue to assist them to better understand and manage their energy use by offering informative tools and programs that enable informed decisions regarding energy consumption and by supporting renewable energy solutions that meet their needs and expectations across all jurisdictions where we operate.

## Energy use

Since 2017, ENMAX Energy has offered My Energy IQ™, a free tool that provides information and reports that enable customers to make informed decisions and better manage their energy use. All residential and most small business ENMAX Energy customers have convenient online access to the My Energy IQ™ tools, reports and insights as part of their ENMAX Energy online account. My Energy IQ™ enables customers to see how their home 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 consumes the most energy in their home and how weather impacts consumption. ENMAX is amongst the first utilities in Alberta to offer a program like My Energy IQ™ and empower customers to take more control over their energy use.

## Electricity or natural gas green add-on

ENMAX Energy also offers "green add-on" selections for customers to pay an additional variable fee (the amount is chosen by the customer). This fee goes towards the purchase of certified Renewable Energy Certificates or offers that support renewable energy initiatives and fully or partially offset the GHG emissions associated with their electricity or natural gas consumption.

## Lower carbon emissions heating

Versant Power is helping its customers reduce their emissions by promoting cleaner energy options. The company encourages customers to switch from using fossil fuels for home heating to using electric heat pumps. Since Maine's grid sources about 75 per cent of its electricity from renewable sources such as offshore wind, solar, hydroelectric and biomass, switching to heat pumps results in lower emissions.

## Renewable energy opportunities for customers

As renewable generation continues to expand in Alberta, solar remains the largest source of total installed micro-generation capacity at over 89 MW as at the end of 2020, and ENMAX Energy continues to maintain our position as one of Alberta's leading solar retailers with over 36 MW installed. Since 2009, our solar opportunities have been enabling customers across the province to select any number of solar modules for their home or business to meet up to 100 per cent of their annual electricity needs.

On a much larger scale, customers in municipalities across Alberta have partnered with ENMAX for their solar needs, including 18 MW of installed solar at 58 locations such as Calgary's Shepard Solar Park, Bearspaw Water Treatment Plant and Southland Leisure Centre to name just a few. Over the past two years alone, ENMAX has enabled the completion of Canada's largest municipal rooftop solar installation in Airdrie, Alberta, a 1.55 MW system providing renewable energy to their Genesis Place Recreation Centre, and helped the town of Raymond become a solar-powered net-zero community.

In 2020, we also saw exponential growth in solar development across the state of Maine[2]. Versant Power adapted business processes and resources within its service territory to meet the growing interest and customer expectations. Versant Power is currently supporting nearly 150 distributed generation projects through their development stages—from application, engineering studies, design and construction to establishing intricate billing. This endeavour involves integrating these renewable projects safely and efficiently within Maine's existing grid and is an important part of advancing ENMAX and Versant Power's shared vision of a cleaner energy future.

2 *Solar Energy Industries Association (2020). Accessed on May 2021. https://www.seia.org/state-solar-policy/maine-solar*

# Delivering energy for a cleaner future

As an operator of safe and reliable transmission and distribution electricity systems, we are committed to advancing technology solutions that will meet customer electricity needs today and into the future. The electricity grid of the future must deliver power reliably, enable the transition to diverse energy sources and support broader social electrification, while also withstanding increasingly severe weather events and adapting to changing customer expectations.

Over the past few years, we have advanced our ability to predict, detect and respond to outages and are integrating and planning for a series of innovative technology solutions to ensure our grid is prepared for and enables the future.

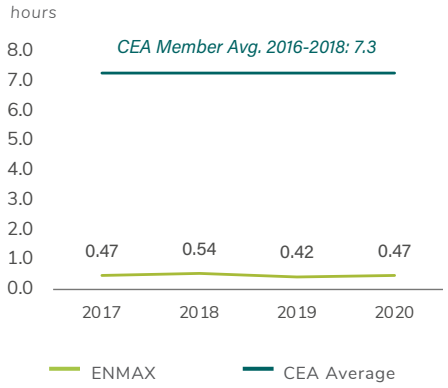
## Delivering power reliably

Nearly every aspect of our modern lives relies on electricity. ENMAX is committed to deliver power safely and to a high degree of reliability. To provide customers with the critical and dependable energy they need, we manage a complex system of infrastructure, equipment and software.

In Alberta, we operate under Alberta Reliability Standards. These standards are the requirements followed by the Alberta Electric System Operator and all electricity market participants in the province to maintain high reliability within the Alberta interconnected electric system. We deliver reliability levels that are top quartile in Canada (see data from the Canadian Electricity Association (CEA)[3] in the sidebar).

In Maine, Versant Power tracks and reports industry standard reliability metrics on a monthly and annual basis and has targeted improvement goals each year. In order to meet increased customer expectations regarding power reliability, Versant Power currently invests more than $70 million USD annually (approximately $87 million CAD) to maintain and improve its distribution system. Read about Versant Power's vegetation management program on page 24.

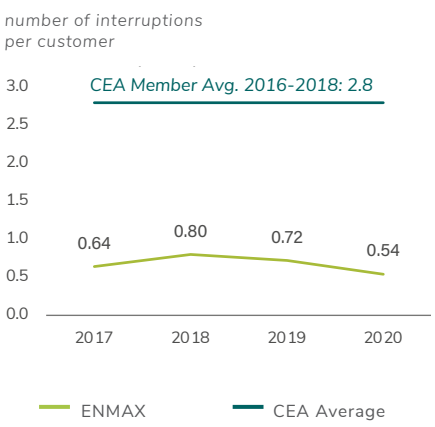
**System average interruption duration index (SAIDI)**




*SAIDI reflects the cumulative duration (in hours) of sustained repair outages experienced by the average customer in a year. Our customers experience, on average, less than 30 minutes of power interruption during one year, while customers of CEA member companies experience, on average, seven hours of outages per year.*

*Note: This data excludes Versant Power.*

**System average interruption frequency index (SAIFI)**




*SAIFI reflects the number of power outages lasting longer than five minutes experienced by the average customer in a year. On average, our customers experience less than one outage per year.*

*Note: This data excludes Versant Power.*

3 https://electricity.ca/wp-content/uploads/2019/11/SE_Report_WEB_2019.pdf

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. In Calgary, we are strengthening the reliability of our system through:

## Replacing aging assets

Each year, certain assets undergo major maintenance or replacement as part of our Capital Asset Replacement Program. This program helps our assets run optimally and minimizes the occurrence of outages. Assets are prioritized based on condition and other risks. Read about our Substation No. 1 replacement project in the sidebar.

## Planning for load capacity

To support reliable service to customers, we use load capacity planning to identify the existing constraints and upcoming demands on the Calgary electricity system (loads) and to verify that redundancies are in place. In 2019, our system and customer planning teams developed a load forecasting model to support the introduction of an interactive Load Capacity Map to help communicate the estimated available capacity throughout our distribution system. Using the map, customers can search for an address to quickly identify the system's available capacity.

## Restoring outages faster using automated outage restoration

Despite our best efforts, some of our customers experience power outages. To substantially reduce the duration of outages and the number of customers affected, approximately 48 per cent of Calgary's non-downtown distribution system uses a technology called Distribution Automation. This system has saved an estimated 30 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.

## Predicting cable failures

Underground cable failures are the highest contributor to both total customer outage minutes and to the frequency of outages in our Calgary system. To proactively identify buried cables at high risk of failure, we developed the Predictive Failure Program, which uses a machine learning model with access to more than 1.5 million data points. The model helps improve and maintain grid reliability and optimizes spending while reducing these types of outages. The program was a 2020 EEI Edison Awards Nominee and was recognized (in conjunction with our Load Capacity Map) in the Canadian Electricity Association's Centre of Excellence for Innovation.

## Managing and communicating outages

In 2019, we installed an Outage Management System. This system predicts the origin of an outage in order to efficiently dispatch a service person to the location for restoration. The system also automatically identifies and posts outage information for customers on an integrated website map and via Twitter. If a customer chooses, they can have outage information sent to them using emails, text or phone calls via the ENMAX Outage App. The Calgary Outage Portal Map shows planned and unplanned outages occurring real-time and within the last 24 hours.


### MAJOR PROJECT: REPLACING SUBSTATION NO. 1

ENMAX Substation No. 1 was built in 1912 to power streetlights and the streetcar rail system in the downtown Calgary area. For more than 100 years, we have expanded and upgraded this substation to meet load growth requirements. With all these upgrades, this substation is able to provide power to approximately 45 per cent of the downtown Calgary area.

At the beginning of 2021, we received Alberta Utilities Commission (AUC) approval to begin construction of the new substation to:

- support the reliable supply of electricity to The City of Calgary;
- maintain the reliability and integrity of our transmission system; and
- mitigate maintenance and operational safety concerns for workers related to the aging equipment in the existing substation.

The project is anticipated to start construction in Q3 2021 and be completed by the end of 2024. At an investment of approximately $207 million, this project supports the reliability and modernization of our grid. Further details can be found here.

## Adjusting the grid to meet customer needs

Traditionally, electricity has been centrally generated at large power plants and distributed by a small number of power companies. Rising customer interest in local small-scale power generation installations such as solar photovoltaic, micro wind, and storage has created new challenges for safe and reliable grid integration. We are meeting these challenges by:



### 1 Unlocking the potential of two-way power flow

Secondary networks are intricate grid areas, such as downtown Calgary, that have not historically been able to support two-way power flow. Two-way power flow is required for customers who want to generate their own renewable electricity and send extra power back into Calgary's grid for others to use. Announced in 2018, our Secondary Network Export Project is developing technology that would enable two-way power flow on our secondary networks. It is the first project of its kind in Canada. In 2020, the first phase of testing of this multi-year project was completed. In the next phase, the first on-site customer implementation is scheduled and includes the installation of solar equipment at Cadillac Fairview Chinook Mall in summer 2021. This technology, if proven successful, will enable future small-scale renewable power generation in urban settings, ultimately lowering GHG emissions and removing barriers for customers to adopt renewable energy.



### 2 Understanding the grid's hosting capacity

Over the years, our customers have shared their increasing desire to have more control over how and when they generate or consume power. Our interactive Hosting Capacity Map allows customers to search locations and determine the system's capacity to accommodate their planned power generation system. The map also helps us anticipate the effect of customer-owned generation on the grid.



### 3 Preparing for transportation electrification

In 2019, we launched Charge Up, a small-scale EV charging pilot to help us understand how Calgarians use EVs and the potential impact on our electricity system. As part of the pilot, we are helping to offset the cost of Level 2 EV chargers for a limited number of eligible homes and businesses in Calgary. In 2020, the pilot team enrolled participants and facilitated residential charger installations, with the installation of public chargers expected in 2021. The data from the chargers is expected to help us understand the potential grid impacts of EV charging, so we can adjust accordingly.



### 4 Enabling customers' renewable power generation

ENMAX is supporting residential and commercial customers in renewable power generation offering both lease and purchase options. In Alberta, ENMAX is a leading provider of solar installation services across the province and installed 5.6 MW of solar energy for customers in 2020. Read about solar projects in Alberta and Maine on page 19.

# Looking forward: Reliability and innovation

## Vision

As we seek to advance a cleaner energy future and enable the future needs of customers, ENMAX will evolve our grid to meet changing expectations.

## Focus

Prepare for and enable the opportunities presented by decarbonization, electrification and the adoption of distributed energy resources.

## Targets

- ENMAX Power plans to invest $60 million to enable a more resilient grid by 2030 while maintaining its reliability levels.

## Our approach

We believe the rapid pace of technological advancement and change in our industry means conventional approaches to investment and asset replacement will evolve. We are proactively increasing our investments in innovative technology and solutions for our Alberta transmission and distribution grid with a commitment to invest $60 million to enable a more resilient grid by 2030. Our enhanced focus on innovation will enable us to stay ahead of changing customer expectations, while maintaining organizational competitiveness in this evolving environment. We define innovation as the systems, processes or technologies to be tested prior to full-scale deployment. We invest in innovation to serve our customers by making the grid more flexible, supporting lower carbon generation and/or adjusting to future customer needs. As part of the innovation process, we actively look for technology solutions and other opportunities that may reduce the costs of delivering electricity to our customers or provide them with additional service options. These technology investments are geared towards enabling the opportunities presented by electrification, decarbonization and the adoption of distributed energy resources. As we deliver a more flexible grid, we plan to continue balancing the interests of our customers and maintaining our reliability levels (as measured by SAIDI and SAIFI). We will also continue to actively partner with policymakers and regulators in these areas to advance common goals for the benefit of customers.

## Next steps

Some of our upcoming investments in innovation technology and solutions include:

- Advanced metering infrastructure (AMI) pilot to prove new technology solutions that create flexibility as we evolve the grid. AMI is an integrated system of smart meters, communications networks and data management systems that enables two-way communication between utilities and customers.
- Phase 2 of our EV smart charging pilot which will move past data collection and inform the development of appropriate tactics to influence EV charging behaviour and, therefore, reduce grid impacts associated with EV adoption.
- Distribution-connected battery storage to test out specific use cases in order to understand customer and utility benefits that can be realized by integrating battery storage.

# Mitigating climate-related physical risks

The ENMAX group of companies operates in two distinct regions with different types and levels of climate-related physical risks. ENMAX Power operates in Calgary, Alberta and the surrounding community, which are landlocked urban areas. Versant Power operates in Maine, the most forested state in the United States, with 90 per cent of its land being tree covered. The management of climate-related physical risks varies according to the unique needs of each region.

Our key climate-related physical risks in Alberta include:

## Flood

After the 2013 Calgary flood, we updated our internal mapping to include flood inundation zones and evacuation zones (provided annually by The City of Calgary). Our flood maps indicate our circuitry, meters, the number of customers affected per zone and in what order. This allows us to search and determine the equipment that would be first impacted by any overland flooding and adjust our response plans accordingly. In addition, ENMAX maintains a flood action plan that is reviewed annually. ENMAX continues to engage closely with Calgary Emergency Management Agency (CEMA) partners to maintain alignment with these valuable partners.

## Extreme weather events

Our operations control center proactively monitors and prepares for a variety of weather events that Environment Canada is identifying as a "Watch" or "Warning" such as strong winds, heavy rain, severe hail, tornadoes and heavy snowfalls. We categorize these using the Incident Command System's incident level definitions (1, 2 and 3) and escalate our communications and response accordingly. We are currently developing a storm analytics tool using Canadian weather data to help predict system impact for outages that may arise during extreme weather events.

Our key climate-related physical risks in Maine include:

## Tree and vegetation management

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, which means that trees can easily fall on powerlines. This is why, each year, Versant Power covers more than 3,000 km 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.

## Extreme weather events

With storms becoming more frequent and severe, extreme weather events pose a key physical risk to the system. These weather events can include heavy winds, rain, ice and heavy snowfalls, and can make the risks of tree falls even greater. In 2020, ENMAX worked with Versant Power to develop a storm analytics tool to help predict the outage patterns that could arise after certain types of extreme weather events. The tool visually mapped six years of Versant Power outage data and interlaced it with historical weather data for Maine. While the tool is still in early stages, it may provide promising insights for system analysis and reliability.

### WEATHER ANALYTICS

In 2020, ENMAX worked with Versant Power to develop a storm analytics tool to help predict the outage patterns that could arise after certain types of extreme weather events. The tool visually mapped six years of Versant Power outage data and interlaced it with historical weather data for Maine. While the tool is still in early stages, it may provide promising insights for system analysis and reliability.

# Emergency and crisis management

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.

Reliable power generation and delivery depends, in part, on maintaining the resiliency of both our generation facilities and our transmission and distribution assets. Emergency preparedness is tailored by our power generation and transmission and distribution teams.

## Power generation

Emergency preparedness at ENMAX Energy means ensuring that our generation facility control centre, field, and power plant employees are equipped to respond safely, while maintaining compliance to all legislative requirements with respect to the continued operation of the Alberta Interconnected Electrical System. Our employees receive emergency response training as part of their operational training and during regular emergency exercises.

Due to the COVID-19 pandemic, we made significant changes to our emergency response program, including modifying our large emergency response exercises. A combination of full-scale/virtual tabletop exercises was conducted at the Shepard Energy Centre. The Calgary Energy Centre and Cavalier Energy Centre conducted virtual tabletop exercises.

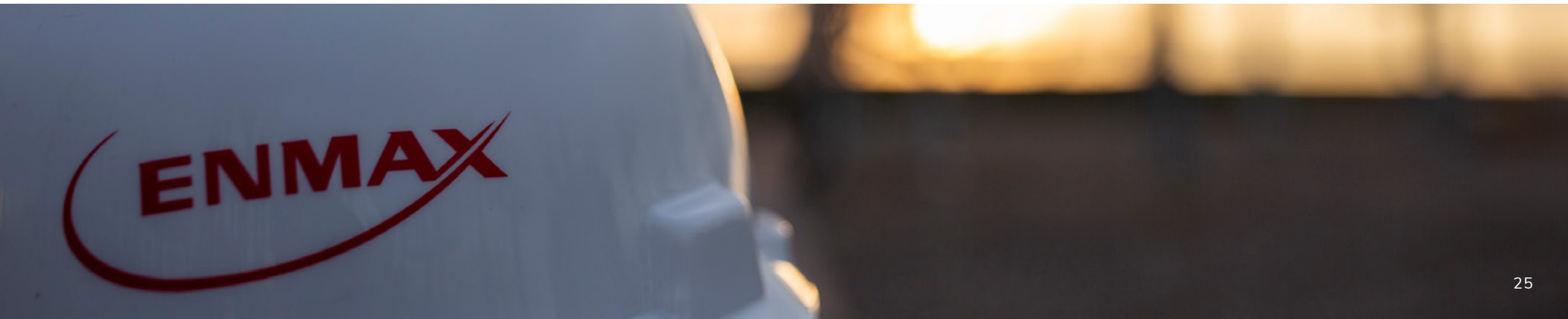
Additionally, the Pandemic Response Plan was updated and incorporated into the emergency management program. Pandemic-type exercises and responses will become part of our scenarios to be tested.

## Transmission and distribution

ENMAX Power is a partner member of CEMA, which plans and coordinates emergency services and resources during major emergencies and disasters in Calgary. We participate in all their drills, 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. 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 with one of our closest mutual assistance partners, EPCOR, per year. 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. In 2020, we were able to complete seven (with modifications to protect our employees and the public from COVID-19 risks).



## Testing our crisis management and response: Our COVID-19 response

2020 was a significant year for our organization as we navigated the global COVID-19 pandemic. Grounded in our values, our key priorities were to maintain the health and wellbeing of our team members and to continue serving our customers safely and reliably throughout the pandemic.

The delivery of safe, reliable electricity service is essential to our lives, and any time ENMAX is faced with circumstances outside of normal business operations, we take active steps to maintain continuity in our service and support our customers and communities.

In response to the COVID-19 pandemic, we adopted a range of stringent health and safety measures to protect our team and continue to provide essential electricity and energy services to our communities. We mobilized approximately 80 per cent of our team to a work-from-home program, with no disruption to our operations or customer service. For those team members who remain at our operating facilities or work in the field, amendments to work schedules were made to support critical system maintenance and continuity of operations. Additionally, we were actively at the table through Calgary's enactment of its emergency management protocol under CEMA.

The stringent health and safety protocols implemented for our essential workers remaining on-site and in the field have evolved alongside the guidance issued by Alberta Health Services and The City of Calgary, and include the following special protocols:

- Crews report out of different substations or dispersed locations to limit interaction;
- Crew sizes and schedules have been adjusted to limit interaction;
- Light- and medium-duty fleet vehicles are used for transportation between work and home to decrease visits to ENMAX facilities;
- Tailboard safety signoff procedures for project and job specifications have been adjusted to support physical distancing;
- Increased support for mental health through the ENMAX Employee and Family Assistance Program (read more on page 40); and
- Increased leadership and safety presence to support critical staff.

# The energy transition

The electricity sector, as a key player in a lower-carbon future, is experiencing a 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, and organizations like ENMAX have a critical role to play in supporting customers and enabling opportunity throughout this transition.

## Transition-related opportunities

Large-scale decarbonization will require profound societal changes across many sectors. Not only will power generation change, but also how that power is used.

### Electric vehicle adoption and electrification

Beneficial electrification, defined as replacing direct fossil fuel with electricity in a way that reduces overall emissions and energy costs, is expected to be a driver for increased electricity demand. In 2019, sales of electric cars topped 2.1[4] million globally, which is a 40 per cent year-on-year increase. The expected pace of EV adoption and the fact that charging will likely be done at home or at work[4] is expected to increase electricity demand for utilities like ours. At ENMAX, we are currently undertaking pilot projects, both in our own mobile fleet and for customers, to better understand and take advantage of this opportunity.

### Investments toward grid flexibility

A growing societal focus on low-carbon or carbon-free energy is likely to increase the need for investment in the electric distribution grid. Our reputation for service and reliability provides a solid foundation that positions us well in this area. We also provide other services, such as connections for distributed energy resources like customer solar photovoltaic installations. We also continue to invest in our grid to be able to adjust to these changes (read more on page 22).

### SHIFTING OF LOAD AND LOAD PROFILES

The global COVID-19 pandemic has demonstrated how access to safe, reliable and cost-effective electricity is critical, and how power demand and load can pivot quickly depending on events and circumstances.

In Calgary, total energy consumption in 2020 was about four per cent lower than in the prior five-year average (2015 – 2019). The decrease in energy consumption was primarily driven by a decrease in commercial energy consumption due to restrictions that were placed on businesses and workplaces. This decrease, however, was partially offset by an increase in residential energy consumption as portions of the workforce transitioned to working from home. COVID-19 is expected to impact energy consumption, in 2021, and potentially beyond, as workplaces shift towards more remote work.

However, prior to the COVID-19 pandemic, we had already observed energy use per customer decrease since 2015. More energy efficient appliances, conversion to LED lighting and increases in multi-dwelling homes had all played a role in this decline.

At ENMAX, our focus is to continue being responsive, supporting our customers, adjusting our business and delivering power reliably through these shifts.

4 *International Energy Agency. World Energy Outlook. Accessed on April, 2020. https://www.iea.org/reports/global-ev-outlook-2020*

# Transition-related risks

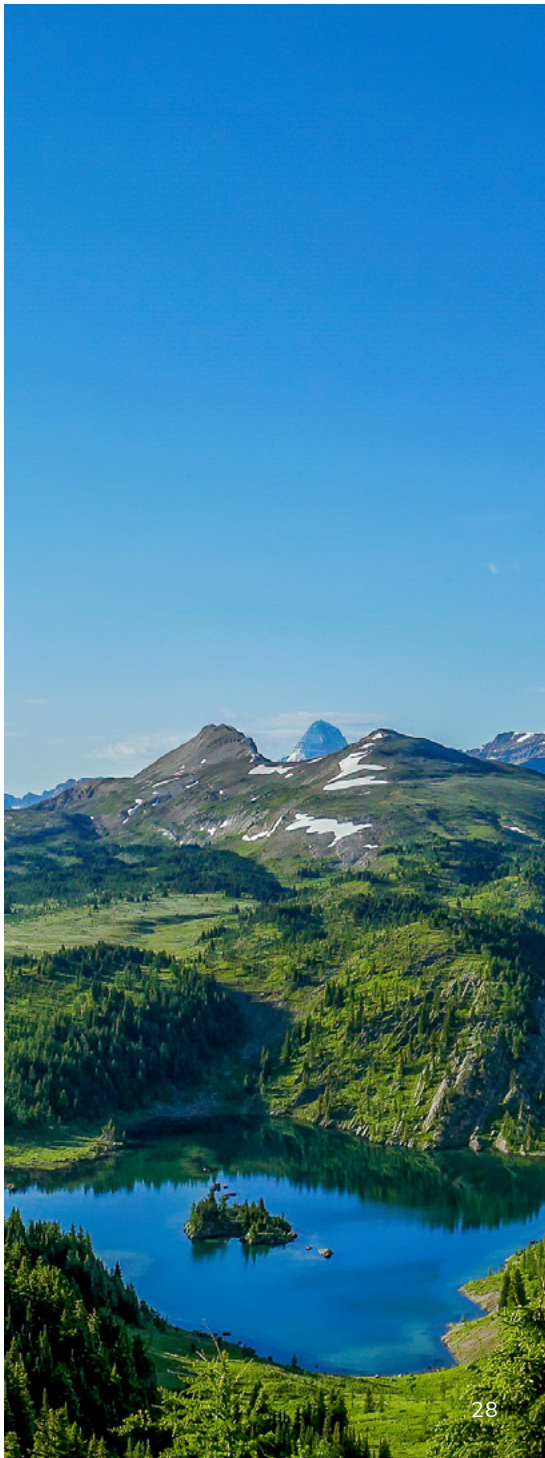
We closely monitor provincial and federal climate-related policies, regulations and legislation which may affect our performance. Besides investing in improving our own power generation portfolio and technology, ENMAX manages climate change regulatory risk by advocating for well-designed and cost-effective policy at the provincial and federal levels. Some of the GHG-limiting regulations that apply in our area of operation are:

## Provincial GHG regulations

Since 2007, large facilities in Alberta have been subject to different GHG-limiting regulations. In 2019, ENMAX's GHG emissions from its natural gas generation facilities have been covered by the Technology Innovation and Emissions Reduction (TIER) regulation which applies to Alberta's large final emitters (facilities that generate more than 100,000 tonnes of $CO_2e$ per year). Under TIER, thermal[5] electricity generation is required to meet a GHG emissions intensity of 0.37 tonnes of $CO_2e$/MWh (called a high-performance benchmark). Facilities that produce electricity as their primary product are subject to this "good-as-best-gas" electricity high-performance benchmark, and the Shepard Energy Centre was the reference facility used to set the benchmark not only in Alberta, but also across Canada. For emissions beyond the described intensity, power generators currently pay $40 per tonne. To meet these obligations, companies can reduce emissions at the site level to meet the benchmark intensity, use credits they generate through emissions reductions in other parts of their portfolio, pay into a fund or buy third-party offsets. In 2020, our carbon compliance costs across all our power generation assets were $5.5 million. ENMAX plans to continue to make efficiency improvements to our power generation facilities (read more about our target on page 17).

## Federal carbon tax

The Parliament of Canada passed the Greenhouse Gas Pollution Pricing Act in 2018. Some provincial regulations have been deemed "equivalent" to the federal regulation, and so, companies that follow the provincial regulation are exempt of the federal carbon tax. Alberta's TIER has been deemed to be "equivalent" to the Federal government's legislation through 2021. The Government of Alberta is currently reviewing potential changes to the TIER legislation for 2022 and beyond, and evaluating equivalency with the federal program is part of that process. It should be noted that the TIER requirements for electricity generators are significantly more stringent than what the federal government proposed in their current legislation. There have been high levels of uncertainty regarding these regulations since the Canadian government announced plans, in December 2020, to further increase the carbon price by $15/t$CO_2e$ per year (starting in 2023), with a target to reach up to $170/t$CO_2e$ by 2030, as well as the ambitious goal of achieving net-zero emissions by 2050.



5 *Thermal generation includes electricity from natural gas, coal, petroleum, nuclear, geothermal and waste incineration.*

# Water use and quality

At ENMAX, we recognize that water is a precious resource that must be used responsibly. We carefully manage our water withdrawals and monitor our wastewater disposal. 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 on-site to create steam in our combined-cycle power plants. Three of our facilities are combined cycle, which means they use both a gas and a steam turbine concurrently to generate additional electricity. We focus our water reduction initiatives at these combined-cycle facilities and are working to reduce our water intensity by:

## Reducing freshwater use

We strive to minimize our freshwater use by using as much reclaimed water in our operations as practically possible. By design, our Shepard Energy Centre uses 100 per cent reclaimed water (also called greywater) from the The City of Calgary's Bonnybrook Wastewater Treatment Facility for all its power generation needs. Each year, this saves the plant from having to draw nearly six million cubic meters ($m^3$) of freshwater from the Bow River.

## 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 water used in a power plant declines in quality each time it runs through the facility, where every pass through the cooling towers increases the concentration of dissolved substances. After three years of research, observation and innovative lab testing, we have been able to find the optimal operating efficiency of the cooling towers. This work 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 24 to 28 per cent (relative to 2017 values) and saves nearly 450,000 $m^3$ of wastewater each year.

### Calgary Energy Centre

In 2020, we examined our water use at this facility looking to see if similar savings to Shepard could be achieved and determined that the plant was already optimizing its water use to the extent possible.

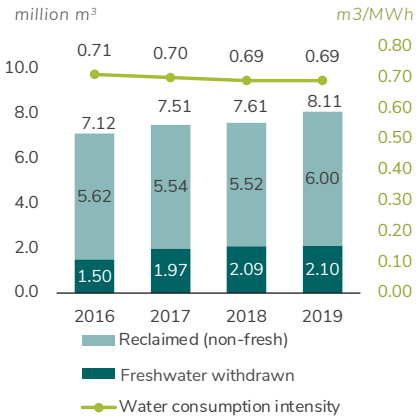
### Cavalier Energy Centre

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

## Water quality

We follow 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.

**Water use**




*Most of the water we use is non-fresh and is for power generation cooling processes. The increase in water withdrawn is correlated with increased power generation. The number for 2017 has been restated since the publication of our last sustainability report to reflect consistent calculation.*

# Air quality

ENMAX Energy operates power generation facilities in Calgary and the surrounding urban area and takes its role seriously in helping to protect local air quality in our region. In addition to GHG emissions, our operations generate other air emissions that can impact air quality. We diligently track and report non-GHG emissions from our power generation facilities. We are working to reduce these emissions through the incorporation of emissions reduction technologies, adherence to best practices and a commitment to continuous improvement.

## Nitrogen oxides

We operate our facilities at approximately 50 per cent of our allowable nitrogen oxide ($NO_x$) levels, which are facility-based $NO_x$ limits granted by Alberta Environment and Parks (AEP) and provincial regulations. To maintain these emissions levels, we utilize $NO_x$ reduction technologies at all our natural gas-fuelled power generation facilities. Two of our power generation facilities use post-combustion exhaust gas treatment (ammonia injection) to reduce $NO_x$ emissions, Crossfield Energy Centre has installed low-$NO_x$ combustors, and Cavalier Energy Centre uses water injection into the turbine to control $NO_x$.

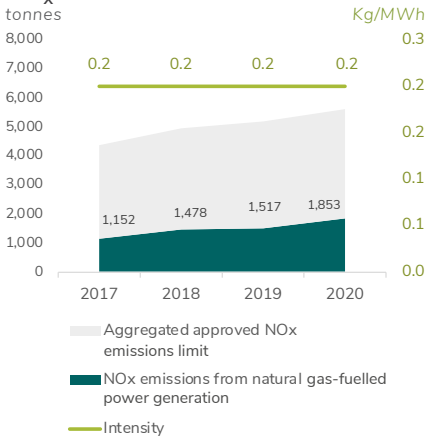
## Sulfur oxides

Sulfur oxides ($SO_x$) are no longer a significant source of our overall emissions since the termination of our coal-fired PPAs. Our $SO_x$ emissions levels vary in relation to the volume of our power generation output (see data in the sidebar).

## Partnerships to protect air quality

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

**$NO_x$ emissions**




*We maintain $NO_x$ emissions levels from our power generation facilities to approximately 50 per cent of our approved $NO_x$ emissions limit. However, to reduce excessive wear on equipment, we have had to reduce ammonia injection (one of our $NO_x$ reduction methods) and, therefore, have seen an increase in absolute $NO_x$ emissions levels when compared to previous years.*

*We generate other air emissions in smaller quantities. In the last four years, we have reduced our particulate matter emissions by 40 per cent.*

| **Other air emissions** (tonnes) | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| $SO_x$ | 13 | 16 | 16 | 17 |
| Particulate matter (PM10) | 25 | 14 | 15 | 15 |

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

# SOCIAL

At ENMAX, we never lose sight of health, safety and well-being as our top priorities. Through the course of our daily activities, we act with others in mind, whether they are our fellow coworkers, customers, Indigenous or local communities, or the general public. Within our organization, our actions are guided by the vision of providing a safe and supportive work environment where everyone feels like they belong.

Outside our organization, we endeavour to ensure our customers are supported through access to safe, reliable and cost-effective electricity services, and to create a positive impact on the communities where we live and work by giving back in meaningful ways that align with our values.

# Employee safety

Keeping our employees safe is of paramount importance to us. At ENMAX, safety goes well beyond following the rules—it is a core value which underpins our company culture. Our robust safety policies, procedures and systems guide our work so that everyone can go home safe at the end of the day.

## Safety culture

At ENMAX, we encourage a proactive safety culture where every individual takes responsibility and ownership for safety, regardless of their position or work environment. We believe that by working together with safety as a priority, we can achieve our goal of an injury-free ENMAX.

Our safety culture empowers our employees to communicate when they feel unsafe or see an unsafe activity. We encourage them to stop work so we can re-schedule, modify the work or otherwise address the issue.

Versant Power's expectation is to "speak up, listen up, follow up" if our team members see an unsafe act. In Maine, we continue to advance employee communication about safe work and engaged a third-party expert to train team members on difficult conversations and peer-to-peer safety communications. Versant Power has been actively shifting its safety focus from a reactive (focused on lagging indicators) to a proactive culture (focused on leading indicators). In Maine, we are tracking proactive incident rate (PAIR), which includes proactive measures such as hazardous conditions near miss reports (including home-based reports), safety job observations (including internal contractor observation), and safety discussions by Maine's executive management team. The PAIR metric is a balanced scorecard item and one of Versant Power's target goals linked to performance for all team members.

Over the years ahead, ENMAX plans to continue evolving our overall safety culture to a fully proactive culture supported by company-wide leading indicators and programs to encourage positive safety mindsets and behaviours.

## Rules to live by

Our Occupational Health and Safety handbook sets out our grounding rules, called the "Rules to Live By". All field employees review these when they join ENMAX. The Rules to Live By (commonly referred to in other industries as lifesaving rules) cover the most critical safety hazards that have caused serious injury or worker loss of life in our industry. The rules are intended to be simple, succinct reminders of the most important safety guidelines that we expect our workers to follow.

## Leveraging technology for hazard identification

Before any worker completes work, they must complete a field-level hazard assessment to proactively identify and control hazards in their work areas. In ENMAX Power, these are called tailboards and are completed by our Alberta field teams in real-time on iPads. The iPads also enable access to all procedures, standards and mapping systems. We regularly audit the completed hazard assessments, analyze hazard data and look for trends, then address top hazards through our communications and safety meetings. Within our ENMAX Energy teams, they are called work permits.

**Safety Statistics**


*In the last four years, we have reduced our total recordable incident rate by 66 per cent and our lost time injury frequency by 74 per cent. Note these statistics exclude Versant Power.*

**25,352** electronic hazard assessments (tailboards) completed in 2020

# Tailored safety programs

To continuously improve our safety performance, we have customized safety programs to target both our most significant and our most common injuries: driving risks, electrical contact, and slips, trips and falls.

### Driving

While ENMAX's overall driving incident levels have decreased over the years, we work in a dense urban environment and experience some off-road/rough terrain, low speed and backing up-related incidents. We have a multifaceted approach to mitigate driving risks and keep our employees safe (see infographic on the next page). Given Versant Power's large service territory, employees must drive long distances for work (5.8 million km in 2020). To reduce the risk of vehicle accidents, the company is diligent about auditing qualifications for specific driver class licenses, reinforcing driver training skills in its apprenticeship program and assisting workers with driver training. In 2021, we are planning fleet enhancements and driving expectations, including holding in-person driving refreshers on topics such as backing up with trailers.

### Electrical contact

While only about half our employees complete work that has associated electrical hazards, it is a high-risk activity for our field and front-line workers. We follow all relevant occupational health and safety compliance requirements and have strict lockout/tagout requirements. Lockout/tagout procedures are used to ensure equipment is safely shut down, isolated or disconnected from energy sources to protect workers from unexpected releases of energy.

Workers can only perform activities for which they are adequately trained, certified and have sufficient experience. Before working near electricity, ENMAX Power's apprentice training program provides new workers with proper supervision and support. Our Alberta powerline technicians go through annual reviews and assessments of key high-risk activities as part of our journeyman refresher program. In 2021, we plan to roll out an Assigned Competency Evaluation program to annually assess every worker for the work they do.

Versant Power has an exceptional in-house four-and-a-half-year apprenticeship program for line workers, delivered in their own training station. In 2020, five apprentices received their First-Class Line Worker status, 33 have completed the program and 38 are currently in various stages of progression. In addition to apprenticeship training, in 2020, 160 field employees received additional training on topics such as testing, troubleshooting and grounding procedures for underground residential distribution systems.

### ERGONOMICS AT VERSANT POWER

More than half of Versant Power's injuries are soft tissue injuries, such as shoulder injuries for line workers. To help address these, in 2020, the company developed a field ergonomics program in collaboration with an athletic trainer. The program assessed field workers completing tasks and recommended improvements.

### Slips, trips and falls

Slips, trips and falls are a common source of injuries for our operational team members (meter readers, for example) who regularly work on previously unvisited properties where uneven ground and dynamic scenarios can contribute to the risk of injury. Slips, trips and falls are a common cause of injuries in Alberta and Maine, compounded by winter weather. At our facilities, we invest in housekeeping efforts such as in ploughing and salting. We provide frequent up-front messaging prior to known hazards, such as wind storms or heavy snowfall. We send out bulletins and notifications to leaders to speak at safety meetings and provide reminders about common hazards and behaviours. ENMAX and Versant Power each have employee-based safety committees that provide opportunities to discuss these notifications, along with incidents that have occurred, lessons learned and recommendations. Both ENMAX Power and Versant Power encourage the use of traction controls or aids, such as proper footwear (like ice cleats) and the use of salt-de-icers to place onto snow and ice in high-traffic areas. Versant Power provides traction control aids (such as ice creepers) and ice melt personal containers to all employees.

## Spotlight on driving safety

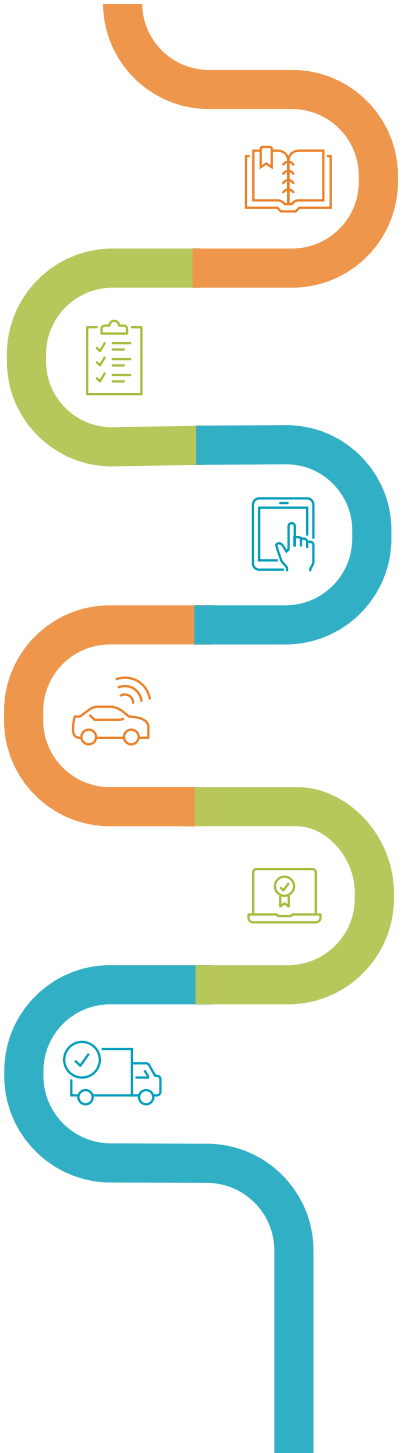
Our practices and programs to foster safe driving across ENMAX

We audit driver abstracts to ensure our drivers have the correct class of license for the vehicles that they drive. Any individuals without the adequate license level are flagged.

All ENMAX fleet vehicles (from cars to aerial trucks) also have an installed Geotab, an electronic device that uses real-time data to measure fleet performance. The devices enable us to track data on driver behaviour, which helps to reduce unsafe driving.

Due to the increased risk of serious safety incidents with our heavy fleet (greater than 11,749 kg), we have extra safety measures in place.

- Licence class audits
- Demerits above a certain level are flagged
- Drivers of heavy-duty vehicles must complete five annual courses covering driver safety, load security, securement, weights and dimensions, daily vehicle pre-trip inspections and dangerous goods.



We require all drivers to read and acknowledge our fleet handbook when they join ENMAX to understand our policies and safety procedures, vehicle features and operation, and driver responsibilities

We have a driving simulator that teaches about distractions.

Following any driving incidents, managers also have the ability to put a driver through online external driver training.

# Looking forward: Safety

## Our approach

Our vision is to be a leader in proactive safety. The next step in our safety evolution is the advancement of a highly proactive safety culture that is unified across all ENMAX companies and operations to continue our journey to an injury-free workplace. We plan to focus on anticipating and preventing hazards, enhancing our capacity to manage complexity and variability, and building robust and resilient processes and approaches that prevent hazards and minimize the consequences of errors and system failures. This will involve:

- Sharing safety and operational expertise and wisdom to strengthen our processes, procedures and practices
- Increasing our focus on psychological safety to encourage early identification and reporting of hazards and operational risks
- Developing leading indicators that focus on proactive behaviours and enable early identification of areas for improvement

## Next steps

In 2020 and to date in 2021, our efforts were primarily directed toward the health and well-being of all team members in Alberta and Maine throughout the COVID-19 pandemic and keeping our teams safe during critical work. Future safety activities include:

### 1. Align

Align our health and safety policies and standards to support our commitment to proactive physical and psychological safety

### 2. Engage

Work with our field, operations and office staff to identify areas of focus to advance proactive approaches and increase safety program effectiveness

### 3. Prevent

Develop and implement a hazard and near miss reporting incentive program

### 4. Measure

Develop a suite of proactive measures and gather baseline data

# Contractor safety

Contractors are an essential part of our workforce. We work with individual contractors, who work as an extension of ENMAX. In some of our business units, we also work with contracted companies, which are third parties that do work on our behalf.

## Individual contractor safety

In our ENMAX Energy-operated generation facilities, the majority of our workforce is made up of individual contractors. The site management teams perform regular site observations and undertake a process called Hazard Assessment Coaching between three to five times per week. Similar to site observations, Hazard Assessment Coaching is conducted to verify that safety protocols and procedures are being followed and that work is safe.

At our Alberta corporate office locations, contractors may include, for example, 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 that they are performing daily field-level hazard assessments and that they have the proper hazard reporting protocols in place.

## Working with safe companies

At ENMAX Power, we work with contracted companies that provide construction, maintenance and other services. We hold all contracted companies we work with to high standards of safety.

### Choosing safe contractors

As part of ENMAX's contractor selection process, each contractor must be registered with ISNetworld, an online contractor and supplier management platform used to pre-qualify 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 review that they have adequate safety and environmental management systems in place. In 2021, Versant Power plans to start the implementation of ISNetworld with the support of ENMAX.

### Contractor management

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

- Our field inspectors are on-site daily to verify that contractors use the procedures approved under the Master Service Agreement.
- We hold monthly meetings with contracted companies, including a scorecard review between the contracted company's management and our safety team 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.

While our contractor management processes are currently handled separately, we are presently developing a contractor management plan to bring all areas of the business under one unified Contractor Management Program. We expect to have this program implemented in the next few years.

# Public safety

Conducting our business while keeping the public safe is a non-negotiable priority for our organization. We are active in promoting electrical safety through public events and safety awareness campaigns.

In our operations, one of the most significant risks to public safety is electrical contact with underground or overhead distribution lines or transformers. In addition to participating in public awareness events (see sidebar at right), we strive to do our part to protect, educate and inform the public about electrical safety risks through the following:

### Sharing information with the public

As power outages can also impact public safety (for example, if traffic lights go out), we maintain the ENMAX Power Trouble Response Hotline for reporting outages and offer our Calgary Outage Portal map to publicly communicate outage location, cause and estimated time of restoration. We also promote our Calgary Outage App, in which customers can sign up to receive instant notification of a power outage affecting their site. Versant Power also has a live outage map with outage information and estimated restoration times.

### Damage prevention

Any kind of digging or ground disturbance (excavations) may pose hazards to the public, workers and the environment. In Alberta, before excavating, we encourage individuals to use Alberta One-Call, a free service that notifies an ENMAX team of the activity. Additionally, our underground disturbance guidelines document provides requirements that companies and individuals must comply with when exposing buried ENMAX cables or equipment. In Maine, Versant Power is a member of the Dig Safe® system, a communication network similar to Alberta One-Call that notifies Versant Power prior to any intended ground disturbance by the public.

### Promoting safe behaviours

ENMAX has developed and shared a free safety video tutorial to show the public and first responders how to work safely near electrical infrastructure in Calgary and what to do if there is a failure in the system. The Hazardous Electrical Awareness Tutorial (H.E.A.T.) is available to the public. To further promote power safety awareness, ENMAX's safety team has, for many years, been providing the same important messages in a one-and-a-half-hour presentation to contractors and first responders, such as fire fighters and police officers. Versant Power has a public safety team composed of volunteer employees who provide safety training for fire and police departments (including the Maine State Police Academy), Emergency Medical Technicians and other civic organizations. Prior to the pandemic, the company completed more than 400 public safety training sessions with these agencies.

## BRINGING AWARENESS TO ELECTRICITY SAFETY

We participate in several annual public events to bring awareness to electricity safety. While these events were cancelled in 2020 due to COVID-19, we have since seen their return in 2021 and have participated virtually.

**Safety Expo**
This annual event teaches school-aged children the proper safety measures around electrical lines and equipment. We partner with members of the Calgary community, such as fire and police departments and other power generation and utility companies.

**Disaster Alley**
This free public emergency preparedness event teaches people simple steps to prepare for emergencies like power outages, floods and severe weather events. We participate in this event alongside the Calgary Fire Department, Calgary Search and Rescue Association, Helicopter Air Watch for Community Safety and more than 40 exhibitors.

**Lineman Rodeo**
Prior to the pandemic, we regularly hosted this annual event for powerline technicians, their families and the public. Powerline technicians are tested on their skills such as injured-person rescue, pole climbing and others—exercises that help the public understand how these technicians work safely with power lines and electricity.

# Diversity, inclusion and belonging

At ENMAX, we believe a diverse and inclusive workforce fosters a wealth of backgrounds and unique perspectives that enhance our culture, spark creativity, foster innovation and create value. Across our organization, we strive to build and maintain a culture of inclusion that embraces this diversity and allows everyone to feel respected, valued and like they belong.

## Board Diversity Policy

We set the tone beginning with our Board of Directors. Our Board Diversity Policy guides our efforts in this regard and includes aspirational diversity targets whereby at least 30 per cent of our Directors are women and at least one member of the Board is from an underrepresented group, relative to the communities served by ENMAX. Read more about our gender diversity efforts on the next page, under "Women in leadership and in the workforce" and on page 52 of our Governance section.

## Diversity, Inclusion and Belonging Executive Steering Committee

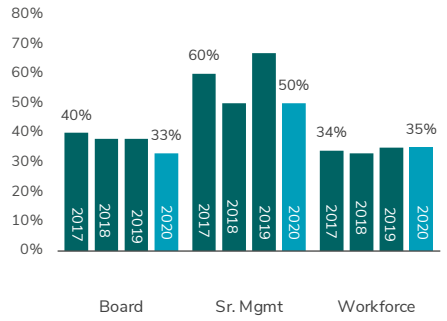
Across ENMAX, we have a shared vision of attracting and retaining a workforce that is reflective of our communities and that creates an environment where everyone has a sense of belonging. To progress and provide governance on this scope of work, we established a Diversity, Inclusion and Belonging Executive Steering Committee, and have begun executing a plan in 2021 to inform the development of a roadmap and strategy for the upcoming few years. To solidify our aspirations, we have set a vision and targets (read more on page 41).

## Versant Power's Diversity and Inclusion Policy

Versant Power maintains a Diversity and Inclusion Policy and is committed to the principles and practices of equal employment opportunity. As a federal contractor, Versant Power is required to take affirmative actions to employ and promote the advancement of qualified persons with disabilities, minorities, women and veterans. Versant Power maintains an objective external third-party audit and completes an annual filling of our Equal Employment Opportunity and Veterans' Employment and Training Service reports. We also develop an Affirmative Action Plan that sets specific targets to increase our underrepresented populations through outreach efforts and training programs.

**Women at various levels**

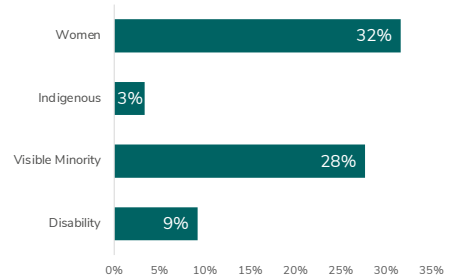
*Per cent*




We have gender balance in senior management roles, but will continue working on promoting diversity, inclusion and belonging across the entire organization.

**Representation in our workforce**

*(2021)*




*These statistics are based on 81 per cent of our employees who participated in our 2021 survey. The survey provided the opportunity to self-disclose in these areas.*

## Respect in the workplace training

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 refresher training each year.

## Women in leadership and in the workforce

At ENMAX, we believe the full potential of the workforce can be achieved if we help to remove barriers and create opportunities for women. As a reflection of our commitment to diversity, ENMAX has been a signatory to Electricity Human Resources Canada's Leadership Accord on Gender Diversity since 2017. In addition, ENMAX is a member of the 30% Club Canada, an organization that supports businesses having an aspirational goal of maintaining or exceeding a board and executive composition in which at least 30 per cent are women.

In support of our commitment to gender equality, our ENPower Professional Development Network has been in place since 2014. This employee-led group grew to more than 300 members in Alberta in 2020. It is targeted to women, while inclusive of all. It offers external and internal learning events to help grow and develop professional skills, and last year the group offered virtual events related to networking, learning and development, and sharing new experiences.

To foster the development of a diverse talent pipeline, our ENMAX ENPower Scholarship is awarded annually to a University of Calgary undergraduate student enrolled in the Schulich School of Engineering and actively participating in the Women in Science and Engineering student group. The scholarship is based on academic merit and financial need and was established on behalf of ENMAX's former President and Chief Executive Officer Gianna Manes, in recognition of her commitment to the advancement of careers in engineering.

## Creating a more inclusive customer experience

Our vision to advance diversity, inclusion and belonging as an organization extends to our customers. We are actively exploring ways to provide a more inclusive customer experience.

As of 2016, Alberta's population consisted of 21 per cent immigrants, with an average annual growth of just over 40,000 people[6]. While the vast majority of immigrants are able to converse in one of Canada's national languages, 6.8 per cent of immigrants reported not being able to conduct a conversation in French or English[7].

In 2020, the ENMAX customer care team began a partnership with Multilingual Community Interpreters Service Language Solutions, a non-profit organization that specializes in helping remove language barriers. This partnership creates an important bridge to help all Albertans by providing interpretation services in more than 300 languages to our customers. Since July 2020, customers accessed translation services 135 times, selecting 23 of 364 different languages offered. This figure is expected to grow as more customers become aware of this service.

> "I think about the language challenges people may have coming to a new country. If we can take away just one of those challenges, I think we have an obligation to do that. This service benefits both our customers and our business through supporting the diversity of the communities we serve."
>
> **- Wayne Calder,**
> Director of Customer Care

6 https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-pr-eng.cfm?Lang=Eng&GK=PR&GC=48&TOPIC=7
7 https://www150.statcan.gc.ca/n1/daily-quotidien/171025/dq171025b-eng.htm?indid=14428-1&indgeo=0

# Fostering mental health, wellness and resiliency

Since 2017, we have developed programs that foster mental health and resiliency and contribute to holistic wellness for our employees. We believe strong mental health is foundational for developing a culture of inclusion and that the skills we gain from having difficult conversations related to mental health make our culture more welcoming.

In 2020, the COVID-19 pandemic presented new opportunities for supporting our team members' wellbeing. We worked rapidly to seamlessly transition about 1,200 employees to work from home (70 per cent of our employees). Our team showed resiliency and an ability to adapt to these new circumstances. Given the significant changes our team members were experiencing, we provided additional support during the early months (read more about our COVID-19 response on page 26) and continue to invest in our team's mental and physical wellbeing. To create a space where we promote psychological safety and wellbeing, we have offered the following initiatives:

### The Working Mind

To raise awareness and help to destigmatize mental health, we have hosted several workshops with the Mental Health Commission of Canada. Since we launched the first session in September 2018, we have had 433 employees participate in 27 sessions. Last year, we invited one of the facilitators from The Working Mind to speak at our town hall on the topic of mental health. The discussion focused on understanding the Mental Health Continuum Model, which was originally created by The Department of National Defense and uses green, yellow, orange and red coloured indicators to represent the stages of the mental health continuum.

### Sharing stories of resilience

To lead by example, ENMAX leaders courageously shared personal "stories of resilience" surrounding their own experiences with mental health in 2020. These stories were shared on our employee intranet site and virtually during our employee town halls.

### Building resiliency skills

In response to the COVID-19 pandemic, we offered access to headversity for our employees and their families. The headversity app provides video and audio lessons, articles and practice tools to help employees build key resiliency skills and mental health awareness.

### Healthy Workplace Month

Each year, we organize a month of activities and offerings devoted to wellness, with one of the weeks dedicated to mental wellness. In October 2020, we held sessions on The Science of Happiness and resilience for all employees. Other activities included nutrition sessions, a healthy recipe contest and a bingo card of wellness activities that employees could complete and submit for prizes.

### Access to Best Doctors

To support our employees with health or mental health issues, we provide access to Best Doctors by Teledoc, a medical second opinion service. Last year, we also incorporated the Mental Health Navigator module to support mental health. Both program components cover employees, their dependents, their parents and their parents-in-law.

### Physical wellness

To support employees working from home during the COVID-19 pandemic, we provided virtual ergonomics assessments and sent out any required IT and office equipment. We also hosted webinars with fitness experts on topics like stretching at home and offered all employees access to an online library of fitness classes. Although currently closed, we have in-house fitness centres at our four Calgary office locations, through which we have offered fitness instructors and a schedule of activities available for sign up like yoga, Zumba, weight training and massage.

### Financial wellness

In collaboration with our partners, we provided financial literacy courses through Credit Counseling Society and Sun Life Financial.

## Isolation celebration

Social connection is an important part of our culture and an element of wellness. The challenges brought on by the pandemic limited our ability to gather and continue to build our culture. As a result, last year, our teams became more creative in their approach to fostering social connection. Our customer care and field services teams hosted online physical and mental health challenges, called Isolation Celebrations, to keep employees engaged and well. Each week, the groups issued new challenges and activities such as push-ups, arts and crafts, photo sharing and mental health exercises.

# Looking forward: Diversity, inclusion and belonging

## Vision

ENMAX aims to attract and retain a workforce that is reflective of our community and create an environment where everyone has a sense of belonging.

## Focus

Meaningfully embed diversity, inclusion and belonging into our people and business practices to drive how we attract, retain, and grow team members and engage our customers and communities.

## Targets

- Complete a third-party assessment of our HR policies to identify additional opportunities to remove bias and promote equal access to opportunities in 2021.
- **100%** of senior leaders (director and above) to complete inclusive leadership competency training in 2021, and all other leaders to complete the training in 2022.
- Complete an assessment of our customer and vendor practices by 2023 to identify further opportunities to advance inclusive customer experiences and vendor management processes.

## Our approach

The approach our organization plans to take in order to foster diversity, inclusion and belonging has four pillars. The pillars are sequential and move our organization along a continuum towards achieving our vision.

**PILLAR**

### 1. Awareness

Gain awareness by gathering multiple inputs including data (internal and external) and employee feedback. Awareness requires ongoing assessment.

### 2. Enhance

Strengthen our organizational programs, talent practices and policies to build a diverse workforce and to facilitate an environment of belonging. Support external initiatives and education programs that foster the development of a diverse talent pipeline including the advancement of technical, power industry-specific and science, technology, engineering and mathematics (STEM) skills.

### 3. Grow

Create awareness for the value of diversity and develop competence in inclusive behaviours.

### 4. Integrate

Embed inclusive practices into daily processes.

## Next steps

In 2021, we plan to focus on documenting our baseline data, driving a foundational understanding of our processes and taking actions towards awareness.

The steps in our journey include:

- Offer diversity, inclusion and belonging discussion sessions for any employee who would like to attend. The purpose of these sessions is to normalize conversations about differences to foster inclusion and provide an opportunity for team members to share lived experiences in their workplace and personal lives.
- Develop a three-year diversity, inclusion and belonging roadmap for our organization.

# Employee engagement and development

Powering the potential of our people is critical to our success as an organization. In the highest performing companies, employee engagement is ingrained in daily practices to support businesses to excel. Engaged employees have fewer safety incidents, are healthier and more customer focused, and feel valued, respected and invested in their own success. As learning and development are critical factors in employee engagement, our programs aim to support employee growth by providing opportunities for career development.

## Taking actions towards engagement

At ENMAX, we care about our people's well-being and how committed, invested and engaged they are. In 2019, we held our first employee engagement survey through Gallup. To enable transparency and informed action planning, all employees received access to the survey results and were involved in action planning within their teams. The survey showed that ENMAX's culture is close, with long-standing relationships and a foundation of respect. ENMAX showed strength in questions relating to connection including, "My supervisor, or someone at work, seems to care about me as a person", "People care about one another" and "I have a best friend at work".

Between 2019 and 2020, we took several actions to increase engagement:

- We reviewed the results and targeted key areas for improvement.
- Each business unit team was tasked with developing and implementing an action plan in response to the results.
- Our managers completed external training to help address their employees' needs and improve productivity.
- Our leaders have clear accountability to follow through on their action plans, since we embedded employee engagement into their annual performance objectives.

For our second fielding of the survey in 2020, we achieved an employee participation rate of 88 per cent, exceeding Gallup's utility industry participation average of 84 per cent, and observed improvements across Gallup's core engagement questions. In both our first and second fielding of the survey, we chose to add several questions surrounding "a culture of inclusion" to understand how confident team members are that company practices are ethical, that their voice is heard, and they are treated inclusively and with respect. This data will be leveraged in the development of our Diversity, Inclusion and Belonging roadmap.

## Providing learning and development opportunities

When employees see opportunities to develop their strengths and purpose into a career, they are more engaged. At ENMAX, we promote learning and development through internal programs and experiences, as well as providing support for our employees to pursue external development opportunities. In response to the pandemic, we pivoted our learning and development offerings to a virtual format that included short webinars, as well as learning programs targeted for specific development needs. In 2020, 156 individuals participated in five learning programs, which are multi-week sessions spanning a day or more. One example is our internal mentorship program, which matched 35 mentors and mentees in 2020, establishing mentoring relationships over the course of six months.

Versant Power offers competitive wages, a benefits program, professional development, and human resources programs and practices such as employee engagement surveys, succession planning for key positions and a tuition reimbursement policy. The company's talent acquisition practice is to source talent from the local service territory.

## Engaging and supporting remote teams

At the beginning of the COVID-19 pandemic, ENMAX shifted quickly to support our team members to excel in a remote, disrupted environment, while continuing to meet business needs. We successfully transitioned about 70 per cent of our employee population to work from home and continued to deliver electricity safely and without interruptions. To thrive in this remote environment, we supported our leaders and teams through:

### Webinars

We offered a new webinar series which provided an opportunity for front line leaders and employees to connect and develop key skills that aligned with organizational needs. Over 500 people participated in 49 webinars that covered many topics such as team connection, agility, communication in a remote environment, change management and mental health.

### Workshops

To meet specific organizational needs, workshop topics were determined through consultation with our human resources business partners and included topics such as courageous conversations and emotional intelligence. Over 350 participants engaged in seven workshops, which also provided important opportunities for skill building, peer learning and social connection with other team members.

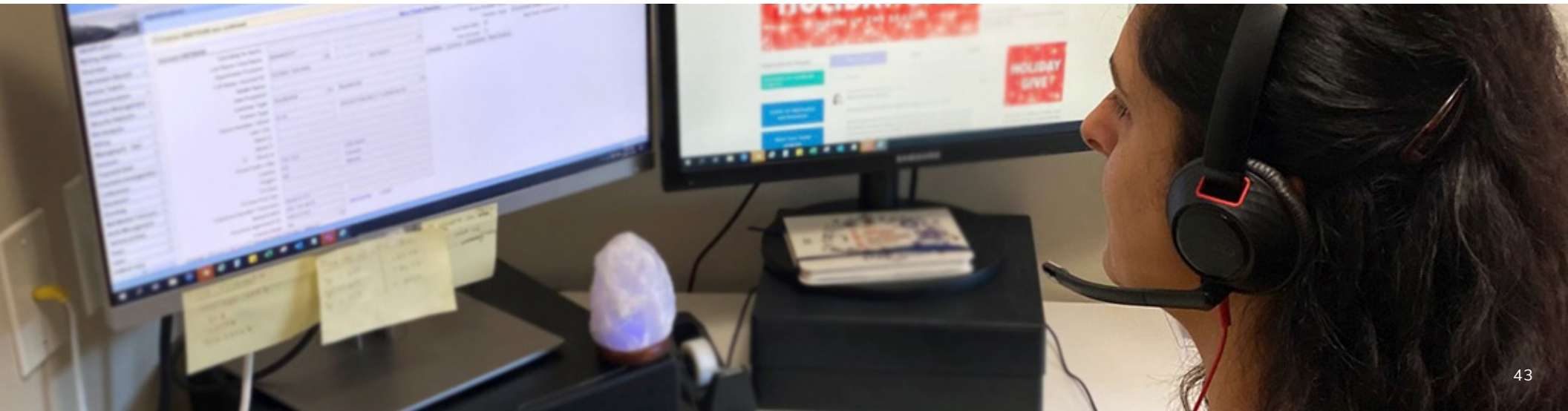
### Employee communications

With the majority of our workforce transitioned to work from home in March 2020, COVID-19 response information remained among our top-viewed communications throughout the year. To maintain engagement and respond to the need for frequent updates, we expanded our corporate communications efforts. We increased intranet stories by 40 per cent (over 2019 numbers), shared 62 videos, and held four virtual town halls to bring remote and field workforces together.

## Developing talent in our organization

ENMAX's succession program enhances cross-functional awareness of our talent pool, identifies development areas and mitigates risk of unexpected leadership vacancies. Development plans are in place for all roles at the director level and above. We have implemented targeted development opportunities from offering education to address specific needs to providing opportunities for leaders to gain exposure and experience for skill development.

In 2020, we adapted our business structure in Alberta through the consolidation of our business units, which necessitated the loss of some positions. We work with care and respect to support departed employees and relocated staff where possible. We also aimed to retain key talent and to keep our employees engaged throughout this difficult process.



# Unions

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. Approximately, 55 per cent of Versant Power's workforce is represented by the IBEW.

## Maintaining collaborative relationships

We endeavour to be proactive in our communications, honest and transparent as decisions are made, and engage early to build trust. We consult with union representatives in advance of any policies or business initiatives that directly impact union members.

Collective bargaining agreements for both unions have a well-defined and documented process for raising grievances. Some of the most common matters we work with our unions on are compensation, job stability and outsourcing. We strive for open two-way dialogue to enable effective issue resolution. To promote collaborative union relationships in Alberta, some of the structures we have in place include:

### Employee Relations Council

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

### Bid Committee

This committee, which includes representation from IBEW and ENMAX management, meets as required to discuss any changes to job descriptions or qualifications.

### Job Evaluation Committee

Any significant changes to job descriptions go to this committee for discussion and agreement. The committee includes representation from CUPE and the ENMAX labour relations and total rewards teams.

### WORKING TOGETHER TO PREPARE FOR COVID-19 IMPACTS

Given the unique situation presented by COVID-19 and our need to continue to provide an essential service, we worked very closely and collaboratively and were able to establish a special agreement with our unions. The agreement included plans to enable staff to be housed on-site or perform essential roles from home, so that we could continue to operate and keep essential services on in the event of extremely high COVID-19 numbers.

The ability to collaboratively come to this unique arrangement demonstrates that our long-held and strong relationships with our unions are based on trust and respect.

# Energy affordability

Electricity is an essential need, and energy affordability is critical to our customers' quality of life. An evolving energy landscape and the heightened economic pressures experienced throughout 2020 put increased financial strain on our customers. Our current and future efforts in this area aim to support customers and communities at each stage of the energy-affordability lifecycle.

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

## Helping customers understand and optimize energy use

For customers who have chosen a competitive retail plan with ENMAX Energy, we offer My Energy IQ™, a free tool to enable customers to take greater control over how they use energy via monthly reports on their energy use, bill comparisons, energy saving tips and more. To support changing energy needs during seasonal changes, we also publish our Winter Wise and Summer Smart energy tips series to help customers implement energy usage reductions through simple, low-cost ideas tailored to Alberta's unique climate and weather patterns.

## Providing support to vulnerable customers

In Alberta, our local customer care team offers payment arrangements or installment plans to assist customers who may be struggling to pay their electricity and/or natural gas bill. To further support vulnerable customers with utility needs, we have in place long-standing relationships with Trellis, Distress Centre Calgary, United Way of Central Alberta and Bissell Centre (Edmonton). Our connection and support to these agencies allows us to direct people to organizations to get the help they need.

In Maine, Versant Power works closely with state and county programs that qualify customers to receive assistance for heating. When customers apply for federally funded heating assistance, they are also qualified 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.

## Spotlight: COVID-19 support and relief

Recognizing the need to support and care for our customers in new ways due to the additional financial strain brought on by the COVID-19 pandemic, we were the first utility in Alberta to offer a COVID-19 Relief program. The program offered payment deferrals, increased flexibility for payment installment plans, and suspended collection-related activities and disconnections for non-payment. Read about our community investments in this area on page 47.

### ENERGY POVERTY IN ALBERTA

A household experiences energy poverty when they struggle to meet their home energy needs (electricity and home heating fuels).

Most Canadian households spend less than three per cent* of their after-tax income on their energy needs. Households that spend more than twice this value (i.e., more than six per cent of their income) on home energy needs are thought to experience energy poverty.

In Calgary, 16 per cent of households experience a high home energy cost burden, a key indicator of energy poverty (approximately 63,800 households).**

We provide financial support and industry knowledge to agencies conducting research on energy poverty in Alberta to allow for a collective understanding between government, utilities and non-profit agencies of the evolving energy needs in our province.

* *According to the Canadian Urban Sustainability Practitioners (CUSP)*

** *Using CUSP's Energy Poverty and Equity tool based on 2016 Census data*

# Looking forward: Energy affordability

### Vision

ENMAX's goal is to eliminate barriers for vulnerable customers that may impact or inhibit access to safe, reliable and affordable energy.

### Focus

Support vulnerable customers through programs, resources and partnerships.

### Targets

- 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%.
- Deliver **1,000** energy saving kits to Albertans by 2022.
- By 2025, conduct **four** pilot projects to test programs or solutions that work towards removing barriers to energy access and affordability.

## Our approach

Our energy affordability efforts will be geared towards supporting customers at each stage of the affordability lifecycle (noted below), incorporating efforts from across business units in Alberta and Maine, informing community investment strategies and laying the groundwork for advocacy with policymakers and regulators in an effort to advance broader strategies in the years ahead.

**SUPPORTING CUSTOMERS IN THESE STAGES**

1. **Affordability**
   Provide sustainable energy solutions, including tools, education and awareness

2. **Prevention**
   Invest in programming to reduce barriers to affordable-energy access across all our operating communities

3. **Crisis Management**
   Provide relief to customers in energy-need crisis through agency partnerships

## Next steps

In the coming year, we plan to focus on developing and enhancing programs, tools and resources to inform and empower our customers. Programming will be developed to facilitate increased energy literacy and enable energy efficiency awareness. The first steps are to:

- Expand current energy management tools to help customers make more knowledgeable energy decisions;
- Offer community-based energy efficiency workshops; and
- Deliver energy saving kits to select households to increase awareness and support them in their energy savings efforts. The kits are a collection of items that may include LED light bulbs and other energy-saving tools (such as thermostats), as well as information to promote energy savings.

# Community investment

We are committed to supporting our communities in Alberta and Maine through sponsorships, donations, partnerships and employee volunteerism. 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.

## Giving back to the community

As part of our commitment to making a difference in the communities we serve, we aim to annually invest at least one per cent of our pre-tax profits in our communities. We achieved this goal in 2020. ENMAX engages the London Benchmarking Group Canada (LBG) to review our community investment performance. LBG's assessment includes ENMAX's cash donations, donations in kind and employee volunteer time, resulting in a more holistic view of our overall community contribution. According to LBG criteria, last year ENMAX contributed $2.75 million in cash, in kind and through employee donations to local agencies.

Of those funds, $115,000 was dedicated to the COVID-19 Community Response Fund, a program implemented by The City of Calgary, CEMA, and the United Way of Calgary and Area in support of community agencies that work with vulnerable populations at increased risk due to the pandemic. As the COVID-19 pandemic evolved, ENMAX remained deeply committed to ensuring continued assistance to communities and customers. ENMAX provided support to the community by proactively approaching long-standing agency partners to provide additional relief funding. We were also one of the founding donors to the COVID-19 Community Response Fund.

In Maine, Versant Power commits $440,000 USD (approximately $550,000 CAD) each year to charities, sponsorships and other community investments, while offering matching funds for employees' volunteer and fundraising activities. In 2020, Versant Power shifted its charitable giving efforts to focus on supporting basic needs in the communities it serves. As a result of the pandemic, organizations reported increased demand to address food insecurity and provide services for vulnerable citizens, especially seniors and families in need of programs to support reliable education and childcare. Seventy-five per cent of the company's total community investment program was directed to charitable giving in 2020, with most funding targeted to programs responding directly to pandemic-related community needs.

**$3.18** million contributed in cash, in kind and through employee donations to Alberta and Maine's community organizations in 2020

## Our Community Partners

We endeavour to support our community service agency partners with both their immediate and long-term needs. Some of these agencies include:

### Alberta

- Bissell Centre
- Distress Centre Calgary
- Federation of Calgary Communities
- Inside Education
- Trellis
- United Way Calgary and Area
- United Way Central Alberta
- Relay Education
- Scholarships

### Maine

- Good Shepherd Food Bank
- United Ways of Eastern Maine and Aroostook County
- Eastern Area and Aroostook Area Agencies on Aging
- Educate Maine
- Downeast Community Partners
- Penquis & Aroostook Community Action Programs
- Six YMCAs across the Versant Power service territory

## Employee volunteerism and giving

Due to the restrictions on in-person gatherings, our employees participated in virtual, skills-based volunteering opportunities. This approach will continue into 2021 until in-person volunteering can resume safely. We also offer an employee giving program that provides our employees the chance to give back and engage with their community in ways that matter to them. ENMAX supports this giving through its commitment to match employee donations. In 2020, employees had the opportunity to nominate a charity of their choice to receive a $1,000 donation from ENMAX. More than 20 different agencies received funding.

# Economic impact

As a utility, providing access to safe and reliable energy is one of the ways we enable 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 our overall quality of life.

In addition to our mission of providing safe, reliable, affordable energy, our extended financial strategy includes returning a stable and growing dividend to The City of Calgary. The dividend we pay to The City, in addition to municipal taxes, helps fund public transit, water supply and treatment services, and 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 our community investments. We are transparent about our financials and share our annual reports on our website.


### SPONSORSHIP AND COMMUNITY INVESTMENT IN INDIGENOUS COMMUNITIES

We look to support the economic and social development of Indigenous communities. As one of our areas of focus, we support education programs that assist Indigenous Peoples in advancing their knowledge and skills, and support the celebration of Indigenous culture. In 2020, we provided funding for the Aboriginal Friendship Centre in Calgary, which brings Indigenous-based cultural programs and services to the communities they serve; the Belcourt Brosseau Metis Awards program; the Tsuut'ina Nation Children's Halloween costume competition; and the Tsuut'ina Nation food bank.

We are also working closely with the Tsuut'ina Nation to install new electrical infrastructure for a 1,200-acre development on the Tsuut'ina Nation reserve, which is planned to host new hospitality and entertainment venues, an innovation and research campus, office spaces, new homes, and a variety of retail and wholesale stores.

# Community and stakeholder relations

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

ENMAX Power's electrical distribution service area spans more than 1,000 square kilometres ($km^2$) in and around Calgary, and we consider our stakeholders to be any individuals or organizations that have distribution lines coming to their home or building, whether or not ENMAX Energy is the chosen billing provider.

Our broader stakeholders include 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.

## How we engage with stakeholders

We are committed to understanding the needs and interests of all stakeholders and promote two-way communication 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 elicit feedback from customers through our Voice of the Customer surveys, which started in September 2019.
- We also learn what our stakeholders want through monthly engagement activities with various advocacy groups (who represent, for example, developers, builders or electrical contractors).
- When we submit a proposal to the regulator to explain a 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 outages, offer an outage map and heavily engage on social media to alert customers about outages.
- 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 (see page 21 to read about our Outage Management System).
- We are open to receiving questions and concerns and encourage stakeholders to call us or get in touch with us through our Live Chat.

### ENGAGING WITH INDIGENOUS COMMUNITIES

Our fundamental guiding principles—communication and trust—are instrumental in developing open, honest relationships with Indigenous communities. While our generation assets are located within the traditional territory of Treaty Seven Nations, we predominantly engage with the Tsuut'ina Nation as we operate all existing and new distribution lines on the east side of the reserve. We value our relationship with the Tsuut'ina Nation and respect their values and culture. We strive to engage early, often, and on an ongoing basis and work to support the Tsuut'ina Nation to achieve their development goals.

## Consultation as part of project development

Development or alteration to transmission lines, substations, or generation facilities can impact a variety of groups. We ensure compliance with the AUC Rule 007 stakeholder consultation requirements. for all our projects. Depending on the project, the rules may require notification or consultation with certain stakeholders. This may involve sending a project information package to impacted customers, door knocking to directly engage customers or even hosting an open house.

In 2020, we had 15 to 20 projects that required stakeholder consultation. To respect physical distancing as a result of COVID-19, we adjusted our approach to in-person engagement by delivering contactless project information packages to the occupant, resident or landowner along with an additional cover letter explaining the changes in our consultation approach due to COVID-19. We also redeveloped the Projects page on our website to make it easier for stakeholders to obtain project information and get in touch with us.

Stakeholders with comments or questions are encouraged to contact us through our dedicated stakeholder relations phone line and email. Our stakeholder relations team consists of three full-time ENMAX employees who work closely with our regulatory and project teams to ensure compliance with the AUC Rule 007 stakeholder consultation requirements.

## Engaging with stakeholders and communities in Maine

Versant Power aims to maintain positive relationships with its stakeholders, which include 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 the company's practice to record before and after video inventory and to complete any mitigations or inspections with the property owner.

# GOVERNANCE

At ENMAX, we believe that the creation of meaningful value for our Shareholder and our customers comes from operating our business in a responsible and sustainable manner today and into the future. We are guided by the principle that how we conduct our business is equally as important as the profits we earn.

Our governance structure fosters ethical and responsible decision-making, and we seek to continually improve our understanding of the internal and external impact of our business practices on our customers, business partners and stakeholders.

# Corporate governance

We believe sound corporate governance contributes to Shareholder and public value, trust and confidence in our organization. Although ENMAX is not required to publicly file an annual information circular, we have released an annual disclosure document regarding our governance and executive compensation practices for over 10 years. Our Annual Report on Governance and Compensation is informed by the 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 philosophy of good governance. In 2019, we enhanced our governance framework by increasing the frequency of meetings with our Shareholder. Our Board of Directors and executive team meet with Calgary's City Council at least quarterly, including convening an annual public Shareholder meeting each spring and an annual meeting to review ENMAX's business plans each fall. We also meet annually with The City of Calgary's Audit Committee to review our financial, risk management and governance practices in detail.

## Board independence

We recognize that having a majority of independent, highly qualified Board of Directors from diverse backgrounds is essential to effective decision-making. For the year ended December 31, 2020, nine out of 10 of our directors were independent, with our non-independent Board member being our President & CEO.

## Board diversity

A diverse Board enhances ENMAX's decision-making abilities. 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 LGBTQ+ community and other factors that may enhance ENMAX's ability to deliver value to our Shareholder. The Board Diversity Policy also includes the following aspirational diversity targets: (i) an aspirational goal whereby at least 30 per cent of our directors are women; and (ii) an aspirational goal whereby at least one member of the Board is from an underrepresented group, relative to the communities served by ENMAX. As of December 31, 2020, 30 per cent of the Board of Directors are women.

## Board evaluation and assessment

The Board undertakes an annual evaluation process to assess its performance and overall effectiveness, as well as that of the Board Chair, its committees, and individual directors. The Governance committee uses the results to identify actions for improvement and to determine education opportunities, as well as to ensure director expertise is leveraged to the fullest extent. This process also helps the Board build and maintain the collective set of skills, abilities and experiences required to effectively oversee ENMAX's long-term performance and strategy execution.

## GOVERNANCE INFORMATION

| | |
|---|---|
| **Ethics** | |
| Code of conduct for directors, officers and employees | Yes |
| **Board composition and independence** | |
| Size of Board | 10 |
| Number of independent directors | 9 |
| Separate Chair and CEO | Yes |
| Independent Chair (required) | Yes |
| Comprehensive Board assessment process | Yes |
| Directors that are financially literate | 100% |
| Board meetings held in 2020* | 31 |
| Average meeting attendance | 98% |
| **Board renewal and diversity** | |
| Annual election of directors | Yes |
| Average age of directors | 64 |
| Mandatory retirement age | No |
| Average director tenure | 6 years |
| Women Board members | 30% |
| Board Diversity Policy | Yes |

*All information as of December 31, 2020.*

**Total number of regularly scheduled Board meetings during the 2020 year, which includes committee meetings, Shareholder meetings and director education sessions.*

# Ethics

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

## Policies

### Principles of Business Ethics Policy

This policy establishes the appropriate and expected behaviour for maintaining ENMAX's reputation for honesty and integrity, earned by maintaining the highest standards of business ethics and compliance with applicable laws. 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 acknowledge their responsibility to perform their duties at ENMAX in accordance with the policy.

### 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

All employees, including our contractors as assigned, are required to complete annual training on the Principles of Business Ethics Policy, Safe and Respectful Workplace and Code of Conduct. In 2020, more than 2,150 individuals completed this suite of training.

## Reporting concerns and conflicts of interest

ENMAX has a confidential ethics hotline where employees can anonymously express concerns about inappropriate business conduct through a confidential third party. Submissions to the ethics hotline are reported to ENMAX's Governance Committee. All reports are investigated with oversight of our Legal Counsel and Assistant Corporate Secretary. In accordance with the 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 assists in ensuring that directors exercise independent judgment when considering transactions and agreements. The Board ensures that a director does not participate in discussions or vote on matters when he or she is conflicted.

# Governance for ESG matters

ENMAX is dedicated to conducting our business responsibly and overseeing and managing our risks in a diligent manner. ENMAX's Board of Directors and the executive team are committed to setting the "tone from the top" to create a culture of high ethical standards and good corporate governance through our organization and business operations, which includes our ESG practices.

We have strong management systems in place, and 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.

Over the past year, we have advanced and enhanced a series of governance practices in the area of ESG objective setting, reporting and performance management. Responsibilities for advancing our sustainability commitments have been embedded across our organization.

## Oversight for ESG matters

The Board of Directors retains the highest level of oversight for environmental, social and governance matters. Our Board of Directors sets the ethical tone for our company and is also responsible for providing leadership in support of ENMAX's commitment to sustainable business practices.

ENMAX's President and CEO holds direct accountability for the advancement of the organization's sustainability practices and ESG commitments. The executives responsible for overseeing ENMAX Power, ENMAX Energy and Versant Power hold direct accountability for the achievement of progress in their respective areas. ENMAX's Vice President, Public Affairs is accountable for the ongoing organization, management and reporting of ENMAX's overall sustainability and ESG progress on behalf of the organization.

## Robust safety and environmental management systems

In order to support the execution of our policies and practices, we have mature management systems, clear data collection and reporting, and strong internal structures to effectively manage our safety and environmental risks. These policies and systems include:

- We follow the Alberta Safety Codes Act, which governs public safety, and 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 Code.
- Our safety management system is aligned with ISO 45001. We also maintain an Alberta Certificate of Recognition (CoR) to meet provincial safety standards. To maintain our CoR, we must subject our operations to a third-party audit that includes employee interviews at all levels, a review of documentation and observations of workplace conditions and practices every three years.
- Our environmental management system is modeled after the requirements of the Canadian Electricity Association's Sustainable Electricity™ program and ISO 14001, an international standard for environmental management.
- Versant Power has its own robust safety management system aligned with OSHA 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 the results are verified by an ENMAX auditor.

### A SUSTAINABLE ELECTRICITY COMPANY

In 2019, ENMAX achieved the Canadian Electricity Association's (CEA) designation as a Sustainable Electricity Company™, which recognizes the importance member companies place on sustainability over and above standard compliance and performance.

Achieving the designation entailed a third-party verification exercise to confirm we have the policies and program frameworks in place to address material ESG issues of our operations in alignment with the ISO 26000 and ISO 14001:2015 standards.

ENMAX adheres to the CEA's Sustainable Development Corporate Responsibility Policy. As part of this commitment, we provide ESG data both to enable CEA in the sharing of industry-wide metrics and to allow us to benchmark our own performance.

# Risk management

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 system helps us monitor and evaluate financial, reputational, regulatory, environmental and social risks.

To monitor and manage risks appropriately, we regularly conduct an enterprise risk assessment process and consolidated risk reporting. In 2019, we incorporated climate change risks into the most impacted areas of risk within our existing ERM system. We provide a quarterly ERM update to our executive team and Board of Directors with any new observations or issues related to any of our key risk areas and an overall assessment of our corporate-wide risk level and tolerance.

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

- Risk oversight is managed by the Governance Committee, as well as by the Board of Directors.
- We have two committees at the management level, the Risk Management Committee (RMC) and the Commodity Risk Management Committee (CRMC).
- Together, the RMC, CRMC and the Board oversee identified risk exposures and risk management programs, including the ERM program.
- At a management level, each accountability area is responsible for assessing its risk exposures and implementing risk management plans.

Commodity risk exposures are managed within levels approved by the Board and the President and CEO, and monitored by personnel in the business units, the risk department and the senior management team.

The ENMAX Group of Companies operates in two distinct geographical regions with different types and levels of climate-related physical risks. While both regions are exposed to winter storms and other severe weather events, based on their specific regional needs Calgary has a more targeted flood preparedness program, and Maine has a robust tree and vegetation management program. For more on weather-related climate risks, see page 61.

# Customer satisfaction

As a provider of essential energy products and services, ENMAX Energy serves more than 690,000 residential, commercial and industrial customers in Alberta, and Versant Power serves approximately 160,000 customers in Maine. We take the 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.

## Dedicated customer care team in Alberta

To continue improving customer satisfaction, we have a dedicated, locally based team of 250 employees who work in our customer care center in Alberta. Our customer care agents receive more than 665,000 calls per year. We also have a Voice of the Customer ambassador, an employee who calls customers back proactively to resolve more complex issues and who is assisted in making these calls by a special support team.

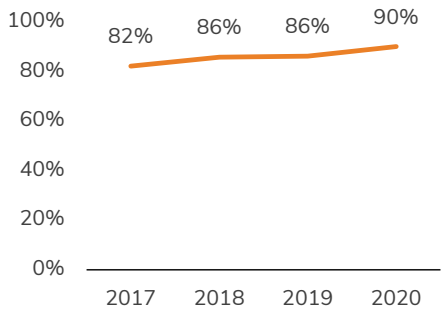
## Customer satisfaction in Maine

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. The company 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 SMS. As a testament to its focus on customer satisfaction, in 2020, Versant Power exceeded its key targets with respect to customer satisfaction. These targets are established by the Maine Public Utilities Commission.

| METRIC | TARGET | VERSANT POWER'S 2020 PERFORMANCE |
|---|---|---|
| Responsiveness to customer calls (calls answered in 30 seconds) | 80% | 84% |
| Call abandonment rate | 7% | 4% |
| Bill error rate | <0.40% | 0.11% |

As a retailer of electricity and energy services, we serve more than **849,000** residential, commercial and industrial customers in Alberta and Maine.

**Customer Satisfaction**
(Alberta)




*We have continually improved our customer satisfaction levels over the last four years. We take the customer experience seriously, and approach customer satisfaction with the philosophy that "every moment matters". Note: This data excludes Versant Power.*

# Understanding our customers

To help us better understand our customers in Alberta, we have been sending our Voice of the Customer survey since 2016. The survey is a set of email or phone surveys sent out after an outage event or a customer interaction. We receive approximately 34,000 responses each year (a 10 per cent response rate).

From these survey responses, we have learned that many issues are seasonal (for example, we receive additional calls during the winter because utility bills tend to be higher) and that customers place a high value on agents who listen, ask relevant questions, provide a viable solution and make them feel like a valued ENMAX customer. 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. Based on survey learnings, we have:

- Developed a bill analysis tool to help our agents better explain utility bills to customers;
- Updated our payment page and other systems to make ENMAX easier to do business with; and
- Provided training to our customer care agents on empathy, handling customers with kindness, improving listening skills, asking relevant questions and reducing resolution time.

In 2021, we are conducting a more in-depth customer survey to explore customers' evolving expectations. We expect to share results in our next ESG report.

Versant Power and ENMAX subscribe to the JD Power Residential Electric Customer Satisfaction survey. This electronic survey reports overall customer satisfaction based on six main areas of assessment: Power Quality and Reliability, Price, Billing and Payment, Communications, Corporate Citizenship and Customer Service. Versant Power is grouped with peers in the East Midsize category, with results compared against similarly sized utilities in the Northeastern United States. Through this survey, Versant is able to understand key drivers of customer satisfaction and learn more about existing and emerging best practices among utilities.

# Cybersecurity and data privacy

ENMAX works diligently to protect our systems, information, customer data and physical assets from growing cybersecurity risks. We mitigate these risks through a robust cybersecurity program.

## Customer 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 data are logged and audited. Every customer service agent in our customer care team receives data privacy and protection training when hired. We also provide regular training updates and recognize National Privacy Day with speakers and hosted activities to communicate additional messaging about data protection.

Each year, we diligently alert customers to the importance of data protection and promote public 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.


## Enhancing our cybersecurity

Resilience to cyber threats is exceptionally important for organizations like ours that own and operate critical electricity infrastructure. At ENMAX Power, 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. Some of the frameworks that guide our cybersecurity practices are:

### NIST Cybersecurity Framework

ENMAX Power has initiated and completed a National Institute of Standards and Technology (NIST) Cybersecurity Framework assessment. The NIST framework is considered a best practice in cybersecurity. Currently, we are undergoing a NIST cybersecurity maturity assessment prior to an intended implementation.

### 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 based on recommendations from the Center for Internet Security 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.

### 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, our mandatory corporate training includes a module on cybersecurity and data protection. Refresher training and testing is conducted annually.

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 guest speakers such as the Calgary Police Service's Cyber Crime Unit.

We also have a comprehensive phishing performance management process, monthly phishing tests and supplemental training for employees.

In 2020, as a result of our workforce suddenly working from home, we increased restrictions on remote access to provide added system protection. We also increased our cybersecurity awareness communications, held a large online cyber-awareness meeting and conducted smaller virtual meetings with each business unit.

# Responsible procurement

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

Our contractor screening process is designed 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. In 2021, we plan to support Versant Power's ISNetworld implementation.
Read more about contractor safety on page 36.

# Public policy

At ENMAX, we aim to act honestly and with integrity in all business relationships, including in our interactions with government officials.

Our public policy interactions include direct interactions with government officials and administrators. The *Alberta Lobbyists Act* regulates lobbying activities in Alberta. We have an internal lobbying policy and provide training for any executives and directors that are likely to interact with government officials. We track and report 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 that are directly focused on polices, programs and regulations.

To support industry positions and to stay informed of policy development, we are also members of industry associations such as the CEA, Independent Power Producers Society of Alberta, the Edison Electric Institute, and the Alberta Energy Retailers and Service Providers Association.

# VERSANT POWER

ENMAX Corporation completed the acquisition of Versant Power in March 2020. Versant Power is a regulated electricity transmission and distribution utility in the state of Maine. The acquisition reflects ENMAX's strategy to grow its regulated utility business in North America, leveraging its expertise in the provision of safe, reliable, regulated transmission and distribution electricity services. Versant Power is governed by a Board of Directors with representation from both Maine and ENMAX and is operated under the leadership of a locally based executive leadership team. The following section describes Versant Power's key environmental and social practices.

# Environment

Versant Power's environmental management program closely follows state and United States national guidelines. It is reviewed at the executive level annually and is audited by a third party every three years.

## Grid resiliency and physical risks

Versant Power tracks and reports industry standard reliability metrics on a monthly and annual basis and has targeted improvement goals each year. In order to meet increased customer expectations regarding power reliability, Versant Power currently invests more than $70 million USD (approximately $87 million CAD) to maintain and improve its electricity system. Since Maine is the most forested state in the United States, with 90 per cent of its land covered with trees, the focus of the program is on:

### Tree and vegetation management

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, which means that trees can easily fall on powerlines. This is why, each year, Versant Power covers more than 3,000 km 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.

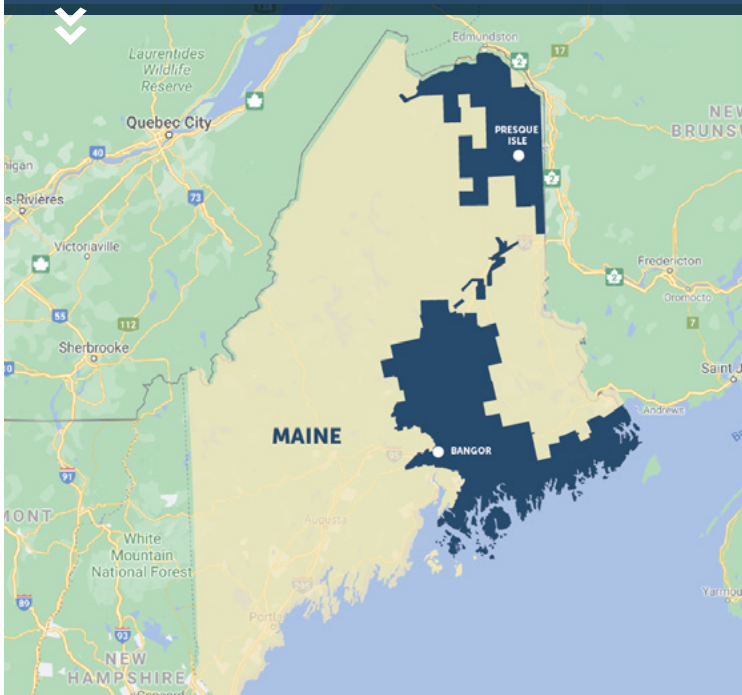
### Extreme weather events

With storms becoming more frequent and severe, extreme weather events pose a key physical risk to the system. These weather events can include heavy winds, rain, ice and heavy snowfalls, and can make the risks of tree falls even greater. In 2020 ENMAX worked with Versant Power to develop a storm analytics tool to help predict the outage patterns that could arise after certain types of extreme weather events. The tool visually mapped six years of Versant Power outage data and integrated it with historical weather data for Maine. While the tool is still in early stages, it may provide promising insights for system analysis and reliability.

## About Versant Power

- Owns and operates transmission and distribution utilities in northern and eastern Maine
- Serves approximately 160,000 customers
- 400+ employees
- Approximately 55 per cent of Versant Power's workforce is represented by the International Brotherhood of Electrical Workers (IBEW)
- Rural service territory (>26,900 km$^2$), through five counties
- Inspects more than 1,500 km of power lines annually
- Predominantly above ground distribution lines
- 2,044 km of transmission lines
- 9,900 km of primary distribution lines

### OPERATIONS AREA



## Land stewardship

Versant Power is committed to responsibly maintaining and improving its transmission and distribution assets in a way that is respectful of the land around its operations. Any time Versant Power's maintenance or construction crosses environmentally sensitive areas like wetlands, the company obtains all required permits to traverse the areas and uses matting everywhere possible. Matting, which is used to build temporary roadways and construction pads, protects delicate vegetation by evenly dispersing the weight of heavy machinery. Versant Power is diligent to follow the rigorous state and federal environmental regulations for work completed within distribution rights-of-way.

## GHG emissions

The primary source of Versant Power's GHG emissions is gas and diesel combustion from its mobile fleet. The company's fleet includes 140 smaller-class vehicles and approximately 120 medium- and heavy-duty vehicles. In recent years, Versant Power has added two EVs and two EV charging stations to its mobile fleet assets.

Versant Power assets also include 117 substations. Only 35 per cent of those substations have breakers with $SF_6$. However, since $SF_6$ is a powerful GHG, Versant Power has a system to manage $SF_6$ gas releases from its substations and replaces breakers when possible.

## Customer emissions

Versant Power is also helping its customers reduce their emissions by promoting cleaner energy options. The company encourages customers to switch from using fossil fuels for home heating to using high-efficiency electric heat pumps. Since Maine's grid sources about 75 per cent of its electricity from renewable sources such as offshore wind, solar, hydroelectric and biomass, switching to heat pumps results in lower emissions.

In 2020, we saw exponential growth in solar development across the state of Maine. Versant Power adapted business processes and resources within its service territory to meet the growing interest and customer expectations. Versant Power is currently supporting nearly 150 distributed generation projects through their development stages—from application, engineering studies, design and construction to establishing intricate billing. This endeavour involves integrating these renewable projects safely and efficiently within Maine's existing grid and is an important part of advancing ENMAX's and Versant Power's shared vision of a cleaner energy future.

# Social

## Safety

The safety of its employees, contractors and the public is of primary importance to Versant Power. In addition to a move to a more proactive safety culture (read more about it in the sidebar), Versant Power has targeted safety focus regarding:

### Safety Management System

Versant Power has its own robust safety management system aligned with OSHA 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 the results are verified by an ENMAX auditor.

### Driving

Given Versant Power's large service territory, employees must drive long distances for work (5.8 million km in 2020). To reduce the risk of vehicle accidents, the company is diligent about auditing qualifications for specific driver class licenses, reinforcing driver training skills in its apprenticeship program and assisting its workers with driver training.

### Ergonomics

More than half of Versant Power's injuries are soft tissue injuries, such as shoulder injuries for line workers. To help address these, in 2020, the company developed a field ergonomics program in collaboration with an athletic trainer. The program assessed field workers completing tasks and recommended improvements.

### Slips, trips and falls

This is a common cause of injuries, compounded by winter weather. The company developed a facilities program, which creates awareness, invests in ploughing and salting, and provides traction control aids (such as ice creepers) and ice melt personal containers to all employees.

### Public safety

Versant Power has a public safety team comprised of volunteer employees who provide safety training for fire and police departments (including the Maine State Police Academy), Emergency Medical Technicians and other civic organizations. Prior to the COVID-19 pandemic, the company completed more than 400 public safety training sessions with these agencies.


## A more proactive safety culture

For the past few years, Versant Power has been actively shifting its safety focus from a more reactive (focused on lagging indicators) to a more proactive culture (focused on leading indicators).

### Peer-to-peer communication

Versant Power has been working to improve worker communication about safe work. The company's Safety Department brought in a third-party expert to train all employees on difficult conversations and to improve peer-to-peer communication around safety. Versant Power's expectation is to "speak up, listen up, follow up" if they see an unsafe act.

### Balanced scorecard

Versant Power is tracking its proactive incident rate (PAIR), which includes proactive measures such as hazardous conditions near miss reports (including home-based reports), safety job observations (including internal contractor observation) and safety discussion by our executive management team. The PAIR metric is a balanced scorecard item and one of the company's target goals linked to performance for all employees.

## Diversity and inclusion

Versant Power maintains a Diversity and Inclusion Policy and is committed to the principles and practices of equal employment opportunity. As a federal contractor, Versant Power is required to take affirmative actions to employ and promote the advancement of qualified persons with disabilities, minorities, women and veterans. Versant Power maintains an objective external third-party audit, completes an annual filling of our Equal Employment Opportunity and Veterans' Employment and Training Service reports. We also develop an Affirmative Action Plan that sets specific targets to increase our underrepresented populations through outreach efforts and training programs.

## Talent management and development

Versant Power's ability to deliver service to its customers and execute its capital plan depends on attracting, developing and retaining a skilled workforce. Versant Power offers competitive wages, a benefits program, professional development, and human resources programs and practices such as employee engagement surveys, succession planning for key positions and a tuition reimbursement policy. The company's talent acquisition practice is to source talent from the local service territory.

Versant Power has an exceptional in-house four-and-a-half-year apprenticeship program for line workers, delivered in their own training station. In 2020, five apprentices received their First-Class Line Worker status, 33 have completed the program and 38 are currently in various stages of progression. In addition to apprenticeship training, in 2020, 160 field employees received additional training on topics such as testing, troubleshooting and grounding procedures for underground residential distribution systems.

## Stakeholders and community

Versant Power aims to maintain positive relationships with its stakeholders, which include 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 rights to 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 the company's practice to record before and after video inventory and to complete any mitigations or inspections with the property owner.

## Community investment

Versant Power commits $440,000 USD (approximately $550,000 CAD) each year to charities, sponsorships and other community investments, while offering matching funds for employees' volunteer and fundraising activities.

In 2020, Versant Power shifted its charitable giving efforts to focus on supporting basic needs in the communities it serves. As a result of the pandemic, organizations reported increased demand to address food insecurity and provide services for vulnerable citizens, especially seniors and families in need of programs to support reliable education and childcare. Seventy-five per cent of the company's total community investment program was directed to charitable giving in 2020, with most funding targeted to programs responding directly to pandemic related community needs.

Some of the organizations, supported by Versant Power in Maine are:

- Good Shepherd Food Bank
- United Ways of Eastern Maine and Aroostook County
- Eastern Area and Aroostook Area Agencies on Aging
- Educate Maine
- Downeast Community Partners
- Penquis & Aroostook Community Action Programs
- Six YMCAs across the Versant Power service territory

## Energy affordability

Versant Power works closely with state and county programs that qualify people to receive assistance for heating. When these individuals apply for federally funded heating assistance, they are also qualified 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 be eligible for the company's Arrearage Management Program, which applies a forgiveness credit to overdue balances for on-time payments of current bills.

## Customer satisfaction

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. The company 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 SMS. As a testament to its focus on customer satisfaction, in 2020, Versant Power exceeded its key targets with respect to customer satisfaction. These targets are established by the Maine Public Utilities Commission.

Versant Power subscribes to the JD Power Residential Electric Customer Satisfaction survey. This electronic survey reports overall customer satisfaction based on six main areas of assessment: Power Quality and Reliability, Price, Billing and Payment, Communications, Corporate Citizenship and Customer Service. Versant Power is grouped with peers in the East Midsize category, with results compared against similarly sized utilities in the Northeastern United States. Through this survey, Versant Power is able to understand key drivers of customer satisfaction and learn more about existing and emerging best practices among utilities.

| METRIC | TARGET | VERSANT POWER'S 2020 PERFORMANCE |
|---|---|---|
| Responsiveness to customer calls (calls answered in 30 seconds) | 80% | 84% |
| Call abandonment rate | 7% | 4% |
| Bill error rate | <0.40% | 0.11% |

# Appendix

## Other ESG-related questions

We sometimes receive questions about ESG topics that are not covered previously in this report. The following provides additional information on these topics:

### How do you prevent spills? Did you have any significant spills in 2020?

We have established routine inspection programs to assess the health and condition of our generation, distribution and transmission equipment. As part of each inspection program, the assessment of oil-filled equipment is critical as leaks can lead to equipment failure, electrical outages and costly site clean-up and/or remediation. When minor leaks are identified, inspection frequency is increased to allow for ongoing monitoring and assessment of the equipment's 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. In addition to ENMAX's inspection programs, we also have spill response and reporting procedures in place to address spills due to equipment failure including damage and releases caused by third parties.

We consider significant a spill of more than 500 litres in alignment with industry standards (including the CEA) for sustainability reporting. In 2020, we had two significant spills. The first was an oil release due to a failed slow leaking pad mount transformer. The release was reported to AEP. ENMAX remediated the majority of the site in August 2020; however, due to site conditions, a risk management plan has been established until contaminants naturally attenuate or the site is decommissioned. The second spill was another oil release due to a third party damaging a pad mount transformer. Release was reported to AEP. ENMAX fully remediated the site in May 2020.

### How do you protect biodiversity around your operations?

Avian management program: Birds often use power poles or substation equipment for perching, roosting and nesting. This creates risk of fire and power outages, as well as harm to the birds themselves. ENMAX works to protect birds, while helping to ensure the reliability of our services by identifying high-risk areas and installing measures to prevent nesting. For example, to prevent osprey from using double cross arm structures as nest sites, specially designed nesting deterrents are installed prior to the breeding season. In addition, we maintain and monitor 20 nesting platforms within Calgary.

Nesting deterrents such as Intellirupter switches have been installed on 25 switches across the city to prevent birds such as hawks and crows from nesting. Flight diverters are installed on shield wires of new transmission lines crossing and adjacent to waterbodies to make the wires more visible to birds and reduce the risk of collisions.

Training courses and detailed procedures are provided to field personnel to guide their actions when birds and/or nests are discovered. ENMAX's environment team is on call to help identify the species of bird and recommend the appropriate action. Nests that are inactive can be removed in some situations. Active nests found on power poles, substations and construction sites are protected and monitored until the young birds leave the nest. Follow this link for more information on environmental programs.

# Performance table

All data in this table excludes Versant Power

| Performance Table | | | | | |
|---|---|---|---|---|---|
| OPERATIONS | | | | | |
| | **Units** | **2017** | **2018** | **2019** | **2020** |
| **Electric utility** | | | | | |
| Number of customers served | *number* | 655,491 | 667,700 | 674,800 | 690,861 |
| Electricity sold to customers in Alberta | GWh | 19,977 | 19,668 | 19,250 | 17,891 |
| Electricity delivered in Calgary service area | GWh | 9,500 | 9,520 | 9,332 | 9,050 |
| **Power generation** | | | | | |
| Installed capacity | MW | 1,781 | 1,781 | 1,781 | 1,789 |
| Net Energy Output (electricity generated) | MWh | 7,075,048 | 7,869,096 | 7,889,814 | 8,372,681 |
| Natural gas | MWh | 6,441,223 | 7,256,454 | 7,309,027 | 7,636,598 |
| Wind | MWh | 633,825 | 604,230 | 570,769 | 713,197 |
| District Energy | MWh | NR | 8,412 | 10,018 | 22,885 |
| **Transmission and distribution** | | | | | |
| Total km wire in Calgary | *Km* | 9,596 | 9,751 | 9,908 | 9,810 |
| Number of distribution transformers | *number* | 52,644 | 53,540 | 54,258 | 54,754 |
| Number of utility poles | *number* | 61,699 | 61,413 | 61,408 | 65,054 |
| ENVIRONMENT | | | | | |
| | **Units** | **2017** | **2018** | **2019** | **2020** |
| **GHG emissions (equity)**[1] | | | | | |
| Scope 1 emissions | *kilotonnes* $CO_2e$ | 2,510 | 2,880 | 2,899 | 2,984 |
| Scope 2 emissions | *kilotonnes* $CO_2e$ | 18 | 14 | 14 | 12 |
| Total GHG emissions | *kilotonnes* $CO_2e$ | 2,528 | 2,894 | 2,913 | 2,996 |
| GHG emissions intensity (scope 1 only) | $tCO_2e/MWh$ | 0.39 | 0.39 | 0.39 | 0.39 |
| **GHG emissions (operational control)**[2] | | | | | |
| Scope 1 emissions | *kilotonnes* $CO_2e$ | 2,707 | 3,262 | 3,362 | 3,460 |
| Scope 2 emissions | *kilotonnes* $CO_2e$ | 17.1 | 13.4 | 12.8 | 10.5 |
| GHG emissions intensity (scope 1 only) | $tCO_2e/MWh$ | 0.37 | 0.38 | 0.38 | 0.37 |

| ENVIRONMENT | | | | | |
|---|---|---|---|---|---|
| | ***Units*** | **2017** | **2018** | **2019** | **2020** |
| Scope 1 GHG emissions by source (ENMAX Energy only) | | | | | |
| Natural gas combustion | tonnes $CO_2e$ | 2,698,771 | 3,254,004 | 3,352,027 | 3,452,622 |
| Fugitive | tonnes $CO_2e$ | 510 | 887 | 1,336 | 652 |
| Fleet | tonnes $CO_2e$ | 74 | 50 | 153 | 25 |
| $SF_6$ | tonnes $CO_2e$ | 0 | 0 | 0 | 0 |
| Flaring | tonnes $CO_2e$ | 0 | 0 | 0 | 0 |
| Other | tonnes $CO_2e$ | 0 | 0 | 0 | 0 |
| **Energy transition** | | | | | |
| Scope 1 GHG emissions covered under emissions-limiting regulations[3] | *per cent* | NR | NR | NR | 100% |
| Scope 1 GHG emissions covered under emissions-reporting regulations | *per cent* | NR | NR | NR | 100% |
| **Grid resiliency** | | | | | |
| Investment in Calgary's Transmission and Distribution (T&D) System and other assets | *$ million* | 290 | 228 | 305 | 259 |
| **Reliability and availability** | | | | | |
| System Average Interruption Duration Index (SAIDI) | *hours* | 0.47 | 0.54 | 0.42 | 0.47 |
| System Average Interruption Frequency Index (SAIFI) | *# interruptions per customer* | 0.64 | 0.80 | 0.72 | 0.54 |
| Average generation plant availability factor | *per cent* | 95.3 | 93.4 | 93.3 | 98.7 |
| **Air quality[4]** | | | | | |
| $NO_X$ intensity | *tonnes/MWh* | 0.0002 | 0.0002 | 0.0002 | 0.0002 |
| $NO_X$ (excluding $N_2O$) | tonnes | 1,203 | 1,657 | 1,612 | 1,926 |
| Particulate matter ($PM_{10}$) | tonnes | 25 | 14 | 15 | 15 |
| $SO_X$ | tonnes | 13 | 16 | 16 | 17 |
| $NO_X$ in or near areas of dense population | tonnes | 933 | 1,253 | 1,231 | 1,312 |
| $PM_{10}$ in or near areas of dense population | tonnes | 11 | 13 | 13 | 14 |
| $SO_X$ in or near areas of dense population | tonnes | 12 | 15 | 15 | 15 |

| ENVIRONMENT | | | | | |
|---|---|---|---|---|---|
| | **Units** | **2017** | **2018** | **2019** | **2020** |
| **Water management** | | | | | |
| Water intensity | $m^3$/MWh | 0.71 | 0.70 | 0.69 | 0.69 |
| Total water withdrawn | million $m^3$ | 7.12 | 7.51 | 7.61 | 8.11 |
| Fresh | million $m^3$ | 1.50 | 1.97 | 2.09 | 2.10 |
| Reclaimed (non-fresh) | million $m^3$ | 5.62 | 5.54 | 5.52 | 6.00 |
| Total water discharged | million $m^3$ | 1.84 | 1.41 | 1.40 | 1.53 |
| **Spills**[5] | | | | | |
| Significant spills, number | number | 0 | 0 | 1 | 2 |
| Significant spills, volume | litres | 0 | 0 | 552 | 2,516 |

| SOCIAL | | | | | |
|---|---|---|---|---|---|
| | **Units** | **2017** | **2018** | **2019** | **2020** |
| **Employee and contractor safety** | | | | | |
| Total recordable incident rate (TRIR) | injuries per 200,000 hours worked | 1.00 | 0.71 | 0.94 | 0.34 |
| Lost time injury frequency rate | injuries per 200,000 hours worked | 0.27 | 0.13 | 0.20 | 0.07 |
| Fatalities | number | 0 | 0 | 0 | 0 |
| Near misses - serious | number | 10 | 8 | 6 | 1 |
| **Public safety** | | | | | |
| Number of public injuries | number | 0 | 0 | 0 | 0 |
| Number of public fatalities | number | 0 | 0 | 0 | 0 |
| **Employees** | | | | | |
| Total number of employees | number | 1,801 | 1,744 | 1,797 | 1,692 |
| Employee turnover rate | per cent | 7% | 12% | 8% | 9% |
| **Training and development** | | | | | |
| Average hours of training per year per participant (excludes mandatory) | hours | 11 | 19 | 12 | 8 |

| SOCIAL | | | | | |
|---|---|---|---|---|---|
| | ***Units*** | **2017** | **2018** | **2019** | **2020** |
| **Diversity and inclusion** | | | | | |
| Employees who completed respect in the workplace training | *number* | 250 | 1,750 | 1,859 | 1,793 |
| Total number of incidents of discrimination reported | *number* | 1 | 0 | 0 | 0 |
| Women at various levels | | | | | |
| Board | per cent | 40% | 38% | 38% | 33% |
| Sr. Mgmt (Senior VP and above) | per cent | 60% | 50% | 67% | 50% |
| Total Workforce | per cent | 34% | 33% | 35% | 35% |
| **Unions** | | | | | |
| Employees covered by a collective bargaining agreement | per cent | 63 | 62 | 61 | 62 |
| **Energy affordability** | | | | | |
| Number of residential customer electric disconnections for nonpayment[6] | per cent | NR | 19,841 | 14,903 | 6,600 |
| Customers reconnected[7] | per cent | NR | NR | NR | 59% |
| Community Investment | | | | | |
| Community investment | *million $* | 3.6 | 3.8 | 3.5 | 2.8 |

| GOVERNANCE | | | | | |
|---|---|---|---|---|---|
| | ***Units*** | **2017** | **2018** | **2019** | **2020** |
| **Customer satisfaction** | | | | | |
| Customer satisfaction | out of 100% | 82% | 86% | 86% | 90% |
| **Anti-corruption and anti-competition** | | | | | |
| Number of legal cases regarding corrupt practices | number | 0 | 0 | 0 | 0 |
| Number of significant legal actions for anti-competitive, anti-trust behavior | number | 0 | 0 | 0 | 0 |
| **Physical and cybersecurity** | | | | | |
| Number of phishing tests conducted | number | NR | 4 | 8 | 14 |
| Employees who received cybersecurity tranining | number | 1,451 | 1,747 | 1,856 | 1,792 |

*Notes*

1. *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).*
2. *To allow comparability with historical information, we also provide GHG emissions under operational control which mean 100 per cent of GHG emissions from facilities which we operate regardless of financial ownership.*
3. *Emission limiting regulations include carbon tax.*
4. *Air Quality data is limited to air emissions from power generation facilities.*
5. *All significant spills are spills of more than 500 litres in alignment with industry standards (including CEA) for sustainability reporting. At ENMAX all releases to the environment are reported to our Environment personnel, who report to Alberta Environment and Parks (AEP) 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 AEP facility operating approval.*
6. *2020 disconnections are lower than previous years due to ENMAX halting disconnection activities for most of the year due to the COVID-19 pandemic; ENMAX reports these values quarterly and annually to the AUC.*
7. *Total reconnections, not necessarily within 30 days.*

# SASB index

These are the metrics and references to qualitative descriptions in this report that align with the Sustainability Accounting Standards Board standard for electric utilities and power generators. The Sustainability Accounting Standards Board 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 excludes Versant Power.

| SASB Ref | SASB Suggested Disclosures | 2020 data | |
|---|---|---|---|
| | **GHG gas emissions & energy resource planning** | | |
| IF-EU-110a.1 | Gross global Scope 1 emissions (operational control) | 3,459,970 | tonnes $CO_2e$ |
| IF-EU-110a.1 | Gross global Scope 1 emissions (equity) | 2,983,979 | tonnes $CO_2e$ |
| 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 | not reported | |
| 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 12-18 | |
| 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 | $NO_X$ (excluding $N_2O$) | 1,926 | tonnes |
| IF-EU-120a.1 | $SO_X$ | 17 | tonnes |
| IF-EU-120a.1 | Particulate matter (PM10) | 15 | tonnes |
| IF-EU-120a.1 | Lead (Pb) | not applicable | |
| IF-EU-120a.1 | Mercury (Hg) | not applicable | |
| IF-EU-120a.1 | Percent of NOx in or near areas of dense population | 68% | |
| IF-EU-120a.1 | Percent of SOx in or near areas of dense population | 93% | |
| IF-EU-120a.1 | Particulate matter ($PM_{10}$) in or near areas of dense population | 93% | |
| | **Water management** | | |
| F-EU-140a.1 | Total water withdrawn (fresh and non-fresh) | 8.11 | *million* $m^3$ |
| F-EU-140a.1 | Percentage of water withdrawn that is fresh | 26% | |
| F-EU-140a.1 | Total water consumed | 6.58 | *million* $m^3$ |
| F-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 29 | |

| | | | |
|---|---|---|---|
| | **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 | Discussion of engagement processes to manage risks and opportunities associated with community interests | page 49-50 | |
| IF-EU-240a.3. | Number of residential customer electric disconnections for nonpayment | 6,600 | |
| IF-EU-240a.3. | Percentage of customers reconnected (not necessarily within 30 days) | 59% | |
| IF-EU-240a.4 | Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory | page 5 | |
| | **Workforce health & safety** | | |
| IF-EU-320a.1 | Total recordable incident rate (TRIR) | 0.34 | |
| IF-EU-320a.1 | Fatalities | 0 | |
| IF-EU-320a.1 | Near misses (serious) | 1 | |
| | **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) | 0.47 | *hours* |
| IF-EU-550a.2 | System Average Interruption Frequency Index (SAIFI) | 0.54 | *# interruptions per customer* |
| IF-EU-550a.2 | Customer Average Interruption Duration Index (CAIDI), inclusive of major event days | not reported | |

# TCFD index

The Task Force on Climate-related Financial Disclosures (TCFD) provides recommendations for more effective climate-related disclosures that can promote more informed investment, credit and insurance underwriting decisions. Below are the references to TCFD-related disclosures in this document.

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# 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 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", "integrating", "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 efforts to integrate ENMAX's and Versant Power's overall data, reporting and performance management systems to enable further consolidation of our ESG reporting in future; our vision for reducing GHG emissions and our targets in implementing this vision; our vision for improving reliability and innovation and our target in implementing this vision; our vision for enhancing diversity, inclusion and belonging and our targets in implementing this vision; our vision for improving energy affordability and our targets in implementing this vision; plans to upgrade turbines at the Shepherd Energy Centre and Calgary Energy Centre; plans to operate a battery storage system at our Crossfield Energy Centre and the expected reduction in GHG emissions arising therefrom; our plans to upgrade and replace a portion of our transportation fleet and the expected reduction in GHG emissions arising therefrom; our plans to replace Calgary Substation No. 1 and the expected impacts on the modernization of our grid arising therefrom; plans for the installation of solar generating facilities and the use of two-way power flow on our secondary systems; our plans to invest $60 million in innovation by 2030; 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 culture of safety, including the advancement of a highly proactive safety culture; Versant Power's plans to start the implementation of ISNetworld with the support of ENMAX; plans for the implementation of diversity and inclusiveness programs in 2021 and 2022 and the completion of a vendor awareness program by 2023; plans to enhance energy affordability in our markets; our plans to conduct surveys of customer satisfaction in our markets in 2021; 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 required changes in our targets; that general economic conditions will not change materially; that technological changes will not occur in a material way that affects our abilities to carry out our plans and meet our targets; that our relationship with our shareholder, our employees and applicable unions, our communities and other stakeholders does not vary significantly in the future in a manner that requires significant changes to our plans or targets or the ability to meet our 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 business of ENMAX and 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 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 in respect of ENMAX meeting its ESG targets, commitments, ambitions, strategies in the manner expected, including: restrictions on access to resources need to meet our plans and targets; increased operating, capital and compliance costs; increasing stakeholder consideration of ESG factors and risks, 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, 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, greenhouse gas, carbon, climate change and other laws or regulations; potential changes to market expectations and practices related to human resources, diversity and governance practices; and the occurrence of unexpected events such as pandemics, terrorist threats 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.