Sustainability Report 2025

ATCO

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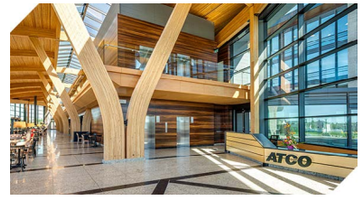

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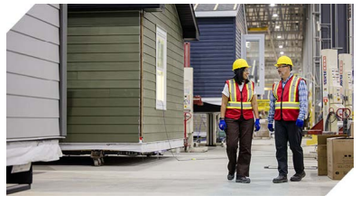

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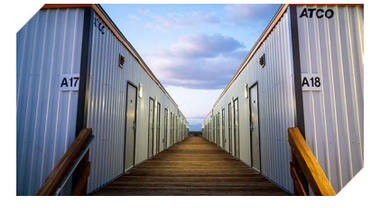

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Message from the Chair & CEO

At moments of heightened global uncertainty, it can be tempting to narrow your gaze to the immediate horizon. In such moments, the harder and more important work is to lift our eyes beyond the near term and hold fast to a longer view.

Enduring companies are shaped by the discipline to invest through cycles, the patience to think beyond the near term, and the resolve to remain agile but anchored to purpose when conditions are unpredictable. Such is the ATCO philosophy.

Importantly, sustainability must be practical. The issues that matter most – energy security, affordability, reliability, environmental stewardship, and social trust – are deeply interconnected. Current global events reinforce what the people of ATCO already believe: secure and affordable energy, resilient infrastructure and strong communities are foundational to prosperity. Advancing one objective without regard for the others ultimately serves none of them.

> This report tells a story of progress, but also of responsibility. It reflects our commitment to steward essential services, strengthen resilience, and create opportunity for generations to come.

For more than a century, our companies have helped build prosperity in communities around the world. That work has never been more consequential. Today, we sit at the intersection of national resilience, economic opportunity, and the essential services people depend on: energy, defence and housing.

Strength in sustainability

Sustainability at ATCO is not a standalone initiative, nor is it confined to a single moment or policy cycle. Our approach is grounded in a perspective that spans decades, supporting investment decisions that strengthen resilience, diversify our portfolio and serve the needs of future generations.

Our progress

Throughout our businesses, safety and resilience remain non-negotiable. We are continuing to invest to modernize and improve system reliability under increasingly complex conditions.

Across our Alberta utilities, we are strengthening our systems to withstand growing climate, operational and technological pressures, with more than $5 billion in anticipated capital investment between 2026 and 2030 dedicated to system reliability, safety, climate adaptation and enabling technologies.

Nancy Southern
Chair & CEO, ATCO Ltd.

This includes continued grid modernization, where progress is already tangible – over 59 per cent of our traditional electric meters have been replaced with advanced smart meters, improving outage response, system visibility and customer service. Throughout all our work, safety is non-negotiable. We continue to emphasize proactive risk identification, and a culture where psychological health and safety are recognized as inseparable from physical safety.

We are making measurable progress in supporting the energy transition while continuing to deliver reliable and affordable essential services. Since 2020, ATCO has reduced company-wide greenhouse gas emissions to earnings intensity by 45 per cent, surpassing our initial target and demonstrating that emissions reduction and disciplined growth can advance together.

Beyond emissions, we remain committed stewards of the land and ecosystems in which we operate – working closely with Indigenous and local communities to protect biodiversity, manage land responsibly and incorporate environmental safeguards.

That same pragmatism prompted us to review and revise ATCO's 2030 ESG targets in 2025. I am proud of the progress we have made, though there is still work to be done. Where the landscape has shifted, we have evolved ambitions to remain credible, relevant, and aligned with long-term value creation and the needs of our customers. Despite adjustments, we remain confident in the potential of cleaner energy solutions over the longer term and will continue to position ourselves for the future.

Partnerships at our core

Among those commitments, our goal to deliver lasting benefit to Indigenous partners stands apart in both significance and impact. Meaningful Indigenous participation is not an outcome we pursue at the margins of our business; it is embedded in how we invest, build and operate.

In 2025, we delivered more than $126 million in net economic benefit to Indigenous partners, exceeding our previous target for the fourth consecutive year. As a result, we strengthened our ambition by setting a new goal of $125 million annually, or $1.4 billion cumulatively to 2030.

In addition to the trust conferred upon us by our Indigenous partners, ATCO's success is measured by the faith placed in us by our employees, customers and communities. Serving them well means delivering essential services that are reliable and affordable, and innovating to meet evolving needs.

Looking ahead

The future will favour those prepared to act with courage. At ATCO, that means knowing when to throw our heart over the fence – to commit to the long term and let our values guide the work that follows.

This report tells a story of progress, but also of responsibility. It reflects our commitment to steward essential services, strengthen resilience, and create opportunity for generations to come.

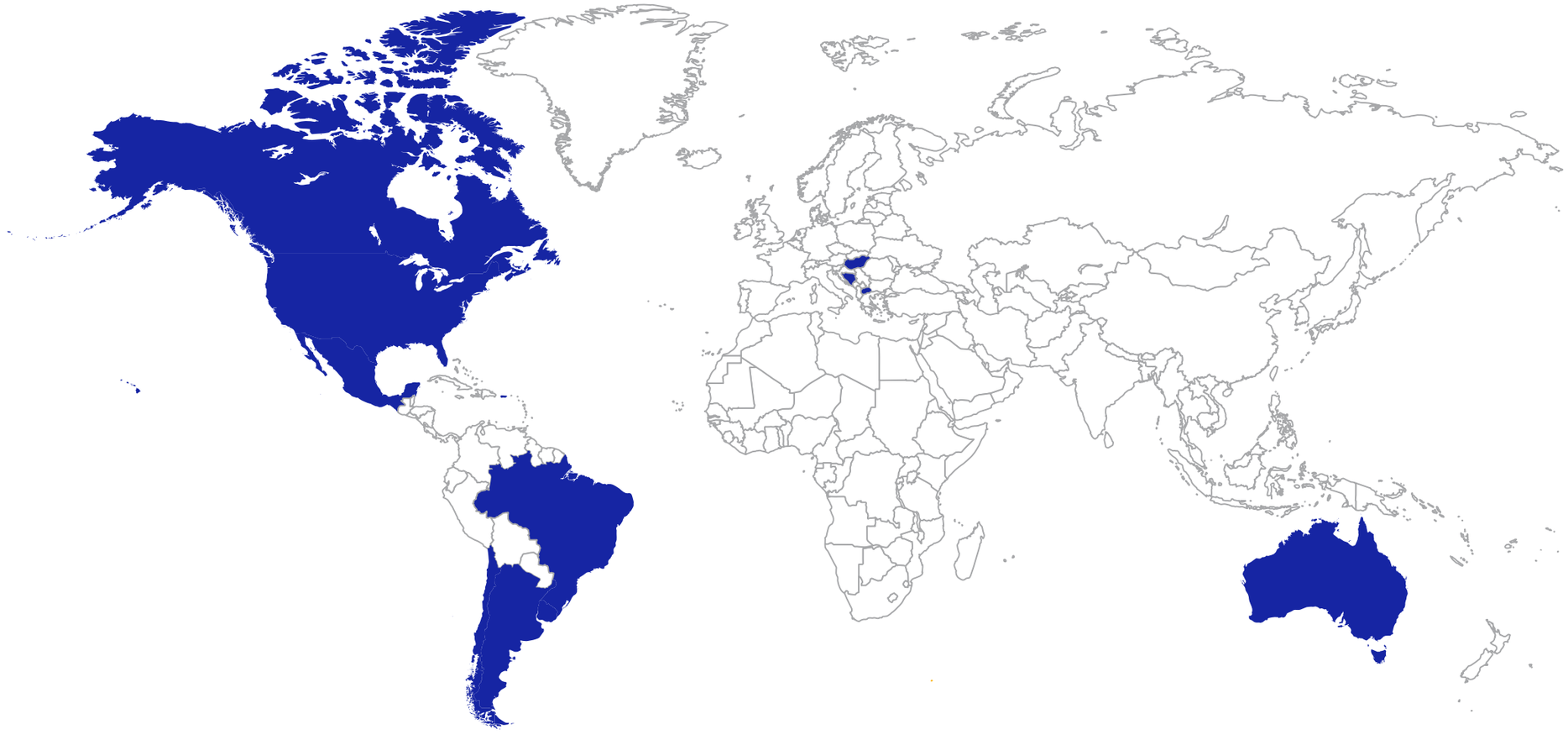
I am deeply grateful to the people of ATCO for their dedication, professionalism and sense of purpose. Their work makes this progress possible.

Sincerely,

Nancy

Nancy Southern
Chair & CEO, ATCO Ltd.

Current operations & investments



$28B
In assets

$5.1B
In revenues

4M+
Global customers

544,000 m^3
Natural gas liquids storage capacity

66,700 KM
Natural gas pipelines

13
Modular building manufacturing facilities

107,000 KM
Electric power lines operated

$518M
Adjusted earnings*

$1.9B
Capital expenditures

20,400
Employees (including subsidiaries and affiliates)

73
Indigenous partnerships, MOUs and agreements

117 PJ
Natural gas storage capacity

28,500
Rental fleet units

777 MW
Power generation operated

**Adjusted earnings is a "total of segments measure", as defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure (NI 52-112). The most directly comparable measure reported in accordance with International Financial Reporting Standards (IFRS) is Earnings Attributable to Class I non-voting and Class II voting shares, which was $150 million for the year ended December 31, 2025. See "Non-GAAP and other financial measures disclosure advisory" for additional information.*

Our approach to sustainability

At ATCO, we believe we have a responsibility to our customers, employees, share owners, and Indigenous and community partners to build prosperity for generations to come. Our essential products and services are delivered with a focus on safety, reliability, affordability and sustainability.

Sustainability is integrated into our governance framework, business strategy, risk management approach and day-to-day operations. Around the world, we work to innovate, advise, and deliver essential products and services that support our customers' priorities for long-term economic prosperity and a reliable energy transition.

We believe in building equitable partnerships with Indigenous communities. We collaborate with community partners to enhance economic and social development. And, we champion a diverse and inclusive environment where inspired people can make a meaningful difference. We work productively with governments and government agencies to prudently develop projects that align with community needs.

Our actions reflect our core values of safety, integrity, agility, caring and collaboration. These foundational principles guide us as we balance the short- and long-term economic, environmental, social and governance (ESG) considerations of our businesses.

About this report

In alignment with our core values, we recognize the importance of being transparent about our sustainability progress. This report highlights qualitative and quantitative performance for the ATCO Group of Companies, including ATCO Ltd. and its subsidiary companies Canadian Utilities Limited and CU Inc., as well as the risks, opportunities and challenges we manage through strategic sustainability initiatives. For detailed information on our performance, please see the → ESG Datasheet at the end of this report. Separate performance summaries are available online for Canadian Utilities Limited, CU Inc. and ATCO Australia.

Our Sustainability Report is guided by the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) standards, which incorporate the Sustainability Accounting Standards Board (SASB) standards and climate-related disclosure recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). It is also based on the internationally recognized Global Reporting Initiative (GRI) standards.

In addition, as a provider of essential services, we contribute to the United Nations' (UN) Sustainable Development Goals (SDGs). At the beginning of each section, we highlight the UN SDGs that are most connected to our material categories.

> Our duty to our customers and share owners is to provide essential services safely and reliably, fostering long-term prosperity and growth. Our approach must reflect long-term strategic thinking, diversification and agility. It also must acknowledge and balance the complexity and unique characteristics of our operating jurisdictions.
>
> We have demonstrated hard-won progress through innovative initiatives and pilot projects, and are proud of what we have achieved. While we recognize the landscape has shifted, this report provides a snapshot of our 2025 progress and how we will continue to position ourselves for the future.

Colin Jackson
Senior Vice President, Financial Operations

Materiality assessment

We complete materiality assessments on a regular basis so that our sustainability reporting is focused on the ESG topics that are most important to our business and our stakeholders. In 2023, ATCO completed a "Double Materiality Assessment" that identified impacts, risks and opportunities to help prioritize ESG topics. More insight into this process can be found on our **Materiality Assessment webpage**. In our 2025 Sustainability Report, we continue to disclose under these 17 material topics:

Governance & Responsible Business	Energy Transition & Environment	Resilience & Safety	People & Partners
Corporate governance	Energy transition & climate change	System reliability & availability	Indigenous relations, economic opportunities & reconciliation
Business ethics	GHG emissions	Cybersecurity	Community engagement & investment
Responsible supply chain	Land & biodiversity	Emergency preparedness & response	Customer experience & satisfaction
Government relations & political advocacy		Public health & safety	Human capital development
		Employee safety & well-being	Diversity, equity & inclusion

While all of these topics are considered very important, five topics (shaded in light blue) were identified as being particularly dynamic and therefore will have relatively more coverage in this report.

Note that, while these topics have been prioritized for disclosure, further assessment is required to quantify their financial materiality in alignment with guidance provided by the ISSB.

2025 progress towards 2030 ESG targets

In January 2022, we announced an initial set of 2030 ESG targets focused on reducing our operational greenhouse gas (GHG) intensity and customer emissions, growing our renewable energy footprint, increasing economic benefits for Indigenous partners, continuing our focus on safety, and further promoting diversity, equity and inclusion (DEI) in the workplace. These targets are benchmarked to our 2020 performance.

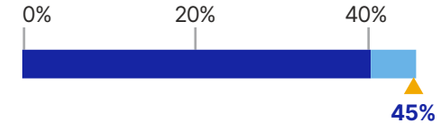
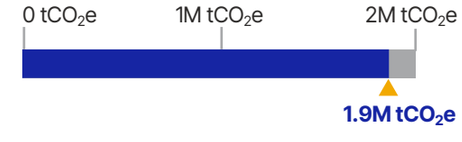
Our targets are important for guiding long-term strategies, and help to measure progress as we advance and grow our business.

Each target is defined in this report or in our → **ESG Datasheet** and represents an aggregate of all ATCO operations, including our subsidiaries Canadian Utilities Limited and CU Inc.

In 2025, we conducted an in-depth review of our 2030 targets – including business plan forecasting, consultation with internal subject matter experts, business unit leadership and the executive management team – to assess alignment with long-term strategy and to consider whether our targets remained relevant in light of market shifts.

We are proud to have achieved several targets ahead of 2030 and, as such, have evolved them to reflect new ambitions for our path forward. Based on our performance and the ESG target review, we have increased the ambition for three targets, added a new target related to psychological health and safety, and retired our target related to transitional products and services, as described in further detail in the table. We have maintained the 2030 timeline to support consistency and comparability across our targets.

Supporting the energy transition and reducing GHG emissions

Focus Area	2030 Target	Target Status	2025 Progress Update	2030 Target Progress
Energy Transition & Environment	Reduce GHG emissions to earnings intensity by **40 per cent**. (Scope 1 and 2)/adjusted earnings	Increase	As of 2025, we reduced our GHG emissions to earnings intensity by **45 per cent** from our 2020 baseline. Going forward, we have increased our 2030 GHG emissions to earnings intensity target from a reduction of 30 per cent to a reduction of 40 per cent. Although our performance has been strong, this report describes how annual progress may not be linear due to grid reliability imperatives and short-term uncertainties related to regulatory and policy changes, geopolitical developments and macroeconomic pressures. Increasing our target reflects our belief that it is important to continue to evolve our portfolio, pursue diversification and progress emissions reductions for our operations where it is commercially viable.	
	Reduce our customers' GHG emissions by **two million tonnes** through continued participation in generation, cleaner fuels, energy efficiency, and energy infrastructure and storage projects.	Maintain	We reduced customers' emissions by **523,000 tonnes** carbon dioxide equivalent (tCO_2e) in 2025, contributing to a cumulative reduction of **1.9 million tonnes** since the 2020 baseline. We will maintain this 2030 target going forward.	

For more information, see the → **Energy Transition & Environment** section.

2025 progress towards 2030 ESG targets

Focus Area	2030 Target	Target Status	2025 Progress Update	2030 Target Progress
Energy Transition & Environment	Strive to own, develop or manage over **500 megawatts** (MW) of renewable energy.	Decrease	As of the end of 2025, we owned, managed or developed **458 MW** of renewable energy. Going forward, we are reducing our target to own, manage or develop over 1,000 MW of renewable energy to 500 MW by 2030 given market conditions, and policy and regulatory developments described in this report. For more information, see the → Generation section.	0 MW – 500 MW; **458 MW**
	Revenue from transitional product categories.	Retire	We derived **2.8 per cent** of our revenue from transitional product and service categories in 2025. Going forward, we are retiring the target to derive 20 per cent of revenue from transitional product categories, as the pace of energy transition in our operating jurisdictions has not evolved as anticipated in 2021, described in the → Supporting the energy transition section. In addition, the development of an internationally consistent methodology for what constitutes a "transitional product and service" has not progressed as expected, increasing concern for consistent interpretation and transparent disclosure. We believe the previous three energy transition targets remain valid indicators of our progress in evolving our portfolio.	0% – 10% – 20%; **2.8%**

Promoting inclusive growth in our workforce and communities

Focus Area	2030 Target	Target Status	2025 Progress Update	2030 Target Progress
People & Partners	Achieve net economic benefits for our Indigenous partners of **$125 million** per year, or $**1.4 billion** cumulatively from 2020 to 2030.	Increase	Net economic benefits to our Indigenous partners in 2025 totalled **$126 million**, 77 per cent greater than our 2020 baseline. As we have exceeded the target for the last four years, we have increased the annual target from 40 per cent above our 2020 baseline (or $100 million per year) to $125 million per year going forward. In addition, we have set a cumulative target of $1.4 billion to demonstrate the long-term impact we aim to build through our strategy and project execution.	0% – $700 Million – $1.4 Billion; **$690 Million**
	Achieve and maintain a minimum of **30 per cent** racial and ethnic representation within the workforce.	Increase	Racial and ethnic minorities represent **32 per cent** of our workforce. We exceeded our target again in 2025, signifying our ongoing commitment to a diverse and inclusive workforce. Going forward, we have increased the target from 25 per cent to 30 per cent. For more information, see the → People & Partners section.	0% – 30%; **32%**

2025 progress towards 2030 ESG targets

Demonstrating our values of integrity, caring, agility, collaboration and safety

Focus Area	2030 Target	Target Status	2025 Progress Update	2030 Target Progress
Governance & Responsible Business	Achieve and maintain a minimum of **30 per cent** women representation at the Board of Directors and senior leadership levels.	Maintain	Women represent **44 per cent** of the Board of Directors and **27 per cent** of senior management. Going forward, we will maintain the initial target to signal continued commitment. For more information, see the → **People & Partners** section.	0% 30% **44%**
Resilience & Safety	Maintain leading **health & safety** practices and performance.	Maintain	Safety is one of our core values and a clear priority. Our safety rates compare favourably to industry benchmarks as we focus on best practices. Going forward, we remain committed to this initial target. For more information on our safety performance, see the → **Resilience & Safety** section.	Industry Benchmark
	Achieve and maintain top quartile performance for **psychological health and safety**.	Addition	This new target reflects our commitment to foster respect and a sense of belonging and inclusion, to continue to build a strong safety culture and allow our people to bring their best selves to work. We believe targeting top quartile results challenges us to continually improve programs.	Top Quartile

Governance & Responsible Business

We are guided by our core values – safety, integrity, agility, caring and collaboration – ensuring our actions remain transparent, ethical and accountable. Robust corporate governance and responsible business practices are the foundation on which we build long-term, sustainable value.

In this section

→ Corporate governance
→ Business ethics
→ Responsible supply chain
→ Government relations & political advocacy

Learn more

Governance & Responsible Business
Modern Slavery Report
Doing Business with ATCO

The initiatives in this section align with the following **UN SDGs:**

Corporate governance

Effective corporate governance stewards the interests of our share owners, employees, customers, and Indigenous and community partners over the near-, medium- and long-term. We regularly evaluate our governance practices to ensure they are effective while providing a measure of autonomy and flexibility to our different businesses to accommodate the needs of both our regulated and non-regulated businesses.

Our Board of Directors (Board), Board committees and executive management team provide oversight of our strategic initiatives, performance metrics and reporting related to sustainability.

Sustainability and ESG are integrated into our governance structures, reflecting that they are core strategic components for operational, investment and growth strategies and not standalone issues. Board mandates explicitly include sustainability and ESG matters.

> Our Board and Board committees consider sustainability and ESG in every aspect of their oversight, so that business strategies and risk management practices integrate sustainability at all levels. Supported by our core values of safety, integrity, agility, caring and collaboration, this approach creates long-term value for our customers, share owners, employees, and Indigenous and community partners.

Dr. Robert Routs
Lead Director, ATCO Ltd.
Board of Directors

Board oversight

Key elements of our corporate governance system include the oversight and diligence provided by the Board, our Corporate Governance, Nomination, Compensation and Succession Committee (GOCOM), and the Audit & Risk Committee.

While the Board provides oversight on strategy, risk management, sustainability, succession planning, corporate governance, and DEI, each of the Board committees has specific responsibilities to inform the Board in fulfilling this oversight.

The GOCOM oversees corporate governance practices. This includes any change to Board and committee composition and finding the most qualified individuals available with the diverse skills, experience and expertise to complement the Board and align with our strategic objectives. Please refer to the → **People & Partners** section for more information on diversity at ATCO.

The GOCOM also oversees succession planning and senior executive officers' performance, compensation and remuneration. In addition to financial results, our executive compensation program is based on operational objectives (such as health and safety, service quality, management controls and environmental stewardship), people leadership (such as leadership development, attraction and retention), and long-term sustainable growth (growth strategies and strategic planning).

As part of its corporate governance mandate, the GOCOM also receives annual updates on strategic sustainability matters, such as emissions reductions, safety, DEI and Indigenous relations initiatives.

The Audit & Risk Committee's areas of oversight most relevant to sustainability are public reporting and enterprise risk management. In addition to reviewing our Sustainability Report prior to release, the committee semi-annually reviews risks and opportunities that could materially impact our ability to achieve strategic and operational objectives. This includes sustainability and ESG matters, such as climate-related risks and opportunities. Additional information about the principal risks faced by ATCO can be found in the **Management's Discussion and Analysis** for the year ended December 31, 2025 (the MD&A).

Management's role

Our executive management team is responsible for integration of sustainability and ESG priorities, risks and opportunities in strategic planning processes. They receive quarterly internal sustainability dashboards with select key performance indicators, such as environmental and Indigenous relations metrics, to provide early insight into emerging performance trends, supporting timely and strategic decision-making.

ATCO's corporate sustainability and ESG team reports through the Senior Vice President, Financial Operations to the Executive Vice President, Chief Financial & Investment Officer. The team is responsible for engaging with stakeholders to report global consolidated sustainability and ESG performance internally and externally, facilitating integration into existing strategy and risk processes, and preparing for emerging requirements. To support and integrate these efforts, we have a Sustainability and ESG Council that is composed of experts in our energy businesses to facilitate information sharing, alignment and prioritization of initiatives.

We continue to progress our multi-year preparation for current and expected mandatory sustainability disclosure requirements by evolving sustainability and ESG reporting processes to more closely align with financial reporting. This evolution increasingly requires cross-functional collaboration between our Finance, Accounting, Risk, Audit, Internal Controls and Sustainability teams, among others. In 2025, we focused on regulatory readiness with a Scope 1 and 2 operational GHG pre-assurance exercise. Being subject to mandatory climate-related financial disclosure requirements in Australia in 2025 gave us real-world reporting experience that further strengthened our readiness for emerging requirements in other operating jurisdictions.

The daily management of sustainability-related risks and opportunities is guided by divisional leadership and corporate subject matter experts through topic-specific policies, training, monitoring and other management considerations. Sustainability is managed collaboratively across numerous groups, including Health and Safety, Environment, Human Resources, Corporate Affairs, Indigenous Relations, Marketing and Communications, Legal, Corporate Governance, Compliance, Internal Audit, and Supply Chain, among others. These groups monitor best practices, develop and implement policies and standards, and support our various divisions.

Our Enterprise Risk Management (ERM) program outlines the process for regularly identifying, assessing, responding to, monitoring and reporting operational and strategic risk in the execution of day-to-day business objectives, as well as our long-term strategic goals. Through the ERM program, we strive to anticipate market and societal shifts and identify obstacles to strategic objectives, followed by clear accountability for managing and mitigating risks.

Business ethics

How We Do Business, Living the ATCO Values (Code of Ethics) sets out the behaviours and standards of conduct we expect of any person who works for, or represents, ATCO. This includes expected conduct related to legal and regulatory compliance, personal privacy, human rights, intellectual property, environmental protection and improper payments and incentives, among other topics.

The Code of Ethics is a foundational document that is reviewed and updated on a regular basis, with all employees required to complete annual training and certification.

The **ATCO Integrity Line** is available as a secure reporting system to allow employees and others involved with, or impacted by, our operations to raise concerns about ethical issues. The ATCO Integrity Line is managed by a third party to ensure confidentiality and protection for any person with concerns about the Company's business conduct, activities or operations.

Responsible supply chain

We regularly evaluate our supply chain governance with a focus on building resiliency and minimizing risk. To support these efforts and build supply chain efficiency and reliability, we are continuing to move to a centralized approach that simplifies screening and due diligence. These efforts also support transparency in decision-making, monitoring and reporting.

Our vendor onboarding program is designed to address risks such as labour conditions, as well as opportunities, such as Indigenous procurement. Vendors are expected to comply with equivalent standards of conduct that apply to ATCO through our **Vendor Conduct Requirements**. We conduct additional due diligence prior to engaging vendors that operate in some regions where risk has been assessed to be higher.

We released our third **Modern Slavery Report** in Canada in February 2026, while our Australia team will release their report in June 2026. These reports provide a summary of our actions to eliminate different forms of modern slavery, including forced labour and child labour. No instances of modern slavery were identified in ATCO's business operations or vendor population in 2025.

Government relations & political advocacy

Our government relations strategy and political advocacy is focused on advancing policies and regulatory frameworks that promote energy reliability and affordability, guide the energy transition and accelerate the deployment of modular housing solutions. In addition, we support initiatives that strengthen national defence and security infrastructure, recognizing the critical role these sectors can play in resilient communities.

With respect to the energy transition, the pace and scale of change necessary for advancing society's net-zero ambition requires a bold, coordinated effort. Among other factors, this effort must be backed by targeted, long-term government support, evidence-based policy-making and a regulatory environment that fosters private sector investment and innovation. At the same time, it is essential that this transition does not compromise energy affordability or reliability. These factors and related energy solutions vary by jurisdiction, so our advocacy focuses on the best solution for each one.

To that end, we work collaboratively with all levels of government, regulators and other institutions to advance solutions that reflect the needs of our customers, communities and share owners. Our advocacy spans a broad range of key interest areas, including energy system modernization, resilience and connectivity, and advancing regulatory pathways and investment frameworks to support energy infrastructure projects. In partnership with Indigenous communities, we also work with governments to improve access to essential services across Canada, such as by helping remote communities transition from diesel to more reliable, affordable and lower-emitting heating sources.

We engage directly with governments and policymakers by providing research, expert perspectives and informed recommendations on policy and regulatory proposals. In addition, we regularly contribute company and sector-specific input through industry groups and across various public consultations, and have previously participated in technical and advisory working groups at the government's request.

Across all our interactions with government officials, both domestically and internationally, we uphold the highest standards of integrity and transparency (see the → **Business ethics** section). Our advocacy is grounded in strict compliance with all applicable laws, regulations and conventions, ensuring that our engagement reflects our responsibility to act ethically and uphold public trust.

> Every step toward decarbonization must be measured against a simple but vital test: does it preserve affordability and reliability for the people who depend on it. That balance is non-negotiable. The net-zero ambition should be shaped by policymakers and regulators, in coordination with key stakeholders, to ensure outcomes that are secure and sustainable. Across the ATCO Group of Companies, we support this objective through practical emissions reduction strategies delivered in partnership with governments, Indigenous Peoples, customers and communities.

Dale Friesen
Senior Vice President &
Chief Government Affairs Officer

Resilience & Safety

Safety, reliability and resilience are at the core of our day-to-day operations, as well as our investment and growth strategies. This includes being prepared for – and responding to – extreme operating conditions or rapidly developing events, meeting changing customer expectations with new demands on infrastructure, and securing our operations against the risk of cyberthreats.

In this section

→ System reliability & availability
→ Cybersecurity
→ Emergency preparedness & response
→ Public health & safety
→ Employee and contractor safety & well-being

Learn more

Resilience & Safety

The initiatives in this section align with the following **UN SDGs:**

System reliability & availability

Investing in our systems

To support reliability of our energy infrastructure and networks, we conduct proactive planning for route and site selection, invest in asset hardening measures, perform regular maintenance and inspections, and implement programs to replace and update infrastructure. Growing populations and changing demand patterns in the areas where we operate also require long-term planning to maintain system stability and adaptability over time.

With the increased frequency of climate-related extreme weather events, we are evolving to balance our "readiness" approach to our electricity business with a "resilience" approach: the more resilient our assets, the better we can mitigate impacts on our systems and customers. As we continue to harden our assets against potential risks and extreme events, we are also planning operations and preparing resources to reflect higher-risk scenarios, such as winter seasons with prolonged and severe cold temperatures and fire seasons with drier and hotter conditions.

In our Australian operations, natural gas-powered generation provides the energy required to meet demand and stabilize the grid, with operations being certified and annually audited to the International Organization for Standardization (ISO) 9001 and 45001 standards, related to quality management systems and health and safety management systems, respectively.

Our energy storage facilities support a resilient system by holding a supply of energy that can be deployed when needed from storage facilities strategically located across central Alberta (see the → **Energy infrastructure & storage** section for more information). We also have compressed natural gas trailers available that can be deployed to meet customer and system demands to reduce outage impacts.

In our gas distribution systems, we replace or upgrade infrastructure when our monitoring indicates that investment is necessary to maintain safe and reliable operations. To monitor and maintain our networks, we conduct leak detection surveys, aerial patrols, develop and implement integrity programs, and perform direct assessments on an ongoing basis for both our gas distribution and transmission systems. We use mobile sensors mounted on vehicles to detect methane leaks on natural gas networks in Australia and Canada. In 2025, we conducted in-line inspections on 558 km of our natural gas transmission pipeline system.

With over 100,000 km of electricity power lines and related infrastructure, our electricity business enhanced its focus on outage management in 2025. This included an increase in using approved methods to work safely on energized systems to reduce the number of outages needed during maintenance, contributing to our best reliability performance in distribution in Alberta in the last five years.

295 km
of natural gas distribution mains installed in Alberta for system growth

Over $5B
anticipated capital expenditures in system reliability, safety, climate and technology in our Alberta utilities from 2026-2030

Grid modernization

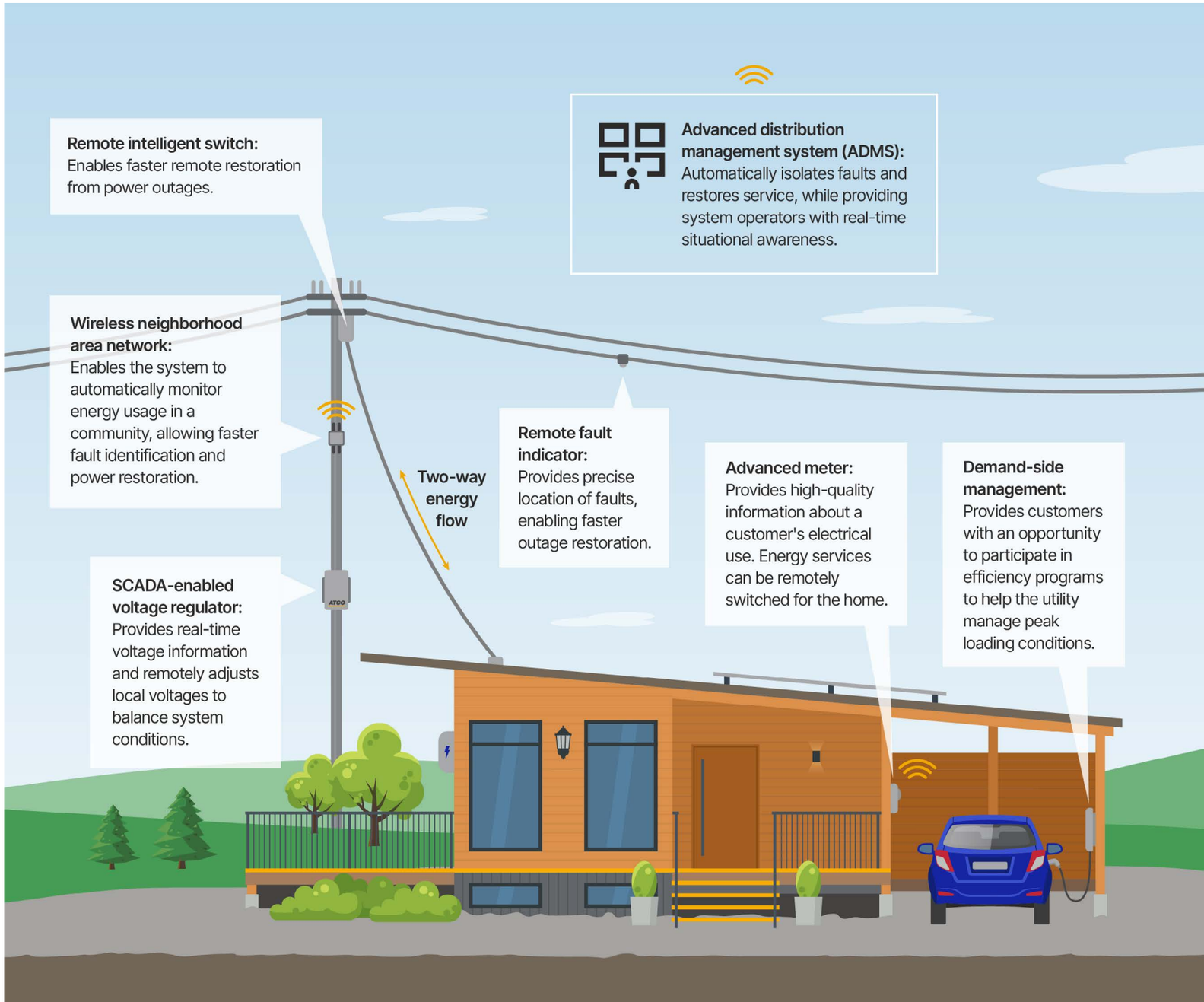
We continue to invest in a modern electricity grid, which leads to improved reliability and efficiency while providing better support for customer energy needs of the future. This includes several innovative technology projects to evolve the grid from the traditional one-way flow of energy to multi-directional flow to enable customers to draw energy from the grid, rely on their own power generation and potentially provide energy back to the grid.

Leveraging data and digitalizing our utilities technology remain a priority. We aim to reduce outages and drive continued efficiencies as our systems become more capable of predicting and responding to customers' needs and system stressors.

As part of these efforts, we continue to replace traditional electricity meters with Advanced Metering Infrastructure (AMI) or "smart meters". Across our service territory in Alberta, we have now installed 136,000 of a potential 228,000 electric AMI meters, or over 59 per cent, with installations continuing.

In addition, we are deploying an Advanced Distribution Management System (ADMS) that will provide a platform for a variety of smart grid functions. It can also be expanded in the future to support greater customer demands with lower-emitting energy options, such as solar panels and electric vehicles. As we continue to implement our ADMS project, an additional 300 Supervisory Control and Data Acquisition (SCADA) enabled devices were added to our system across all service territories.

Over 59%
smart meters installed in Alberta



Climate adaptation

Many of our assets are exposed to the ongoing physical effects of climate change. In the → **Investing in our systems** section, we detail how our investments are improving the reliability and resilience of our systems and operations. As part of our investment planning process, we consider climate-related risks to our infrastructure and are implementing specific initiatives to mitigate them. See our **IFRS S2 index** for information on how we are assessing climate-related risks.

Our above-ground linear infrastructure has the greatest exposure to extreme weather events. To minimize the impact of these events to our assets and customers, we employ proven methodologies and support pilot projects to monitor and prepare. As wildfires increase in frequency and duration, our electricity utility completed and implemented an updated Wildfire Mitigation Plan (WMP) in 2025. The WMP is aligned with industry best practices, and sets out current and planned risk mitigation activities through 2027.

In addition to pilot projects and planning, we are taking other immediate preventative actions to mitigate climate-related risks. We have applied fire mesh on approximately 88,000 distribution poles and 52,000 transmission poles to reduce the risk they will be lost or damaged by a wildfire and require replacement. This preventative measure can help us restore our system and communities quickly and safely, and reduces the financial impact of wildfires. Through our control centre, we can monitor high wind or high temperature events and proactively shut down power lines temporarily to reduce storm impacts. To mitigate frost, we install spacers on select power lines to maintain a safe distance between them during an event.

Cybersecurity

As we rely on information technology (IT) and operational technology (OT) to support business objectives and drive efficiencies, we continue to increase our focus on cybersecurity to minimize the probability and impact of a cybersecurity incident. Our cybersecurity strategy is based on the National Institute of Standards and Technology Cybersecurity Framework and is integrated with our organization-wide ERM system. Our IT and OT environments are assessed regularly by an independent third party.

We maintain a cybersecurity insurance policy, and our technology service providers submit independently audited reports for the infrastructure and procedures they operate on our behalf.

Cybersecurity is the responsibility of every employee, as each computer is a potential gateway to our systems. Employees are required to complete training modules on an annual and as-needed basis to ensure they are well-informed about how to keep our systems safe.

Emergency preparedness & response

Across our businesses, we have a history of rapid, coordinated response to emergency situations and urgent needs. Our utilities draw on decades of experience responding to natural and human-caused hazards, which have helped strengthen plans and capabilities as risks evolve. This includes improving data capture tools, role-specific training, equipment staging and predictable staffing deployment plans for major scenarios. As a result, we are ready to dispatch teams that are trained and equipped for whatever they will face. We are also able to deploy temporary dwelling units during emergencies and reconstruction.

Recognizing that safety and reliability are a shared interest and responsibility, we are also ready to assist other operators during emergencies. In August 2025, ATCO mobilized emergency response teams and worked closely with AltaLink to safely and quickly restore power after a summer storm in southern Alberta.

Our enterprise-wide Crisis Management Committee monitors incidents that could escalate into crises, allowing us to quickly ramp up and sustain a significant, coordinated response when an emergency arises. A focus on leadership training is designed to support consistency across the organization.

A consistent, efficient and rapid approach is supported by our use of the Incident Command System (ICS), an internationally recognized and standardized management system, in all our operations. Our enterprise-wide approach supports a coordinated response, leveraging resources efficiently and effectively. In 2025, along with testing our systems, we trained 217 employees in ICS levels 100, 200 or 300 to improve readiness and resilience.

In addition to internal management and training, we work with external partners at the federal and sub-federal level in various jurisdictions, as well as industry partners like the Alberta Wildfire Utility Coalition and the North American Electric Reliability Corporation, to align information and management plans in areas of shared interest.

Our response to the 2024 Jasper wildfire was recognized with Electricity Canada's 2025 Frontline Safety Advocate Award. This honour acknowledges our frontline teams whose initiative, collaboration and commitment to safety helped protect the community and restore essential services during a time of crisis. Our focus was also to "build back better", including undergrounding lines and utilizing fire-resistant materials.

Spill prevention is built into our asset management process through training, monitoring and maintenance as part of our efforts to protect the environment, despite hydrocarbon liquids being less than one per cent of our pipeline operations. The hydrocarbon liquids we manage are related to fuel management in northern communities, hydrocarbon storage in Alberta's Industrial Heartland, and electrical transmission and distribution equipment.

Vandalism of our electrical transmission and distribution equipment, along with impacts from wildfires, continues to be a contributing cause to reported spills. To mitigate the risk of vandalism, we have implemented a targeted program to remove inactive equipment from high-risk idle sites. In 2025, there was a 29 per cent reduction in vandalism incidents directed at idle sites in these areas as a result of this initiative.

217
employees completed Incident Command System training in 2025

Public health & safety

Our commitment to safety touches every area of our business, including customers, public stakeholders and businesses in the communities where we operate. Monitoring, preventative measures and stakeholder education have played key roles in maintaining strong safety performance where our work affects others' lives and livelihoods.

To assist excavating industries, such as road and building construction, the Alternate Locate Provider (ALP) program was launched in Alberta in 2024. It provides a faster and more flexible option to locate and mark underground utilities using a pool of highly trained professionals. The new program continued to be successful through 2025 in reducing damaging ground-disturbance events. ATCO presented the ALP as a model to the American Gas Association, and 12 new utilities joined the program in 2025, reflecting its industry-leading status.

With the support of ALP, we had an annual average of 1.4 line hits per 1,000 locates of natural gas pipelines. This is better than the national average, and equal to our 2024 performance.

In 2025, we partnered with Fort McMurray 468 First Nation to deliver a damage prevention training session focused on educating community members about staying safe around natural gas lines and power lines.

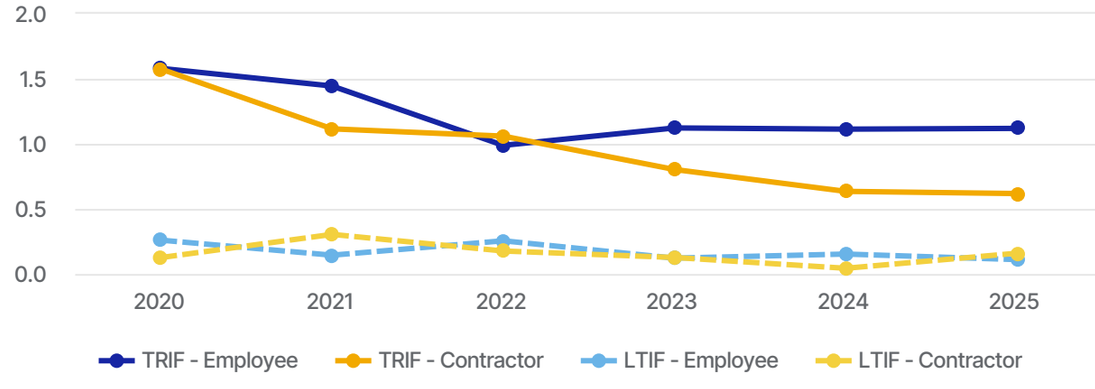
We are also a partner of Kidsafe in Western Australia, where we promote child safety. This includes providing gas safety resources to the public Kidsafe demonstration house and visiting primary schools to educate young people on the importance of gas safety in, and around, the home. In 2025, we committed to continue this partnership for another two years.

Employee and contractor safety & well-being

ATCO is committed to creating an environment where every employee and contractor goes home safely to their families at the end of every shift – both physically and psychologically. We have always fostered a safety-first culture. One of our 2030 ESG targets is to maintain leading health and safety practices and performance. We are working to continuously improve our programs and take a proactive approach in many initiatives.

At an enterprise level, in addition to many leading indicators, we track safety performance with two key metrics – total recordable incident frequency (TRIF) and lost-time incident frequency (LTIF). In 2025, our employee TRIF remained consistent and contractor TRIF decreased by three per cent, from 2024. Over the same period, our employee LTIF decreased 28 per cent; however, contractor LTIF increased. All incidents are analyzed to identify opportunities for improvement and to mitigate the likelihood of recurrence.

Incident frequency rates
(Incidents per 200,000 hours worked)



In 2025, we saw an improvement in two out of our four key metrics - employee LTIF and contractor TRIF - while employee TRIF remained in line with 2024.

Similar to previous years, the majority of incidents in 2025 were related to individual slips, trips and falls or musculoskeletal injuries. While we have seen a consistent number of low-severity incidents, we are continuing to improve our management systems, engaging our employees through a variety of preventative measures and implementing training initiatives.

Training is key to a strong safety culture, reinforcing industry-relevant operating guidelines and procedures. Our leaders, employees and contractors take health and safety training, with critical aspects of content revisited annually. Regular safety meetings, visits to operations and the field, orientations and audits improve safety engagement across our organization.

Examples of new initiatives include a driver safety project with outward facing dashcams and audible coaching for our Canadian gas business. Our Australian business has implemented annual health and skin check programs.

In addition to individual initiatives across our businesses, we also host major events focused on safety. We held Leader Safety Summits in 2025, supporting ongoing prioritization and open communication about proactive safety, additional leading indicators, as well as broader topics around psychological health and safety, which have become a key focus across ATCO.

We also host Contractor Safety Forums, bringing together key contractors and our employees to recognize and advance safety performance, and strengthen our shared commitment to safety and operational excellence.

Our Psychological Health and Safety Plan is directly tied to physical safety, DEI and our business outcomes. The plan includes developing leadership capabilities of all senior and executive leaders for psychological health and safety. We created a senior advisor role to lead the plan, which we believe is an industry-leading step.

Reflecting our increasing focus on psychological health and safety, we have set a new 2030 target to achieve and maintain top quartile performance for psychological health and safety. To measure our progress, our confidential Employee Engagement Survey was updated in 2025 to include this topic. Our survey score was 85 per cent for psychological health and safety, which ranked in the 70th percentile.

Our DEI Council's goal is to engage leaders to create a culture of open dialogue through psychologically healthy, safe and inclusive teams and environments (see the → **Diversity, equity and inclusion** section for further detail). This recognizes that our leaders have the greatest impact on advancing psychological health and safety by living our values and modelling behaviours. In 2025, we refreshed our safety leadership training to strengthen the psychological health and safety and inclusive leadership modules.

As part of our approach to support well-being, aspects of our health plan are reviewed annually to ensure coverage remains relevant and valuable to employees. In 2025, we added coverage in Canada for fertility treatment, adoption, gender-affirming care and obesity drugs.

94%
of employees said they feel comfortable reporting safety concerns

Energy Transition & Environment

Across ATCO, we take a pragmatic approach to the energy transition. We aim to support greenhouse gas emissions reduction goals for our customers and our own operations, while preserving safety, reliability and affordability. Beyond emissions, we work hard to protect land, air, water and biodiversity.

In this section

→ Supporting the energy transition
→ Energy transition
→ GHG emissions performance
→ Land use & biodiversity

Learn more

Energy Transition & Environment
Yellowhead Pipeline

The initiatives in this section align with the following **UN SDGs:**

Supporting the energy transition

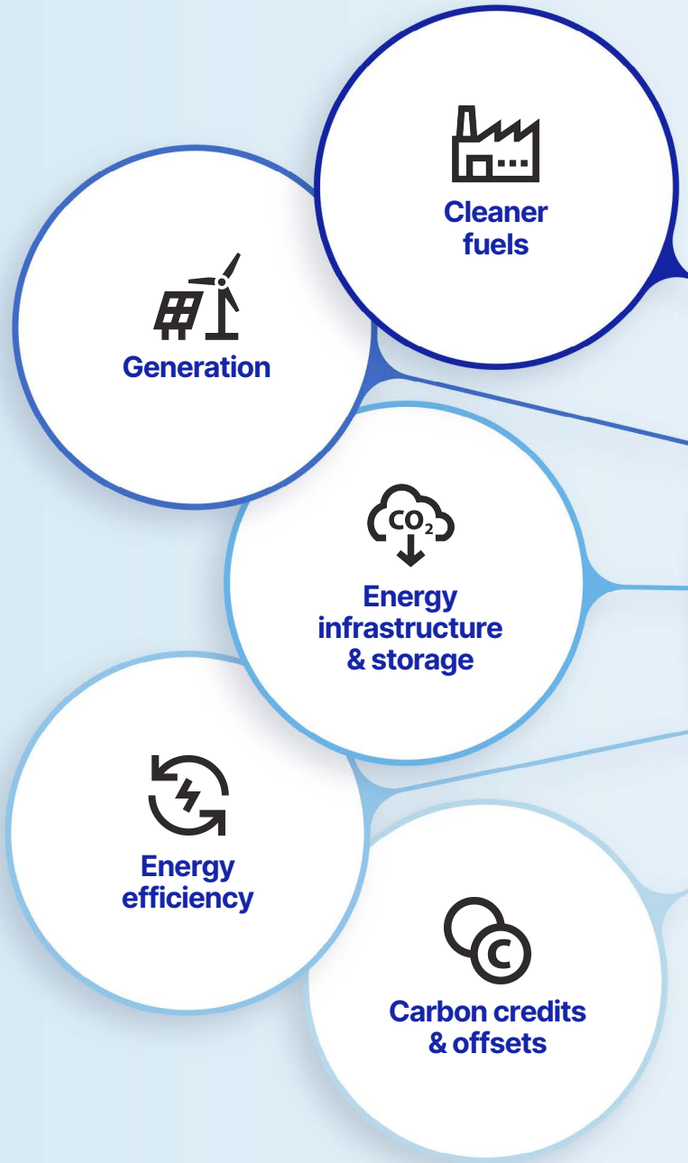
When we disclosed our 2050 net-zero ambition in our 2021 Sustainability Report, we recognized it would require unprecedented, coordinated action across industries, policies and markets. For our part, we focused primarily on five areas: cleaner fuels, generation, energy infrastructure and storage, energy efficiency, and carbon credits and offsets.

We are proud of what we have achieved to progress customers' energy transition objectives and improve our own emissions performance. Key initiatives have included pilot projects blending hydrogen into the natural gas distribution systems in Alberta and Australia, development of renewable energy facilities and implementation of operational efficiencies to reduce methane emissions in our gas infrastructure.

We also recognize the landscape has shifted. Changes in key dependencies – including regulatory and policy changes, geopolitical developments and macroeconomic pressures – have introduced short-term uncertainty regarding the feasibility, timing and pathways for achieving net-zero by the middle of this century. Forecasts indicate certain projects are unlikely to proceed at the pace originally anticipated and, as a result, we believe it is prudent to pause our 2050 net-zero ambition at this time.

While we acknowledge the challenges, we remain confident in the potential of cleaner energy solutions over the longer term and will continue to position ourselves for the future. This includes evaluating and progressing emissions reductions for our operations as well as supporting the emissions reduction objectives for our customers and partners where it is commercially viable.

As an essential service provider, we take our role in the energy transition seriously and will continue to leverage expertise and innovation across our businesses to support long-term emissions reduction goals, taking into consideration safety, reliability, resilience and affordability.



Key dependencies

Long-term consideration of energy safety, reliability, resiliency and affordability.

Society's preference for pace of energy transition.

Constructive policy landscape to support investment, innovation and development.

Supportive regulatory environment sustained over the long term.

Access to commercially viable technology at scale.

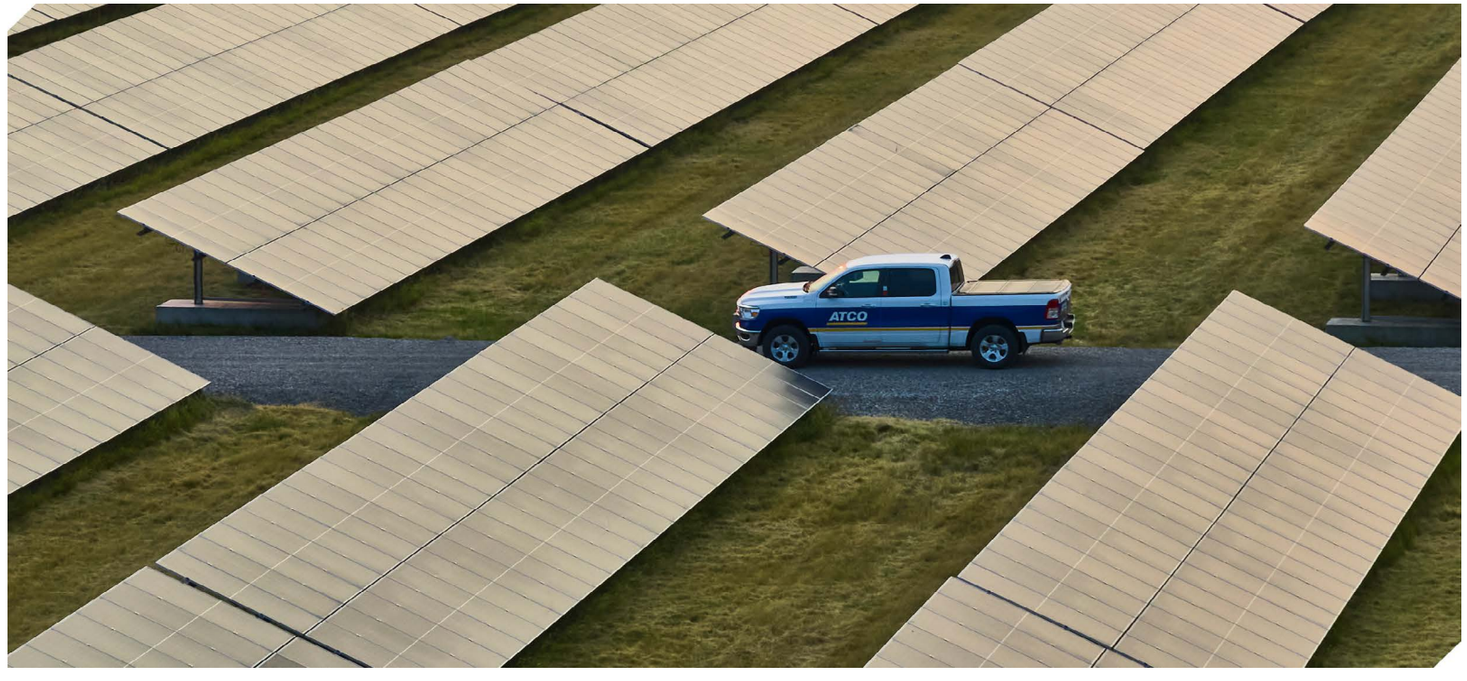
Positive market dynamics along the value chain that support adoption of lower-emitting energy choices.

Required workforce expertise and resourcing in place.

Energy transition

We focus on meeting our customers' energy needs and adapting to their changing expectations by advancing viable projects within five pillars: cleaner fuels, generation, energy infrastructure and storage, energy efficiency, and carbon credits and offsets. We are evolving to support a more diverse energy mix for the communities we serve, keeping energy security and sustainability as key priorities in our solutions.

Every region has a unique climate, natural resources and local economy that require different, optimal mixes of lower-carbon solutions to reduce emissions. We are a growing organization that operates around the world – we know that to diversify our portfolio successfully, we must safely execute plans that have been carefully considered with customers and strategic partners.



Cleaner fuels

We see cleaner fuel production and distribution at local, regional and global scales as a key strategic pillar in the energy transition. On a local level, in partnership with the Government of Yukon, we completed a short-term pilot project that tested 99.9 per cent renewable diesel and 20 per cent blended renewable diesel as feedstock into the Watson Lake power plant. For remote Northern communities that have typically relied on petroleum diesel as their primary source of energy, renewable diesel is an innovative option. Renewable diesel is chemically the same as petroleum diesel but is made from agricultural feedstocks, including waste products.

We continue to demonstrate the safe use of hydrogen. Our Fort Saskatchewan Operations Centre in Alberta has successfully operated on 100 per cent hydrogen and demonstrates hydrogen-capable technologies for our customers. In Australia, we continue to operate the Clean Energy Innovation Hub, which supplies up to 10 per cent blended hydrogen into discrete sections of the Western Australia gas distribution network. This accounts for around 3,000 connections.

As we look to a cleaner-fuel future, we have advanced planning over the last several years toward a large-scale, low-carbon ammonia production facility in Alberta's Industrial Heartland designed to export hydrogen to international markets using ammonia as an energy carrier. While we continue to view hydrogen production and export as viable long-term energy solutions, development work on this project was paused in late 2025 due to market conditions, infrastructure limitations and policy uncertainty.

Despite our efforts, challenges remain for near-term progress in hydrogen production, export and blending. For example, in Alberta, recent legislative changes permit hydrogen blending under defined conditions that, in practice, limit progress beyond pilot-scale application. We continue to collaborate and advocate for the market conditions needed to resume cleaner fuels hydrogen-related development.

Generation

We are committed to delivering solutions to reliably meet the energy needs of an evolving world. However, market conditions and policy and regulatory developments – notably in Alberta, where the majority of our renewable energy projects are located – have impacted the viability of renewable energy operations in the near-term. As such, we have paused development of the 1,500 MW pipeline of Alberta-based solar and wind projects acquired in 2023. Additional detail is included in ATCO's MD&A. In light of these changes, we have reduced our 2030 renewable energy target from 1,000 MW to 500 MW.

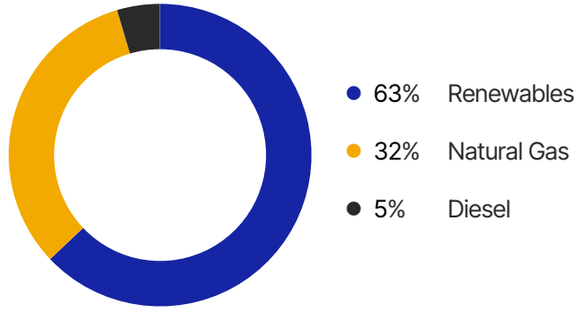
We remain confident in the potential of cleaner energy solutions and have projects that could be fully developed when conditions improve, including the policy and regulatory framework in which we operate in Alberta. We also remain open to developing or managing cleaner energy projects on behalf of customers or pursuing opportunities in other jurisdictions.

Our renewable energy facilities include hydro, solar and wind generation in Canada, Mexico and Chile. As of the end of 2025, we owned, operated or developed 458 MW of renewable energy capacity.

Our Deerfoot and Barlow solar projects in Calgary, majority-owned by the Chiniki and Goodstoney First Nations, represent Western Canada's largest urban solar installation with a combined capacity of 72 MW. Also in Alberta, our Empress Solar Facility has a generating capacity of 39 MW. We have two wind-powered generation assets, one in Alberta and one in Ontario, with a combined generating capacity of 265 MW of energy.

Additionally, our Veracruz Hydro Station and Oldman River Hydro Plant, in Mexico and Alberta, respectively, together contribute 67 MW of generating capacity to our renewable energy portfolio.

Power generation capacity



As of December 31, 2025, our total owned power generation capacity is 626 MW, including 394 MW of renewable power generation. Diesel power generation is predominantly provided to remote, off-grid communities.

Given its variable nature, renewable energy must be part of a complete energy system that is ready and reliable. As such, our continued generation focus also considers projects and initiatives that support grid stabilization, gas-powered generation and renewable energy technology, such as battery energy storage systems.

Energy infrastructure & storage

We are increasing Alberta's natural gas transmission capacity with the Yellowhead Pipeline Project – a multi-billion-dollar investment to build approximately 235 km of natural gas pipeline from supply-rich western Alberta to the province's Industrial Heartland. In 2025, we received regulatory approval of our Needs Application and filed our Facility Application. Construction is expected to begin in 2026 once we receive approval of our Facility Application.

The project will serve a critical role in strengthening long-term energy resilience and providing dependable access to natural gas, in addition to supporting industrial and residential growth. It will also provide direct and spin-off economic benefits – once operational, it is estimated the project could support approximately 23,700 jobs and contribute up to $3.9 billion annually to Alberta's gross domestic product, including estimated impacts from downstream, third-party industrial investments.

1.1 Bcf/d

planned capacity on Yellowhead Pipeline

For decades, we have owned and safely operated infrastructure that stores natural gas, natural gas liquids and hydrocarbon products. This expertise and asset base in Alberta's Industrial Heartland provides a platform to develop unique energy storage infrastructure that is not available in most regions, including storage for natural gas and natural gas liquids, and potential carbon and hydrogen storage at scale.

We are expanding our natural gas storage facilities in both our Alberta hub and Carbon storage facilities to improve energy system reliability and flexibility across Alberta. We remain on track to expand the total capacity of these facilities by more than 10 per cent by the end of 2026.

Having energy in reserve, quickly available during peak demand, supports the reliability and affordability of the natural gas grid and natural gas-generated electricity in Alberta.

While the tie between electricity and gas systems is not always obvious, periods of extreme cold in Alberta have demonstrated how closely they depend on each other: extreme cold drives gas demand for heating to peak levels at the same time that electricity demand surges and renewable output drops. These close-call periods highlight the need for coordinated resilience measures as energy systems continue to evolve.

In partnership with Shell Canada Limited, we continue to advance the Atlas Carbon Storage Hub Phase 1, an open-access carbon sequestration project in Alberta's Industrial Heartland that will store carbon emissions from Shell's Polaris project. This first phase is expected to be completed in 2028 and will have an estimated sequestration capacity of 800,000 tonnes of CO_2 per year.

800,000

tonnes of CO_2 sequestered per year projected for Atlas Phase 1

Energy efficiency

We can reduce emissions and costs by using energy more efficiently. Across our businesses, we are building and designing infrastructure with energy efficiency in mind, from the beginning.

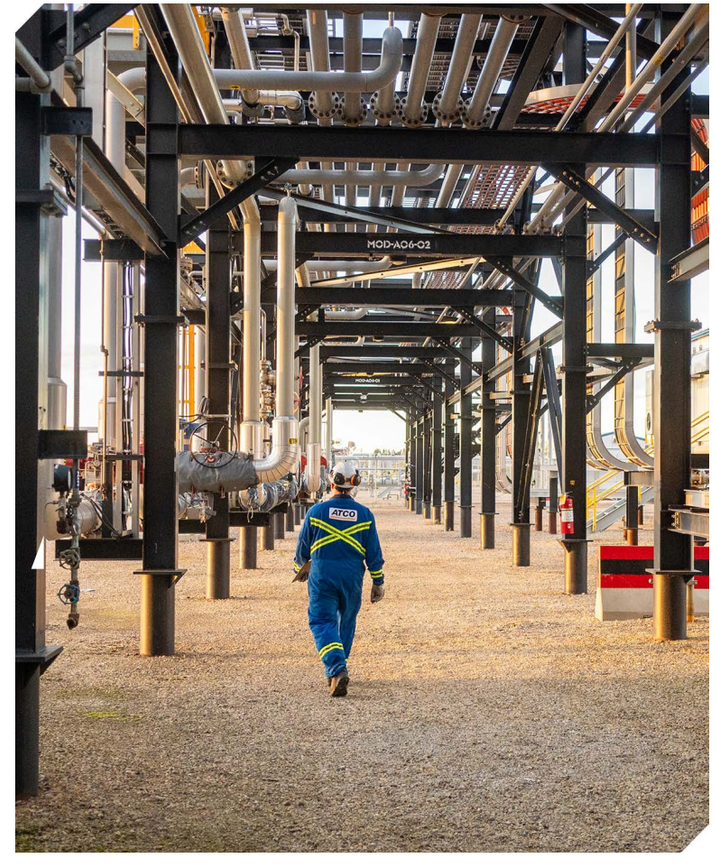
Customers proactively managing their own energy use, referred to as demand-side management (DSM), can lower energy waste and costs, while improving load management and energy reliability across the gas and electricity systems. In our Alberta utilities businesses, we have been working with other utilities, the Utilities Consumer Advocate, the Alberta Energy Efficiency Alliance and other stakeholders to seek policy and regulatory change that would enable Alberta's utilities to offer ratepayer-funded, utility-administered DSM programs to customers. This is common in other jurisdictions as it enables utility systems to grow efficiently while meeting customer needs.

To support our customers in improving their energy efficiency and advancing the use of new technologies, we need a modern electricity grid. For more information on our grid modernization initiatives, see the → **Resilience & Safety** section.

Carbon credits & offsets

ATCO participates in various compliance and voluntary carbon markets in Canada, Australia and Latin America. While we expect to reduce our emissions over time, applying these carbon credits and offsets in the future could be a transitionary tool to address residual emissions in our portfolio. In several of our operations, we generate Carbon Offsets, Emission Performance Credits and Renewable Energy Certificates (RECs) through projects that have voluntarily reduced or avoided GHG emissions. Our Australian operations have secured funding to purchase Australian Carbon Credit Units as an interim measure to offset Scope 1 GHG emissions until the regulatory framework enables renewable gas initiatives to be implemented.

ATCO Energy also offers renewable energy options to our Alberta-based electric customers, allowing them to purchase 25 or 100 per cent renewable energy using RECs that each represent one megawatt hour (MWh) of energy generated from a renewable source. In 2025, ATCO Energy purchased 15,000 RECs on behalf of these consumers.

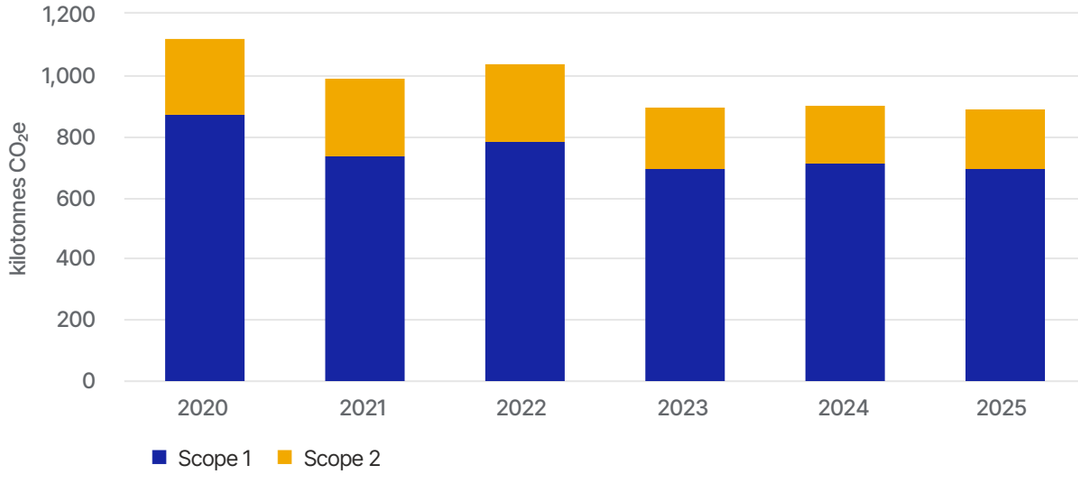


15,000

RECs purchased on behalf of ATCO Energy customers

GHG emissions performance

Operational GHG emissions (Scope 1 and 2)



Total direct and indirect GHG emissions decreased by two per cent from 2024 to 2025, and have decreased by 21 per cent since 2020.

We build, own and operate critical energy infrastructure that customers rely on every day. Because our systems provide essential heat, power and grid stability, we must balance emissions reductions with our responsibility to deliver safe, reliable and affordable energy. As a result, emissions may not decline in a consistent pattern year over year.

We continue to advance emissions reduction initiatives and operational efficiencies across our businesses and look for ways to meet or exceed regulations by reducing or eliminating venting and fugitive emissions of methane in our natural gas transmission and distribution infrastructure. Building on the success of our vehicle-mounted methane leak detection program, which has been in place in our Canadian operations since 2019, our Australian gas business implemented the same program starting in 2025.

45%
reduction in emissions to earnings intensity from 2020 baseline

24%
reduction in methane emissions since 2020

21%
reduction in operational emissions since 2020

Additionally, we are evaluating and implementing projects to enhance emissions data accuracy through a targeted fuel measurement program. By installing additional measurement devices, we are increasingly relying on actual data rather than emission factors and engineering estimates. This approach allows us to achieve more precise and reliable emissions reporting and develop targeted reduction initiatives. As a result of these efforts, our methane emissions have decreased by 24 per cent since 2020.

Our Scope 2 emissions are primarily related to electricity distribution system line losses. In 2025, our operational Scope 2 emissions remained flat, with a modest decrease of less than one per cent compared to 2024.

We report Scope 3 GHG emissions from our energy businesses in two sub-categories of emissions along the value chain that we do not directly control, but are related to our activities. While Scope 3 emissions include 15 sub-categories, almost all our energy businesses' Scope 3 emissions – over 90 per cent – fall in the categories of upstream production and generation, and downstream end use. As such, we have focused our disclosure efforts on these two sub-categories that are most material to our businesses. Our Scope 3 emissions based on these two key categories decreased by two per cent in 2025 compared to 2024.

As standardized emission measurement methodologies and mandatory disclosure requirements evolve, we continue to evaluate external reporting of additional Scope 3 categories in addition to avoided emissions (Scope 4).

Sales contracts from our wind and solar facilities continue to be the main contributor toward our targeted two million tonne reduction in customer GHG emissions. Our Ashcor business also made a significant impact in supporting customer GHG emissions reductions. Ashcor's proprietary technology reclaims coal ash – waste left from burning coal for electricity – and repurposes it into a premium cement replacement. This supports emissions reduction objectives while addressing our customers' growing coal ash impoundments in Canada and the United States.

Customer emissions reductions

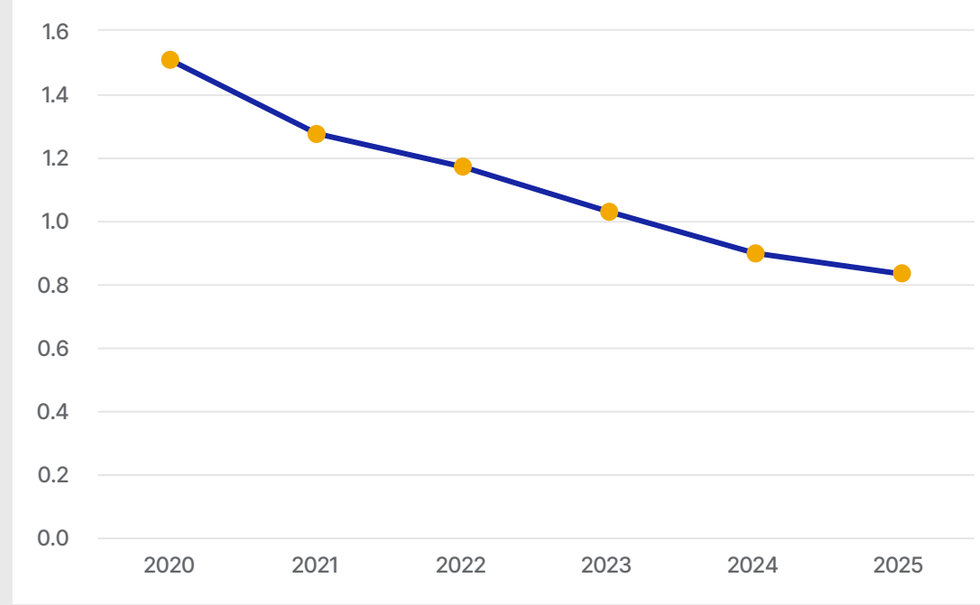
2025 projects	Annual reduction (kilotonnes CO_2e)
Renewable energy	**313**
Solar	
Wind	
Energy efficiency	**210**
Ashcor RAM™	
Energy infrastructure & storage	**< 1**
EV chargers - Alberta	
Cleaner fuels	**<1**
Hydrogen production & blending - Australia	
Hydrogen fuelling	
Hydrogen blending - Alberta	
Total	**523**

We are committed to progressing initiatives to reduce or eliminate our customers' GHG emissions from the use of our products, as described throughout this section. The table above illustrates how our projects reduced customer emissions in 2025, helping us progress towards our 2030 target.

Emissions to earnings intensity

Measuring emissions to earnings intensity provides a meaningful way to assess annual emissions reduction progress when our asset base or level of business activity is evolving or growing to meet our customers' needs. We continue to pursue both emissions reductions and business growth opportunities. As we have exceeded the target for the last two years, we have increased our 2030 Scope 1 and 2 emissions to earnings intensity target from a reduction of 30 per cent to a reduction of 40 per cent going forward.

Equity basis GHG emissions intensity
(kilotonnes CO_2e/millions $CAD adjusted earnings)



GHG emissions to earnings intensity in 2025 was 0.83 KT CO2e/$M. Emissions to earnings intensity decreased by seven per cent from 2024, and has decreased by 45 per cent from our 2020 baseline.

Land use & biodiversity

Biodiversity – from varied habitats to a rich mix of species – is critical for the health of the environment that we all rely on. We conduct our operations with care and protect land, air and water throughout the project lifecycle. Local and Indigenous communities, and other rights holders, often have unique knowledge about where they live and so we work closely with them, respecting their perspectives and helping to protect and sustain biodiversity.

We completed environmental surveys for our Yellowhead Pipeline Project in 2025 to help us better understand the environmental features along the project footprint, including birds and their habitat, watercourses, rare plants and weeds. This allows us to plan how to mitigate potential impacts during construction and ongoing operation of the pipeline.

Our natural gas business maintains an inventory of delineated wetlands for use in future projects, helping us to understand habitat and environmental risks earlier in the project planning process.

Keeping animals away from our infrastructure not only protects wildlife but safeguards our facilities from operational disruption. Our electricity business designed and deployed bird deterrent equipment for new parts of our power line structures to support bird safety and reduce the risk of power interruptions.

We also prioritize biosecurity – practices designed to prevent, reduce or eliminate the introduction and spread of disease. For example, in our electricity business, we now use digital tools to document mitigation of clubroot, a fungus damaging to crops, allowing us to more efficiently prevent further spread.

Our businesses have established Environmental Management Systems that are guided by international standards. Our Australian Environmental Management System is ISO 14001 certified.

People & Partners

We are defined by the people and the relationships that enable our organization to operate effectively and succeed. The contributions of people within and outside our organization help us foster mutually beneficial relationships, invest in communities we serve, and enhance customer and employee satisfaction.

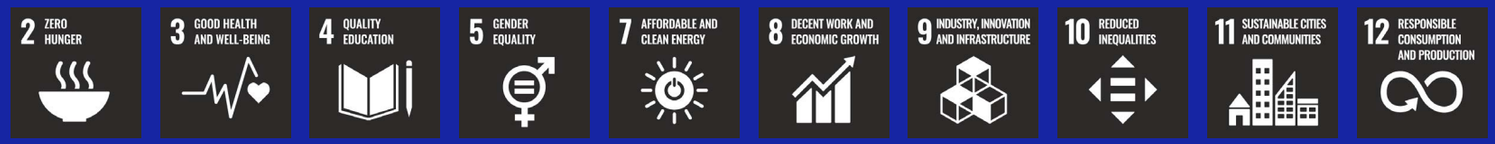
In this section

→ Indigenous relations
→ Community engagement & investment
→ Customer experience & satisfaction
→ Employee attraction, retention & development
→ Diversity, equity & inclusion

Learn more

People & Partners
Sponsorships
Diversity, Equity & Inclusion

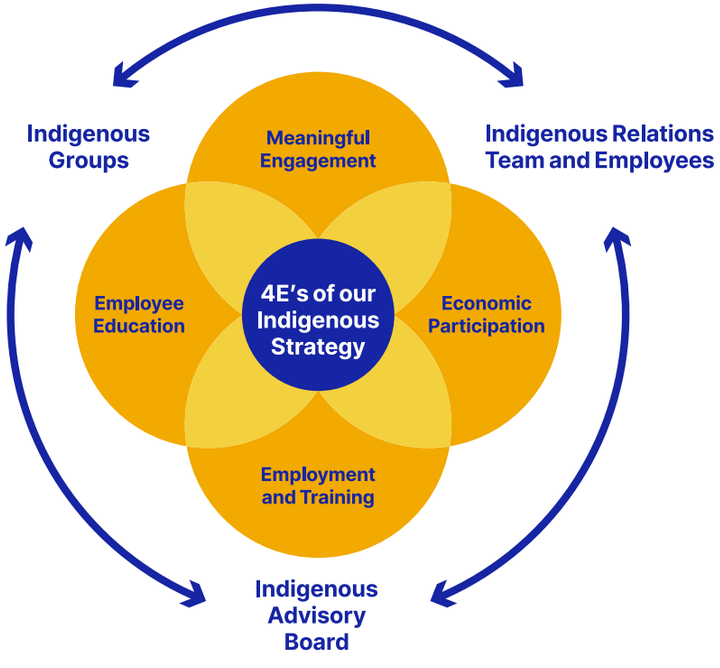
The initiatives in this section align with the following **UN SDGs:**



Indigenous relations

With investment increasing and major resource and energy projects on the horizon, many of which run through or near Indigenous territories, Indigenous relationships are foundational. We have a long history of partnering and working with Indigenous Peoples in the communities where we operate. It is a core value and an integral part of our business strategy.

We developed – and have been practicing for years – an industry-leading, multi-pronged approach to Indigenous relations guided by the four "E's": meaningful engagement; economic participation; employment and training; and employee education and awareness.



The four E's are how we uphold the spirit of Canada's Truth and Reconciliation Commission and the United Nations Declaration on the Rights of Indigenous Peoples. To create partnerships, we believe in respectful dialogue, transparency and trust. We know there is always room for improvement, so we identify gaps and revise approaches, looking for ways to innovate with our Indigenous partners.

One important aspect of our community-led, responsive approach is our Indigenous Advisory Board. This board is a source of insight and knowledge for ATCO, bringing experience and wisdom from six Indigenous communities across Canada. Our Chair & CEO is also a member of this board, reflecting the strategic nature and impact of the feedback this group provides.

Meaningful engagement

Our partners have told us they want clear and timely information about projects in their communities and to see their feedback appropriately integrated as we advance together through projects' lifecycles, including ongoing operations.

From the beginning of our Yellowhead Pipeline Project, the largest single investment in our history, we committed to a development process that included meaningful engagement. Open dialogue has helped inform the 235-km route, as we seek to understand the unique perspectives and environments of the area. Open houses, information packages and discussions within 22 Indigenous communities have created engagement opportunities to support understanding and management of project benefits. These engagements have also helped us develop project-specific plans for training, procurement and other partnerships that meet the unique needs of the communities.

38 years

ATCO's oldest Indigenous Partnership with Denendeh Investments Incorporated

73

partnerships, MOUs and other arrangements with Indigenous groups

$126M

in Indigenous net economic benefit

Relationship agreements declare a mutual commitment to a long-term relationship and are the foundation for project-specific memorandums of understanding (MOUs) and joint venture (JV) partnerships. We currently have 21 relationship agreements that have been formed over the years, including new agreements with the Métis Nation of Saskatchewan Northern Region II, Ulkatcho First Nation and Lhoosk'uz Dene Nation, among others.

Both ATCO Frontec and ATCO Structures are recognized as gold-level companies by the Canadian Council for Indigenous Business's (CCIB) Partnership Accreditation in Indigenous Relations (PAIR) program. PAIR Gold companies demonstrate sustained leadership in Indigenous relations that set an exemplary standard. This certification is for companies with innovative programs and engagement that have made an enduring impact on Indigenous businesses and communities.

Economic participation

Economic participation can take many forms, including procurement, partnership payments and additional economic benefits. As of the end of 2025, we have 73 partnerships, MOUs and other arrangements with Indigenous groups.

One way we measure our relationships with Indigenous communities is by tracking the net economic benefit they receive from participation in our projects. After meeting our previous 2030 target of reaching $100 million annually, we have now increased the target for net economic benefit to $125 million per year, or $1.4 billion cumulatively from 2020 to 2030. This increase encourages our businesses to stretch to achieve more in what is a fundamental commitment for ATCO.

In 2025, we generated $126 million in net economic benefit to Indigenous groups, including awarding contracts totalling $93 million to Indigenous and Indigenous-affiliated contractors. Our mutually beneficial relationships have now created a cumulative benefit of $690 million for our Indigenous partners since 2020.

Procurement

In 2025, we continued to improve our procurement strategy so that Indigenous contractors would have an equitable opportunity to work with us, which led to new contracts including right-of-way maintenance in ATCO's service areas. We have been intentional in supporting Indigenous procurement opportunities by having our Indigenous Relations team present at the outset of procurement processes and involved in redefining contracts on Traditional Land Use areas.

Partnerships

We bring investment and technical expertise to JVs that benefit Indigenous communities and businesses. After our initial investments, Indigenous partner ownership may evolve over time. This is the case with our longest-standing JV, Naka Power Utilities. Our partner, Denendeh Investments Incorporated, has increased their ownership and revenue share over nearly four decades, most recently becoming a 51 per cent partner in December 2025.

Additional economic benefits

After developing and constructing Alberta PowerLine (APL) with our partner, Quanta Services, the longest 500-kV transmission line in Canada, we provided an opportunity in 2019 for Indigenous communities along the route to purchase equity ownership. Seven Indigenous communities in Alberta purchased a combined 40 per cent equity interest in APL, becoming active partners in energy development in their traditional territory. ATCO continues to operate APL with financial benefits distributed to partners.

Intangible benefits

In addition to net economic benefits, we also consider less tangible benefits that contribute to resilience and energy security in Indigenous communities, such as the expansion of our natural gas distribution system to the Lubicon Lake Band in 2025 and Bigstone Cree Nation in 2023. Reliable, lower-cost energy is expected to improve living conditions, and support economic development, while providing a stable and efficient heating source.

20
Indigenous summer students hired, 11% of total

Employment & training

Our businesses benefit from Indigenous employment and training, as do the communities in which we operate, creating strong local workforces and more vibrant communities.

The Indigenous Skills Program at the Jansen Discovery Lodge, offered as part of our JV with George Gordon First Nation, builds culinary, janitorial and housekeeping skills. In 2025, 88 per cent of our participants successfully finished the program and were offered employment with the lodge afterward.

As part of our Indigenous Summer Student Program, we connect students with full-time Indigenous employees, who act as mentors. This program welcomes students to the ATCO community by supporting their success, building their network and facilitating learning from Indigenous employees.

Scholarships, training & education

Indigenous Education Awards

53 First Nation, Inuit and Métis students across Canada received scholarships and merit awards to help pursue higher education, as well as bridging awards to support educational upgrading.

Indigenous Summer Student Program

Our Indigenous Summer Student Program included 20 students in 2025. We look for opportunities to transition Indigenous summer students to full-time employment.

Peraj Mexico & the Universidad Autónoma de San Luis Potosí

16 Indigenous university students were awarded scholarships and paired with Indigenous elementary students to provide mentorship and encourage them to stay in school.

Employee education & awareness

September 30th is the National Day for Truth and Reconciliation, a day that we celebrate with our Indigenous partners. Over 300 ATCO employees across Canada participated in awareness walks to reflect on the significance of the day for Indigenous communities and all Canadians. Recognizing our relationships are about more than one day, we launched a year-long initiative titled 52 Weeks of Reconciliation. Guided by Indigenous employees across our organization, this series keeps Indigenous perspective top of mind and allows for meaningful dialogue and learning. Weekly discussion topics have been curated from past Indigenous training initiatives.

We have four phases in our Indigenous Relations Education Strategy for employees. Providing our employees with different opportunities to learn about Indigenous perspectives fosters meaningful relationships with our Indigenous partners, based on understanding and respect.

Indigenous Foundations program

All new employees must participate in online awareness training, which introduces our Indigenous relationships and partnerships. The onboarding covers history, culture, contemporary issues and initiatives, contribution to society and actions towards reconciliation, providing foundational context for further dialogue and training.

Pathways to Understanding program

Employees have the option to participate in an in-person course for a deeper understanding of Indigenous communities, past and present, along with practical skills for engaging with nations and communities.

Learning from the Land program

Experiential learning, activities and facilitated discussions with Elders and community representatives, deepen employees' understanding of the connections between Indigenous knowledge systems and Western approaches. This two-day session was co-created and delivered in partnership with Elders and community representatives from the Stoney Nakoda Nation.

Custom training

We support the learning journey of our employees with tailored training that accommodates the specific needs of a team, community and circumstances of engagement.

Community engagement & investment

EPIC

Our community investment spirit is exemplified by ATCO EPIC (Employees Participating in Communities), a longstanding employee-led program that rallies the spirit of our people, combining volunteerism, fundraising events and individual donations. With the combined efforts of our employees around the world, we pledged more than $2.5 million to support hundreds of community charities in 2025, taking the program's cumulative fundraising total to over $62 million since its inception in 2006. Employees donate directly to the health and wellness causes that matter most to them, and we enhance our people's generosity by matching those donations.

Commitment to service members

ATCO was the Co-Presenting Partner of the Invictus Games Vancouver Whistler 2025, an international multi-sport event for over 500 wounded, injured and sick veteran and active-duty individuals from over 23 nations around the world. The event offers a space for community, connection and respect among the men and women who serve.

This year, we also presented the Participating Nations Expedition, which carried the Invictus Games flag for four days through tough terrain of the four host First Nations territories of the Lil'wat, Musqueam, Squamish and Tsleil-Waututh. The expedition was a tribute to veterans' courage and resilience, and the shared journey of healing with Canada's Indigenous Peoples.

To build support and show appreciation for those who have sacrificed to protect their countries, we invited students in Grades 4 to 9 to create compositions on the theme "Why Military Matters." Ten winners attended the last weekend of the games and the Closing Ceremonies, with an opportunity to meet athletes and join ATCO employees in the fun. Students witnessed the power of adaptive sports and gained a deeper appreciation for the resilience of our military personnel.

$2.5M
raised for charities through our ATCO EPIC campaign, with over $62 million raised for charities since 2006

$10.3M
invested in communities through gifts in-kind, sponsorships, donations and our matching contribution to the employee-led ATCO EPIC program

Canada

Our Community Energy Fund supports Alberta's schools, not-for-profits, registered charities and municipalities in developing innovative energy solutions. In 2025, we awarded more funds to more recipients – $200,000 to 15 groups – funding projects such as detailed energy audits, solar power systems, upgraded lighting and educational initiatives.

In Ontario, our Adelaide Wind Project – a partnership of ATCO and Aamjiwnaang First Nation – has continued to support local organizations with its Community Benefit Fund. In 2025, we contributed $135,000 to six deserving groups that work hard to make a difference in their communities.

Mexico

We invested in the construction of three rural roads in Indigenous communities near our hydroelectric facility in Veracruz, Mexico. Communities in this mountainous region have been geographically isolated, excluding them from access to opportunities. The new roads help connect residents to larger population centres and essential services, improving mobility and economic and social opportunities.

Australia

In 2025, the ATCO Communities Fund awarded nearly A$140,000 to 17 grassroots initiatives committed to building healthy, sustainable and prosperous communities. We also established an in-kind partnership with a local e-waste charity to repurpose electronics for those in need and continued our collaboration with the EON Aboriginal Foundation's Thriving Communities Program, supporting edible gardens, food security and healthy eating in Indigenous communities.

Customer experience & satisfaction

Our natural gas transmission and distribution lines serve more than two million customers in Alberta and Western Australia. We help customers with services including installing new natural gas lines and moving meters or existing service lines.

We also deliver electricity to nearly 232,000 customers through power lines in north and east-central Alberta. Our customers rely on us for new connections and service reliability, including responding 24/7 to outages.

2025 was another strong year for ATCO Gas and Electric, with customers who contacted our call centres reporting satisfaction levels (CSAT) of 95 per cent for both companies. In addition, the ATCO Gas call centre was awarded World Class FCR Certification by Service Quality Measurement Group, for exceeding quality standards on over 80 per cent of all calls.

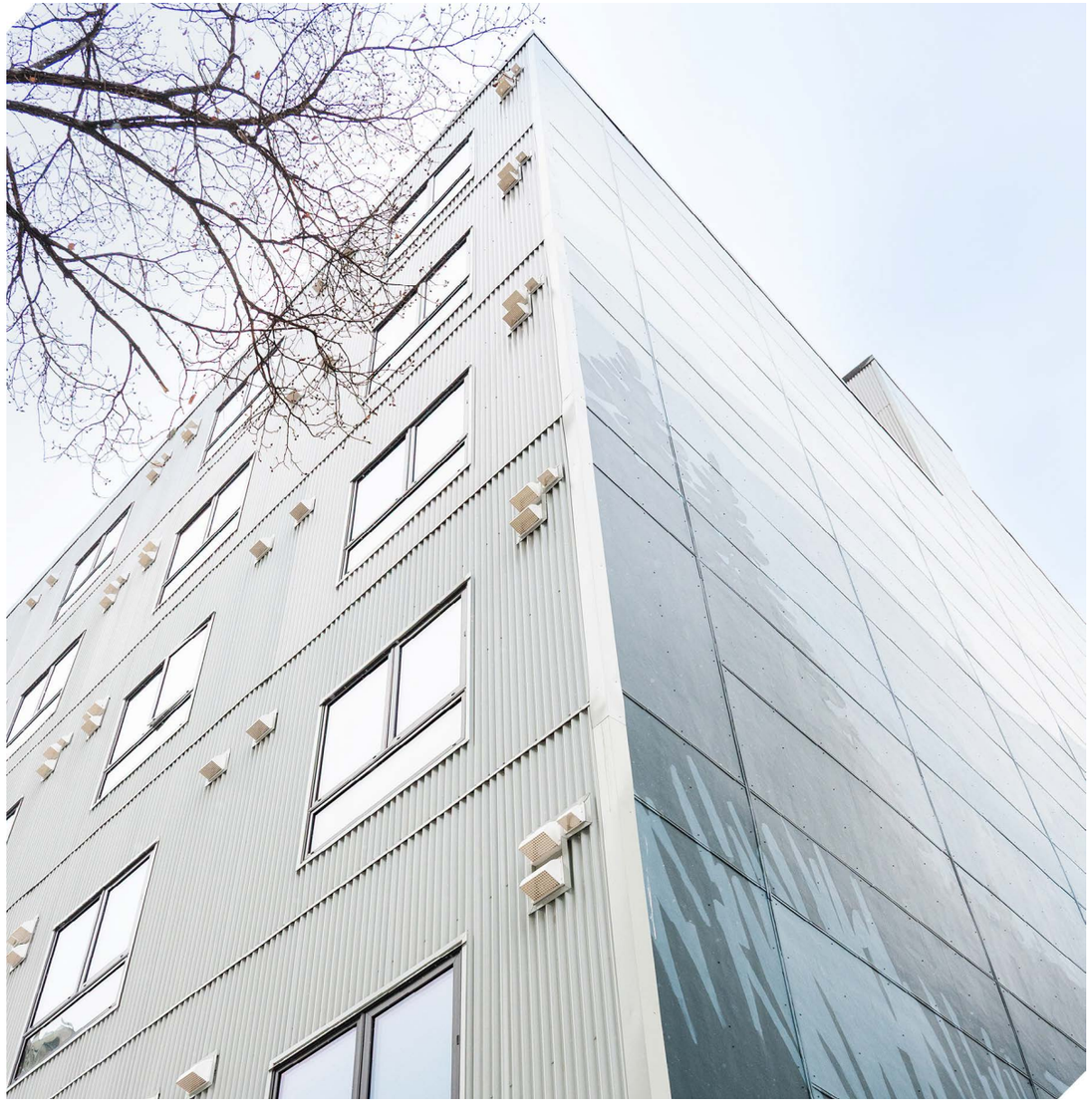
On the retail energy side, ATCO Energy provides customers with flexible and competitive electricity and natural gas plans to fit their needs. We also have ATCO Energy Home Services, which provides home maintenance services and professional home advice in Alberta.

Tackling the housing crisis

Everyone deserves housing. In 2025, we teamed up with Attainable Homes Calgary (AHC) to deliver a permanent modular solution to the housing crisis. The six-storey building, comprising 84 studio units, is tailor-made for students, retirees or young professionals.

Our construction process is quick and efficient, with minimal site disruption. For this project, we built fully equipped modules at our manufacturing facility, complete with kitchen appliances, laundry units and finished interiors. These were transported to site and craned into place over a 10-day period.

Our modular solution significantly reduced the project timeline compared to traditional construction. A comparable project built using conventional methods took 21 months. By contrast, this development was ready for occupancy in just nine months from the start of construction.



Employee attraction, retention & development

We actively build a values-driven culture at ATCO – attracting, developing and retaining talented people through strong programs and a deliberate employee experience. Energized by our people, we are built to innovate, geared for growth and committed to helping employees develop as they progress in their careers.

Our confidential employee engagement survey helps us understand employees' opinions about working at ATCO. This year's engagement survey achieved an 82 per cent response rate, demonstrating strong participation across the organization. Manager effectiveness and psychological health and safety were identified as organizational strengths, with employees reporting that they feel supported by their immediate managers and comfortable speaking up or raising concerns. The survey continues to play an important role in shaping ATCO's leadership, talent and organizational improvement priorities.

We take a deliberate approach to advancing women in leadership, including developing plans for identified talent. We support flexibility where we can and participate in women-focused initiatives, such as Women in Energy forums, leadership training from the University of Calgary's WISE Planet Program and partnering in the trades through Women Building Futures.

To support employee retention, our Mentorship Program enhances engagement, accelerates skill development and promotes a collaborative work environment. New events in 2025 included webinars to help senior employees become strong mentors, as well as a "meet and greet" where employees could engage in a series of concise one-on-one conversations with executives and leaders.

In 2025, we received the Veteran Employment Champion Award from the True Patriot Love Foundation, underscoring our ongoing dedication to hiring and supporting Canadian Armed Forces veterans. Our Veteran Employee Resource Group helps guide veterans through the transition from military to civilian life by providing mentorship, career opportunities and a sense of community.

We were also named one of Alberta's Top Employers and one of Canada's Top Employers for Young People, for the fifth year in a row. We believe this is a result of our programs that continue to build a safe and supportive culture as we pursue our business goals.

Diversity, equity & inclusion

We are committed to creating an environment where everyone feels safe, welcome and valued. Centred in our values of integrity, caring, agility, collaboration and safety, we aim to foster an inclusive and respectful work environment where we all feel safe to bring our best – and fully authentic – selves to work each day.

Inclusive environments that embrace diverse perspectives aim to cultivate innovation and drive business outcomes by empowering employees. When employees feel engaged, they experience improved well-being and creativity, which are crucial drivers of ATCO's success.

We believe DEI is integral to operating as a merit-based organization that acknowledges individuals for their unique skills, education, training, experience and background. It is about hiring the best, most qualified person for the job. DEI focuses on mitigating any bias that may exist to support an environment where hiring, salaries, retention and promotions are determined on merit.

We are building capacity to lead DEI across ATCO and connecting with new recruits, so they understand the importance of inclusion, including our offices around the world. In 2025, almost 500 employees from Australia and Mexico attended DEI education sessions.

ATCO launched the first DEI Speaker Series with Olympic-gold-medalist Dr. Hayley Wickenheiser and our executive leadership team. Building on the success of our three previous DEI conferences, we invited more corporate partners and provided the opportunity for all ATCO employees to attend, with 900 joining live in person and online.

Our Energy Systems business has created their own speaker series where executives share about their own journeys and answer employee questions.

Our employees are supported to lead a variety of celebrations and initiatives that are important to them, including a new series delving into menopause and perimenopause and how this stage in life can bring unique challenges to many women. In 2025, a new employee resource group named AccessAbility was launched in response to the needs of our employees, with a focus on supporting employees with disabilities or who are neurodiverse.

Our commitment to diversity is reflected in our 2030 target to achieve and maintain a minimum of 30 per cent racial and ethnic representation in our workforce. In 2025, racial and ethnic minorities represented 32 per cent of our workforce. We will continue our focus on inclusivity practices, supporting development and succession planning.

ATCO recognizes that DEI and psychological health and safety are deeply connected. All employees must feel welcome where they work in order to feel safe and contribute fully.

ATCO 2025 Board, senior management & workforce diversity

- 32% Workforce
- 27% Senior management
- 44% Board

Women at ATCO

- 32% Workforce
- 14% Senior management
- 0% Board

Minority representation at ATCO

In 2025, women represented 32 per cent of our workforce, 27 per cent of senior management and 44 per cent of the Board of Directors. Minorities represented 32 per cent of the workforce and 14 per cent of senior management. We continue to work towards our commitment to create an inclusive environment for all, and increase minority representation in leadership roles within our organization.

ESG Datasheet

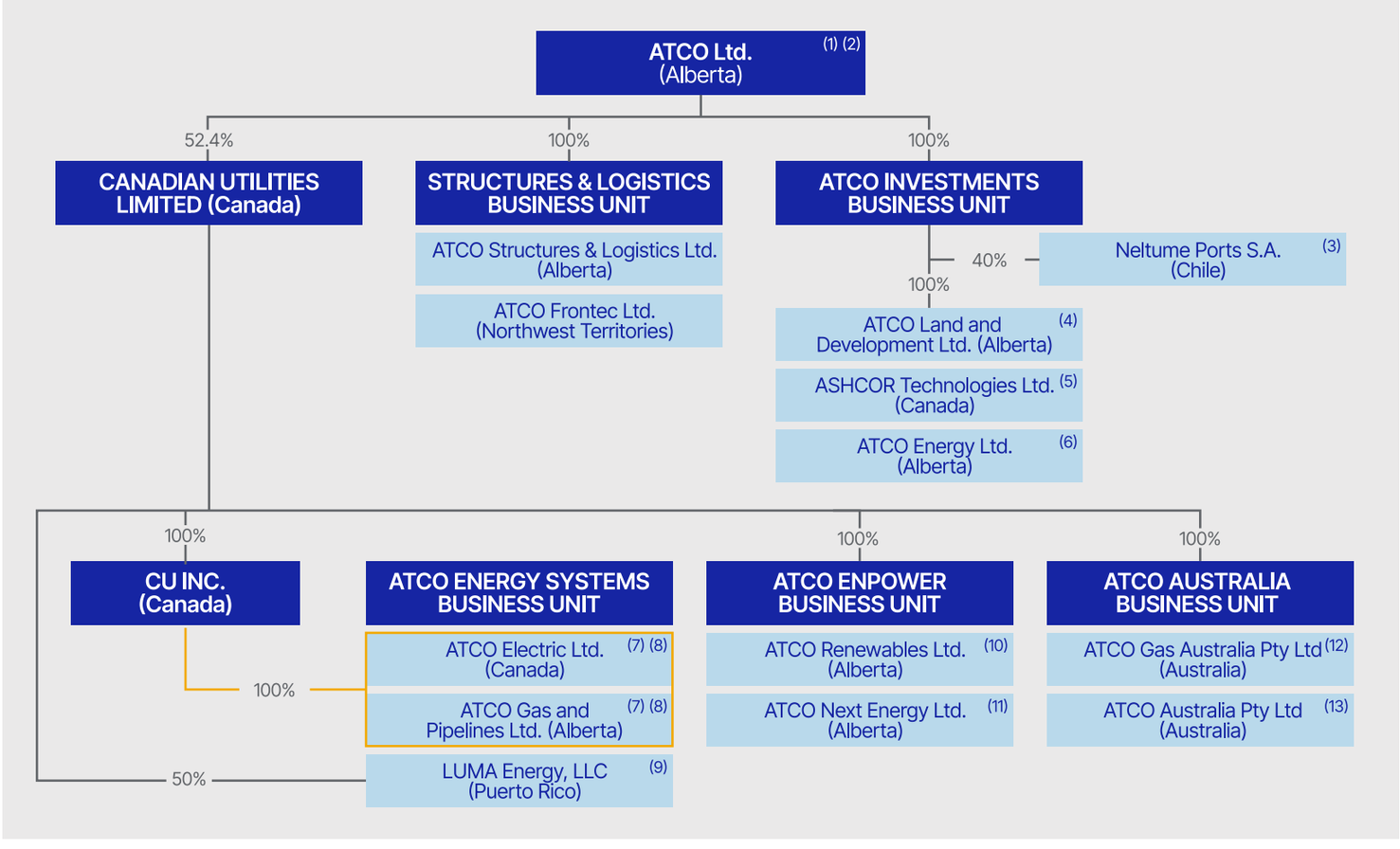
In this section

→ Reporting boundaries
→ Key documents
→ ATCO Ltd. performance summary
→ Summary of climate-related risks & opportunities

Reporting boundaries

The terms ATCO, ATCO Group, the ATCO Group of Companies, our, we, the Company and the corporation, refer to ATCO Ltd. as a whole, including its subsidiary companies Canadian Utilities Limited and CU Inc. and their subsidiaries. Our Sustainability Report is referencing the internationally recognized Global Reporting Initiative (GRI) Standards and the IFRS Foundation's International Sustainability Standards Board (ISSB) Standards, including IFRS S2, which incorporate the Sustainability Accounting Standards Board (SASB) Standards and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Index tables referencing our alignment to GRI, SASB and IFRS S2 are available at ATCO.com.

This report communicates our sustainability performance in 2025 and reflects operations as of December 31, 2025 unless otherwise noted, for ATCO, our subsidiaries and joint ventures (JVs). Financial data is in Canadian dollars and environmental data is in metric units. Environmental performance metrics reported include 100 per cent for facilities where ATCO, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership. Operational control is defined in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol). Exceptions are explicitly noted in the data notes with the relevant information. We also have investments in Neltume Ports, S.A. (40 per cent) and LUMA Energy, LLC (50 per cent), which are not included in our operational control boundary, as defined in alignment with the GHG Protocol. However, we expect our business partners and JV operations to adhere to the same or similar ethical standards and we take an active role on partnership and JV boards, where possible. All available data for Canadian Utilities Limited and CU Inc. is included in their respective ESG Datasheets, available at canadianutilities.com.



(1) At December 31, 2025, ATCO owned 99.6 per cent of the Canadian Utilities Class B common shares, which are the only voting securities outstanding, and 37.2 per cent of the Class A non-voting shares, for an aggregate ownership of 52.4 per cent.
(2) The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2025.
(3) ATCO's 40 per cent equity interest in Neltume Ports, a leading port operator and developer based in South America.
(4) ATCO Land and Development is a commercial real estate business that holds investments for sale, lease or development.
(5) Ashcor is engaged in the recycling and marketing of ash, a waste byproduct of electricity generation.
(6) ATCO Energy offers retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta, and incorporates our legacy retail food services brand Blue Flame Kitchen.
(7) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission.
(8) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (collectively, the Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.
(9) Canadian Utilities' 50 per cent ownership in LUMA Energy, a company which operates Puerto Rico's 31,000-km electricity transmission and distribution system, is included in International Electricity Operations.
(10) ATCO Renewables Ltd. includes Electricity Generation, comprised of non-regulated electricity activities including the supply of electricity from solar, wind, hydroelectric, and distributed generation facilities in Canada, Mexico, and Chile.
(11) ATCO Next Energy Ltd. includes Storage & Industrial Water and Cleaner Fuels.
(12) ATCO Gas Australia Pty Ltd is a regulated provider of natural gas distribution services in Western Australia, serving Metropolitan Perth and surrounding regions.
(13) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia.

Sustainability at ATCO Ltd., Canadian Utilities Limited, and CU Inc.

Sustainability performance is reported for ATCO Ltd. and its two largest subsidiaries, Canadian Utilities Limited and CU Inc.

Canadian Utilities Limited (Canadian Utilities) is the largest principally controlled company of the ATCO Group of Companies, and is a diversified energy infrastructure corporation delivering essential services and innovative business solutions through ATCO Energy Systems (electricity and natural gas transmission and distribution, and international electricity operations); ATCO EnPower (generation, energy storage, industrial water solutions and cleaner fuels); and ATCO Australia (natural gas distribution and electricity generation).

CU Inc. is a wholly owned subsidiary of Canadian Utilities, comprised of the regulated utility operations in natural gas and electricity distribution and transmission. CU Inc.'s and Canadian Utilities' approach to sustainability is fully aligned with ATCO's.

Key Documents (ATCO)
ESG Datasheet
How We Do Business (Policies and Practices)
Management Proxy Circular
Management's Discussion and Analysis (MD&A)
Annual Report
Annual Information Form
Stakeholder Engagement
UN SDGs
Materiality Assessment
Archived Sustainability Reports

Key Documents (Canadian Utilities)
ESG Datasheet
How We Do Business (Policies and Practices)
Management Proxy Circular
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Annual Information Form
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UN SDGs
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Archived Sustainability Reports

Key Documents (CU Inc.)
ESG Datasheet
How We Do Business (Policies and Practices)
Management's Discussion and Analysis (MD&A)
Annual Information Form
Stakeholder Engagement
UN SDGs
Materiality Assessment
Archived Sustainability Reports

ATCO Ltd. performance summary

Indicator[1,2,3]	Units	2025	2024	2023	...	2020
ENVIRONMENT						
Greenhouse Gas Emissions[4]						
Operational direct (Scope 1) greenhouse gases	kilotonnes CO_2e	699	713	698		873
Operational direct (Scope 1) methane emissions[5]	kilotonnes CO_2e	215	199	227		281
Operational indirect (Scope 2) greenhouse gases	kilotonnes CO_2e	193	193	199		248
Equity basis direct (Scope 1) greenhouse gases[6]	kilotonnes CO_2e	326	327	336		404
Equity basis indirect (Scope 2) greenhouse gases[6]	kilotonnes CO_2e	105	105	108		126
Equity basis greenhouse gas emission intensity[6,7]	kilotonnes CO_2e / millions adjusted earnings	0.83	0.90	1.03		1.51
Upstream production and generation (Scope 3 - category 3) greenhouse gases[8]	kilotonnes CO_2e	6,612	7,114	7,451		8,737
Downstream end-use (Scope 3 - category 11) greenhouse gases[8]	kilotonnes CO_2e	16,008	16,036	15,958		15,504
Subtotal operational other indirect (Scope 3) greenhouse gases[8]	kilotonnes CO_2e	22,621	23,150	23,409		24,241
Air Emissions						
Sulphur dioxide[9]	tonnes	36	52	39		36
Nitrogen oxides[9]	tonnes	2,257	2,474	2,104		1,796
Particulate matter (PM2.5)[9]	tonnes	29	38	33		22
Carbon monoxide[9]	tonnes	548	639	787		608
Volatile organic compounds	tonnes	184	173	146		188
Mercury	kg	0	0	0		1
Ozone depleting substances	kg	0	0	0		0
Energy Consumption	(PJ) petajoules	9.1	9.3	8.5		10.4
Operational Water Use[10]	million m^3	1.2	1.2	1.2		1.5
Equity Basis Water Use[10]	million m^3	0.7	0.7	0.7		0.9
Spills[11]						
Hydrocarbon - number[12]	number	51	78	98		18
Hydrocarbon - volume[12]	thousand litres	53.7	40.5	50.4		10.0
Non-hydrocarbon - number	number	0	0	1		2
Non-hydrocarbon - volume	thousand litres	0.0	0.0	0.1		0.0

Indicator[1,2,3]	Units	2025	2024	2023	...	2020
ENVIRONMENT						
Hazardous Waste[13,14]	tonnes	819	968	1,025		2,210
Environmental Fines and Penalties	$ thousand	0	0	0		0
Owned, Developed or Managed Renewable Energy[15]	(MW) megawatts	458	458	429		—
Revenues from Transitional Product Categories (e.g., renewable natural gas and hydrogen)[16]	per cent	2.76	2.86	3.22		—
SOCIAL[17]						
Health and Safety[18,19]						
Lost-time injury rate (employees)	cases/200,000 hours worked	0.11	0.15	0.12		0.26
Lost-time injury rate (contractors)[20]	cases/200,000 hours worked	0.16	0.04	0.13		0.13
Recordable injury rate (employees)	cases/200,000 hours worked	1.12	1.11	1.12		1.58
Recordable injury rate (contractors)	cases/200,000 hours worked	0.62	0.63	0.80		1.58
Fatalities (employees)	number	0	0	0		0
Fatalities (contractors)	number	0	0	0		0
Employees	number	8,214	8,183	8,011		6,183
Workforce by Employment Type						
Men - full-time	number	4,797	4,683	4,530		4,200
Women - full-time	number	2,215	2,193	2,261		1,873
Men - part-time	number	46	32	48		23
Women - part-time	number	118	128	121		87
Workforce by Employment Contract						
Men - permanent	number	4,406	4,284	4,149		3,937
Women - permanent	number	1,974	2,015	2,080		1,738
Men - temporary	number	437	431	429		286
Women - temporary	number	359	306	302		222
Workforce by Region						
Canada - permanent	number	5,915	5,775	5,577		4,877
Canada - temporary	number	738	614	606		419

Indicator[1,2,3]	Units	2025	2024	2023	...	2020
SOCIAL [17]						
Workforce by Region *(continued)*						
Mexico - permanent	number	134	139	137		33
Mexico - temporary	number	1	5	0		0
Australia - permanent	number	797	803	735		567
Australia - temporary	number	35	43	45		59
South America - permanent	number	185	165	258		9
South America - temporary	number	164	289	321		0
Other - permanent	number	213	249	239		189
Other - temporary	number	32	101	93		30
Voluntary Turnover Rate	per cent	6.7	7.1	9.8		6.3
Employees in Employee Unions or Associations	per cent	39	39	42		49
Diversity						
Women in workforce	per cent	32	33	34		30
Women in senior management[21, 22]	per cent	27	34	34		26
Minorities in workforce[23]	per cent	32	34	35		—
Minorities in senior management	per cent	14	10	12		—
Revenue Generated from Indigenous Joint Ventures (Indigenous share only)	$ million	229.4	220.5	213.9		113.6
Net Economic Benefit to Indigenous Groups[24]	$ million	126.3	123.3	128.0		71.4
GOVERNANCE[25]						
Corruption Incidents	number	0	1	1		0
Customer Privacy Breaches	number	0	0	0		0
Number of Regulatory Non-compliance Incidents[26]	number	15	12	1		1
Fines and Penalties for Regulatory Non-compliance[26]	$ thousand	23.0	3,041.8	14.5		0.8
Board Diversity						
Women on Board of Directors	per cent	44	38	38		33
Minorities on Board of Directors	per cent	0	0	0		0

Indicator[1,2,3]	Units	2025	2024	2023	...	2020
ECONOMIC						
Economic Value Generated[27]	$ million	5,143	4,942	4,741		3,944
Economic Value Distributed						
Suppliers	$ million	1,934	1,802	1,726		1,402
Employee wages and benefits[28]	$ million	711	738	644		531
Lenders	$ million	555	533	485		413
Share Owners	$ million	553	544	533		501
Governments[29]	$ million	456	430	421		346
Communities[30]	$ million	10	10	10		6
Economic Value Retained[31]	$ million	924	885	922		745
Coverage of Defined Benefit Pension Plan Obligations	per cent	96	97	96		91
OPERATIONAL						
System Average Interruption Duration Index (SAIDI)[32]						
Alberta electricity distribution	hours	3.64	4.72	5.99		4.09
Yellowknife[33]	hours	3.72	0.55	0.70		0.19
Northwest Territories	hours	0.94	5.53	3.95		1.96
Yukon	hours	2.57	5.88	6.17		4.91
System Average Interruption Frequency Index (SAIFI)[34]						
Alberta electricity distribution	per cent	1.39	1.69	1.60		1.58
Yellowknife[33]	per cent	13.25	1.36	2.67		0.64
Northwest Territories	per cent	2.33	3.58	3.32		4.01
Yukon	per cent	3.37	4.54	4.60		2.71

We strive to continually improve our tracking and measurement systems, and may adjust indicator definitions and performance data to reflect current best practice. We use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy.

Indicator

1. This summary table consolidates data for ATCO Ltd. (ACO.X). Performance summaries for ATCO's subsidiaries Canadian Utilities Limited (CUL) and CU Inc., in addition to ATCO Australia, can be found online.
2. This report includes performance data on indicators that were not included in all previous reports. Data for the new indicators is not provided for previous years and is denoted with a "-" symbol.
3. Unless otherwise noted, data is reported on an operatorship basis, which does not align with financial reporting. Operatorship basis means that environmental performance metrics reported include 100 per cent from operations over which ATCO, or one of its subsidiaries, has operational control, regardless of percentage of financial ownership.

Environment

4. Greenhouse gas (GHG) emissions are calculated and reported in line with carbon regulations where the facility is located and the GHG Protocol.
5. Methane emissions are included in operational direct (Scope 1) GHG emissions and are not additional. The primary source of methane emissions are natural gas transmission and distribution systems in Canada and Australia.
6. Equity-basis reporting aligns with financial reporting in relation to treatment in external financial filings and is also guided by the GHG Protocol. However, our equity share emissions of Neltume Ports and LUMA have not been included.
7. GHG emissions intensity is calculated by dividing equity-basis reporting direct (Scope 1) and indirect (Scope 2) GHG emissions over adjusted earnings. For further information, please see the Non-GAAP and other financial measures disclosure advisory.
8. Scope 3 GHG emissions are calculated and reported in line with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We currently report Scope 3 GHG emissions from the two categories most material to our energy businesses. Note that storage, handling, and transmission of natural gas is not included in our Scope 3 calculations; however, any associated emissions from facilities to handle and move these products are captured in direct (Scope 1) GHG emissions. As the guidance on the reporting of Scope 3 GHG emissions continues to evolve, we will annually review this approach to align with emerging best practices.
9. The decrease in sulphur dioxide, nitrogen oxides, PM2.5 and carbon monoxide emissions in 2025 is related to the disposition of the Hay River diesel power plant to the Northwest Territories Power Corporation.
10. Water use is calculated by deducting water discharged from water withdrawn.
11. Includes spills that meet thresholds for regulatory reporting in the jurisdiction in which they occurred. Volume spilled is often estimated due to variables such as duration, location and when the spill was identified.
12. The number of reported hydrocarbon spills decreased in 2025 as a result of decreased wildfire and vandalism related to electrical transformers. However, the total volume of spills increased in 2025 due to the storage of fuel at some of the affected sites.
13. Hazardous waste totals for 2024 were restated to incorporate a modification to the coefficients to more accurately identify waste categories and their relative weights.
14. Hazardous waste totals decreased in 2025 as there was less disposal related to waste caused by wildfire-related damages compared to 2024.
15. This metric has been established to be intentionally broad to demonstrate various ways we are contributing to the energy transition and does not align with typical operational control or financial basis concepts. Renewable energy is included in three circumstances: 1) Ownership of a renewable project when ATCO has financial control; 2) Development of a renewable project where ATCO has an engineering, procurement, and construction contract, but ultimately no financial or operational control once in operation; and 3) Management or operation of a renewable energy asset for a customer, however ATCO doesn't have ownership.
16. Transitional products and services are defined as products or services that reduce Scope 1, 2, or 3 GHG emissions. They can include products or services that are lower-emitting or to upgrade existing activities and systems.

Social

17. Includes our temporary workforce but does not include joint venture (JV) employees, unless otherwise noted.
18. Our contractor safety rates only track safety statistics for certain work mode classification (focus on where we have a supervisory, inspection or monitoring role), or contractors with greater than a threshold contract size.
19. Data includes ATCO JVs where available and when ATCO has the governing authority and responsibility for the health and safety of the people, processes and facility. Note that two small acquired entities were not included in 2025 reporting, but will be included going forward.
20. Contractor LTIF increased from 2024, however remained in line with the 5-year historical average.
21. Senior management includes senior executive officers (which aligns with disclosures in the Management Proxy Circular).
22. The percentage of women in senior management decreased in 2025 as a result of hiring and promotions to replace female senior managers exiting the organization, including through retirement.
23. Minorities include people of different race and ethnic backgrounds. Note that this metric only includes those who choose to self-identify, may not align with local definition in all operating jurisdictions, and does not include persons with disabilities or 2SLGBTQIA+ people.
24. Net Economic Benefit to Indigenous groups equals net earnings from Indigenous JVs, partnership payments, Indigenous procurement and additional economic benefits.

Governance

25. We track and address concerns through several channels, including our internationally accessible ATCO Integrity Line.
26. Regulatory non-compliance incidents which resulted in a fine include six instances of self-reported non-compliance with AB Reliability Standards by ATCO Electric, and nine violations of Independent System Operator rules by ATCO's renewable power facilities in Alberta.

Economic

27. Economic value generated is equal to revenue as defined in the MD&A.
28. Employee wages and benefits include employee salaries and amounts paid to government institutions on behalf of employees plus total benefits.
29. Payments to governments include income, property and franchise taxes.
30. Distributions to communities include donations, in-kind contributions and sponsorships.
31. Economic value retained is economic value generated minus economic value distributed. This is not a financial reporting indicator and is not akin to retained earnings.

Operational

32. SAIDI, or System Average Interruption Duration Index, disclosed in hours, is defined as the total duration of an interruption for the average customer during the period under reporting.
33. SAIDI and SAIFI increased in Yellowknife in 2025 due to equipment failure which caused a widespread power outage. The equipment has since been replaced and preventative actions have been taken to reduce the risk of recurrence.
34. SAIFI, or System Average Interruption Frequency Index, is defined as the average number of times per year that a system customer experiences an outage during the period under reporting.

Summary of climate-related transition risks & opportunities

The table below describes the climate-related transition risks and opportunities to our business. While climate-related risks and opportunities are integrated into our enterprise risk management processes, we also recognize unique attributes, such as longer time horizons and interconnectivity, could change the profile of these risks over time.

Policy/regulatory	Potential impacts	Key mitigations	Key opportunities
Shifts in policy that do not support transition in an effective, reliable and affordable manner	• Increased investment uncertainty due to policy shifts, including tax and incentive programs • Increased capital investment needs, operating costs and rates to customers • Long-term impacts to reliability of energy systems	• Working with all levels of government to promote awareness and understanding of potential impacts and costs related to proposed policy changes and the pace of energy transition • Partnering with government, communities, Indigenous groups and customers on climate change resilient initiatives	• Investments in new ventures and transition-related opportunities, increased portfolio diversification
Regulations that do not evolve at a compatible pace with emissions reduction goals	• Lower-emitting solutions not implemented because regulatory systems have not been adjusted to enable investment	• Working with regulators to promote awareness and understanding of potential impacts and costs related to proposed policy changes and the pace of energy transition	• Shaping constructive regulatory developments by communicating opportunities, benefits and trade-offs to support pragmatic evolution at an appropriate pace
Operations being subject to existing and future jurisdictional emission regulations	• Changing growth profiles of different energy assets (e.g., electrification) • Increased operating costs due to carbon offsetting or emission constraints • Increased rates to customers	• Recovery of carbon costs and regulated improvements through rates (e.g., methane reduction equipment is expected to continue to be included in rate base going forward)	• Increased demand for energy efficiency and emissions reduction projects for both our Company and our customers
Market	**Potential impacts**	**Key mitigations**	**Key opportunities**
Changing customer preferences and behaviour	• Customer demands for lower-emitting sources cause changes to traditional energy systems and energy flows • Potential impacts to reliability and affordability	• Advancing opportunities that support business and portfolio diversification • Investing in technology and innovation to support emissions reductions for customers • Investing in employees and communities to support essential services and safety	• Leveraging decades of experience in the integration and delivery of energy to meet evolving customer preferences (e.g., modern energy systems) while supporting reliability and affordability
Changes in carbon markets	• Fluctuations in carbon markets, carbon pricing and commodity pricing could impact revenue streams and operational costs • Volatility impacts the viability of securing long-term commitments (e.g., from lenders and customers)	• Participating in policy consultations with government and engaging with peer market participants on an ongoing basis	• Long-term de-risking of projects through partnerships and commercial arrangements, including offtake contracts and virtual power purchase agreements • Developing strategies to manage and optimize our carbon credit portfolio

Technology	Potential impacts	Key mitigations	Key opportunities
Replacement of current products and/or services with lower-emitting options	• Lower-emitting technology development may not materialize as expected, impacting the pace and scale of future replacement programs • Replacements could result in early retirement of assets and increased costs	• Advancing grid modernization initiatives • Investing in innovation and technology, including upgrades of existing assets	• Providing or supporting a suite of lower-emitting technology solutions so customers can select the appropriate choices for their needs
Reputational	**Potential impacts**	**Key mitigations**	**Key opportunities**
Public perception of climate-related risk	• Changing customer, public and stakeholder perceptions of climate-related risks could impact the Company's businesses and reputation	• Authentic engagement and collaboration with stakeholders • Transparent reporting on sustainability activities and metrics	• Enhancing sustainability disclosures to increase awareness of climate-related risk management processes and mitigation actions

Resilience to transition risk

To inform forward-looking strategy, we continue to develop internal expertise and engage third-party experts to conduct analysis of our energy businesses against various transition scenarios, including the International Energy Agency's (IEA) Current Policies Scenario, Stated Policies Scenario and Net-Zero Emissions by 2050 Scenario, in which the global temperature rise is limited to 1.5 °C. Our Australia business unit completed qualitative scenario analysis using the above IEA scenarios in addition to the Australian Energy Market Operator's (AEMO) Slower Growth, Step Change and Accelerated Transition scenarios over the short-, medium- and long-term through to 2050. We also consider internal data, including customer demand, production estimates, business plan forecasts and financial metrics.

We plan to continue to revisit the analysis annually with updated projects, assumptions and current growth opportunities.

Summary of climate-related physical risks & opportunities

As the effects of climate change become more frequent and severe, our businesses continue to be exposed to the physical risks of climate change. We proactively assess and address the physical risks of climate change by investing in the resilience of our system and implementing preventative measures and mitigation plans. The table below describes the acute and chronic climate-related physical risks to our business. While climate-related risks and opportunities are integrated into our enterprise risk management processes, we also recognize unique attributes, such as longer time horizons and interconnectivity, could change the profile of these risks over time.

Acute	Potential impacts	Key mitigations
Extreme weather events (e.g., wildfire, strong winds, flooding, drought, extreme temperatures)	• Customer service disruption • Health and safety of employees and the public • Changes in operations and maintenance costs • Investment in resilience and hardening of infrastructure • Rebuilding more resilient infrastructure • Increased liability	• Asset hardening and maintenance • Proactive infrastructure route selection • Wildfire management plans • Emergency response plans • Vegetation management plans • Established regulatory processes for rebuilding damaged infrastructure • Insurance
Chronic		
Long-term shifts in climate	• Increased costs for adaptation and mitigation • Investment in resilience and hardening of infrastructure • Health and safety of employees and the public	• Long-term asset planning • Asset hardening and maintenance

Resilience to physical risks

As we evaluate ways to enhance reliability and improve resiliency of our assets, we take into consideration climate-related physical risks. Within our utility businesses, we have been undertaking climate scenario analysis to assess exposure to climate-related physical risks. In 2025, our electricity utility engaged a third party and completed a Climate Adaptation and Vulnerability Assessment (CAVA) to help inform long-term investment and adaptation initiatives. Our natural gas utility in Alberta also commenced work with a third party in 2025 to complete a CAVA study.

In Australia, we completed qualitative scenario analysis in line with Australian Accounting Standards Board (AASB) S2 requirements. This included an assessment of physical risks using relevant data from the Intergovernmental Panel on Climate Change's (IPCC) AR6 report. We assessed risks and opportunities within the SSP2-4.5 and SSP5-8.5 scenarios for the current, 2050 and 2075 time horizons. Our analysis was also informed by Australia's Future Climate and Hazards Report 2025, prepared by the Australian government, to provide more localized data. The results of these assessments, in conjunction with other system data, will be used to better understand overall risk exposure and inform system design and planning activities.

Forward-looking information advisory

Certain statements contained in this report constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this report includes, but is not limited to, references to: strategic plans, goals and targets; ATCO's commitment to sustainability and transparency; ATCO's progress toward and updates to its 2030 ESG targets, including revisions, retirements and additions (including the adoption of a new 2030 target related to psychological health and safety and the retirement of our 2030 target related to revenues derived from transitional product categories); ATCO's decision to pause its 2050 net-zero ambition at this time; ATCO's progress toward expected mandatory sustainability disclosure requirements; the energy transition and ATCO's role within it; ATCO's commitment to building equitable partnerships with Indigenous communities; ATCO's commitment to a diverse and inclusive environment; expectations regarding system reliability and availability, and grid modernization opportunities; ATCO Energy Systems' five-year (2026-2030) capital expenditure plan for its Alberta utilities including approximately $5 billion in capital spending on system reliability, safety and resiliency initiatives; expectations regarding emergency preparedness, public health and safety, and employee and contractor safety initiatives; ATCO's strategic focus on cleaner fuels, generation, energy infrastructure and storage, energy efficiency, and carbon credits and offsets; expected decarbonization, emissions reductions and carbon offsets; expected generation capacity, productive capacity and/or storage capacity of assets and projects, including assets and projects that have been acquired or that are expected to be developed in the future; growth expectations; the expected advancement of technology and integrated solutions to transition energy systems in a safe, secure, reliable, and affordable manner; the regulatory challenges associated with near-term progress for hydrogen production, export and blending; the expected impact, benefits, term, timing or value of contracts or projects; the expected generation, transmission, distribution, storage or transportation capacity associated with various assets or projects; the expected purchase and sale of electricity; planned uses of government funding; the timing for commencement, construction, commercial operations, expansion, and/or product supply in connection with facilities, assets, or projects; information pertaining to various projects, including the Yellowhead Pipeline Project, the Atlas Carbon Storage Hub project, and various other projects that are described in this report; and GHG emissions reductions initiatives and potential measurement methodologies and reporting frameworks.

Although ATCO believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare such information, such information does not constitute a guarantee of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. Such information involves a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated by such forward-looking information. The forward-looking information reflects ATCO's beliefs and assumptions with respect to, among other things: ATCO's current plans and its perception of historical trends; current conditions and expected future developments; system reliability, safety and resiliency projects underpinning approximately $5 billion in anticipated capital expenditures by ATCO Energy Systems in its Alberta utilities from 2026-2030; the approval of capital expenditures; regulatory approvals to allow for the recovery of prudently incurred capital expenditures and to earn a fair return on investment; certain other regulatory applications being made and approved; the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the key dependencies underlying ATCO's strategic focus on cleaner fuels, generation, energy infrastructure and storage, energy efficiency, and carbon credits and offsets; the development, performance, and implementation of processes, technology and technological innovations; the ability to access and implement commercially viable technology at scale necessary to achieve GHG and other ESG targets; the pace of the energy transition; continuing collaboration with certain business partners and engagement with new business partners, and regulatory and environmental groups; the performance of assets and equipment; inflation; demand levels for oil, natural gas, gasoline, diesel, and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the design specifications of development projects; the availability of labour, materials, services, and infrastructure; the satisfaction by third parties of their obligations; a constructive policy landscape and a supportive regulatory environment; the ability to meet current project schedules and complete proposed development projects at currently estimated project budgets; required workforce expertise and resourcing in place; the availability of financing sources on acceptable terms; assumptions related to electricity prices; and other assumptions inherent in management's expectations with respect to the forward-looking information identified herein.

ATCO's actual results could differ materially from those anticipated in the forward-looking information as a result of, among other things: risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and regulations and the interpretation and manner of enforcement of such laws and regulations; changes to government policies; regulatory decisions and the regulatory environment; competitive factors in the industries in which the company operates; evolving market or economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; future demand for resources; the development and execution of projects, including development projects, not proceeding on schedule or at all, or at currently estimated budgets; the availability of financing sources for development projects on acceptable terms; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of

equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential cancellation, termination, default, non-compliance, or breach of contract by contract counterparties; the risk that payments owed may not be collected or received in a timely manner, or at all; risks associated with potential litigation proceedings; potential damage to our brand and/or reputation that may result from a failure to perform, or from factors outside of our control, or negative publicity related to significant projects, investments, operations or activities; the risk of operational disruptions, outages, or force majeure events; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; global pandemics; the imposition of or changes to existing customs duties, tariffs or other trade restrictions; geopolitical tensions and wars; risks associated with operating in international jurisdictions; and other risk factors, many of which are beyond the control of the company. Due to the interdependencies and correlation of these factors, the impact of any one assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the company faces, see "Business Risks and Risk Management" in ATCO's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2025.

Statements made by ATCO representatives and information provided in this report may constitute future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. ATCO's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. ATCO has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this report.

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

Non-GAAP and other financial measures disclosure advisory

This report contains a total of segments measure, as such term is defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("NI 52-112")). NI 52-112 defines a "total of segments measure" as a financial measure disclosed by an issuer that (a) is a subtotal or total of two or more reportable segments of an entity, (b) is not a component of a line item disclosed in the primary financial statements of the entity, (c) is disclosed in the notes to the financial statements of the entity, and (d) is not disclosed in the primary financial statements of the entity. Consolidated adjusted earnings (loss) is a total of segments measure, as defined in NI 52-112.

Adjusted earnings (loss) are earnings (loss) attributable to Class I and Class II shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings (loss) also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings (loss) is not a standardized financial measure under the reporting framework used to prepare our financial statements and may not be comparable to similar financial measures disclosed by other issuers. The most directly comparable measure to adjusted earnings (loss) reported in accordance with International Financial Reporting Standards ("IFRS") is earnings (loss) attributable to Class I and Class II shares, which was $150 million for the year ended December 31, 2025. Management views adjusted earnings (loss) as a key measure of segment earnings that is used to assess segment performance and allocate resources and allows for a more effective analysis of operating performance and trends. It is also management's view that adjusted earnings (loss) allow a better assessment of the economics of rate regulation in Canada and Australia than IFRS earnings. Additional information regarding adjusted earnings (loss), including a reconciliation of adjusted earnings (loss) to earnings attributable to Class I and Class II shares, is provided in the MD&A under "Other Financial and Non-GAAP Measures", and under "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares".

The MD&A is available on SEDAR+ at www.sedarplus.ca. The referenced sections of the MD&A are incorporated by reference herein.

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