

Q1 2023

CORPORATE ENGAGEMENT PROGRESS REPORT: **ALTAGAS**

Sector

Utilities

Focus theme; sub-theme(s)

Net-zero alignment; net-zero commitments and transition plans

Related UN Sustainable Development Goal(s)



Engagement activity

Climate Engagement Canada (second meeting)

Responsiveness

Highly responsive

Holding status (subject to change without notice)

NEI Canadian Equity RS Fund, NEI Canadian Small Cap Equity RS Fund, NEI Canadian Bond Fund, NEI ESG Canadian Enhanced Index Fund, NEI Fixed Income Pool

AltaGas working to balance its businesses in context of energy transition

Objective: Obtain a deeper understanding of where the company sees itself in the context of the energy transition; press forward on objectives set out by Climate Engagement Canada (CEC).

We are heartened to see that Calgary-based AltaGas has ramped up its ambitions around the energy transition. We met with the company in February for the second time as part of our investor collaboration through the CEC. The collaboration builds on our previous solo engagements with the company, and we are happy to have more voices at the table.

AltaGas’s midstream business includes global export facilities and processing and logistics infrastructure, as well as hydrocarbon storage and handling services. Its utilities business provides natural gas

to customers in the U.S. This dual-nature, and the different emissions profiles of each business, is one of the challenges AltaGas says they are facing in solidifying a company-wide emissions reduction target (a key ask of the CEC engagement). They have set an absolute target for their utilities business whereas their midstream business has an intensity target, as they work to understand their corporate-wide emissions reduction opportunities.

We discussed the importance of seeing disclosure around capital spending at the strategy level versus spending on “business as usual” activities. The company was receptive to the idea and agreed to look into it further. We also discussed the challenges of customer affordability in a high inflation environment, and how the company is striving to balance customer


need with transition goals that require greater investment. Yet another topic was methane. The company agreed to consider our suggestion to pursue membership in the Oil & Gas Methane Partnership 2.0, a measurement-based international reporting framework established by the United Nations Environment Programme.

Next steps: We will continue to work with AltaGas as part of our CEC investor collaboration to advance the goals of the CEC.

Leadership in corporate engagement

Our goal is to protect shareholder value while influencing accountability to all stakeholders.

We believe the most effective tool for achieving that goal is corporate engagement. We talk directly with companies—alerting them to ESG risks, encouraging them to improve their ESG performance, and influencing how they are run. The NEI approach to corporate engagement is a proprietary model that incorporates internationally recognized principles and frameworks such as the Principles for Responsible Investment, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines, and the UN’s Sustainable Development Goals.



Talk to your advisor today about how responsible investment solutions from NEI can help you achieve your goals.

This report is based on NEI records, research and impressions gathered during company engagements. Unless otherwise indicated, no company identified in this report reviewed its contents before publication.

This material is for informational and educational purposes and it is not intended to provide specific advice including, without limitation, investment, financial, tax or similar matters. The views expressed herein are subject to change without notice as markets change over time. Information herein is believed to be reliable but NEI does not warrant its completeness or accuracy. Views expressed regarding a particular security, industry or market sector should not be considered an indication of trading intent of any funds managed by NEI Investments. Forward-looking statements are not guaranteed of future performance and risks and uncertainties often cause actual results to differ materially from forward-looking information or expectations. Do not place undue reliance on forward-looking information.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

NEI Investments is a registered trademark of Northwest & Ethical Investments L.P. (“NEI LP”). Northwest & Ethical Investments Inc. is the general partner of NEI LP and a wholly-owned subsidiary of Aviso Wealth Inc. (“Aviso”). Aviso is the sole limited partner of NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited.

2300253E AG 04/23 AODA