



2019 Sustainability Report





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A Message From Scott Thon



Scott Thon

President and CEO, AltaLink



For the more than three million Albertans who depend on the energy our transmission system delivers, sustainability means so much more than protecting the environment.

Our Commitment to you

Our world is changing, but for AltaLink our commitment to sustainability continues to be at the heart of everything we do. Every decision and every plan considers environmental, social, and economic impacts now and in the future.

It's an evolution we demonstrated by becoming the first Canadian utility to be re-designated as a Sustainable Electricity Company by the Canadian Electricity Association. But more than that, it is our values in motion. It's how we collaborate with the communities we serve. It's our competitive advantage and it's our commitment to you.

For the more than three million Albertans who depend on the energy our transmission system delivers, sustainability means so much more than protecting the environment.

As you will read within this report, we've made some big strides this year on our sustainability journey. From delivering exceptional customer service and receiving our highest ever customer satisfaction results to improving our outage response times by seven minutes, 2019 was a big year.

We were proud to explore new ways to interact with our business partners in local communities, such as the Piikani Nation and the Kainai Blood Tribe, who are now long-term investors in high-voltage electricity infrastructure on their lands. These partnerships are a first for AltaLink, and a first for Alberta.

Our pursuit of safety has always been what drives us in the field and in the office. There is nothing more important to us than the safety of our employees, and the safety and wellbeing of AltaLink employees is integral to our sustainable future. Without the commitment and dedication of our employees, AltaLink would not be able to achieve and maintain its results year over year. For the third year in a row, AltaLink won the Canadian Electricity Association's President's Award of Excellence for Employee Safety.

You'll also read about another success from 2019: Our work in Banff National Park rebuilding the main transmission line that brings power to the world-renowned Lake Louise area. The 551L upgrade in Banff National Park represented a number of other firsts for AltaLink. It was the first time the company had to ask the Alberta Utilities Commission (AUC) for approval of a temporary power source, and it was the first time that we had a team of engineers, line workers and construction workers become experts in seed collection and the nesting habitats of local bird life. I'm proud of the way our teams were able to collaborate to keep the lights on for Albertans.

Working with charities forms an important part of our sustainability planning. Through programs such as the Shaw Birdies for Kids presented by AltaLink program, we are helping to strengthen future generations here in Alberta. Since 2015, the program that is a huge part of the PGA Champions tour's Shaw Charity Classic tournament has supported over 200 youth-focused charities across Alberta and invested more than \$48 million back into our community.

Sustainability is about making improvements every day across our business. I hope as you read this report, you'll see the improvements we're making on behalf of our customers and every Albertan.



Introduction

AltaLink is pleased to present our annual corporate sustainability report for 2019 activities. This report will illustrate how our focus on sustainability across the organization is supporting our mission to safely deliver reliable, affordable and clean energy to our customers.

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

GRI STANDARDS AND OTHER CONSIDERATIONS FOR SUSTAINABILITY REPORTING

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



Universal Standards

GRI 101 – Foundation

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

GRI 102 – General Disclosures

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

GRI 103 – Management Approach

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

Topic-specific disclosures

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

Additional report considerations

As with AltaLink's previous annual corporate sustainability reports, all information contained within this report is publically available through the company's other reporting mechanisms, including our annual financial reports, Management's Discussion and Analysis reports and other communication pieces. Additionally, the four following sustainability enablers represent the active sustainability voice of AltaLink's six core principles detailed in this report.

How we deliver on our sustainability promise



01

Customer Service and Operational Excellence

We communicate and consult with stakeholders, landowners and our customers in a transparent, timely and respectful manner.

02

Employee Commitment and Operational Excellence

We provide a safe, healthy work environment and support and respect a diverse workplace.

03

Environmental Respect

We manage our business to avoid or minimize environmental impacts; we seek opportunities to reclaim and restore where impacts are unavoidable; and we maintain a responsible approach to resource consumption.

04

Financial Strength, Regulatory Integrity and Operational Excellence

We deliver and use electricity in a safe, reliable and cost-effective manner to meet current and future needs.

Who We Are

Sure, we're Alberta's largest regulated electricity transmission company. But we're so much more than that. Our transmission system is the essential link that connects homes, farms, businesses and industries to the electricity generated across Alberta.

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

How we deliver the energy Albertans need

226,000

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

85%

OF ALBERTANS RECEIVE THEIR ENERGY THROUGH OUR FACILITIES.

13,000

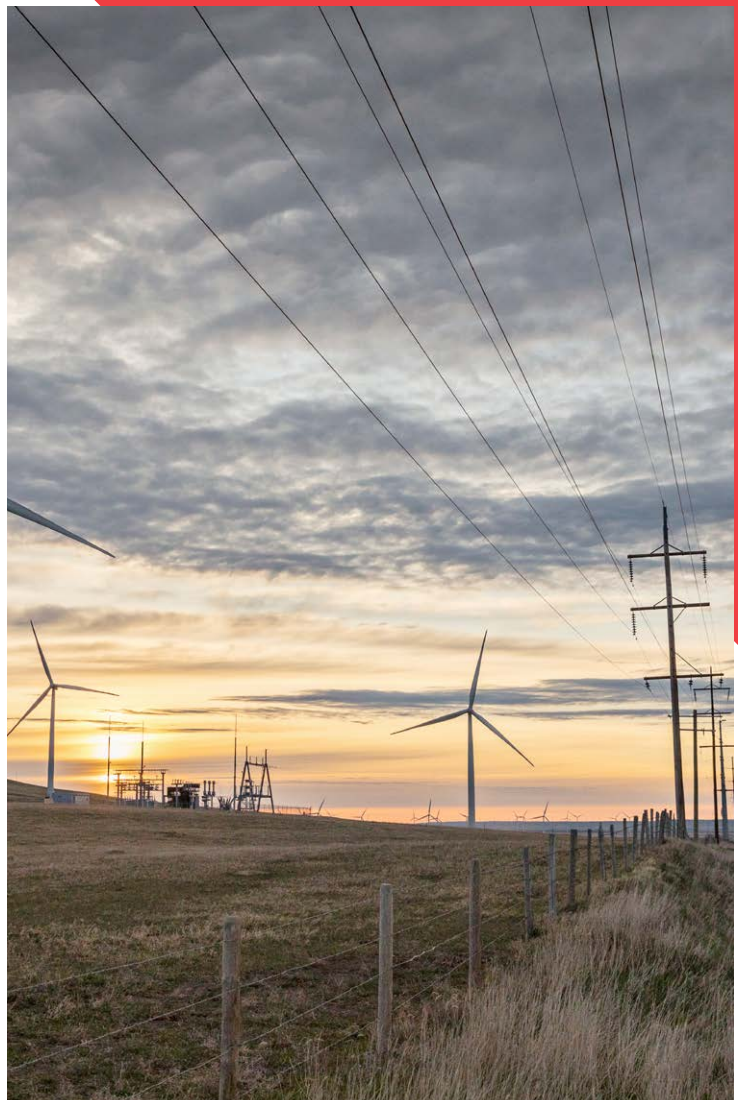
KILOMETRES OF OWNED AND OPERATED TRANSMISSION LINES.

308

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

300

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

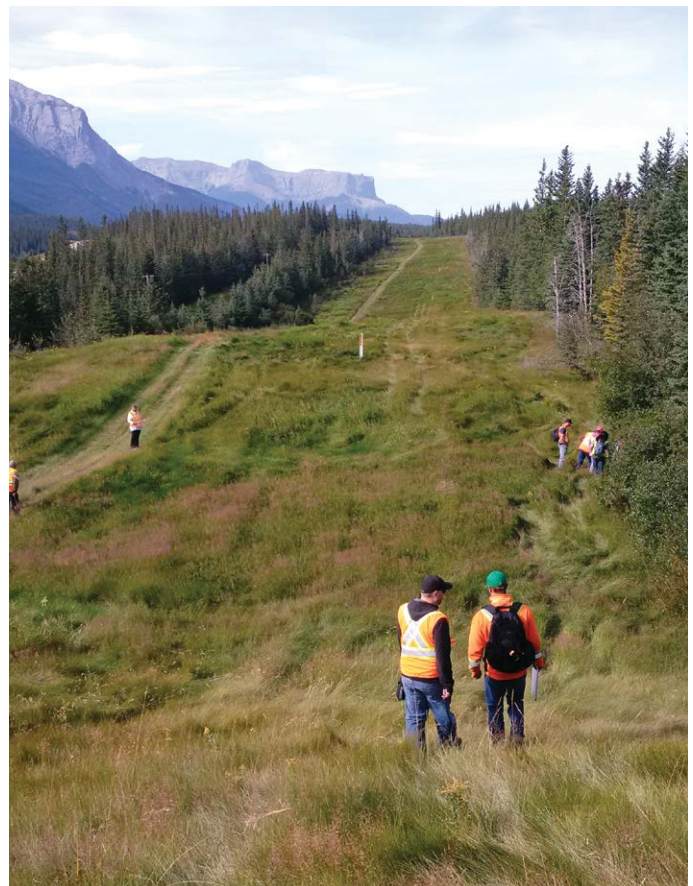


Our transmission lines are comprised of wood or metal support structures, conductors, foundations, insulators, connecting hardware and grounding systems. Our substations are comprised of high-voltage power transformers, power circuit breakers, switches, capacitor and reactor banks, protection and control systems, metering and monitoring systems, buildings and security systems. Our substations integrate the transmission lines into a network and transform the voltage of electricity to meet the requirements of generators and customers. We generally accept electricity into our system at our generator interconnection substations and deliver power to distribution facility owners and wholesale customers at our customer supply substations. Where the transmission system connects to a distribution network, transmission substations step down the voltage to distribution level voltages. The HVDC link includes solid state power electronic equipment (valves), converter transformers, cooling systems and control systems utilized in the direct current conversion process.

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

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

We also own land, office and storage space used in connection with our operations in a variety of locations throughout Alberta.



ALTALINK'S VISION

To be the best energy company in serving customers, while delivering sustainable energy solutions.



ALTALINK'S STRATEGY

Since 2014, when AltaLink first received brand certification through the Canadian Electricity Association's (CEA) Sustainable Electricity Company brand designation, we have made a commitment to operate our business sustainably and affordably. We have continued to build on our practices to ensure sustainability is a driving force in our work every day. That work has paid off and now we are officially the first Canadian utility to be re-designated as a Sustainable Electricity Company™.

Currently there is no one single definition of sustainability used by all utilities in Canada. However there are a number of consistent themes that help inform AltaLink's overall corporate sustainability strategy. These reoccurring themes highlight that sustainability is an unregulated, voluntary and notional concept that encourages entities to:



Incorporate more than just a financial lens when making business decisions



Embed and integrate sustainability as a business imperative – this is not a separate initiative nor is it focused only on environmental initiatives



Undertake decision making in a manner that does not deplete and where possible enhances resources for future generations



Encourage progressive business strategies that promote innovative and technologically advanced solutions



Use longer timeframes that extend beyond current business planning periods to assist in addressing risk management issues

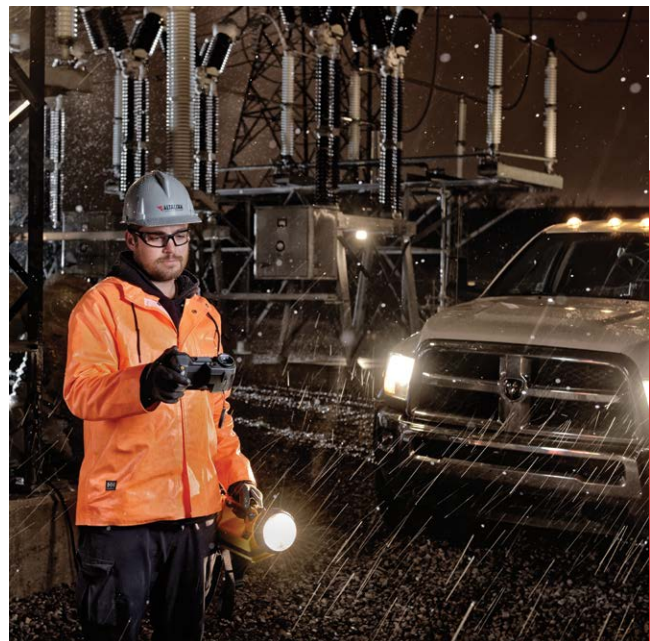


Include comprehensive collaboration, especially among non-traditional partners as this provides a critical opportunity for creative and effective solutions

Since first being awarded brand designation by the CEA in 2014, AltaLink continues to mature our sustainability program and sees the following as key benefits:

- Strategically positions AltaLink within the utility sector in Canada
- Builds on reputational value
- Attracts the right kind of partners
- Aligns with employee expectations
- Provides strength and context to our social license to operate

In conjunction with applying for brand re-certification AltaLink also undertook a formal materiality assessment conducted by a third party with expertise in this area. A materiality assessment engages internal and external stakeholders to objectively gather insight on the relative importance of specific environmental, social and governance issues that impact a business. The insight gathered can be valuable in strategic planning, operational management and capital investment decisions. It provides an opportunity for leadership teams to objectively aggregate relevant information and apply consistent questioning to assess relative priority – identify the things that really matter for a company.



Our materiality assessment resulted in more than 30 topics being identified utilizing both internal and external stakeholders and sources of information. Then using evidence based weighting and scoring methodologies, a short list of prioritized material topics, spanning multiple functional business units within AltaLink were highlighted:

- Enhance sustainability reporting to align with GRI Standards, and develop reporting flow and design so the report is an engagement tool for customers, partners, current and potential employees, community members, etc.
- Engage employees around innovation (e.g. deploy an innovation challenge to spur potential solutions to current/emerging risks or issues). Focus on fostering an innovation culture that is open to new ideas and can adapt to industry/regional changes.
- Since mitigating wildfires requires collaboration across the industry and region, host an Albertan wildfire mitigation meeting in preparation for wildfire season with important stakeholders to address concerns.
- The adoption of renewables will likely increase in the future despite government uncertainties. Collaborate with the Alberta Electric System Operator (AESO)/other partners to conduct a battery storage pilot program and create an action plan to be able to deploy as quickly as possible.
- Evaluate funding for cybersecurity and conduct a risk assessment for all areas of potential cyber threats.
- Continue—and in some cases, enhance—communication plans with customers, regulators, distributors and partners around planned outages and infrastructure or contractual changes. In particular, inquire about and try to incorporate their needs well in advance of decisions, to the extent possible.

AltaLink currently has action plans in place to advance all these prioritized topics as well as many others identified through the materiality assessment process reinforcing that the company is headed in the right direction.

At its core, AltaLink's strategy acknowledges that safe, reliable, affordable, and environmentally sustainable electricity needed to power Alberta's economy depends on a diversified portfolio of generation resources supported by innovative technologies that include energy efficiency and storage as well as strong access to and integration with regional markets.

AltaLink remains committed to positioning Alberta as a leader in creating a more sustainable future for Canada. To support this, AltaLink continues to responsibly reinforce the transmission system in central and southern Alberta, readying it for additional generation capacity through investments in new transmission lines and substations and exploring effective means to reinforce and build resilience into electrical infrastructure for all Albertans.

AltaLink's existing transmission grid is ready to deliver reliable and affordable clean energy to Albertans without significant investment in new transmission lines or substations. The Alberta Renewable Electricity Program (REP) procured 1,363 megawatts (MW) of new, low-cost wind generation over three rounds of auctions (2016-18), of which 1,117 MW will connect to AltaLink's transmission system. In addition, a new 120 MW wind farm near Medicine Hat announced in 2019 will connect to AltaLink's system and be built without government subsidies. AltaLink is actively working with renewable companies on their interconnections to the grid. AltaLink continues to promote that any new wind generation should be constructed close to existing transmission facilities to take advantage of the available transmission capacity, avoid environmental impacts and minimize the cost impact to Alberta customers.

ALTALINK'S CORE PRINCIPLES – 2019 UPDATES

Our core principles continue to guide all activities and operations at AltaLink to ensure we are as successful as possible. The following section details the core principles and provides highlights from 2019 activities.



Customer Service

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

Customer performance

Surveys are used to measure performance on customer service and develop specific initiatives aimed at improving customer experiences. In 2019, we began using the average score out of 10 to track our customer satisfaction performance, which in 2019 was

9.25 compared to 8.98 in 2018. Using our previous measure of percentage of customers rating AltaLink's performance an eight or above, the customer satisfaction of direct customers improved from 96% in 2018 to 99% in 2019.



Employee Commitment

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

In November 2019, for the third consecutive year, AltaLink received the CEA President's Award of Excellence for employee safety as the best performing transmission company with 501 to 1000 employees in 2018. In 2018, employees reported an all injury frequency rate of 0.27 compared to the CEA transmission composite of 2.43. In 2019, employees matched our 2018 performance with an all injury frequency rate of 0.27.

We continuously strive to attract, retain and develop a high-quality workforce to enable us to not only sustain our business, but to remain at the forefront of innovation and continuous improvement. We employ approximately 745 skilled and dedicated people to support our customers in Alberta.

Through employee volunteerism and community investment, AltaLink and its employees contribute valuable time and money to charitable organizations throughout Alberta. Our annual Powerful Giving program, where employee donations are matched dollar for dollar by AltaLink, raised more than \$855,000 for registered charities across Alberta. AltaLinkers donate their time through our Global Days of Service program and United Way Days of Caring events, contributing hundreds of hours of volunteering to organizations across Alberta. AltaLink is also the presenting sponsor of the Shaw Birdies for Kids program at the Shaw Charity Classic PGA Champions golf tournament. In 2019, the tournament set a record and raised more than \$14 million that will have a positive impact on more than 200 charities and thousands of youth across Alberta.



Environmental Respect

We are committed to using natural resources wisely and protecting our environment for the benefit of future generations. Our Environmental RESPECT Policy details this commitment.

Polychlorinated bisphenols (PCBs) are a significant issue in the utility sector with associated regulatory and compliance expectations. The use and disposal of PCBs was also identified within the context of our recent materiality assessment. As with all regulated substances we use, AltaLink is in compliance with applicable regulations and continues to monitor use and disposal to ensure this continues.

Our Environmental, Health and Safety Management System has a number of components designed to manage these risks, including the following:

- We have a Spill Prevention and Response Standard, PCB Handling Standard and Procedure, Sulfur Hexafluoride (SF6) Reporting Standard and Handling Procedure and have provided related training to field personnel and contractors;
- We have installed secondary oil containment features at all new transformer locations;
- We monitor and analyze transformer oil for PCB content;
- We manage greenhouse gases to prevent releases to the environment; and
- We track and manage incidents through an incident management database that will be updated in 2020.



Regulatory Integrity

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

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

We receive all of our regulated transmission tariffs, including settlements of deferral and reserve accounts, from the AESO. As a transmission facility owner we are permitted to charge a tariff for

the use of our transmission facilities. Such tariffs are regulated by the AUC under the provisions of the Electric Utilities Act in respect of rates and terms and conditions of service.

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



Operational Excellence

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

On July 12, 2019, the CEA notified AltaLink that the company's application for the Sustainability Electricity Company™ redesignation had been approved. In 2014, AltaLink had the distinction of becoming the first transmission company in Canada to receive this designation and now becomes the first CEA utility member to be re-designated under this process. AltaLink has made a commitment to operating our business sustainably and affordably and has continued to build on our practices to ensure that sustainability is a driving force in our work every day.

Another example of operational excellence through innovation and technological advances is that AltaLink was selected by Emissions Reduction Alberta to develop a 20 megawatt/20 megawatt-hour Transmission Deferral Battery Energy Storage project. Progress continues on this important technological advancement on the Alberta grid.

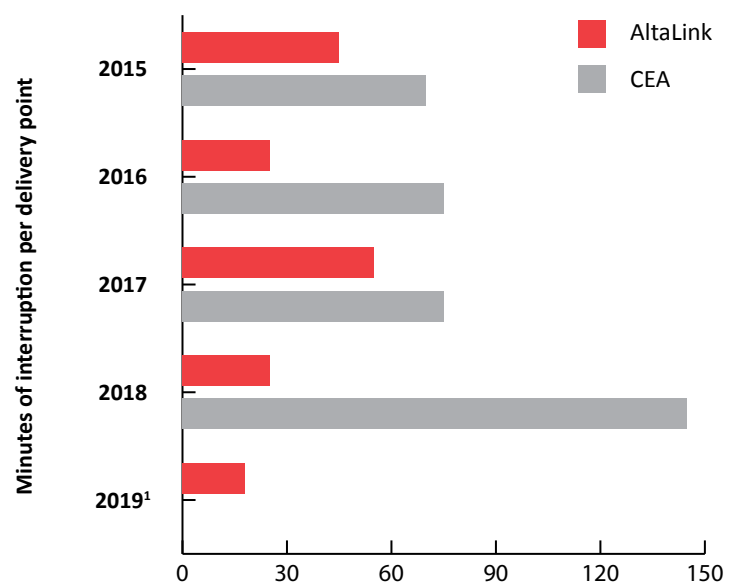
We operate our transmission system to minimize disruption of service to our customers. Nevertheless, severe weather and other unplanned events can cause service disruptions to which we respond as quickly as possible. We have a long-term trend of improving reliability through proactive operating practices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

Reliability of service to customers in the 12 months ended December 31, 2019 significantly improved compared to 2018. After delivering best-ever reliability performance in 2018, in 2019 AltaLink improved its customer outage duration, as measured by the System Average Interruption Duration Index (SAIDI) by a further 29% compared to 2018, establishing a new annual best. AltaLink's past 12 months outage duration (SAIDI) was 18 minutes compared to 25 minutes for the same period in 2018. Frequency of outages, as measured by the System Average Interruption Frequency Index (SAIFI) had no material changes from 2018. Restoration performance, as measured by the System Average Restoration Index (SARI) in the twelve months ending December 31, 2019 improved 30% compared to the same period in 2018. AltaLink's ongoing focus on timely capital maintenance investments, operating maintenance activities and initiatives to reduce restoration times continues to help improve and sustain the strong reliability results experienced in 2019.

The charts that follow summarize AltaLink's reliability performance for the past five years, showing continued favourable comparisons to the latest information reported by the CEA.

Customer Outage Time (SAIDI)

Our customer outage time was 18 minutes in 2019 and 25 minutes in 2018 compared to the 146 minute average reported by the CEA for 2018.



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

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



Financial Strength

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

On June 1, 2019, AltaLink and the Piikani First Nation operationalized a new limited partnership called PiikaniLink, L.P. On January 1, 2020, AltaLink and the Kainai Nation (Blood Tribe) operationalized a new limited partnership called KainaiLink, L.P. The partnerships, which were approved by the AUC in November 2018, result in the Piikani Nation's and Kainai Nation's investment in the Southwest 240 kilovolt transmission line and associated substation equipment on reserve lands

AltaLink invested \$318.7 million in capital assets during 2019 compared to \$340.8 million in 2018 to ensure continued reliability of the electricity network.

On January 28, 2019 Standard & Poors (S&P) reaffirmed an "A" rating and revised their outlook on AltaLink to stable. The financial strength demonstrated through an "A" rating allows us to keep debt financing costs low for our customers.

Important 2019 Facts Recap

99% OF CUSTOMERS REPORTED THEY WERE SATISFIED WITH OUR SERVICE

\$318.7 M INVESTED IN CAPITAL ASSETS

1ST

UTILITY TO BE RE-DESIGNATED AS A SUSTAINABLE ELECTRICITY COMPANY™

0.27 ALL INJURY FREQUENCY RATE BY EMPLOYEES IN 2019

18 MINUTES WAS THE AVERAGE OUTAGE DURATION IN 2019

\$855,000 + RAISED THROUGH OUR POWERFUL GIVING CAMPAIGN

ETHICS AND INTEGRITY

AltaLink actively promotes the importance of professional ethical behavior in all our interactions, both internally and with our external stakeholders. As a regulated utility operating in the province of Alberta, AltaLink is required by law to operate in an ethical and legally binding manner. All work undertaken by AltaLink must be filed through and approved by the Alberta Utilities Commission (AUC). The AUC is a quasi-judicial body that provides approval for the development and operation of utilities in Alberta's open market. Utilities provide essential public services and are considered to be natural monopolies in the provision of those services. As a result, they are subject to various regulations and the Commission is considered to act as a surrogate to competition. These regulations ensure that services are provided at a fair price and that appropriate service levels are maintained. The AUC is charged with making decisions in the 'public interest' which is required to include transparent ethical and defensible decisions.

AltaLink requires 100 per cent of employees to sign off annually on our Code of Ethics and Business Conduct (referenced in A 4) which promotes integrity and transparency in all aspects of how we conduct our business and in our relations with our colleagues, directors, shareholders and business partners. AltaLink expects all parties we interact with to respect and comply with our culture of high ethical standards. We live by our integrity and the transparency of our dealings; our reputation for ethical practices is one of our most valued assets and is crucial to our ability to succeed.

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

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

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



Through the formal application process AltaLink provides explicit detail on what decisions regarding the location of facilities have been made and how the proposed (and alternate) locations have been determined. The process is outlined on AltaLink's public website located at: www.altalink.ca/projects/for-landowners/route-selection-process-1.cfm

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

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

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

GOVERNANCE

The following links outline AltaLink's governance structure as presented on our public website.

Executive Team

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

Scott Thon

President & Chief Executive Officer

Gary Hart

Executive Vice President & Chief Operating Officer

David Koch

Executive Vice President & Chief Financial Officer

Sheri Allen

Senior Vice President, Human Resources

Zora Lazic

Senior Vice President, Law & Regulatory, General Counsel

Johanne Picard-Thompson

Senior Vice President, Corporate Services

Ed Rihn

Senior Vice President, Customer & Stakeholder Engagement

Board of Directors

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

David Tuer - Chair

David R. Collyer - Director

William J. Fehrman - Director

Calvin D. Haack - Director

Natalie Hocken - Director

Douglas Mitchell - Director

Patricia Nelson - Director

Susan Riddell Rose - Director

Scott Thon - Director

Brad Wall - Director

Regulatory Information/Reports relevant to governance

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

Through its Annual Information Form, (www.investorx.ca/Doc/J3WMW4G0GMB) AltaLink provides a variety of information on governance and its activities. This document provides information on where accountability and responsibility lie and what impacts are anticipated. It should be further noted that AltaLink's governance structure clearly supports environmental and social expectations as well as traditional fiduciary duties. The Board of Directors is responsible for governance oversight and includes a number of working committees focused on social and environmental impacts of AltaLink operations.

AltaLink's annual Compliance Report (www.altalink.ca/files/pdf/AML_2019_Compliance_Report.pdf) outlines where and how AltaLink has remained compliant in order to conduct business as it pertains to governance related issues. The purpose of this plan is to detail the measures, policies, procedures and monitoring mechanisms that AltaLink will employ to ensure its full compliance with the provisions of the Code by AltaLink, its directors, officers, employees, consultants, contractors and agents, and by Affiliates of AltaLink with respect to the interactions of the Affiliates with AltaLink.



STAKEHOLDER ENGAGEMENT

Stakeholder identification

The importance of our stakeholder groups cannot be overstated and is of paramount importance to AltaLink. Being able to work collaboratively with all our stakeholders in a timely and transparent manner is key to our ongoing success.

Recognizing the importance of effective stakeholder engagement, in 2016 AltaLink underwent an internal reorganization that saw the amalgamation and creation of the Customer and Stakeholder Engagement team, led by a Senior Vice President. The Customer and Stakeholder Engagement team actively engages with, obtains feedback from, and collaborates with the various stakeholder groups interested in the operation of AltaLink's business.

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

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

- landowners
- renters or lessors
- proxy, POA, or direction holders
- encumbrance holders
- occupants
- residents
- Crown land leaseholders
- trappers
- local government representatives, officials and departments
- regional government representatives, officials and departments
- provincial government representatives, officials and departments
- landowner advocate groups
- public and private companies
- First Nations communities
- Métis communities



Stakeholder engagement process

AltaLink consulted with more than 1,100 landowners and notified over 7,300 on projects in 2019. The stakeholder engagement process begins once a project direction has been provided by the Alberta Electric System Operator (AESO) to AltaLink, or a need has been identified to complete work from an operations and maintenance perspective. The direction or need includes a project scope and technical requirements. This allows AltaLink to begin siting the transmission facilities as well as begin the stakeholder identification and selection process. Stakeholders are specific to each project based on the notification criteria. We provide project specific information to all project stakeholders.

The information provided after material changes or progress in the project includes, but is not limited to the following:

- preliminary siting and routing of transmission facilities
- site and route updates
- project scope changes
- route determinations, and
- timing of construction activities

We also notify all stakeholders after:

- the Facility Application has been filed with the AUC
- approval of the Facility Application and receipt of permits and licenses

We also notify stakeholders if:

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

AltaLink uses the following methods to communicate with stakeholders:

- mailing, hand delivery and email of project specific information packages
- phone calls and meetings to complete consultations
- group meetings and presentations
- open houses, information sessions and information feedback sessions
- 1-800 number and general email address
- online and telephone surveys

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

- annual structure payments
- audible noise
- compensation
- electric and magnetic fields (EMF)
- environment
- farm/machinery access
- other – future developments, other developments in the area, access roads, construction activities, fire safety
- radio/TV interference
- right-of-way acquisition
- tree trimming
- visual
- weed control

AltaLink listens to and records the questions and concerns of stakeholders. A Stakeholder Engagement team member or subject matter expert will follow up with stakeholders and make a good faith effort to resolve stakeholders' concerns.

Topic-specific Standards

DISCLOSURES ON MANAGEMENT APPROACH FOR TOPIC-SPECIFIC STANDARDS

AltaLink uses a scorecard to track and trend annual performance to ensure consistent results relative to a set of objectives and targets that are established annually. All departments and business units work to ensure success with consistent and timely information with regards to progress towards meeting these objectives and targets shared throughout the course of the year.

Directly linked to AltaLink's strategy and analysis, the GRI management approach is an opportunity to outline material impacts and how these are being managed. For 2019, AltaLink undertook a formalized materiality assessment conducted by a third-party service provider.

One of the seven recommendations coming from this assessment was to utilize the new GRI Standards as the framework for AltaLink's annual corporate sustainability report as presented here.



ECONOMIC

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

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

Anti-corruption and anti-competitive behaviour

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

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

GRI Sustainability Reporting Standards

STANDARD	TOPIC	COMMENT
201-1	Direct economic value generated and distributed:	www.altalink.ca/files/pdf/Q4_2019_FS.pdf
		2017 2018 2019
	Operating costs	\$96M \$98M \$109M
	Employee wages/benefits	\$116M \$101M \$109M
	Provincial taxes	\$46M \$46M \$48M
	Federal taxes	\$16M \$16M \$33M
	Gross spent in Alberta (cap and operating costs as %)	82% 72% 70%
Property, plant and equipment	\$8,054M \$8,039M \$8,132M	
201-3	Coverage of the organization's defined benefit plan obligations	www.altalink.ca/files/pdf/Q4_2019_MDA.PDF
Previous reports*	Operating expenses measured against property, plant and equipment (trends operating costs as a ratio of size of the system – relative metric as AltaLink moves towards operations/main. vs new construction)	\$109M/\$8,132M = 1.3%
Previous reports*	Infrastructure maintenance and investment – CRU/PPE (as a %, trends reinvesting in the system)	\$143M/\$8,039M = 1.8%
Previous reports*	Construction work in progress (CWIP) includes new facilities and upgrades/maintenance to existing assets	\$143M

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

ENVIRONMENTAL

AltaLink's Environmental Management System (EMS) guides how decisions, activities and resulting impacts are planned, reported and mitigated. Using the EMS and the associated environmental policy (www.altalink.ca/environment/altalinks-policy.cfm) for guidance and consistency, AltaLink continues to ensure there is awareness around the importance of appropriate environmental planning. An example would be that all significant aspects, as identified through the EMS criteria, are now posted for all business units to review.

AltaLink's EMS identifies aspects and corresponding impacts associated with its core business function as a transmission facility developer and operator. Escalating levels of mitigation procedures to address identified impacts are also included in the EMS.

AltaLink utilizes an incident management process to address environmental incidents. This process is monitored and systemically reviewed by management. To support this process AltaLink has developed a standardized approach to reporting such releases that exceed regulatory requirements for those substances under legislation.

As a member of the CEA, AltaLink annually submits pertinent environment data which is aggregated and included in the CEA's annual Sustainable Electricity Report. Reporting protocols for polychlorinated biphenyls (PCBs), sulfur hexafluoride (SF6) and priority spills are components of this submission.

It is explicit in AltaLink's EMS, the Health and Safety policy and the Corporate Compliance Policy that banned substances are never to be used by company employees or third party vendors.

As indicated in AltaLink's 2018 corporate sustainability report an audit was conducted by AltaLink's internal audit department during the fall of 2018. The objectives of this audit were to review the management actions undertaken in response to findings from the 2017 ISO 14001 EMS Audit and to evaluate the operational effectiveness of key processes and controls in place for the handling and disposal of PCB contaminated electrical equipment in compliance with applicable requirements. AltaLink has followed through with a plan to address the audit recommendations and continuous improvement opportunities put forward in the audit report.

In 2019, AltaLink conducted a conformance and compliance assessment with a focus on SF6, soil handling and waste management. No non-compliances were identified as part of the assessment. As part of the assessment action plan, AltaLink has identified improvements to operational controls and existing processes.

To ensure continual improvement of environmental performance and effectiveness of operational controls, in 2019, AltaLink developed a Historical Resources Standard and completed updates to the Avian Protection Plan (www.altalink.ca/environment/avian-protection-plan/avian-protection-plan.cfm), Spill Prevention and Response Requirements Standard, Clubroot Standard and Procedure as well as the Waste Standard and Procedure.

Environmental data specific to AltaLink

The following information has been presented in previous sustainability reports and, consistent with the focus on materiality, remain important metrics on environmental performance for AltaLink. These are also in alignment with AltaLink's EMS.



AltaLink Specific Environmental Elements

ELEMENT	2017	2018	2019
Number of high-risk substations mitigated	7	9	7
High-risk bird electrocution structures/ facilities retrofitted (includes km of bird diverters installed)	6.54 km	~20 km	17.56 km
number of priority spill events (CEA definition – any spill to water or spill of >500L)	2	0	0
Amount of material destroyed containing PCBs (kg)	5,147 kg*	3,492 kg	1,709 kg
Units of electronic waste removed for repurposing or recycling (3rd Party vendor)	2,127 units	1,585 units	896 units
Amount of paper sent for recycling	19,968.85 kg	51,959.01 kg **	14,163.42 kg +
SF6 consumed as part of normal operations	23.86kg	44.05kg	61.83kg (22.68 kg or 37% for one piece of equipment)
Electricity consumed	5,749,013 kWh	3,171,718 kWh***	6,984,815 kWh

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

** office upgrades resulted in significant reduction in printed materials being retained

*** only includes offices and not substations

+ included only Plaza and AltaLink East buildings for 2019

Seeds of Change



Planning to rebuild a single circuit line that runs between two of Canada's most iconic locations within a UNESCO World Heritage Site began back in 2009. The project involved rebuilding the 69 kV radial transmission line that runs between the Banff and Lake Louise substations and provides power to a host of world class tourist amenities that service over 4 million visitors a year. Lake Louise gets all its electricity from this one single 69Kv line that is sometimes taken out of service due to trees hitting the line. The line is 57 kilometres long and passes through highly sensitive ecological regions of the Bow Valley within Banff National Park. The goal is to reduce the number of outages to these tourist destinations by rebuilding the ageing structures as well as reducing the number of tree contacts with the line.

Working with Parks Canada, AltaLink's team of subject matter experts put together a one of kind Detailed Impact Analysis (DIA) that identified every meticulous detail of the environmental constraints along the 450 structure locations on the existing right-of-way. Due to encroaching trees, erosion or flooding in some areas site specific mitigations were proposed. Specialists in wildlife, vegetation, aquatics and cultural resources all contributed to the development and ultimate approval of the DIA.

With the line being situated between two world famous tourist destinations, the DIA document also addressed the socio-economic impacts and mitigations related to preserving the public visitor experience and the natural aesthetics along the Bow Valley Parkway.

As well the DIA included a complete "visibility analysis" for the proposed transmission line rebuild. The analysis compared the visibility of the existing line with the visibility of the proposed line from the viewing points of the Bow Valley Parkway and the Trans-Canada Highway. Additional visibility consideration was given to the especially popular visitor viewpoints of Moose Meadows and Castle lookout locations.

As in all ecologically sensitive areas where AltaLink works, the team worked with biological and botanical experts to identify important ecosystem components. Then, using specialized equipment and best management practices, work continued through winter months to minimize the impacts on those ecosystems. Rehabilitating the right of way to reflect the ecological integrity of the national park was a major piece of this project.

That reclamation was unique because seeds had to be collected from the area ahead of the reclamation work and grown in a nursery for up to three years. The seedlings were then brought back to the right of way and planted to maintain the ecological integrity of the national park.

While the actual work on the right of way was underway a significant back up power generation system had to be put in place at the Lake Louise substation in order to maintain service through the construction period. This backup system was unique to the project and had to be approved by both Parks Canada and the AUC given the size of the system.

The 551L upgrade in Banff National Park represents a number of unique components for AltaLink. The comprehensive DIA looked at multiple facets of the impacts during the construction as well as the rehabilitation phases of the project. It was the first time the company had to ask the AUC, the regulator, for approval of a temporary power source, due to the size of the generators it needed to bring in to ensure a reliable supply of power. The project was also the largest wildland reclamation work AltaLink has ever undertaken to date.

It is safe to say that the 551L upgrade is an excellent example of AltaLink embracing all components of providing safe, reliable and cost effective electricity in a truly sustainable manner. While the actual construction of the line is complete we are all anxiously waiting to see how the seedlings grow within the right of way.

SOCIAL

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

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

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

AltaLink has a number of resources in place to help employees decide how to manage their time, mental and physical health which ultimately provides a balance in their personal and professional lives. Among the policies and programs in place to focus on employee health and wellness are:

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



Occupational Health and Safety

AltaLink has a stringent focus on all safety related issues supported by a robust Health and Safety management system anchored by the Health and Safety Policy. This program is part of every employee's initial training and initiation process upon joining the company and includes subsequent job specific training for all positions. There are a number of manuals and best practices associated with this management system. The occupational health and safety system specific for AltaLink operations can be accessed by all employees on the company's intranet website. AltaLink has a Joint Worksite Health and Safety Committee comprised of both employees and management with a mandate to provide greater health and safety awareness, knowledge and engagement across all levels of the company.

AltaLink's attention and adherence to high safety standards with proven results has been recognized by the CEA through the consistent awarding of a number of their various safety awards such as their Vice President's and President's Award of Safety Excellence from 2011 right through to 2019.

Major contractors working on behalf of AltaLink are subject a comprehensive screening and qualification, using ISNET World, and AltaLink's expectations are clearly outlined in the Environment, Health and Safety Specifications and Requirements for Contractors.

AltaLink provides employees and contractors working on AltaLink facilities and projects with safety training that includes classroom courses, online training, and a dedicated contractor safety website where standards are available for contractor use.





Training and Education

All AltaLink employees participate in annual performance planning, mid and end of year reviews with their respective leadership teams. Embedded within these performance review opportunities are focused discussions on career opportunities including additional training requests that may have been identified.

AltaLink has a Organizational Development Manager and a knowledge development and transfer Training Services team. This dedicated cross-functional team of employees works with the organization to develop policies, procedures and training programs including but not limited to:

- Manager Development
- Technical Leadership Development
- Technical Qualifications Competency Development
- Field Discipline Competency Development
- Engineer Levels and Engineer Development
- Role Based Training Gap Analysis and Content Capture Development Program– 2019 launch of a new program (Systematic Approach to Training (SAT)) for non-field facing positions at AltaLink
- Education Assistance Policy
- Employee Relocation Policy
- Retirement Recognition Policy
- Annual Performance Review and Development process

Every department within AltaLink has a budget which is made available for ongoing professional development and training. A training program directed specifically at managerial employees is aimed at developing high caliber management and executive level employees and is open to all non-unionized management staff.

Our partnerships with higher-educational institutions across Alberta, highlights AltaLink's commitment to training and educating the next generation of Albertans. AltaLink has educational partnerships with the Southern Alberta Institute of Technology (SAIT), the Northern Alberta Institute of Technology (NAIT), and the University of Alberta. The company is also a key supporter of the Lethbridge College Training Facility for linemen and professionals in the electricity industry.



Diversity and Equal Opportunity

AltaLink is not a federal contractor and as such does not have a business need to request groups to self-identify. However, AltaLink takes gender equality, non-discriminatory and ethical behavior and business practices very seriously and requires all employees to review AltaLink's expectations and requirements on this annually as outlined in the Ethics, Integrity and Governance sections of this report (pages 16-17).



Freedom of Association and Collective Bargaining

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





Rights of Indigenous Peoples

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

Recognizing that having strong relationships will support the reliability of the grid, AltaLink has embarked on a formal engagement process, to listen carefully, learn and conduct business in a way that fosters mutual respect and understanding. Working with the University of Alberta's Faculty of Indigenous Studies, AltaLink consulted with elders and their communities to develop several guiding principles for engagement with Indigenous communities:

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

Within the context of the GRI reporting guidelines, aspects that represent or could impact this working relationship are found under the subcategory of Human Rights and are presented below.

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

On November 18, 2018, the AUC approved the AltaLink and First Nations Limited Partnerships, KainaiLink L.P. and PiikaniLink L.P. as new Transmission Facility Owners in Alberta.

On June 1, 2019, the Piikani Nation purchased 51 per cent of PiikaniLink L.P., and on January 1, 2020, the Blood-Kainai Tribe purchased 51 per cent of KainaiLink L.P. Joint operating committees were established with the First Nations to review operational activities and receive financial and regulatory updates.

Indigenous Business Relations Strategy

Our goal is to provide Indigenous businesses that are interested in working with AltaLink the opportunity to competitively bid for contracts. We facilitate connections between contractors and Indigenous businesses to initiate the procurement pre-qualification process. In 2019, four projects averaged 26 per cent Indigenous labour hours and two of the projects totaled \$2.8M in Indigenous subcontracting.

National Indigenous Peoples Day

On June 18, 2019, AltaLink held its sixth annual National Indigenous Peoples Day (NIPD) celebration at the AltaLink head office in Calgary. NIPD is a celebration of the cultures, diverse heritages and outstanding contributions of Canada's Indigenous peoples and is celebrated every year to coincide with the summer solstice. Traditional dancers and drummers from Blackfoot Crossing Historical Park performed a variety of dances and songs, and employees were served an indigenous themed breakfast. AltaLink's Acheson field office NIPD festivities were held on June 20, 2019 and included an employee barbeque followed by an Indigenous Alberta presentation and smudging activity.



Community Investments

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

The scholarship program currently offers a total of eight \$1,000 scholarships to Indigenous students attending post-secondary institutions and are awarded to eligible students from each of the Treaty 6, 7, and 8 areas and the Métis communities in Alberta. AltaLink has partnered with Indspire to administer the program on AltaLink's behalf and to access matching grants to double the amount of scholarships available annually to Indigenous students. In 2019, Indspire accessed grants to provide an additional \$8,000 in scholarships for a total of \$116,000 in scholarships provided to 89 Indigenous students as a result of AltaLink's investment.

Aboriginal Role Models of Alberta: AltaLink sponsored the 2019 annual awards celebrating excellence and leadership within Indigenous communities.

Relationship Building

AltaLink raised awareness about its role in the electric system and related business opportunities through a number of Indigenous job fairs and tradeshows in 2019 hosted by First Nations, Treaty organizations, the Métis Nation, university and Indigenous organizations. New connections were created by participating in other events such as economic development forums, pow-wows and other cultural events.

Meaningful Consultation

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



Indigenous Consultation in 2018

16	PROJECTS WITH INDIGENOUS ENGAGEMENT
25	NUMBER OF FIELDWORK DAYS (PER NATION OR IR PERSONNEL)
21	INDIGENOUS COMMUNITIES/ ORGANIZATIONS ENGAGED ON PROJECTS
13	PROJECT MAIL-OUTS
1	APPLICATION FILED



Human Rights assessments

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

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

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

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



Local Communities

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



2019 Powerful Giving United Way Campaign

AltaLink’s employees, retirees and contractors partnered with United Way in the 2019 Powerful Giving United Way – Givers of Good campaign to give back to community. AltaLink’s objectives were to raise \$750,000 and to reach a minimum of 250 volunteer hours. More than \$858,000 dollars were raised and 750 volunteer hours were realized. The campaign is touted as AltaLink’s most successful campaign to date where objectives were exceeded in spite of Alberta’s downturn in its economy and the trend of Alberta companies to give less to United Way year over year.

The focus on this Givers of Good campaign was not only on monetary giving but also on experiential and engagement opportunities for individuals, and teams. Engagement opportunities included individual and team volunteer opportunities, impact speakers and events. The campaign was leader driven and more leaders got involved. We increased our leadership level donors (individual annual donation of \$1,200–\$9,999) by 5 per cent.

Additionally, AltaLink adopted the new Salesforce Philanthropy Cloud (SPC) platform that provides a personalized experience for employees, making active year round employee engagement easier. Employees were able to sign up for volunteering activities and make donations using the platform outside of the campaign week.

In 2020, the objective of the Powerful Giving United Way Campaign is to improve on the donor/employee experience of the campaign and deepen AltaLink’s community impact. We want to ensure that there is a healthy balance of educational/volunteering and fundraising events throughout the year to keep the employees engaged with the campaign and with United Way’s programs.

Berkshire Hathaway Energy's CARES Program

Being involved in the communities where we live and work is an important part of our commitment to our customers. The program is centered around the following five pillars:



GIVING PILLAR: SAFETY/WELLNESS

AltaLink funded STARS Air Ambulance in 2019 to support it in its mission to make sure patients, no matter where they live, work or play, have access to emergency health care through its helicopter air ambulance service. The organization was created when a pregnant woman from a rural community in Canada died from blood loss, leaving the father alone with their newborn. STARS founder Dr. Powell started the charity in 1985. Now every year the organization handles more than 32,000 calls, an average of 88 emergency requests per day and has close to 2,500 trained medical personnel. STARS operates in three provinces in Canada with a \$10m annual operating budget, funded by more than 40,000 donors.



GIVING PILLAR: EDUCATION/STEM

AltaLink partners with In the Lead, a leadership development and mentoring program coordinated by the Calgary Youth Justice Society. The program builds leadership ability and character development in vulnerable youth who are at risk of leaving school. The program is unique thanks to its strength based approach, which focuses on what is strong in the youth as opposed to what may be wrong.

Since 2018 more than 30 AltaLink employees have stepped up as mentors to vulnerable youth in Calgary through In the Lead. As part of the program, mentors are partnered with a young leader for one semester and they connect regularly through volunteer days, classroom visits and scheduled events.



GIVING PILLAR: ARTS/CULTURE

Since 2015 AltaLink has been a proud sponsor of Aboriginal Role Models of Alberta Awards program. The annual awards ceremony celebrates excellence and leadership within Indigenous communities in Alberta, highlighting achievements in community development, education, arts, health, law and justice and the preservation of traditions, culture and language.



GIVING PILLAR: ENVIRONMENT/COMMUNITY ENHANCEMENT

In 2018 and 2019 AltaLink sponsored Ducks Unlimited to make their Wetland Discovery Days program available for students throughout Alberta. Through the program, students in grade five visit a local wetland to learn about the value of wetlands, local wildlife and to apply their classroom knowledge in interactive field based activities.



DIVERSITY AND INCLUSION INITIATIVE

AltaLink partners with Indspire to support Indigenous students seeking higher education. Indspire is an Indigenous-led, national charity that invests in the education of Indigenous peoples for the long-term benefit of these individuals, their families and communities. Every year, Indspire distributes more than \$10m in post-secondary scholarships and bursaries to First Nations, Inuit and Métis students nationwide, presents career conferences for Indigenous youth in cities across Canada and more. Indspire is the largest non-governmental funding body for First Nations, Inuit, and Métis post-secondary students across Canada. AltaLink supports 16 Indigenous students in Alberta every year with a \$1k scholarship while they pursue their studies.



Scholarship Awards Program

Our community investment program, Linked to Our Communities, proudly supports a diverse number of organizations and education initiatives across the province, including:

POWERFUL education

Powerful Education

We are committed to investing in the next leaders of Alberta and we are proud to support them in reaching their goals through our scholarship program.

AltaLink Centennial Scholarship

AltaLink launched the Centennial Scholarship program in 2005. This program is directed to students from rural Alberta attending post-secondary institutions. Two students from each of the schools listed below are awarded \$1,000 scholarships.

The awards are available to students attending the following Alberta post-secondary institutions:

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

Indigenous Student Awards

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

AltaLink Employee Scholarship

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



Conclusion

2019 was an important year in AltaLink's sustainability journey. The company sought and received re-certification from the CEA as a sustainable electricity company – the first utility member to do so under the important national program. AltaLink also undertook a formalized materiality assessment with the assistance of a third-party consultant. With input from key stakeholders, the materiality assessment helped identify areas of focus and confirmed priority opportunities for AltaLink in our overall sustainability strategy.

AltaLink is well-positioned in moving toward formalizing sustainability as a business imperative. The electricity industry is under significant pressure to provide more renewable energy in a responsible and cost-effective manner. AltaLink continues to embrace this responsibility to help safely deliver clean, reliable electricity while also maintaining exceptional service for our customers.



Appendix A

Applicable GRI Standards

GRI Std	Topic	Comment
General Disclosures		
102-1	Name of organization	AltaLink Management Ltd. (ALM)
102-2	Primary services/brands	Alberta's largest regulated electricity transmission company (www.altalink.ca)
102-3	Location of HQ	Calgary, AB
102-4	# of Countries operational in	One, Canada
102-5	Nature of ownership and legal form	www.altalink.ca/files/pdf/Q4_2019_MDA.PDF
102-6	Markets served	Please see section 2.0 (p.9) of this report.
102-7	Scale of Operation	<ul style="list-style-type: none"> Total number of employees – 739 Total number of operational employees – 300
102-8	Information on employees	<ul style="list-style-type: none"> 708 full time permanent employees 19 full time term positions 12 part time permanent positions
102-9	Describe the organization's supply chain	AltaLink currently has a procurement policy in place that impacts the entire supply chain within the company. (AltaLink Procurement Policy for Materials and Services, AL-2000)
102-10	Report significant changes to size, structure, ownership	None
102-11	Precautionary principle and approach	AltaLink's enterprise risk management process is located at the following website under the heading of Risk Management and provides insight into assessing risk and appropriate levels of response: www.altalink.ca/files/pdf/Q4_2019_MDA.PDF p.36
102-12	External initiatives	<ul style="list-style-type: none"> Canadian Electricity Association's Sustainable Electricity Program – (brand re-designation obtained in 2019) International Organization of Standardization – environmental management system, cyber security system, safety management system

GRI Std	Topic	Comment
102-13	Membership of associations	<ul style="list-style-type: none"> • CEA – Canadian Electricity Association – various working groups • IPPSA – Independent Power Producers Society of Alberta • CIGRE Canada - International Council on Large Electric Systems • EEI – Edison Electric Institute • BCC – Business Council of Canada • Calgary Chamber of Commerce • Edmonton Chamber of Commerce • NATF - North American Transmission Forum • JUST – Joint Utility Safety Team • PEPS – Provincial Electricity Physical Security group • COAA – Construction Owners of Alberta Assoc. • AEUSA – Alberta Electric Utility Safety Assoc. • Avian Powerline Interaction Committee
102-14	Statement from senior decision-maker	Refer to p. 4
102-16	Values, principles, standards and norms of behaviour	www.altalink.ca/about/governance/code-of-ethics-business-conduct.cfm
102-17	Mechanisms for advice and concerns about ethics	www.altalink.ca/files/doc/AltaLink_Inter-Affiliate_Code_of_Conduct_Compliance_Plan.pdf
102-18	Governance structure	p. 17
102-19	Delegating authority	p. 17
102-20	Executive-level ESG responsibility	p. 17
102-21	Consulting stakeholders on ESG issues	p. 18
102-22	Composition of highest governance body and committees	Annual Information Form: www.investorx.ca/Doc/J3WMW4G0GMB
102-23	Chair of highest governance body	p. 17 this report and www.investorx.ca/Doc/J3WMW4G0GMB
102-40	Provide a list of stakeholders groups engaged by the organization.	p. 18

GRI Std	Topic	Comment
102-41	% Covered by collective agreement	57% of all employees within two unions: <ul style="list-style-type: none"> • International Brotherhood of Electrical Workers (28) • United Utility Workers' Association of Canada (399)
102-42	Report process to identify stakeholders	p. 18
102-43	Approach to stakeholder engagement	p. 19
102-44	Key topics and concerns raised	p. 19
102-45	Entities included in consolidated financial statements	See existing 2019 Financial statement for AltaLink Management Ltd. (AML): www.altalink.ca/files/pdf/Q4_2019_FS.pdf
102-46	Defining report content and topic boundaries	<p>AltaLink's Corporate Sustainability Specialist with direction from Senior Vice President, Corporate Services and Vice President, Environment, Health and Safety through a comprehensive corporate sustainability strategy. Additional guidance provided by formal materiality assessment conducted by 3rd party consultant.</p> <p>One operational unit (ALM) operating in one geographic territory (province of Alberta, Canada) allowed direct aspect boundary determination.</p>
102-47	List of material topics	This list of GRI Standards
102-49	Changes in reporting	Moved from G4 to 2016 GRI Standards to inform annual report
102-50	Reporting period	2019
102-51	Date of most recent report	June 2019
102-52	Reporting cycle	Annual
102-53	Contact for questions regarding this report	Corporate Sustainability Specialist; VP OH&S
Management Approach		
103-1	Boundary of report	AltaLink Management Limited
103-1	Aspect boundary outside organization	N/A

Topic-specific Standards

Standard	Topic	Comment
Social		
401-1	Total employee turnover rate	7%
401-2	Benefits provided to full-time employees	<ul style="list-style-type: none"> • Life insurance • Healthcare • Disability and invalidity coverage • Parental leave • Retirement provision – employer contribution to retirement savings plan • Dental, Health spending account, Wellness spending account, Employee and Family Assistance Program, Travel plan
402-1	Labour/Mgmt. Relations – minimum notice periods	<p>Collective agreement with the UUWA for four-year term ending 2019</p> <p>New collective agreement with the IBEW ratified in 2018 and extends to the end of 2020</p>
403-1	Occupational Health and Safety Mgmt. System	Joint Health and Safety Committee represents all unionized employees (approximately 421 employees or 57% of AltaLink's workforce).
403-4	Worker participation, consultation, and communication on occupational health and safety	Any relevant topic identified through the recently established Joint Health and Safety committee would be included in subsequent union negotiations.
404-1	Average hours of training per year per employee	While no specific metric or quantifiable amount of time is identified per employee, all employees receive training appropriate to their level and position within the company. High-risk activities or individuals in positions of authority and responsibility will receive appropriate levels of training to ensure they have appropriate certification to perform work activities as required.
404-2	Programs for lifelong learning that facilitate continued employment and mgmt. of career endings	Prior to terms being completed outgoing employees are given access to various transitional services by a qualified third party vendor (counselling and resume writing, etc.)

Standard	Topic	Comment
404-3	% of employees receiving regular performance and career development reviews	100% - employees undergo annual performance reviews (PRD) and develop forward focused annual work plans and career development plans.
405-1	Diversity and Equal Opportunity	p. 26
406-1	Total number of incidents or discrimination and corrective actions taken	0
407-1	Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights.	p. 26 Collective bargaining agreements in place until the end of 2019 (UUWA) and 2020 (IBEW) according to applicable legislation.
411-1	Rights of Indigenous Peoples	p. 27
412-1	Human Rights Assessment	p. 29
413-1	Local Communities	p. 29
413-2	Operations with significant actual or potential negative impacts on local communities	p. 19
415-1	Total value of political contributions and recipients/beneficiary	\$0

GRI Standard	Topic	Comment
205-1	Total # or % of ops assessed for risks related to corruption and associated significant risks	100% - Enterprise Risk Mgmt process reviews all aspects of AltaLink projects and operations.
205-2	Communication and training for anti-corruption policies	Annual employee training on code of conduct and business ethics
205-3	Confirmed incidents of corruption and actions taken	0
206-1	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices	0

