

<b>POLICY NO:</b>	113	<b>TITLE:</b>	ESG Policy
<b>SECTION:</b>	Corporate Services		
<b>APPROVAL DATE:</b>	September 21, 2021	<b>REVISION DATE:</b>	June 22, 2022
<b>AUTHORITY:</b>	Board of Directors	<b>REFERENCE:</b>	
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### **PURPOSE**

Aquatera Utilities Inc. (Aquatera) meets its Core Purpose of Growing Healthy Communities focusing on sustainable solutions, inclusive, equitable, and diverse employment practices and transparent communication with our stakeholders. We will achieve this through a combination of Environmental stewardship practices, Social responsibility and Governance performance (ESG). Our commitment covers every aspect of our business.

This policy applies to Aquatera’s Board of Directors, employees, stakeholders, vendors and third parties engaged to do business on the company’s behalf and to any person providing services on the company’s behalf.

### **TERMS OF THE POLICY**

#### **Environmental Commitments:**

As a steward of the environment, Aquatera will embed environmental protection and sustainability in everything we do. We have a responsibility to; the natural habitat, the environment, and the communities that we serve; to minimize the environmental impacts while protecting public health and safety.

**Operations:** Aquatera owns and operates a Regional Water Treatment Facility, a Water Distribution System, a Wastewater Treatment Facility, a Wastewater Collection System, an award winning Recycling Center and a Landfill. These operations can represent significant risks to the environment and public health; and as such, we understand the importance of operating in an environmentally ethical and trustworthy manner and do so by implementing sound environmental management practices.

To meet our goals, Aquatera’s employees ensure compliance by adhering to environmental legislation while seeking ways to minimize our environmental footprint. We aim to reduce these impacts across the full life cycle of our infrastructure and our corporate operations – managing, protecting and conserving for present and future generations.

Aquatera has defined measures and initiatives in place for the conservation of water; we also manage and maintain comprehensive water, wastewater, and solid waste environmental compliance and regulatory approvals programs. To ensure compliance, audits are performed and reported on by Alberta Environment, with water quality and water safety reported to Alberta Environment on a monthly basis.

Stakeholders: We also recognize that consumers of the company's products and services have a responsibility to minimize their impact on the environment. Aquatera has implemented a number of educational programs and campaigns in which customers can make conscientious and knowledgeable decisions to conserve water, improve safety and responsibly dispose of unwanted or hazardous materials.

Capital projects for growth are key to Aquatera's sustainability. We work closely with shareholders, regulators, engineering firms and contractors to ensure that all environmental considerations are analysed during planning phases, including how we design and build new projects, upgrades to existing infrastructure, major operational changes, and progress reporting.

**Climate Change:** Aquatera recognizes that the climate is changing. Through innovation, technology, stakeholder engagement and education tactics, we are committed to promoting water conservation, recycling, decreasing the use of internal energy and minimizing operational carbon impacts.

We take a long-term and impactful approach to climate change through innovative projects such as the Landfill Gas-to-Energy Project. Through this project we are capturing fugitive emissions to create heat and electricity for our water treatment plant while reducing our GHG impact by approximately 40,000 tonnes per annum.

We will increase our knowledge on climate change by engaging with key industry players on environmental sustainability. Key organizations that we participate in include:

- Alberta Water and Wastewater Operator Association (AWWOA)
- Solid Waste Association of North America (SWANA)
- Provincial and Federal Regulators
- Water North Coalition
- Peace Air-Shed Zone Association (PASZA)
- Recycling Association of Alberta
- Western Canada Water and Wastewater Association (WCWWA)

### **Social Responsibility:**

Growing Healthy Communities also means looking within our own internal employee community. Our company values of safety, quality, respect and teamwork provide the foundation of who we are. We believe people are the heart of our business and take pride in creating a positive and healthy culture. Aquatera strives to be an exemplary employer as well as a valued and trusted partner to our communities.

Compensation and Benefits: The first step in hiring and retaining the best talent is to create a safe and positive workplace where people feel valued. By performing regular compensation analysis, we ensure our employees fair and competitive compensation. We have a healthy benefits plan that ensures the health and wellness of our permanent employees and their families, including an employee personal services plan and other mental health resources.

Culture, Engagement and Development: We have created a fun, accountable, engaging and flexible work environment that rewards innovation and collaboration at all levels. Every new employee receives an orientation package and a site tour of the facilities. Leaders are encouraged to demonstrate an "open door policy" and employees can provide feedback through their annual performance reviews or through employee satisfaction surveys that are conducted twice a year. Appreciation events for employees and their families are held throughout the year.

In the spirit of continuous improvement, we have developed a continuous improvement program that recognizes and rewards great ideas within the company through Innovation, Discovery, Education and Advancement.

The goal of IDEA is to:

- Promote Innovation;
- Challenge employees to Discover new ways to do business;
- Educate each other on changes happening within the company;
- Advance the organization through savings (safety, time, money).

Succession plans have been developed for key roles and we encourage both managers and employees to discuss future or continuous development opportunities through annual performance reviews.

**Health and Safety:** The health and safety of our employees, contractors, communities and customers is of the utmost importance to us. We adhere to leading health and safety standards across our company, and each year we conduct various health seminars and require all employees to complete applicable safety training.

**Diversity and Inclusion:** Starting at the Board level, we embrace and value diversity in all its forms, including gender, age, ethnicity, cultural background or diversity of thought. Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. We believe that employing individuals with different backgrounds, views, experiences and capabilities makes us a stronger organization, and we are focussed on creating an inclusive environment that respects, encourages and celebrates the differences and contributions of all our employees. We seek to maintain a positive workplace, free from discrimination and harassment. We champion pay equity and mutual respect, promoting an environment of fairness and equality.

Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the Board level, where we recognize that diversity strengthens Board performance and promotes long-term shareholder and community value.

**Strengthening our Communities:** We have a long history of providing meaningful, and often transformational support to the communities in which we operate. Per Aquatera's Sponsorship Policy, we will commit at least one (1) per cent of net income (before dividends) to the community through sponsorships each year.

Aligning with our Core Purpose, our support within the communities we serve focusses on:

- Environment and natural spaces
- Youth
- Education
- Active living
- Community investment and partnerships
- Waste reduction and/or water conservation

It is Aquatera's belief that employee giving and community involvement is beneficial to the communities we serve. This may include volunteer work, as well as being flexible in work schedules to a maximum of eight hours paid leave time to allow for employee participation in volunteer roles and other support when applicable. We will also match employee donations that meet Aquatera's Sponsorship Policy criteria to a maximum of \$100.

Aquatera boasts two unique programs (Bottle Donation Program and Litter Pickup Program) in which local residents and groups can also give back and support the community. In partnership with Recycle Plus, a community-based non-profit organization owned and operated by Signature Support Services, Aquatera is very proud to manage the Bottle Donation Program. This program provides local residents with an easy way to support the community by donating their refundable recyclables to a non-profit charity. Managed in entirety by Aquatera, the Litter Pickup Program sponsors local groups with a monetary exchange to pick up litter on-site at our Landfill, along Highway 40, the Correction Line and Resources Road. Both programs have a two-fold benefit, not only do they support the community, they also have a positive impact on the environment.

**Truth and Reconciliation:** Aquatera has adopted the definition of truth and reconciliation from the Truth and Reconciliation Commission. We recognize that truth and reconciliation is an ongoing and evolving process and that every interaction with Indigenous Peoples and non-Indigenous people is an opportunity to advance truth and reconciliation. Aquatera further recognizes that truth and reconciliation will be distinct to the First Nations, Inuit, and Métis peoples. We acknowledge the homeland of the many diverse First Nations and Métis people whose ancestors have walked this land since time immemorial and we are grateful to work, live and learn on the traditional territory of Treaty 8.

### **Governance:**

As an essential service provider, we understand the importance and value of creating and maintaining a strong and practical governance structure. To ensure the health and well-being of the communities we serve, the employees who work for us and other stakeholders or partners, we will comply with all applicable laws, rules, standards, regulations and policies, as well as adhering to our values.

**Corporate Governance:** We have a diverse and highly skilled Board of Directors with three committees: Audit and Risk, Governance and Environmental, Human Resources and Compensation. We promote Board independence and embrace Board diversity in all its facets, including skills, experience, gender, ethnicity, and race. The Board's Corporate Governance documents provide guidelines to help our Board of Directors exercise their responsibilities and serve in the best interest of the company. We have policies and procedures in place to guide our financial decisions, human resources planning and adherence to safety and environmental compliance.

**Transparency:** We believe in holding ourselves accountable to our commitments. We publish information about our ESG performance on a regular basis via our company website, Annual Sustainability Report, presentations, Year in Review and Board Governance Disclosure Annual Report.

**Ethics:** Governed by a Corporate Code of Conduct, our Directors and all employees, including officers and management, conduct themselves in accordance with the highest moral and ethical standards.

Aquatera is committed to ensuring a fair workplace for our employees as well as partners with whom we do business. We have policies to protect against unlawful discrimination and harassment. We encourage honest and direct communication to resolve issues and concerns in an expeditious manner. A company Whistle-blower Hotline was incorporated to provide an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behaviour, or fraud.

## **DEFINITIONS**

Truth and Reconciliation Definition:

The Truth and Reconciliation Commission defines “reconciliation” as an ongoing process of establishing and maintaining respectful relationships. A critical part of this process involves repairing damaged trust by making apologies, providing individual and collective reparations, and following through with concrete actions that demonstrate real societal change. Establishing respectful relationships also requires the revitalization of Indigenous law and legal traditions. It is important that all Canadians understand how traditional First Nations, Inuit, and Métis approaches to resolving conflict, repairing harm, and restoring relationships can inform the reconciliation process.

[Truth and Reconciliation Commission. “Reconciliation as a Relationship” Publication: \*What We Have Learned, Principles of Truth and Reconciliation\*, 2015, pp 225-226](#)

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