

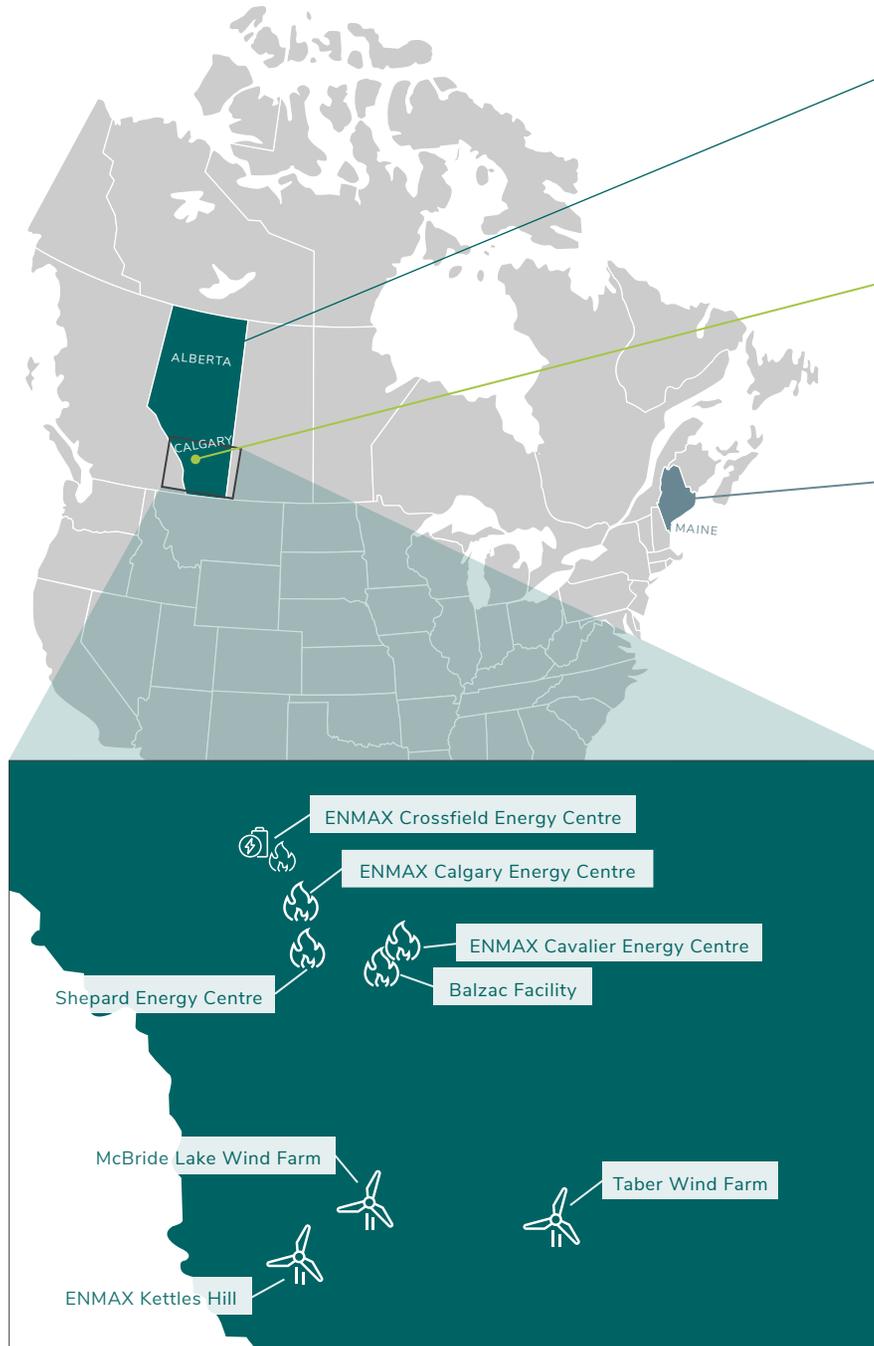
2020 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

EXECUTIVE SUMMARY



About ENMAX

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



ENMAX Energy

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

ENMAX Power

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

Versant Power

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

- » **5** natural gas power plants (4 operated, 1 non-operated)
- 3** wind power generation facilities (1 non-operated)
- 1** battery storage (operated)

For further information and to view the full report, you can access ENMAX's 2020 Environmental, Social and Governance report at enmax.com/esg

Message from Wayne

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

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

We are proud of ENMAX's strong history of environmental, social and governance leadership, and I want to thank our team and leaders, past and present, who worked hard to make that happen. As we move forward, we build on this legacy as we advance our sustainability efforts in ways that benefit those we serve and the environment in which we operate.

I also want to recognize the ENMAX team for the remarkable safety, dedication and resiliency they demonstrated over this past year while continuing to prepare for the opportunities and challenges ahead in a changing world.

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

Our goals and objectives reflect our commitments, and I look forward to reporting on the progress we will continue to make in the years ahead.

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



Wayne O'Connor
President and Chief Executive Officer

A handwritten signature in black ink that reads "Wayne O'Connor".

VISION	FOCUS	TARGETS ¹	
<p>Greenhouse gas emissions and the energy transition</p> 	<p>As a solutions-driven and future-oriented essential electricity service provider, ENMAX aims to actively contribute to a cleaner energy future by committing to achieve net-zero scope 1 and scope 2 GHG emissions by 2050.</p>	<p>Contribute to a cleaner energy future by reducing the emissions associated with our business footprint.</p>	
<ul style="list-style-type: none"> As a milestone towards achieving our net-zero vision, we plan to reduce or offset 70% of our scope 1 and scope 2 GHG emissions by 2030 from a 2015 baseline. Our three-part approach includes our plan to: <ul style="list-style-type: none"> Electrify 35% of our mobile fleet by 2025 towards our aspirational goal of electrifying 100% of our mobile fleet by 2030; Offset 100% of our building GHG emissions (scope 1 and scope 2) from 2021 onwards; and Reduce or offset GHG emissions associated with our power generation portfolio by continuing to invest in efficiency improvements and new technologies. 			
<p>Reliability and innovation</p> 	<p>As we seek to advance a cleaner energy future and enable the future needs of customers, ENMAX will evolve our grid to meet changing expectations.</p>	<p>Prepare for and enable the opportunities presented by decarbonization, electrification and the adoption of distributed energy resources.</p>	<ul style="list-style-type: none"> ENMAX Power plans to invest \$60 million to enable a more resilient grid by 2030 while maintaining its reliability levels.
<p>Diversity, inclusion & belonging</p> 	<p>ENMAX aims to attract and retain a workforce that is reflective of our community and create an environment where everyone has a sense of belonging.</p>	<p>Meaningfully embed diversity, inclusion and belonging into our people and business practices to drive how we attract, retain, and grow team members and engage our customers and communities.</p>	<ul style="list-style-type: none"> Complete a third-party assessment of our HR policies to identify additional opportunities to remove bias and promote equal access to opportunities in 2021. 100% of senior leaders (director and above) to complete inclusive leadership competency training in 2021, and all other leaders to complete the training in 2022. Complete an assessment of our customer and vendor practices by 2023 to identify further opportunities to advance inclusive customer experiences and vendor management processes.
<p>Energy affordability</p> 	<p>ENMAX's goal is to eliminate barriers for vulnerable customers that may impact or inhibit access to safe, reliable and affordable energy.</p>	<p>Support vulnerable customers through programs, resources and partnerships.</p>	<ul style="list-style-type: none"> Spend at least 30% of our community investment budget each year on activities and organizations that support customers at the various stages of the energy affordability lifecycle. By 2025, increase the proportion of spending in this area to 40%. Deliver 1,000 energy saving kits to Albertans by 2022. By 2025, conduct four pilot projects to test programs or solutions that work towards removing barriers to energy access and affordability.

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

ENVIRONMENT

At ENMAX, we are committed to advancing a cleaner energy future for the benefit of our customers, communities and our Shareholder, The City of Calgary. We endeavour to provide environmentally responsible energy solutions to the communities we serve by continuously reducing our greenhouse gas (GHG) emissions, managing air quality, delivering reliable power, evolving the grid to meet customer needs, mitigating climate-related physical impacts and optimizing our water use.

Highlights

GHG Emissions

- The advancement of a cleaner energy future is a mandate under which ENMAX has operated for decades. The increasing importance of advancing efforts to address climate change is a core part of our strategy and business focus. This commitment is demonstrated through examining and continuously reducing our GHG emissions.
- We completed the installation of a battery storage system at Crossfield Energy Centre which turned the facility's existing natural gas turbine into Canada's first hybrid electric gas turbine to offer required standby power generation without having to burn natural gas. The project is estimated to reduce 45,000 tonnes of GHG emissions from the grid per year from 2020 to 2025.

14% renewable generation capacity

0.39 tonnes of CO₂e per MWh, the GHG intensity of our power generation portfolio

Target: 70% reduction of our net emissions by 2030 from our 2015 baseline



Target: 35% of our mobile fleet to be electric vehicles by 2025

Electrifying our vehicle fleet

- We are testing two medium-duty fully electric trucks—the first project of its kind in Canada. During the pilot, we will test truck capacity and performance in all weather conditions and will track the performance and usage of the battery and charging infrastructure to determine overall viability.

Preparing the grid for electrification

- In 2019 we launched Charge Up, a small-scale EV charging pilot to help us understand how Calgarians use EVs and the potential impact on our electricity system. In 2020, the pilot team enrolled participants and facilitated residential charger installations, with the installation of public chargers expected in 2021.

Adapting the grid

- Rising customer interest in local small-scale power generation installations such as solar photovoltaic, micro wind and storage has created new challenges for safe and reliable grid integration. We are meeting our customers' evolving needs and interests through two-way power flow, understanding the grid's hosting capacity, preparing for transportation electrification through our Charge Up electric vehicle charging pilot, and enabling customers' renewable power generation needs through our solar installation services.
- ENMAX Energy continues to maintain our position as one of Alberta's leading solar retailers.

>36 MW of solar installed in Alberta by ENMAX since 2009

~150 distributed generation solar projects supported in Maine

<30 minutes of power interruption experienced by our customers in a year (customers of Canadian Electricity Association member companies experience, on average, seven hours of outages per year)

48% of Calgary's non-downtown system has an automated system that detects a fault, automatically isolates it and rapidly restores it



Reliably delivering energy

Technology and innovation play a key role in maintaining the reliability of our system. Some of the technologies we use include:

- Calgary's non-downtown distribution system uses a technology called Distribution Automation. This system has saved an estimated 30 million minutes of outage time over the past 10 years because it can detect a fault, automatically isolate it and rapidly restore the system.
- In 2019, we installed a system that predicts the origin of an outage in order to efficiently dispatch a service person to the location for restoration. The system also automatically identifies and posts outage information for customers on an integrated website map and via Twitter.
- We also developed the Predictive Failure Program that uses a machine learning model with access to more than 1.5 million data points. The model helps improve and maintain grid reliability and optimizes spending while reducing outages.

Water use

- We carefully manage our water withdrawals and monitor our wastewater disposal. The majority of our water use is for essential power generation processes—intake water is used for cooling purposes in cooling towers, and the remainder is purified on-site to create steam in our combined-cycle power plants.
- We strive to minimize our freshwater use by using as much reclaimed water in our operations as possible. By design, our Shepard Energy Centre uses 100 per cent reclaimed water (also called greywater) from The City of Calgary's Bonnybrook Wastewater Treatment Facility for all its power generation needs. Each year, this saves the plant from having to draw nearly six million cubic meters of freshwater from the Bow River.

100% reclaimed water used at our Shepard power generation facility

6 million m³ of freshwater use avoided each year by using reclaimed water



~50% below allowed regulatory levels for NO_x emissions

Air quality

- We diligently track and report non-GHG emissions from our power generation facilities in Calgary and the surrounding urban area and take our role seriously in helping to protect local air quality in our region.
- We participate as an industry member of the [Clean Air Strategic Alliance \(CASA\)](#) and [Calgary Regional Air Zone \(CRAZ\)](#) to represent our power generation assets. CASA is a multi-stakeholder partnership created to help manage air quality in Alberta.

SOCIAL

At ENMAX, we never lose sight of health, safety and well being as our top priorities. Through the course of our daily activities, we act with others in mind, whether they are our fellow coworkers, customers, Indigenous or local communities, or the general public. Within our organization, our actions are guided by the vision of providing a safe and supportive work environment where everyone feels like they belong. Outside our organization, we endeavour to ensure our customers are supported through access to safe, reliable and cost-effective electricity services, and to create a positive impact on the communities where we live and work by giving back in meaningful ways that align with our values.

Highlights

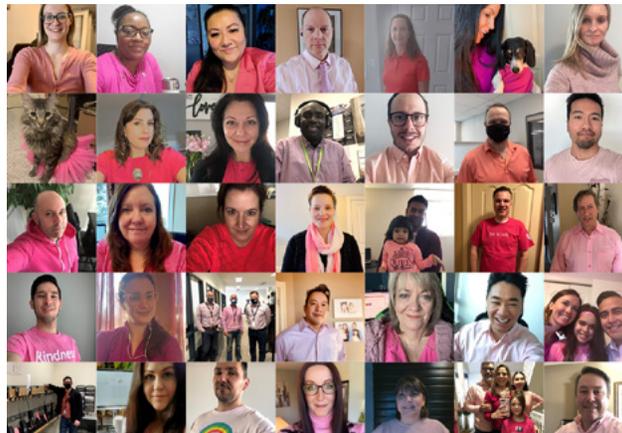
25,352 electronic hazard assessments (tailboards) completed in 2020

66% reduction in ENMAX recordable injury frequency in the last four years

74% reduction in ENMAX lost time injury frequency

Safety

- Our field level hazard assessments proactively identify and control hazards in work areas. In ENMAX Power, these are called tailboards and are completed by our Alberta field teams in real-time on iPads.
- To continuously improve our safety performance, we have customized safety programs to target both our most significant and our most common injuries: driving risks, electrical contact, and slips, trips and falls.



Diversity, inclusion & belonging

- Across ENMAX, we have a shared vision of attracting and retaining a workforce that is reflective of our communities and that creates an environment where everyone has a sense of belonging.
- Our Board Diversity Policy guides our efforts towards our aspirational diversity targets. Thirty per cent of our Board are women.
- We established a Diversity, Inclusion and Belonging Executive Steering Committee, have begun executing a plan in 2021 and have set targets.

Energy affordability

- We support customers by offering free tools and resources like our Winter Wise and Summer Smart energy tips series and My Energy IQ™.
- To further support vulnerable customers with utility needs, we partner with Trellis, Distress Centre Calgary, United Way of Central Alberta and Bissell Centre (Edmonton). Our connection and support to these agencies allows us to direct people to organizations to get the help they need.
- In Maine, Versant Power works closely with state and county programs that qualify customers to receive assistance for heating through their Low Income Assistance Program, or for those who fall behind on electricity bills, through their Arrearage Management Program.

>300 languages: In partnership with Multilingual Community Interpreters Service Language Solutions, we provide interpretation services in more than 300 languages to our customers to remove barriers to energy access

30% of our community investment budget will be dedicated to support energy affordability

As part of our pivot to online learning and development, in 2020:

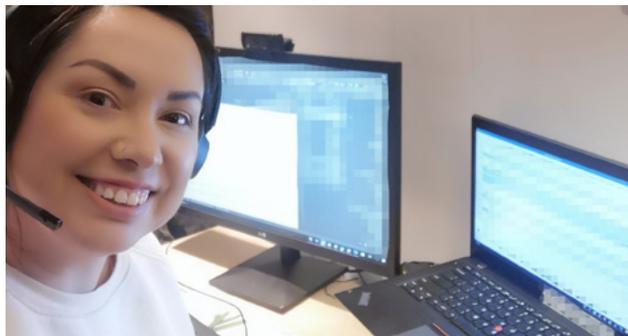
>500 people participated in 49 webinars

>350 participants engaged in 7 workshops

88% of employees in our 2020 employee engagement survey (exceeding Gallup's utility industry participation average of 84%)

Employee engagement and development

- Powering the potential of our people is critical to our success as an organization. As learning and development are critical factors in employee engagement, our programs aim to support employee growth by providing opportunities for career development.
- We have taken a number of actions to incorporate learnings and increase engagement based on our 2020 employee engagement survey results.
- In response to the pandemic, we pivoted our learning and development offerings to a virtual format, offering several webinars and workshops.



\$2.75 million in cash, in-kind and employee donations to local agencies in Alberta during 2020

~\$550,000 annually committed by Versant Power to charities, sponsorships and other community investments in Maine

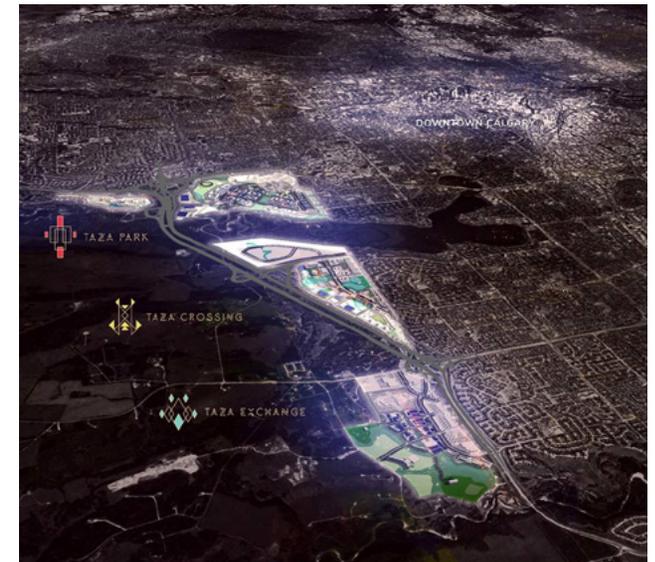
Giving back to our communities

- We are committed to supporting our communities in Alberta and Maine through sponsorships, donations, partnerships and employee volunteerism.
- We engage the London Benchmarking Group Canada to review our community investment performance.
- ENMAX and Versant Power offer matching funds for employees' volunteer and fundraising activities.

>1,000 km² is the service area, in and around Calgary, covered by ENMAX Power's electrical distribution

Community & stakeholder relations

- We are committed to understanding the needs and interests of all stakeholders and promote two-way communication.
- We look to support the economic and social development of Indigenous communities.
- In 2020, we worked closely with the Tsuut'ina Nation to install new electrical infrastructure for a 1,200-acre development on the Tsuut'ina Nation reserve, which is planned to host new hospitality and entertainment venues, an innovation and research campus, office spaces, new homes, and a variety of retail and wholesale stores.



OUR RESPONSE TO COVID-19

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

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

Highlights

Supporting customers



- Recognizing the need to support and care for our customers in new ways due to the additional financial strain brought on by the COVID-19 pandemic, we were the first utility in Alberta to offer a [COVID-19 Relief program](#). The program offered payment deferrals, increased flexibility for payment installment plans, and suspended collection-related activities and disconnections for non-payment.

Health & wellness



- We provided additional support during the early months and continue to invest in our team's mental and physical wellbeing through workshops, apps, and access to mental and physical health and wellness resources.

\$115,000

donated to the COVID-19
Community Response Fund

Community support

- Last year, we contributed to the COVID-19 Community Response Fund, a program implemented by The City of Calgary, CEMA, and the United Way of Calgary and Area in support of community agencies that work with vulnerable populations at increased risk due to the pandemic. ENMAX also provided additional relief funding to long-standing agency partners.

Employee engagement

- To support our team members to excel in a remote, disrupted environment, while continuing to meet business needs, we supported our leaders and teams through: increased employee communications, a new webinar series (on topics such as team connection, agility, communication in a remote environment, change management and mental health), and workshops to provide opportunities for skill building, peer learning, and social connection with other team members.

Emergency response



- We made significant changes to our emergency response program including modifying our large emergency response exercises. A combination of full-scale/virtual tabletop exercises was conducted across facilities.
- Also, pandemic-type exercises and responses will become part of our scenarios to be tested in years to come.

Stakeholder consultation

- In 2020, we had 15 to 20 projects that required stakeholder consultation. To respect physical distancing as a result of COVID-19, we adjusted our approach to in-person engagement by delivering contactless project information packages to the occupant, resident, or landowner, along with an additional cover letter explaining the changes in our consultation approach due to COVID-19.

GOVERNANCE

At ENMAX, we believe that the creation of meaningful value for our Shareholder and our customers comes from operating our business in a responsible and sustainable manner today and into the future. We are guided by the principle that how we conduct our business is equally as important as the profits we earn. Our governance structure fosters ethical and responsible decision-making, and we seek to continually improve our understanding of the internal and external impact of our business practices on our customers, business partners and stakeholders.

Highlights

9 out of 10 of our Board members are independent (as of Dec 31, 2020)

30% of our Board members are women (as of Dec 31, 2020)

Board independence & diversity

- Our Board Diversity Policy includes the following aspirational diversity targets: (i) an aspirational goal whereby at least 30 per cent of our Directors are women; and (ii) an aspirational goal whereby at least one member of the Board is from an under-represented group, relative to the communities served by ENMAX.

Ethics

- At ENMAX, we are guided by strong principles of accountability, transparency and ethics in our decision making and behaviour, which are reinforced by our Principles of Business Ethics Policy and our Code of Conduct Regulation.
- All employees, including our contractors as assigned, are required to complete annual training on the Principles of Business Ethics Policy, Safe and Respectful Workplace, and Code of Conduct.

2,150 individuals completed ethics and respectful workplace training in 2020

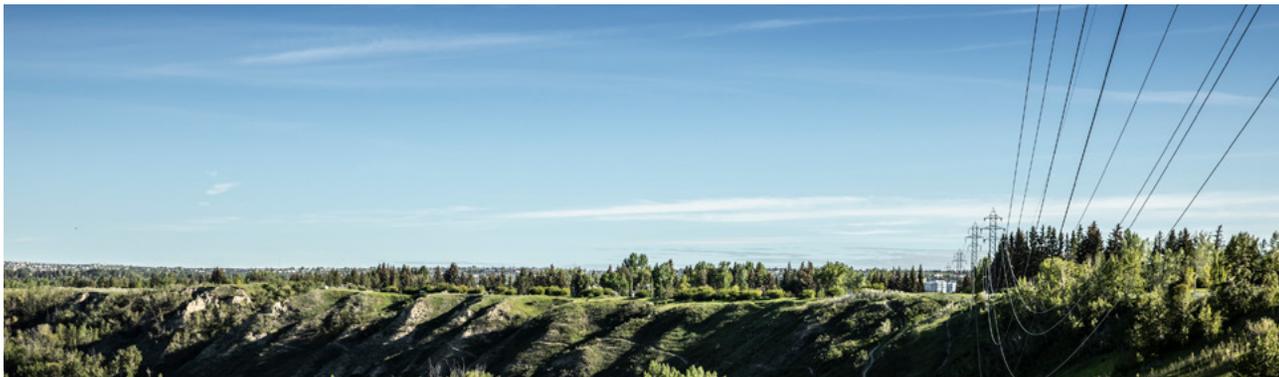


1,792 employees received cybersecurity training in 2020

14 phishing tests conducted in 2020

Cybersecurity and data privacy

- We work diligently to protect our systems, information, customer data and physical assets from growing cybersecurity risks. We mitigate these risks through a robust cybersecurity program.
- Resilience to cyber threats is exceptionally important for organizations like ours that own and operate critical electricity infrastructure. At ENMAX Power, we place high attention on maintaining the cybersecurity of our operational technology systems as they directly impact physical systems and the delivery of power to our customers.
- The frameworks that guide our cybersecurity practices include the National Institute of Standards and Technology Cybersecurity Framework, the Critical Infrastructure Protection rules and the Center for Internet Security.



Customer satisfaction

- We take the customer experience seriously. ENMAX Energy has continually improved our customer satisfaction levels over the last four years.
- The ENMAX Voice of the Customer survey provides data trends and opportunities to improve our processes and coach or reward our agents.
- Versant Power has a customer contact center staffed with local customer service representatives in Presque Isle and Bangor. To foster high-quality customer service, Versant Power provides a 10-week training program to onboard new representatives, and offers continuing coaching and training for tenured representatives.

690,000 residential, commercial and industrial customers in Alberta

160,000 customers in Maine

665,000 calls per year received at our Customer Care center in Alberta

84% responsiveness to customer calls in Maine (defined as calls answered in 30 seconds)



Governance for ESG

- We have mature management systems, clear data collection and reporting, and strong internal structures to effectively manage our safety and environmental risks. These policies and systems include:
 - We follow the Alberta Safety Codes Act, which governs public safety.
 - All work carried out in Alberta is in accordance with Alberta's Occupational Health and Safety Code.
 - Our safety management system is aligned with ISO 45001.
 - Our environmental management system is modeled after the requirements of the Canadian Electricity Association's Sustainable Electricity™ program and ISO 14001, an international standard for environmental management.
- Versant Power has its own robust safety management system aligned with OSHA 45001.

Risk management

- ENMAX uses an established Enterprise Risk Management (ERM) program to identify, analyze, evaluate, treat and communicate our risk exposures in a manner consistent with our business objectives and risk tolerance. Our ERM system helps us monitor and evaluate financial, reputational, regulatory, environmental and social risks.
- To ensure we monitor and manage risks appropriately, we regularly conduct an enterprise risk assessment process and consolidated risk reporting. In 2019, we incorporated climate change risks into the most impacted areas of risk within our existing ERM system.

For further information and to view the full report, you can access ENMAX's 2020 Environmental, Social and Governance report at enmax.com/esg