



2024 ESG Report

Powering the future

A sustainability
journey amid
transformation
and transition

Algonquin



Algonquin Power and Utilities¹ 2024 ESG Report

Powering the future

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Forward-looking statements and forward-looking information

This report contains forward-looking information which is based on certain factors and assumptions and subject to certain risks. All forward-looking information in this report is given pursuant to the "safe harbour" provisions of applicable securities legislation. Please refer to "Forward-looking statements and forward-looking information" in the Appendices starting on [page 30](#) of this report.

* Unless otherwise indicated herein, the information in this report is provided as at December 31, 2023.

* All dollar references in this report are to U.S. dollars unless otherwise indicated.

1. Algonquin Power & Utilities Corp., (also referred to in this report as "Algonquin", "AQN", "the Corporation", and "the company") is the parent company of Liberty. Our Renewable Energy Group and Regulated Services Group are collectively known as Liberty.

Letter from the Chief Executive Officer

A sustainability journey amid transformation and transition

As we progress on our journey to a low-carbon future, “transformation” and “transition” are constantly heard in reference to the utilities sector. While the impacts and opportunities entailed by these terms are always front of mind at Algonquin, 2023 saw the words take on a new mission-critical level of significance. Following a strategic review, in August 2023, Algonquin announced that it would be pursuing the sale of our non-regulated renewable energy generation business with the goal of transforming the company into a pure-play regulated utility, focused on the electricity, natural gas, water, and wastewater sectors.

2023 was also a year of transition for Algonquin. On the sustainability front, we closed out our first set of five-year environmental, social, and governance (“ESG”) targets and began the transition to a fresh set of interim goals that will guide our sustainability efforts through the company’s transformation. This includes focusing on continued carbon reductions in our regulated businesses, combined with plans to support diversity across our workforce, and further evolving our sustainability governance in pursuit of continually improving performance.

While it is important to recognize the ongoing changes that we are navigating, it is equally as important to acknowledge our sustainability achievements. I am happy to report that, by the end of 2023, we succeeded in meeting or exceeding five of the nine ESG targets we set in 2019 and achieved more than 90% completion in the four remaining goals. Perhaps most notably, we have reduced our Scope 1 and 2 greenhouse gas (“GHG”) emissions by more than one million tonnes since 2017, a 41% reduction; our corporate carbon intensity continued to improve, as we brought 434 MW of new renewable generation online; we improved the efficiency of our electricity generation from fossil fuels; and we reduced fugitive emissions from leak-prone natural gas pipes through our ongoing infrastructure upgrade program.

It is always gratifying to see involvement with, and connection to, the communities where we live and work. Our team of almost 4,000 employees achieved a record 11,155 hours volunteered in one year, as they continued to be active on multiple fronts, supporting numerous corporate and community-based environmental and social events. This included everything from low-income communities to pollinator habitat creation, community garden development, and environmental clean-up along waterways.

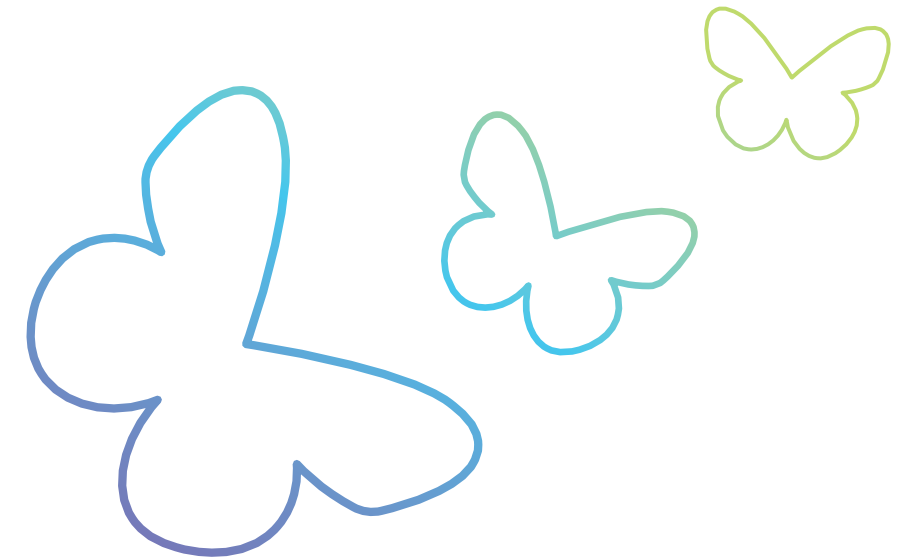
Our employees’ safety and well-being also continued to be a primary focus. I am happy to report that in 2023 we maintained our industry-leading safety record. Once again, we were recognized with the American Gas Association’s Safety Achievement Award, and in June 2024, we celebrated 10 years without a lost-time injury in our renewable generation business. Simply put, safety is part of everything we do. It takes the combined effort of our entire team to create the culture and processes needed to see these kinds of results. I am pleased to lead an organization that has taken this to heart and implemented this approach with great success.

This report provides a much more comprehensive picture of our sustainability efforts and achievements than I possibly can in a short letter. Please dig into the data and disclosures to get the full story as we continue to focus on transformation and transitions, big and small, for Algonquin.

Sincerely,

Chris Huskilton
Chief Executive Officer

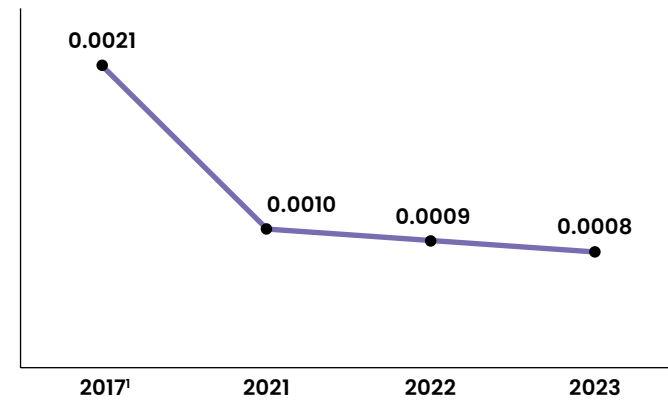
“I am pleased to present our 2024 ESG report, tracking our continued progress toward being a more sustainable business for the environment, for our employees, and for the communities where we live and work.”



Executive summary – highlights of key ESG metrics

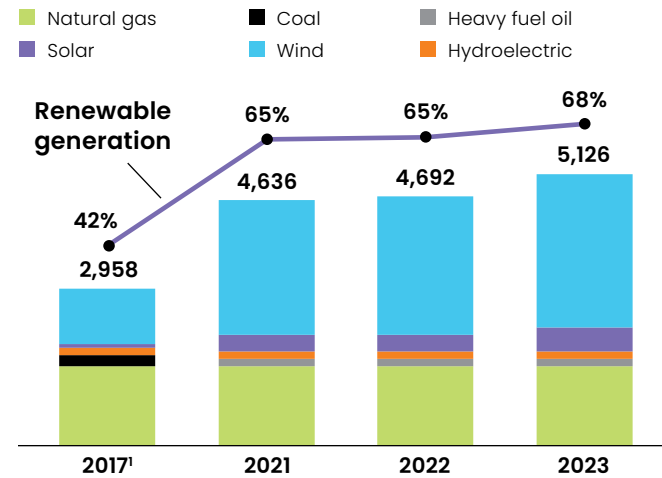
Decreased GHG emission intensity by 62%

Scope 1 and 2 GHG emission intensity
(Mt CO₂e/U.S. dollar revenue)



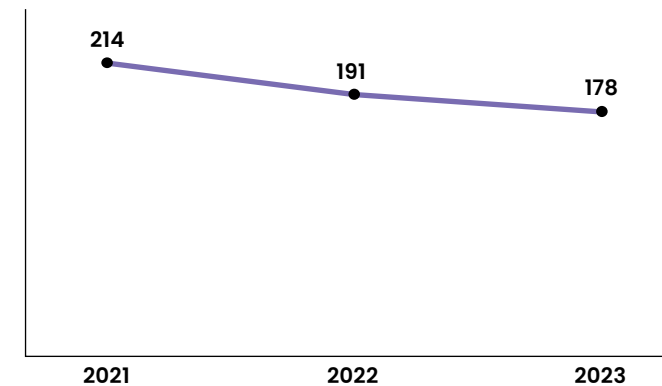
Increased generation capacity by 62%

(MW)



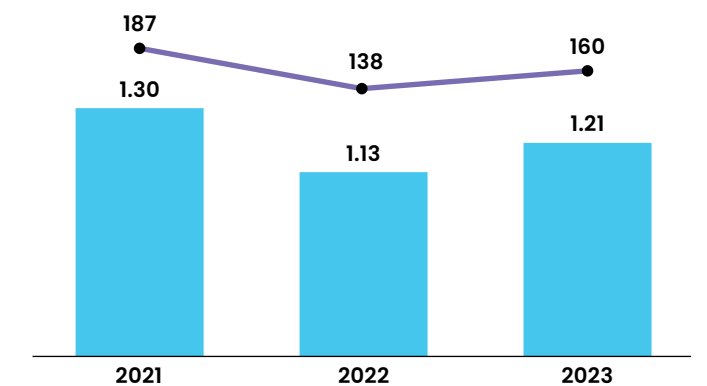
Replaced 17% of unprotected gas pipeline

Unprotected steel and cast iron distribution mains
(Miles)



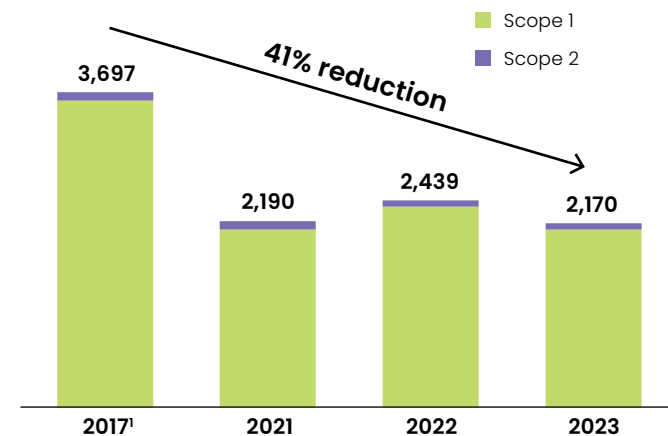
Achieved improvements in grid reliability

System Average Interruption Duration Index (minutes)
System Average Interruption Frequency Index (rate)

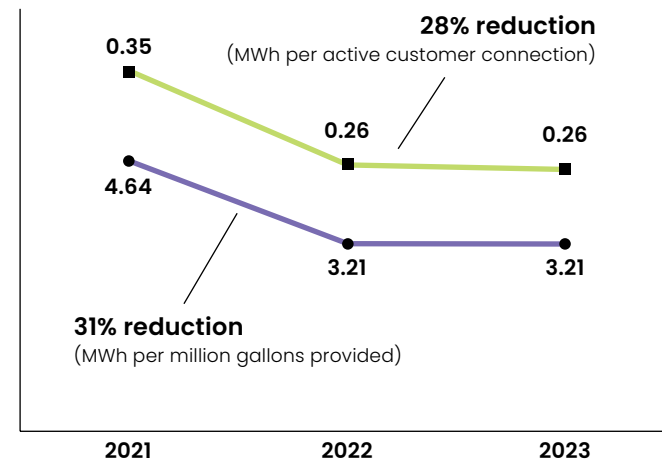


Reduced GHG emissions by 41%

Scope 1 and 2 GHG emissions
(1,000 Mt CO₂e)

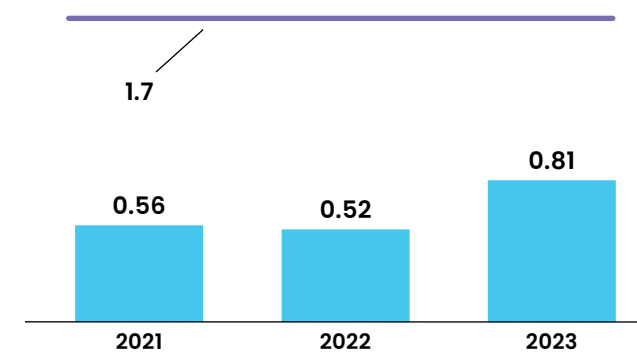


Achieved reductions in water utility energy consumption



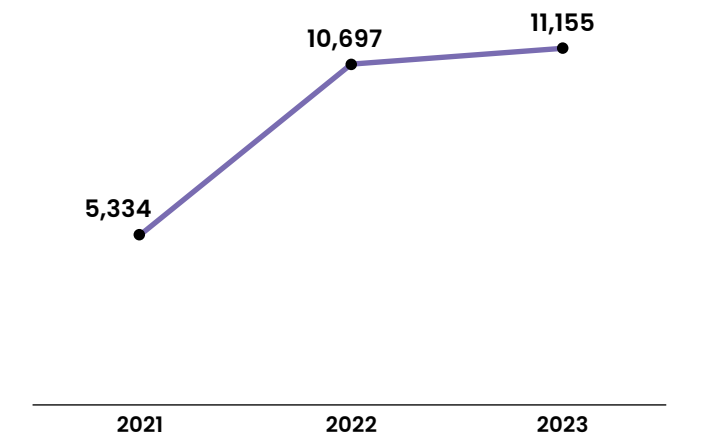
Injury rate remained 50% below U.S. utilities sector average

Recordable Injury Rate ("RIR") for Canada and U.S.
Average total recordable cases of nonfatal occupational injuries and illnesses of the U.S. utilities sector for 2022



Doubled volunteer hours from 2021

Canada and U.S.
(Hours volunteered by employees as Liberty Days)



1. 2017 was established as Algonquin's base year for GHG emissions.

About this report

In the midst of our transformation into a pure-play regulated utility, we remain committed to transparent and open dialogue with our stakeholders and the wider public. Through this report, we offer insights into the actions we have taken over the past year to support sustainability and enhance our ESG performance.

Recognizing sustainability as a critical driver of long-term value creation and resilience, we maintained our efforts to embed sustainability principles into everyday aspects of our operations and decision-making processes. In this report, we provide an account of our sustainability performance, showcasing notable achievements, milestones, and challenges encountered along the way. Leveraging both quantitative data and qualitative insights, we offer stakeholders a transparent assessment of our progress towards meeting established sustainability targets.

Reporting period

This report describes sustainability initiatives, programs, and projects that took place between January 1, 2023 and December 31, 2023, unless otherwise stated.

While the report predominantly reflects activities and outcomes from the 2023 reporting period, we also provide context by referencing historical data from preceding years. This approach enables stakeholders to gain a holistic understanding of our sustainability journey and assess performance trends over time, amidst the backdrop of our organizational transformation.



Find out more about...

- [Our SDG commitments](#)

Standards and reporting framework

Our commitment to transparency and accountability in sharing Algonquin's sustainability progress and key performance indicators is underscored by our adherence to widely accepted ESG reporting methodologies. By aligning with industry standards, we strive to achieve consistency and clarity in communicating our ESG efforts to stakeholders. Specifically, we report in alignment with the following reporting frameworks:

Global Reporting Initiative ("GRI") Standards:

This report has been prepared in accordance with the GRI Standards: Comprehensive option. The GRI Standards, issued by the Global Sustainability Standards Board, are universally accepted guidelines for sustainability reporting. They enable organizations to understand and communicate their impact on critical sustainability issues.

Sustainability Accounting Standards Board ("SASB") Framework:

We aim to follow the guidance provided by the SASB framework for electric, water, and gas utilities for aspects material to our business. SASB standards are designed for use in communications to investors regarding sustainability issues that may affect corporate value creation over the long term.

Task Force on Climate-related Financial Disclosures ("TCFD") recommendations:

We also follow the disclosure recommendations issued by the TCFD. By integrating these recommendations into our reporting, we aim to provide stakeholders with a comprehensive understanding of the climate-related risks and opportunities facing our organization.



Currency

Currency amounts are expressed in U.S. Dollars unless otherwise specified.

Algonquin's selected UN Sustainability Development Goals



Achieve gender equality and empower all women and girls



Reduce inequality within and among countries



Ensure availability and sustainable management of water and sanitation for all



Make cities and human settlements inclusive, safe, resilient and sustainable



Ensure access to affordable, reliable, sustainable and modern energy for all



Ensure sustainable consumption and production patterns



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Take urgent action to combat climate change and its impacts



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

United Nations' ("UN") Sustainable Development Goals ("SDGs"):

In 2015, the UN introduced 17 SDGs to harmonize and mobilize global efforts towards addressing pivotal environmental, social, economic, and political issues, fostering advancements towards sustainability. These goals serve as a universal call to action to end poverty, protect the planet, and ensure prosperity for all by 2030. We recognize that our operations and decisions may have implications that extend beyond our immediate surroundings, impacting communities, ecosystems, and future generations. As such, we are committed to integrating sustainability principles into our business. In an effort to optimize our effectiveness, we have tailored our ESG strategy to align with 10 SDGs that closely resonate with our mission, expertise, and principles.

About us

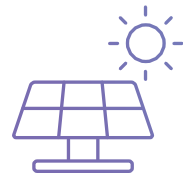
At Algonquin, parent company of Liberty, we work to provide our customers with reliable, accessible, safe, and sustainable energy and water services and are guided by our purpose of *sustaining energy and water for life*.

Renewable Energy Group

The Renewable Energy Group generates and sells electrical energy produced by its diverse portfolio of renewable power generation and clean power generation facilities located in the United States ("U.S.") and Canada. The Renewable Energy Group seeks to deliver growth through new power generation projects and complementary projects, such as energy storage. The Renewable Energy Group has economic interests in hydroelectric, wind, solar, renewable natural gas, and thermal facilities with a combined net generating capacity attributable to the Renewable Energy Group of approximately 2.7 GW. Approximately 84% of the electrical output is sold pursuant to long-term contractual arrangements which have a production-weighted average remaining contract life of approximately 10 years. In addition, the Renewable Energy Group has an approximately 42% indirect beneficial interest in Atlantica Sustainable Infrastructure plc. In May 2024, we entered into a support agreement to exit our financial investment in Atlantica. On August 9, 2024, the company entered into an agreement to sell its renewable energy business, excluding hydro, to a wholly owned subsidiary of LS Power for total cash consideration of up to \$2.5 billion (subject to certain closing adjustments). Both transactions are key steps forward in our transformation into a pure-play regulated utility.



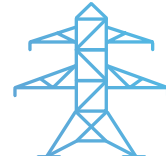
1,320
wind turbines



1,516,685
solar panels



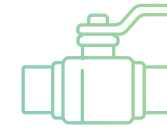
54
hydroelectric
generators



13,517 miles
of electricity
distribution lines



6,941 miles
of water
distribution mains



8,482 miles
of gas
distribution lines

Regulated Services Group

The Regulated Services Group operates a diversified portfolio of regulated utility systems located in the United States, Canada, Bermuda, and Chile serving approximately 1,256,000 customer connections. The Regulated Services Group seeks to provide safe, high-quality, and reliable services to its customers and to deliver stable and predictable earnings to Algonquin. In addition to encouraging and supporting organic growth within its service territories, the Regulated Services Group may seek to deliver long-term growth through acquisitions of additional utility systems and pursuing "greening the fleet" opportunities.

Electricity generation, distribution, and transmission

- Electricity distribution operations in six states (Arkansas, California, Kansas, Missouri, New Hampshire, and Oklahoma) and Bermuda
- Approximately 309,000 customer connections

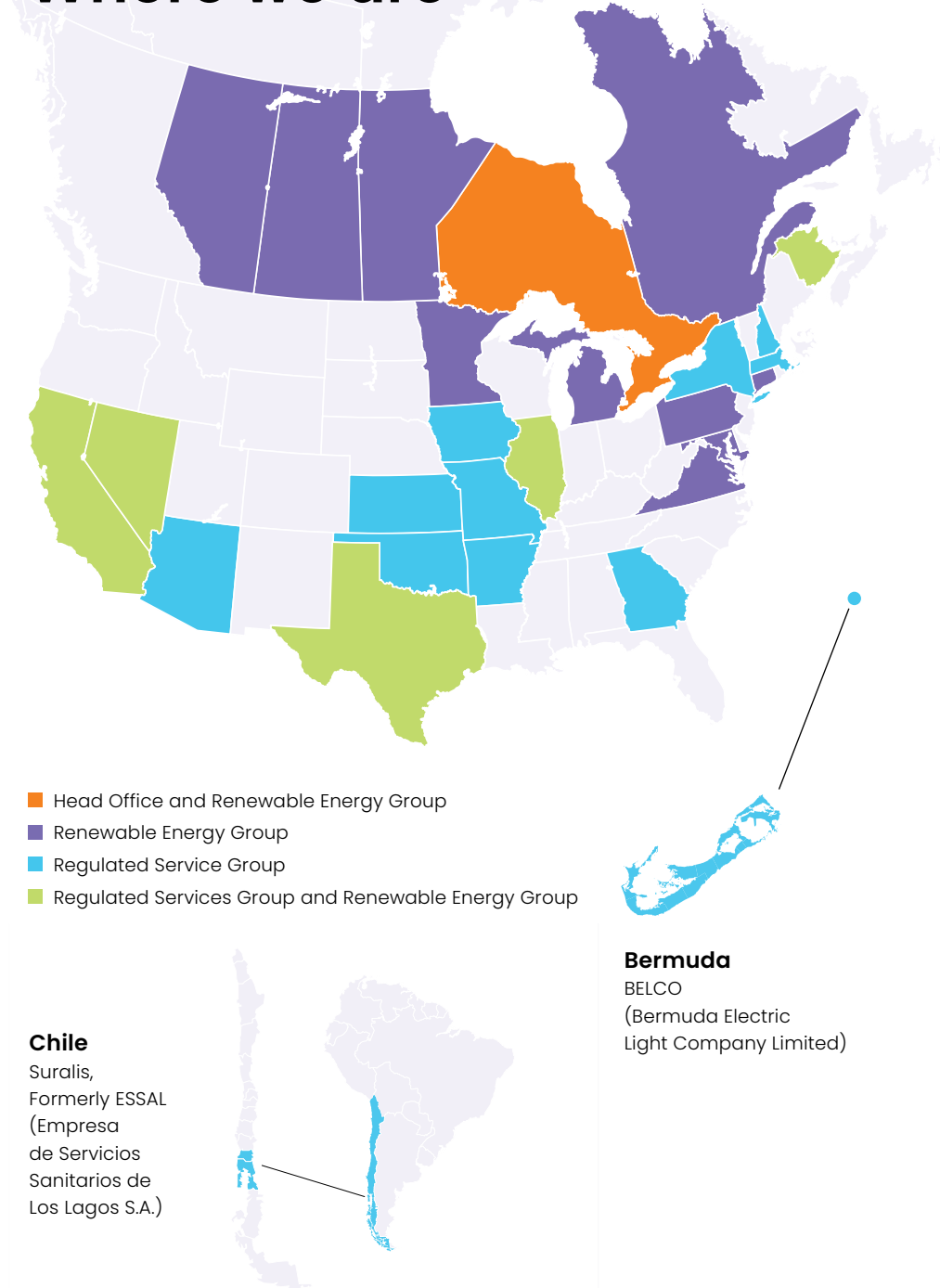
Water distribution and wastewater treatment

- Water distribution and wastewater operations in seven states (Arizona, Arkansas, California, Illinois, Missouri, New York, and Texas) and Chile
- Approximately 572,000 customer connections

Natural gas distribution

- Natural gas distribution operations in seven states (Georgia, Illinois, Iowa, Massachusetts, Missouri, New Hampshire, and New York) and one province (New Brunswick)
- Approximately 375,000 customer connections

Where we are







Our ESG journey

At Algonquin, we work to embed sustainability across our business and strive to continuously improve our impact on the environment and society in accordance with our corporate purpose of *sustaining energy and water for life*. Since the formation of our Office of Sustainability in 2018, we have achieved significant milestones, including publishing our first ESG report, announcing our Net-Zero by 2050 target, and launching our online ESG Data Hub. Our journey includes meeting rigorous reporting standards, operationalizing net-zero, and receiving AAA recognition by MSCI for ESG performance. We are proud of our progress and committed to building a more sustainable future.

Our ESG ratings performance

Our commitment to sustainability and ethical operations is reflected in our continuous efforts to enhance the quality of our disclosures and reporting. By engaging with leading ESG rating agencies, we aim to develop practices that not only meet, but exceed, industry standards. Here is a glimpse of how Algonquin fared in various ESG assessments for 2023.

Rating agency	Description	Scores
	<ul style="list-style-type: none"> Evaluates companies on their climate change and water security initiatives. Focuses on impacts to the environment and progress towards environmental stewardship. 	<ul style="list-style-type: none"> Climate Change: B Water Security: B- As of December 2023
	<ul style="list-style-type: none"> Evaluates companies based on ESG criteria. 	<ul style="list-style-type: none"> Algonquin ranks second in environmental performance, significantly ahead of the peer average, fifth in social criteria, demonstrating our strong social responsibility initiatives, and sixth for governance. As of December 2023
	<ul style="list-style-type: none"> Focuses on risk exposure to ESG issues and risk management. 	<ul style="list-style-type: none"> 21 ("medium" risk) As of July 2023
	<ul style="list-style-type: none"> Evaluates company's resilience to long-term, financially relevant risks. Widely referenced by investors. 	<ul style="list-style-type: none"> AAA As of December 2023
	<ul style="list-style-type: none"> Evaluates companies on their sustainability practices across various dimensions. 	<ul style="list-style-type: none"> 60% As of September 2023



Oversight and accountability

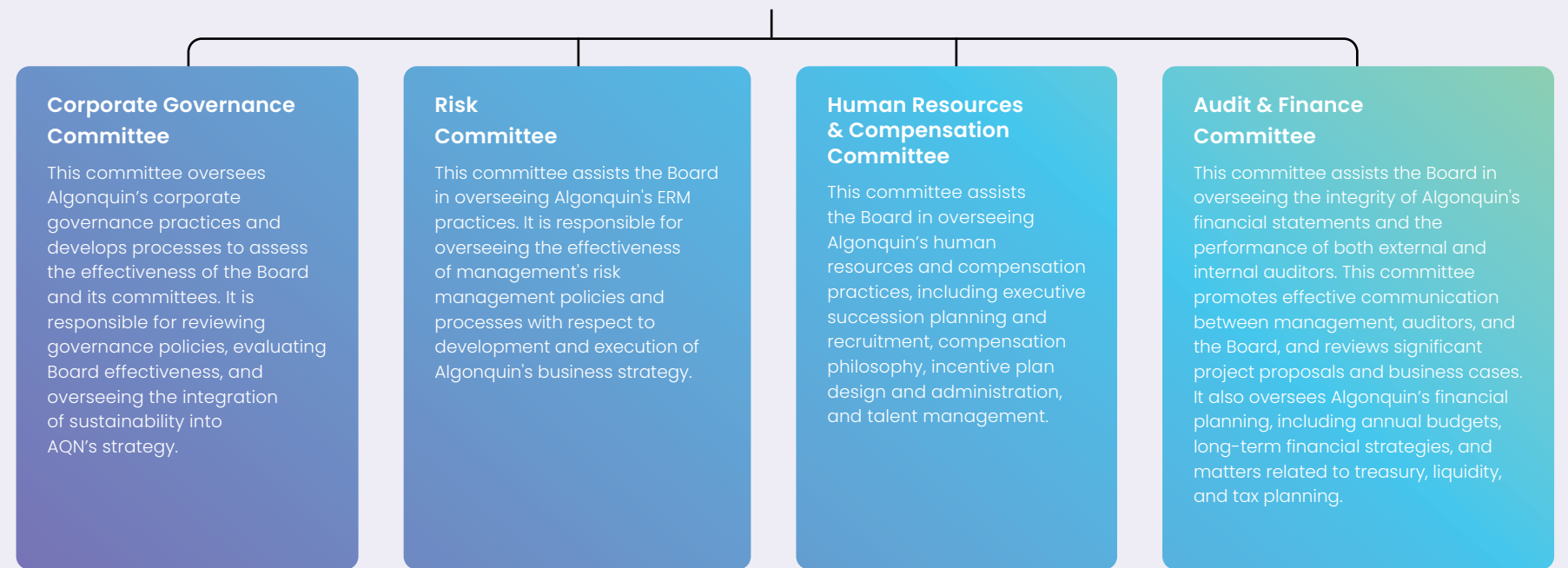
Board-level oversight is an essential element for the integration of sustainability into our corporate strategy. Primary responsibility for Board-level oversight of sustainability matters falls within the mandate of the Corporate Governance Committee, which provides feedback and direction to management and acts as a conduit to the full Board.

Sustainability reporting to the Corporate Governance Committee occurs quarterly at regularly scheduled meetings of the committee. Additionally, material climate-related risks are identified through Algonquin's standard enterprise risk management ("ERM") process that is overseen by the Risk Committee of the Board.

The Chief Legal Officer ("CLO") is the executive officer primarily responsible for Algonquin's sustainability plan, initiatives, and ESG reporting and disclosures. Under her leadership, management provides quarterly updates to the Corporate Governance Committee so that it, and the Board as a whole, have reliable and up-to-date information, insights, and performance tracking on key ESG initiatives. Algonquin's Office of Sustainability, reporting to the CLO, leads sustainability planning functions, facilitates stakeholder engagement on sustainability topics, supports the integration of ESG principles into the broader organization, and is responsible for ESG-related reporting and disclosures.

In an effort to align our workforce with sustainability goals, our leaders' compensation includes short- and long-term incentives that incorporate sustainability performance metrics. In 2023, our corporate scorecard (used for assessing performance under the short-term incentive plan) had a 10% weighting comprised of four ESG metrics. In addition, performance share units granted to our leaders in 2023 included a sustainability metric weighted 10% that will be calculated based on the cumulative renewable energy generation capacity placed in service during the three-year performance period.

Board of Directors committee oversight of sustainability-related matters



ESG leadership structure



Stakeholder engagement

At Algonquin, we prioritize engaging with a wide range of stakeholders, including customers, employees, investors, communities, and regulators. Their perspectives and feedback are important in shaping our operations and strategies. We recognize that active communication and collaboration with our stakeholders are essential components of good corporate citizenship. By fostering transparent and meaningful dialogue, we aim to build trust, gain mutual understanding, and address the needs and expectations of our stakeholders.

ESG materiality

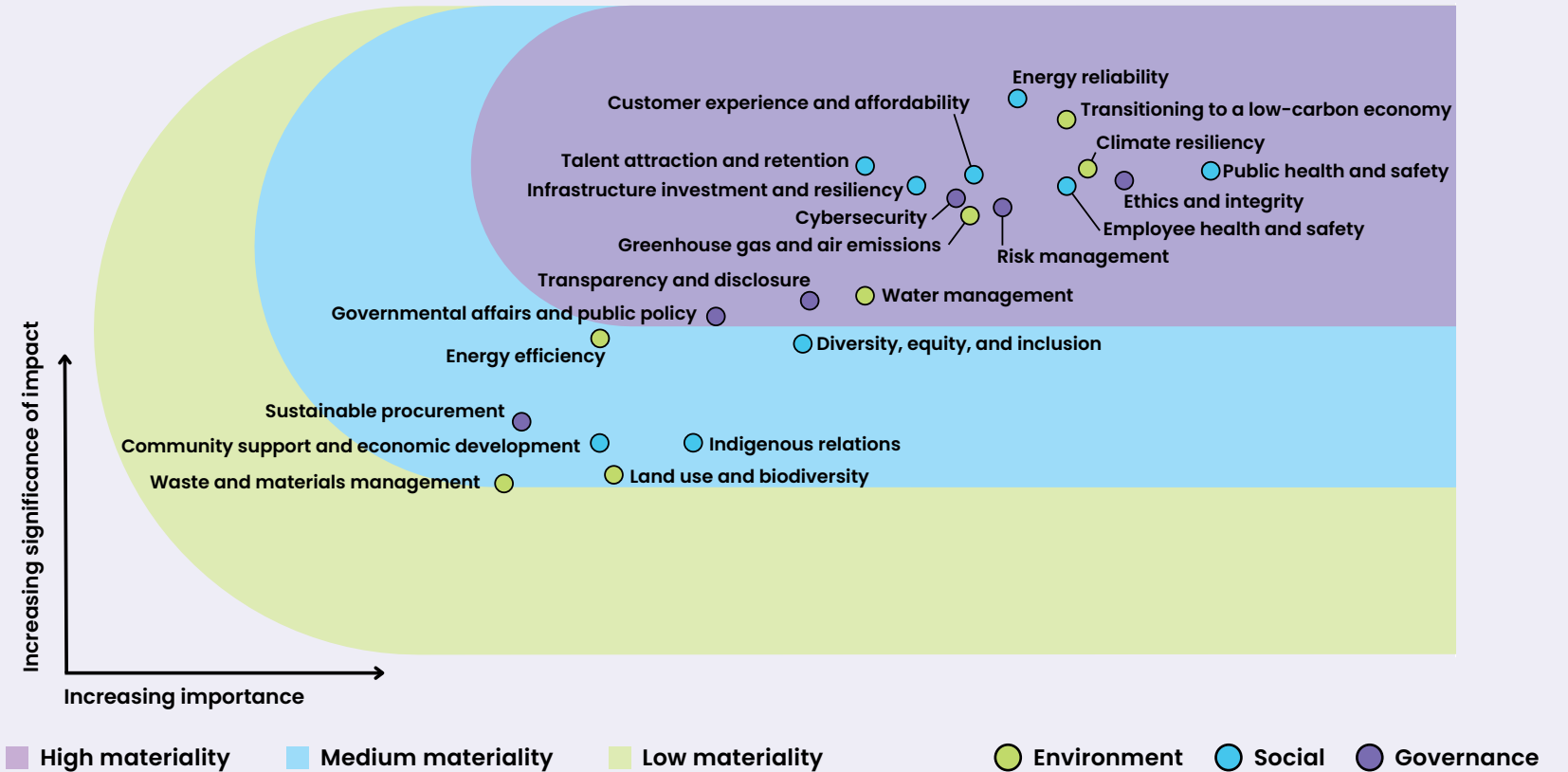
In 2021, we conducted an ESG materiality assessment to understand and prioritize ESG issues that matter to our stakeholders.

Net-zero commitment

In 2021, the Board approved Algonquin’s commitment to achieving net-zero Scope 1 and 2 GHG emissions by 2050, in support of the global goal of limiting the planetary temperature rise to 1.5°C by 2050. This commitment leverages our strong decarbonization track record, extensive experience in regulated utility management, and deep expertise in developing renewable generation.

Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics¹

Amid the rapidly changing ESG landscape and during our company's transformation to a pure-play regulated utility, staying responsive to stakeholder needs is crucial. Our assessment identified key areas of interest, allowing us to focus on the issues most relevant to our stakeholders. This collaborative approach helps us continually improve our ESG practices, enhancing our ability to meet stakeholder expectations. Once the company's transformation into a pure-play regulated utility is complete, we intend to reassess our ESG materiality to maintain alignment with a changing group of stakeholders. Our ESG materiality matrix (shown below) highlights the priority ESG topics identified by our various stakeholders.



1. "Materiality", as used in this report, and sometimes referenced as "ESG materiality", and our materiality review process, are different than the definitions and/or meanings ascribed to these and similar terms in the context of applicable Canadian and U.S. securities laws and our filings with securities regulatory authorities in Canada and the U.S. Items deemed material for purposes of this report and for purposes of determining our ESG disclosures, evaluations, strategies, and initiatives may not be considered material for reporting purposes under applicable Canadian and U.S. securities laws.



Find out more about...

- [Investors relations](#)
- [Sustainability](#)

Algonquin's TCFD assessment and progress on TCFD alignment

Algonquin's 2020 TCFD Climate Assessment Report

In 2020, Algonquin conducted its first TCFD-aligned climate assessment to help the business identify material climate-related impacts on our business operations and strategic objectives. The assessment process involved stakeholder engagement, qualitative scenario analysis, and climate-related risks and opportunities identification.

International Energy Agency ("IEA") low-, medium-, and high-carbon scenarios were selected and used to guide subject matter experts' ("SMEs") discussion of potential risks and opportunities associated with each of these scenarios, what these potential realities mean for Algonquin, and how Algonquin could be more resilient. In addition to the three IEA scenarios, the Intergovernmental Panel on Climate Change ("IPCC") Fifth Assessment Report was also used to inform discussion on different climate-related physical impacts, both acute and chronic, in different regions across the business.

Based on the discussion from the scenario workshops, Algonquin's first TCFD report was developed in 2020, in alignment with the TCFD framework. It set out Algonquin's journey on integrating climate-related financial risks and opportunities into the company's governance, strategic planning, and risk management functions.



Find out more about...

- [Algonquin's first TCFD Report](#)

Improving Algonquin's resilience to physical risks

Southwest region

- **Physical climate hazards:** Wildfire and drought
- **Risk mitigation examples:** Wildfire Mitigation Plan, microgrids for outage avoidance, infrastructure upgrades, aquifer preservation and recharging, and conservation programs

Central region

- **Physical climate hazards:** Severe winter storms, drought, and high-wind events
- **Risk mitigation examples:** Deploying investments to harden infrastructure (e.g., microgrid projects deployment, wire insulation, substation enhancement, and pole and fuse replacement), and water conservation

East region

- **Physical climate hazards:** Severe storms, winter storms, and floods
- **Risk mitigation examples:** Infrastructure upgrades, systemwide redundancies (e.g., natural gas storage reservoirs and gate stations backup power sources for gas utilities), critical incident response programs, and improved customer awareness on energy conservation

Updated internal TCFD assessment

Since the publication of the 2020 TCFD report, Algonquin's Board of Directors and Executive Management Team have been actively involved in overseeing and implementing strategies to address material climate-related issues. This includes regular updates and reviews of progress against our sustainability goals and risk management frameworks.

Strategy

Building on recommendations from the 2020 TCFD report, we have worked at incorporating climate-related risks and opportunities into our operations and business strategy, which is informed by current and emerging regulatory guidance such as the U.S. and Canadian securities climate disclosure rules, industry best practices, SME consultation, and internal strategic decision-making and risk management processes.

To support Algonquin's efforts in achieving its decarbonization targets, and to include technology and policy changes since the 2020 scenario analysis, during 2022 and 2023, the Office of Sustainability held internal workshops with individual utilities to uncover the physical climate-risks to their respective operations. In these workshops, the transition-physical risk conceptual trade-off introduced by the TCFD framework was used to deliver an approximate baseline for Algonquin's exposure to climate-related risks and opportunities: specifically, high-carbon

scenarios for evaluating physical climate risks and opportunities and low-carbon scenarios for evaluating transition climate risks and opportunities. Stress-test scenarios, such as disorderly transitions and more extreme high-carbon scenarios, were integrated to avoid various impacts being overlooked or underestimated.

Additionally, the scenarios selected have evolved as a result of updated climate models and macro conditions. Algonquin has adopted scenario analysis discussions that utilize the findings of updated Coupled Model Intercomparison Project Phase 6 datasets, aligned with updated IPCC assessments, as well as low-carbon scenarios with more ambitious decarbonization pathways supportive of 1.5°C warming that have been introduced since the previous disclosures.

Based on the updated conversations with utility SMEs, Algonquin's climate strategy focuses on:

- Building physical and transitional resilience across the business without sacrificing the affordability and reliability of services delivered to our customers
- Decarbonizing our operations to align with our net-zero commitment
- Leveraging our diverse business modalities and geographic distribution of our operating locations to reduce climate risk, while providing multiple opportunity pathways for transitioning to a low-carbon economy.

Risk management

Algonquin’s ERM framework follows the guidance of ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission ERM – Integrated Framework. Algonquin’s ERM policy details risk management processes and risk governance structures. As part of the risk management process, risk registers have been developed across the organization through ongoing risk identification and risk assessment exercises facilitated by the ERM team. Key risks and associated mitigation strategies are reviewed by the executive-level Enterprise Risk Management Council (“ERMC”) and are presented to the Board’s Risk Committee periodically. The above-mentioned frameworks recommend principles, processes, and a common risk language, and provide guidance for implementing and sustaining ERM programs. A combination of these frameworks is leveraged by Algonquin to create a tailored program intended to meet the company’s needs, including with respect to climate-related risks and opportunities, constraints, and objectives.

Climate-related risks are identified by SMEs from across the organization at a series of workshops (TCFD and additional sessions). During these workshops, climate scenarios constituting various physical hazard changes and/or decarbonization trends are presented. A facilitated discussion helps identify the various climate-related risks and opportunities the organization could be faced with over various time horizons.



Find out more about...

- [Algonquin’s ESG performance indices](#)
- [Our Net-zero by 2050 target](#)

Assessment of climate-related risks has taken place in the form of subsequent workshops with SMEs across the organization. During these workshops, quantitative and qualitative variables are typically presented, guiding discussions to identify how Algonquin could be impacted across its various risk drivers (e.g., safety and security, reliability, financial, planned execution, and reputation). These impacts are scored on relative scales consistent with Algonquin’s ERM framework, where anticipated impacts can be consolidated on regional, modality, and enterprise levels.

Algonquin discloses ESG-related metrics through its annual ESG performance indices and reporting agency submissions. These metrics follow widely accepted reporting methodologies to create credible, comparable, and timely disclosures.

Targets aimed at mitigating various climate impacts and capitalizing on opportunities have been set at the enterprise and utility levels. The most prominent target that Algonquin has set is its Net-zero by 2050 target. With the retirement of the 2019 ESG goals (see [page 12](#)), a new set of interim targets have been established (see [page 13](#)). These targets signal Algonquin’s ambitions to decarbonize its business and capitalize on the growing clean energy markets.

Key identified climate-related physical risks

Potential risks: ■ Lower ■ Higher

Operational areas selected for evaluation	Wildfires	Severe storms	Floods	Droughts	Sea level rise	Temperature change	Precipitation changes	Solar irradiance	Wind speed
Wind	■	■	■	■		■	■		■
Solar	■	■	■	■		■	■	■	
Hydro		■	■	■		■	■		
Thermal	■	■	■	■	■	■	■		
Electric T&D	■	■	■			■	■		
Natural gas		■	■		■	■	■		
Water		■	■	■	■	■	■		
Wastewater		■			■	■	■		
Employees ¹	■	■	■			■			
Accessibility ²	■	■	■						

1. "Employees" refers to all Liberty employees, primarily those in engineering and operations (as well as those routinely working on-site), who could be impacted by physical climate hazards (including inability to attend work and compromised safety at work).
2. "Accessibility" refers to Algonquin employees' ability to access assets across the Liberty portfolio (including scheduled or emergency repairs and maintenance and customer visits).

Future TCFD assessments

We plan to conduct a new TCFD materiality assessment after Algonquin’s transformation into a pure-play regulated utility is complete. This assessment will build upon our initial findings and help support continual alignment to our business strategies with evolving climate-related risks and opportunities, maintaining our commitment to sustainability and long-term value creation for stakeholders.

Algonquin uses a risk assessment matrix to identify risks and record mitigation plans for those risks identified as having the highest likelihood and

impact on the organization and/or at a business unit level. Senior leaders are charged with overseeing risk mitigation action plans (“RMAPs”) for key identified risks. RMAPs for enterprise-level risks are periodically reviewed by the ERM team and senior management.

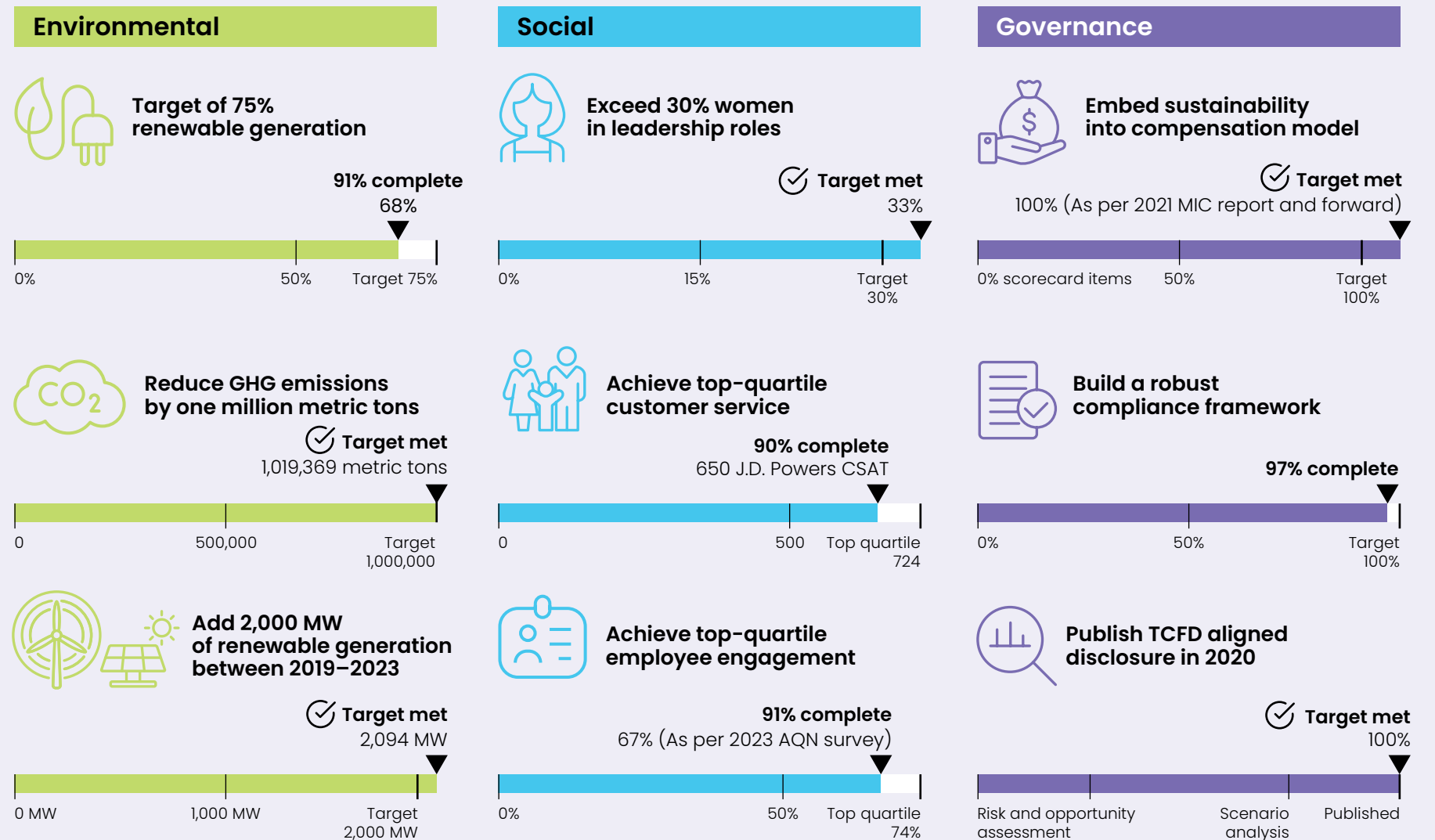
To identify emerging regulatory risks, Algonquin’s regulatory and governmental affairs functions monitor for changes in laws, regulations, and public policies that may impact our businesses. Key enterprise risks and associated mitigation strategies are reviewed by the executive-level ERMC. The Enterprise Risk Register is presented to the Risk Committee, which also reviews changes in risk rating and emerging risks, including climate-related risks.

Closing out our initial set of ambitious ESG targets

In 2019, Algonquin set out nine ESG targets (shown right) to be achieved by the end of 2023. Although the period between 2019 and 2023 has been more turbulent than expected, with a global pandemic and associated challenges, we are pleased to report that five of these nine targets have been fully met and the remaining four are more than 90% complete. Particularly worth highlighting are the over 1 million tonnes of carbon emission reductions and over 2,000 MW of renewable generation brought into service. These are key components towards ultimately achieving our long-term net-zero by 2050 target for Scope 1 and 2 emissions.

Looking beyond 2023, significant progress on these targets has laid a foundation for future sustainability efforts. Algonquin remains committed to advancing its ESG strategy and impact, particularly with a renewed focus on climate resilience, our commitment to Net-zero 2050, and the introduction of our new interim ESG targets.

2019–2023 ESG targets: Five of nine targets met and more than 90% complete for each remaining target



Transitioning to our new 2030 ESG targets

As Algonquin transforms into a pure-play regulated utility company, we also transition to our next interim ESG target period. A new set of targets has been developed that aim to guide our ESG efforts to 2030, focused on continued improvement to priority items.

The environmental focus of our new targets continues to be the reduction of carbon emissions, as this represents the greatest material impact our business has on the environment. Informed by our experience during the first target period, the overall portfolio change with the sale of our renewables business, and our greater focus on our three regulated product lines, a group of carbon intensity targets has been set to maintain progress towards our long-term Scope 1 and 2 Net-zero by 2050 target.

For this interim target period, carbon intensity per unit of product was selected as the preferred metric. This decision was based on several factors, including the ability to set specific targets for each of our electricity, natural gas, and water businesses, alignment with carbon reporting and net-zero frameworks, and the opportunity for comparison against peers within a sector despite size or scale of business. We continue to use 2017 as the base year for targets, creating a 13-year time horizon to 2030 to evaluate against¹. Progress towards emission targets will be reported annually, along with absolute emissions volumes, within our ESG Data Performance Index as well as annual ESG disclosures.

The social component of the 2030 targets focuses on enhancing Algonquin's diversity, equity, and inclusion practices. The overarching goal of this program is to create a workplace that is welcoming, engaging, and high performing. We plan to achieve this by focusing on relevant workforce metric analysis, training, and education to support our employees. The three-part approach to align, engage, and strengthen will set the foundation for progress that will be measured through our annual ESG disclosure processes and employee engagement surveys.

1. Water baseline has been set at 2022, as the acquisition of our New York water utility created a material change in scale for our water business.

Algonquin's 2030 ESG targets

Environmental

Scope 1 and 2 emissions intensity reduction



Electric
↓45%

2017 base-year value:
0.563 MtCO₂e/MWh generated



Water
↓19%

2022 base-year value:
0.29 MtCO₂e/ML delivered



Natural gas
↓50%

2017 base-year value:
0.003 MtCO₂e/MMBtu delivered



Wastewater
↓8%

2022 base-year value:
1.448 MtCO₂e/ML treated

Various climate-related disclosure frameworks indicate that governance processes will come under increased scrutiny in the future. While Algonquin is confident in our current position, we have identified focus areas where we can continue to improve. These areas include increasing clarity on ESG governance and oversight disclosures, better quantified ESG governance skill sets, and enhanced training opportunities. While qualitative in nature, including governance

Social

Enhance employee resources and training

Three-phase approach to embed DEI practices into corporate actions and culture:



Align internal initiatives and analysis efforts



Engage through training curriculum and metrics



Strengthen through training, coaching, and talent planning

focus areas in our targets supports a path of continuous improvement. As we gain further clarity on pending compliance-based disclosure frameworks, we anticipate updating specific components of our governance to meet the expectations of regulators, shareholders, and other stakeholder groups.

Governance

Enhance ESG and climate governance

Delivered through three focus areas:



Clarity of governance and oversight



Quantified ESG expertise



Training and education





Environmental

Featured topics

- 2023 GHG profile 15
- Gas pipeline replacement 16
- Stateline Water – water usage decreased with technologies 17
- Our new Sarival Water Reclamation Facility 17
- Biodiversity 18
- Waste and materials management 19

2030 environmental targets

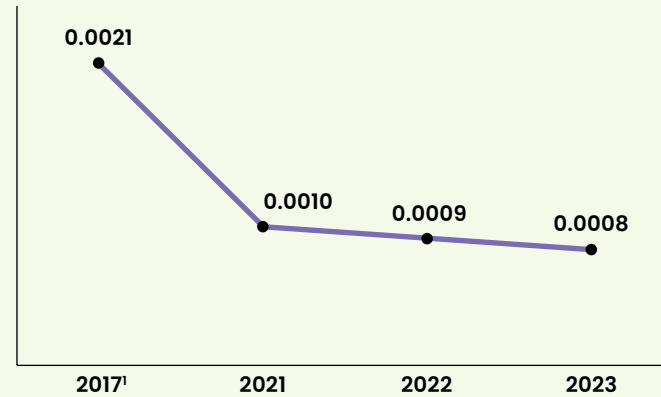
Scope 1 and 2 emissions intensity reduction

 Electric ↓45% 2017 base-year value: 0.563 MtCO ₂ e/MWh generated	 Water ↓19% 2022 base-year value: 0.29 MtCO ₂ e/ML delivered
 Natural gas ↓50% 2017 base-year value: 0.003 MtCO ₂ e/MMBtu delivered	 Wastewater ↓8% 2022 base-year value: 1.448 MtCO ₂ e/ML treated

Performance highlights

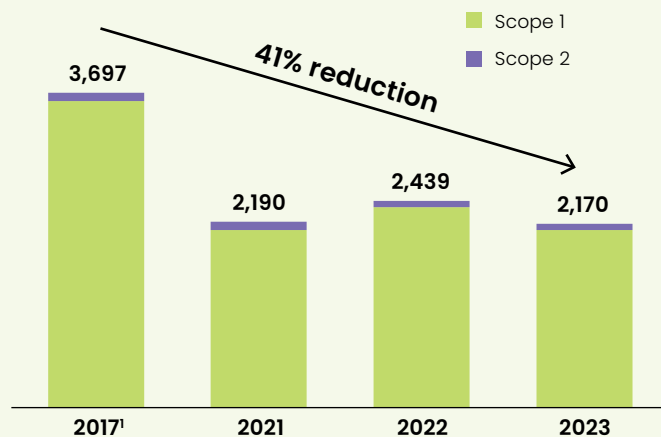
Decreased GHG emission intensity by 62%

Scope 1 and 2 GHG emission intensity (Mt CO₂e/U.S. dollar revenue)



Reduced GHG emissions by 41%

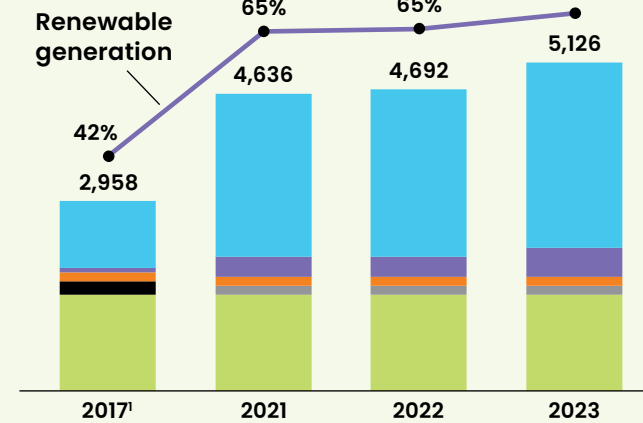
Scope 1 and 2 GHG emissions (1,000 Mt CO₂e)



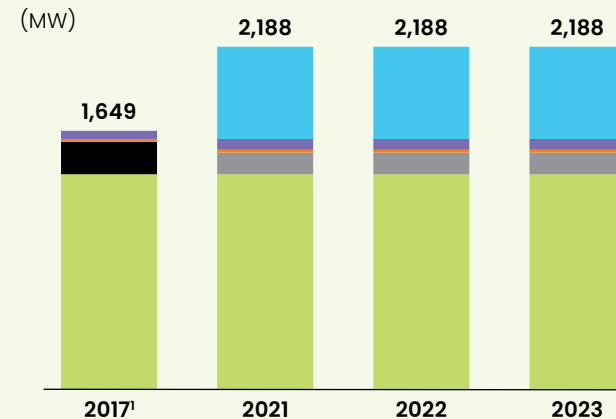
Generation capacity

Legend: Natural gas, Coal, Heavy fuel oil, Solar, Wind, Hydroelectric

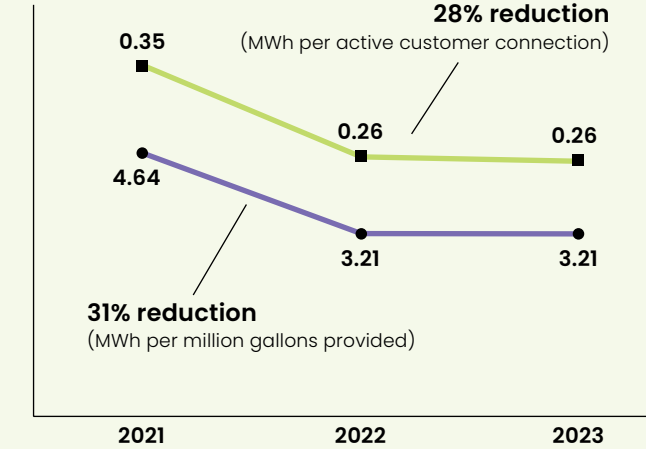
Total power generation capacity (MW)



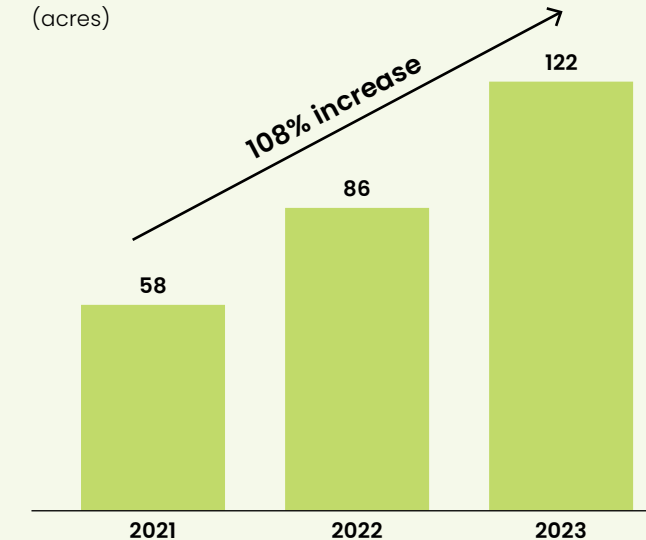
Regulated business power generation capacity (MW)



Achieved reductions in water utility energy consumption



Land for pollinators (acres)



1. 2017 was established as Algonquin's base year for GHG emissions.

2023 GHG profile

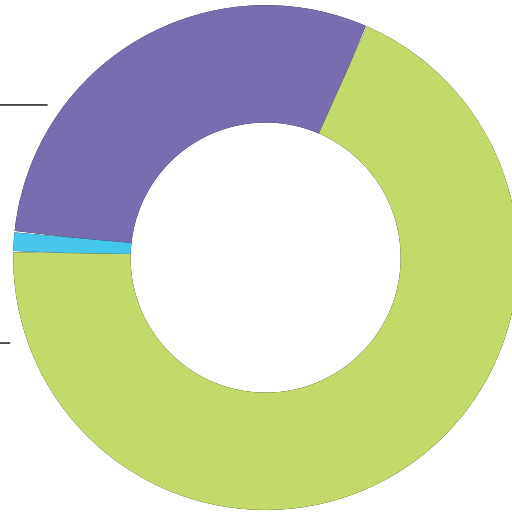
Emissions by scope

(Mt CO₂e)

Scope 1
2,081,332 – 30%

Scope 2
88,737 – 1.3%

Scope 3
Categories 3, 11, 15
4,793,555 – 69%



Scope 1 and 2 emissions by business group

(Mt CO₂e)

Renewable Energy Group
113,590 – 5%

Regulated Services Group
2,056,479 – 95%



Scope 1 and 2 emissions by source

(Mt CO₂e)

Stationary combustion
1,989,361 – 92%

Grid T&D losses
16,796 – 0.8%

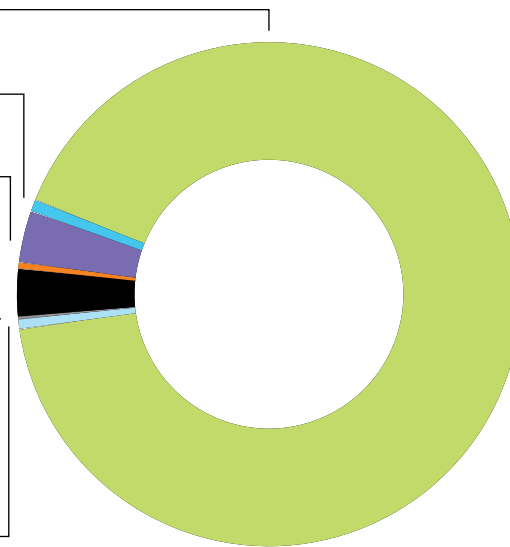
Grid electricity consumption
71,941 – 3.3%

Fugitive – Wastewater treatment
8,702 – 0.4%

Fugitive – Gas distribution
66,457 – 3.1%

Fugitive – SF₆
3,127 – 0.1%

Mobile combustion
13,685 – 0.6%



Scope 1 and 2 emissions by country

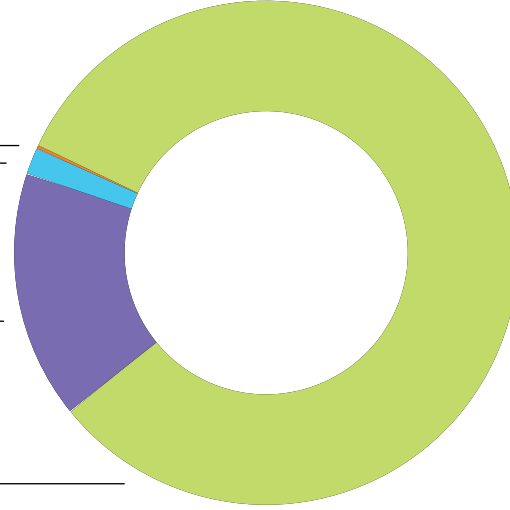
(Mt CO₂e)

Canada
4,085 – 0.19%

Chile
37,626 – 2%

Bermuda
345,260 – 16%

U.S.
1,783,098 – 82%



Scope 1 and 2 emissions by modality

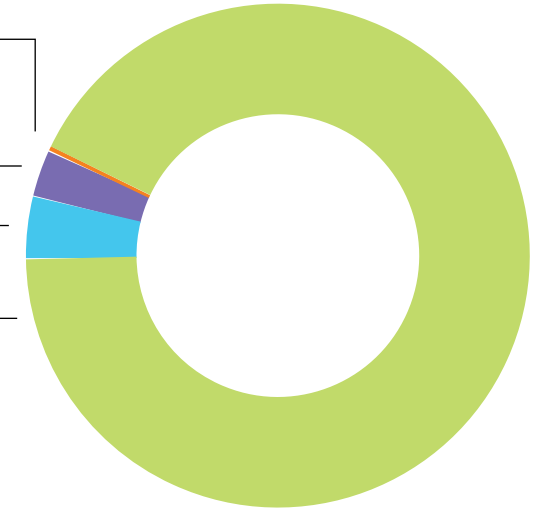
(Mt CO₂e)

Renewable natural gas
6,594 – 0.3%

Gas
76,170 – 3%

Water
78,156 – 4%

Electric
2,008,944 – 93%



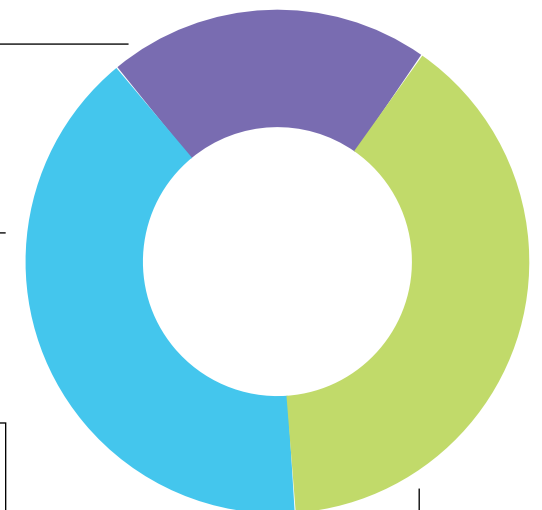
Scope 3 emissions categories 3, 11, 15¹

(Mt CO₂e)

Category 3
Fuel and energy-related activities (not included under Scope 1 and 2)
1,081,376 – 21%

Category 11
Use of sold product: downstream natural gas combustion
2,092,670 – 40%

Category 15
Investments
2,041,826 – 39%



1. Scope 3 categories deemed to be immaterial are excluded from this graph.

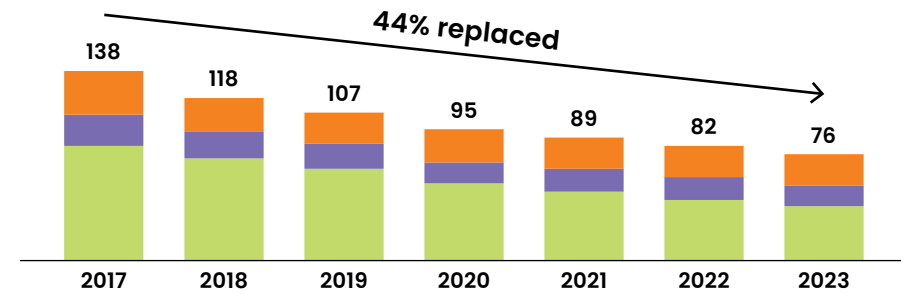
Gas pipeline replacement

Algonquin's gas pipe replacement program has made significant progress since 2017 in our Massachusetts, New Hampshire, Illinois, and Georgia territories, balancing customer impact with regulatory support. Approximately 61 miles of unprotected steel mains, 95 miles of cast iron mains, and 13,494 unprotected steel services have been replaced with less leak-prone plastic counterparts. This has resulted in a reduction of over 44% for each pipeline category shown here. Notably, in 2023, Algonquin's Peach State Natural Gas Corp. in Georgia replaced all 4,632 of its unprotected steel services, demonstrating Algonquin's continued efforts at reducing fugitive methane emissions and combating climate change.

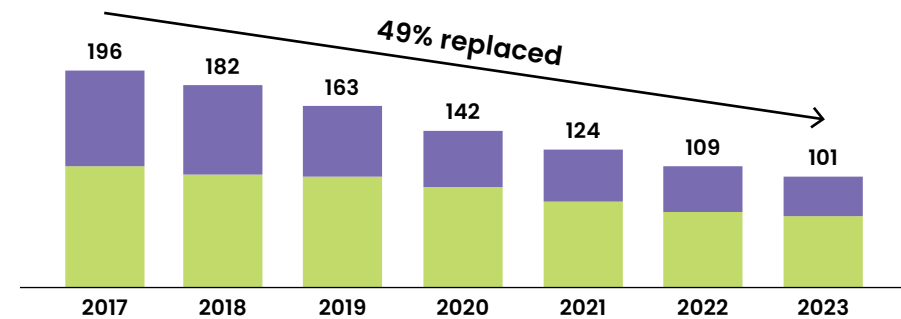
Upgrades to natural gas distribution infrastructure continued

Massachusetts New Hampshire Illinois Georgia

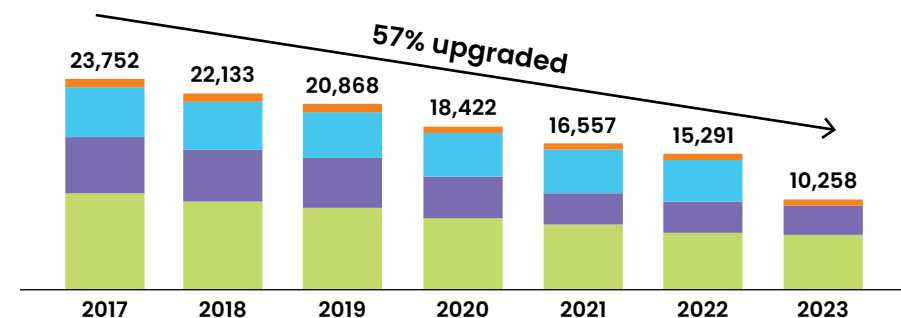
Distribution mains – unprotected steel (miles)



Distribution mains – cast iron (miles)

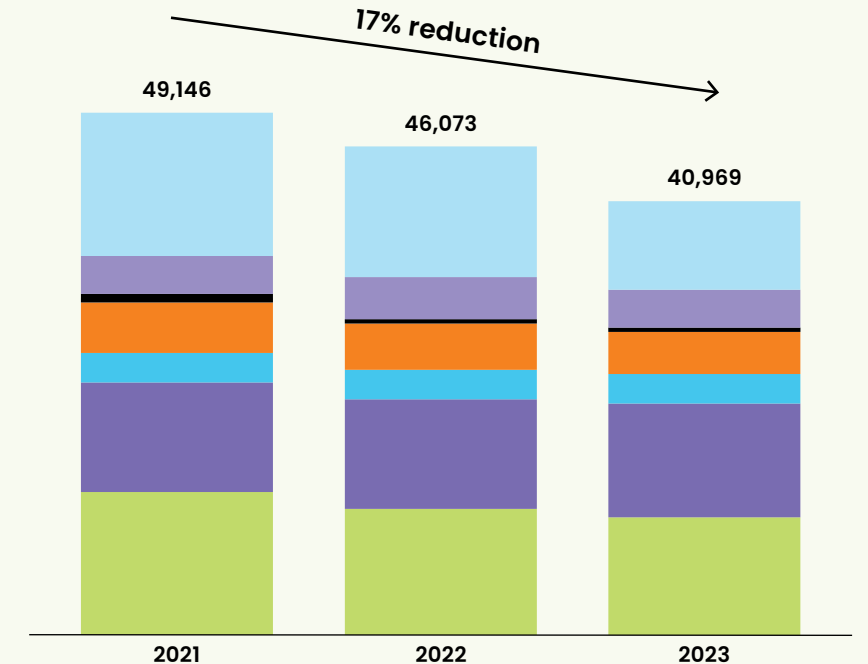


Distribution services – unprotected steel



Sustained reductions in fugitive methane emissions from gas distribution in Massachusetts, New Hampshire, Illinois, and Georgia

(Mt CO₂e)



Gas distribution mains
 Cast iron, Plastic, Protected steel, Unprotected steel

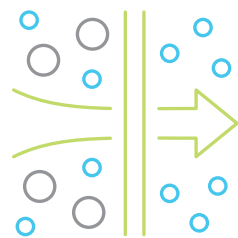
Gas distribution services
 Copper, Plastic, Protected steel, Unprotected steel

Note: 2023 emissions in the above graph have been adjusted using Global Warming Potential (100-year time horizon) published in the IPCC Fourth Assessment Report.

State Line water saving projects

In our 2022 and 2023 ESG reports, we spotlighted the reverse osmosis and hydrolysis technologies used at our State Line power generation facility in Joplin, Missouri.

- **Reverse osmosis technology** removes the minerals from the water to be used in the Heat Recovery Steam Generator. Reject water from this process, which previously would have been sent to the municipal sewer system, is now sent to the facility's cooling tower. This simultaneously reduces the plant's demand for freshwater and limits the wastewater produced by the plant.
- **Hydrolysis technology** is used to reduce the amount of fresh water that is added to the cooling tower to make up the blowdown that is taken out of the system. Specifically, this technology accelerates the precipitation of the suspended hardness (minerals) in the cooling water, creating a sludge at the bottom of the cooling tower that can be easily removed. This reduction in cooling water hardness significantly reduces the volume of clean makeup water required for facility operations.



Algonquin saved more than 50 million gallons of water in 2023 at the State Line facility through continuously running reverse osmosis and hydrolysis technologies.

Find out more about...



- [Our State Line reverse osmosis and hydrolysis programs in our 2023 ESG Report](#)
- [Algonquin's new Sarival Water Reclamation Facility](#)

Our new Sarival Water Reclamation Facility

Sarival Water Reclamation Facility ("Sarival WRF") is Algonquin's newest water reclamation facility, located in Goodyear, Arizona. The project started design in Q1 2022, with the majority of construction taking place in 2023. Starting operations in Q1 2024, the Sarival WRF can treat 4 million gallons of wastewater per day, bringing the total wastewater treatment capacity for Liberty-Litchfield Park to 10.6 million gallons per day. The treated effluent meets Arizona Department of Environmental Quality Class A+ quality for unrestricted reuse of recycled water and can replace potable water for various activities. In addition, the effluent from the Sarival WRF combines with the effluent from the Palm Valley Water Reclamation Facility in Goodyear, Arizona, and is injected into the local groundwater aquifer at Algonquin's Sustainable Effluent to Aquifer Project.

Sarival WRF utilizes membrane bioreactor technology, which is able to generate high-quality effluent within a small footprint and is resilient and adaptable for increasing treatment demands as the communities continue to grow. Additionally, the plant employs advanced technologies to increase process energy efficiency, particularly in the aeration and wastewater pumping processes, which typically make up 50% or more of a wastewater treatment plant's energy use. For example, the use of the dissolved oxygen control input, coupled with variable frequency drives for control of the aeration blowers, ramping up or down in speed, with process air delivered to match the ramping, allows for a real-time aeration delivery (and energy input) based on the actual wastewater demand – rather than use of an inefficient high-energy use constant speed/air delivery process. For wastewater conveyance, Sarival WRF uses a modern closed loop reactor ("CLR") process equipped with adaptive mixers to facilitate the nutrient removal in the wastewater.

February 5, 2024

Crews continued painting and working on punch list items throughout the site. Seeding of the biological process began and influent is being fed to the biological process at a rate of 700,000 gallons per day.

Mixers, like those of the aeration blowers, can be sped up or down, based on real-time wastewater characteristic inputs, and thus further improve energy efficiency for the facility. Additionally, the physical arrangement of the CLR allows for multiple treatment processes to be combined into a single basin, compared to a conventional biological nutrient removal process which has separate aeration and anoxic tanks and typically more conveyance/pumping needs to go from one process tank to the next.

Sarival WRF showcases Algonquin's continued commitment to providing safe and reliable wastewater service to our customers, supporting our community's potable water needs. It also helps our Goodyear and Litchfield Park communities be more resilient and sustainable during times of drought. In addition, the use of energy efficient technologies at Sarival WRF demonstrates Algonquin's continued efforts to invest in innovative technologies that reduce emissions within our operations.

Biodiversity

At Algonquin, we are taking action throughout our service area to protect the natural environment, facilitate ecological restoration, and promote biodiversity. For example, our Vegetation Management Program is continuously improving the way we manage our land assets to reduce our carbon emissions and overall environmental impact, while helping improve the reliability of our electricity distribution assets. The program's intensive plant identification training component helps to equip our vegetation management crews and contractors with the tools needed to better manage our rights-of-way in ecologically considerate ways. From special seed selection to collaboration with external partners, we are striving to reduce our impact on natural resources and foster a more sustainable environment.

Biodiversity highlights:

450,000+ trees

have been distributed throughout the U.S. since 2011 by Algonquin and partners through the Arbor Day Foundation.

In celebration of Earth Day 2023, Algonquin joined the "May the Forest Be with You" event at Wildcat Glades in Joplin, Missouri. The event featured a tree giveaway which provided three-gallon trees to the first 500 registered households. As part of the Tree Line USA® award, this initiative helped to promote public education and raise awareness about the Arbor Day Foundation's Right Tree in the Right Place program.

4' x 4' nesting boxes

installed by Algonquin crews are helping protect local osprey nesting atop electric utility infrastructure.

Following conservation laws and guidelines, Algonquin crews helped divert local ospreys from nesting atop utility poles by providing the birds with 4' x 4' nesting boxes, paired with solar-powered cameras for monitoring the nesting birds. So far, several nesting boxes have been installed throughout the service territory. Currently, Algonquin is exploring other sites where the boxes might be needed, as well as different types of structures that could be used.

1,000 acres of forest restoration

have been developed through two projects operated by our Chilean utility, Suralis.

In an effort to preserve water resources, our Chilean utility, Suralis, actively operates two local restoration projects: Project Corral, aimed at restoring and protecting the water-producing basin of Corral located on Chile's Pacific coast; and Project Paillico, which plants trees to preserve the local watershed around the town of Paillico in south-central Chile. Through strategic thinning, selective old growth removal, and native species planting, Suralis has effectively enhanced local biodiversity and improved water retention throughout more than 1,000 acres of forest land.

122 acres of pollinator gardens

are maintained by Algonquin for our pollinator friends.

Algonquin supports pollinator gardens at a number of its office locations across our service area. Many of these pollinator gardens are Monarch Waystation certified. Plants used are drought resistant and heat tolerant, requiring less water to maintain. We have plans for future expansion of the 122 acres of land we maintained for pollinators in 2023.



Find out more about...

- [Vegetation management](#)
- [Biodiversity](#)

Waste and materials management

At Algonquin, we understand that the waste generated by our operations may have far-reaching impacts on the environment, local ecosystems, communities, and the climate. Our enterprise-wide waste management standard ("WM Standard") enables us to responsibly manage the waste we generate, helping to mitigate negative environmental impacts, as we strive to comply with regulations. This standard establishes the expected level of care for waste management across all our sites.

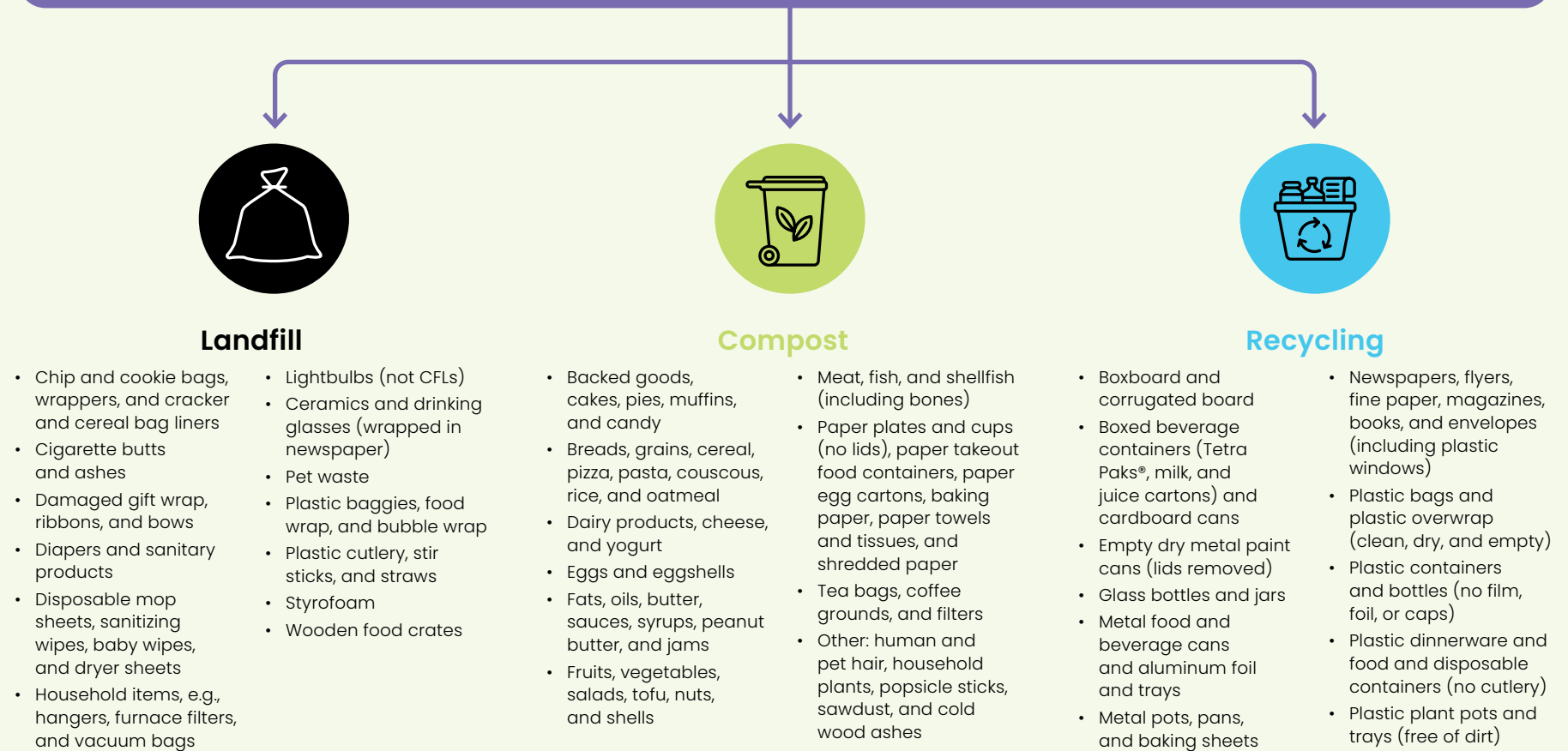
Comprehensive waste management standards

We recognize that effective waste management requires cooperation from individuals across our organization. As a result, we have integrated accountability for our waste footprint into the responsibilities of stakeholders at all levels, from senior leadership to contractors. Stakeholders are supported by waste management training tailored to their specific roles in overseeing our waste footprint and compliance with local regulations. This training helps stakeholders understand their responsibilities regarding our waste management efforts and the regulatory risks associated with noncompliance.

In addition to tailoring training to individual responsibilities, our WM Standard outlines approaches to managing both hazardous and non-hazardous waste streams. It encourages the implementation of site-specific processes and procedures to support compliance with regulations and alignment with local environmental considerations.

Helping Algonquin employees put waste in its place

The Put Waste in its Place office waste streaming program is designed to minimize waste directed to landfill by having employees at Algonquin's Oakville, Ontario headquarters sort their office waste into a series of containers as follows.



Continuing our ESG waste journey

Algonquin's waste management journey is far from over. As we look to the future, we remain dedicated to finding solutions and programs that will help reduce our environmental impact.

Our vision is clear: to lead by example in the utilities sector, demonstrating that sustainable waste management is not only possible but essential. By continuing to prioritize waste reduction and resource conservation, we aim to create a cleaner, greener future for all.

Social

Featured topics

Diversity, equity, and inclusion	21
Liberty Days	21
Health and safety	22
Customer experience and energy efficiency programs	24
Indigenous relations	24

2030 social targets

Enhance employee resources and training

Three-phase approach to embed DEI practices into corporate actions and culture:



Align
internal initiatives and analysis efforts



Engage
through training and curriculum and metrics

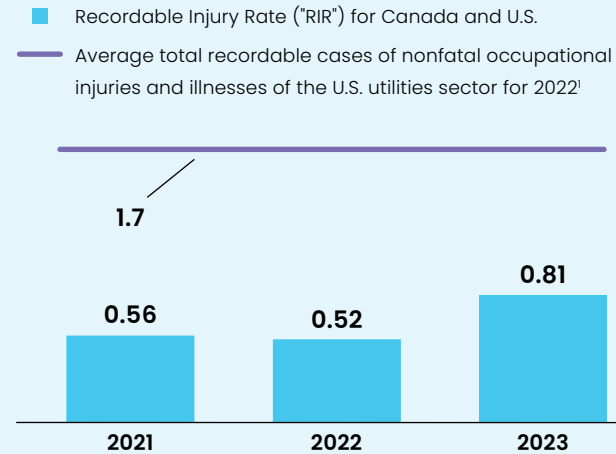


Strengthen
through training, coaching, and talent planning



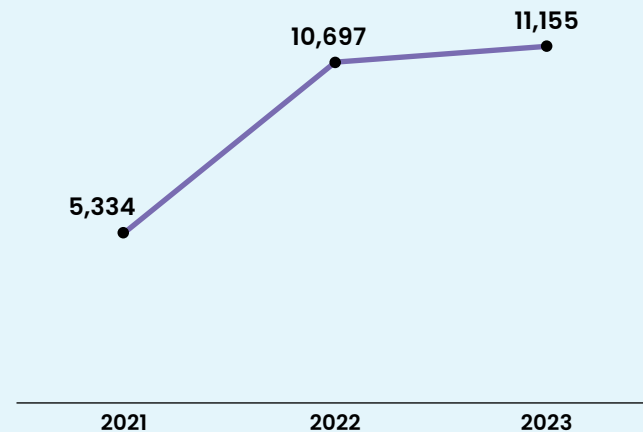
Performance highlights

Injury rate remained 50% below U.S. utilities sector average



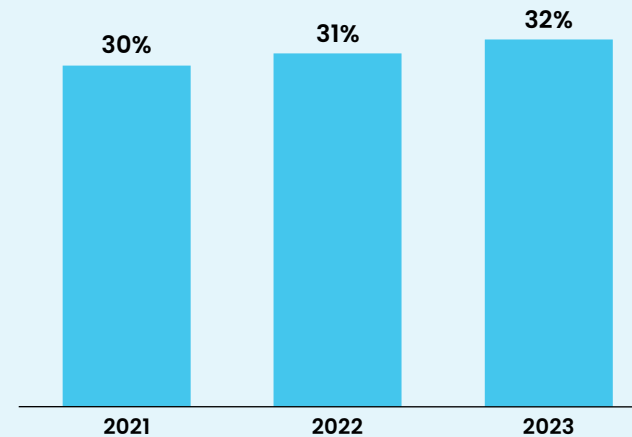
Doubled volunteer hours

Canada and U.S. (Hours volunteered by employees as Liberty Days)



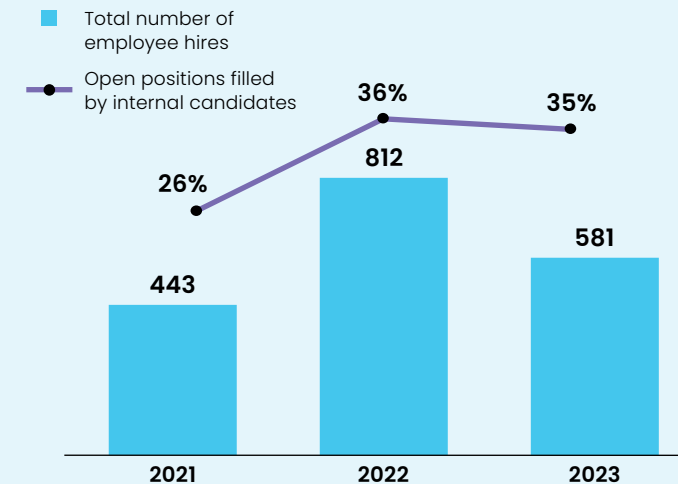
Females in leadership roles (senior manager and above)

Canada and U.S.



Employee attraction and retention

Canada and U.S.



Safety achievement awards

For the third time in four years, Liberty's Regulated Services Group was recognized by American Gas Association ("AGA") as the safest multi-commodity utility of our size.

On behalf of our Liberty Regulated Services Group, Ester Di Giovanni, Senior Director, EHS (left) accepted an Employee Safety Award from the AGA at their Safety Awards Gala in May 2024.



Liberty's Renewable Energy Group was thrilled to celebrate 10 years with no lost time incidents!

1. U.S. Bureau of Labor Statistics, injuries, illnesses, and fatalities. Table 1 – Incidence rates(1) of nonfatal occupational injuries and illnesses by industry and case types, 2022.

Diversity, equity, and inclusion

At Algonquin, fostering diversity, equity and inclusion (“DEI”) is a cornerstone of our values and daily practices. This is captured in our Diversity and Inclusion Policy, which strives to see all employees at Algonquin and its subsidiaries and affiliates are treated with respect and dignity. This policy applies to all employees and agents, including permanent, temporary, full-time, part-time, and contract workers. The Diversity and Inclusion Policy defines key terms such as culture, discrimination, diversity, equity, inclusion, and reasonable accommodation, supporting a common understanding across the organization.

Algonquin seeks to create a fair and inclusive environment, free from all forms of barriers. We celebrate the diversity of our employees, stakeholders, and external contractors, and strive to provide a supportive work environment that offers equal opportunities for everyone.

Our DEI focus areas are designed to enhance workforce diversity, cultivate a culture of inclusion, develop leadership commitment, and establish DEI governance. These efforts are driven by our DEI Council and various sub-committees that support areas such as ethnicity, LGBTQIA+, and women in the workplace. To evaluate the effectiveness of our DEI initiatives, we monitor our progress through periodic reviews and scheduled reporting. This transparency demonstrates our commitment to achieving our DEI goals throughout the company.

Confidentiality is paramount. Employee information is securely handled and only shared on a need-to-know basis. Compliance with the DEI policy is mandatory, and any breaches may result in disciplinary action, up to and including termination of employment. We encourage employees to report any incidents of noncompliance, discrimination, harassment, or retaliation, without fear of reprisal. Reports made in good faith are protected, and any acts of retaliation are strictly disciplined.

Through these efforts, Algonquin is committed to building and sustaining a diverse, equitable, and inclusive workplace where every individual is valued and respected.

Employee Resource Groups

At Algonquin, we believe that our individual differences contribute to making our company a dynamic and innovative place to work. Under the leadership of our DEI Council, we have launched several initiatives to emphasize the importance of diversity and measure our progress at fostering a more inclusive workplace. To support this culture, we have established Employee Resource Groups (“ERGs”) that create spaces where a sense of belonging can be fostered, build connections, and provide resources for employees from underrepresented groups.

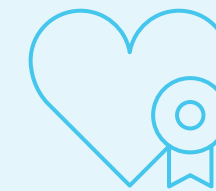
Algonquin employees participating in the Pride Parade in Joplin, Missouri were part of company-wide celebrations of diversity and inclusion in June 2023.

Liberty Days

Supporting the communities we serve

Liberty Days are paid volunteer hours our employees are encouraged to use to participate in activities that give back to their communities. This initiative plays a key role in our work to support local areas and help our employees engage with our community development priorities. Employees in each of our operating regions spearhead volunteer activities, resulting in a diverse set of initiatives directed toward local issues.

In 2023, Liberty employees supported initiatives ranging from low-income housing projects, food drives, and school supports for low-income students, to water conservation, community gardens, invasive species removal, and environmental cleanups. More than 11,000 hours, a record for Algonquin, were compiled by employees resulting in more than \$75,000 pledged to local charities, thousands of pounds of food donated to those in need, hundreds of students supported, and improvements to local environments.



11,155 hrs.

Total hours volunteered through Liberty Days in 2023 by Algonquin employees in Canada and the U.S.

Health and safety

Our safety culture

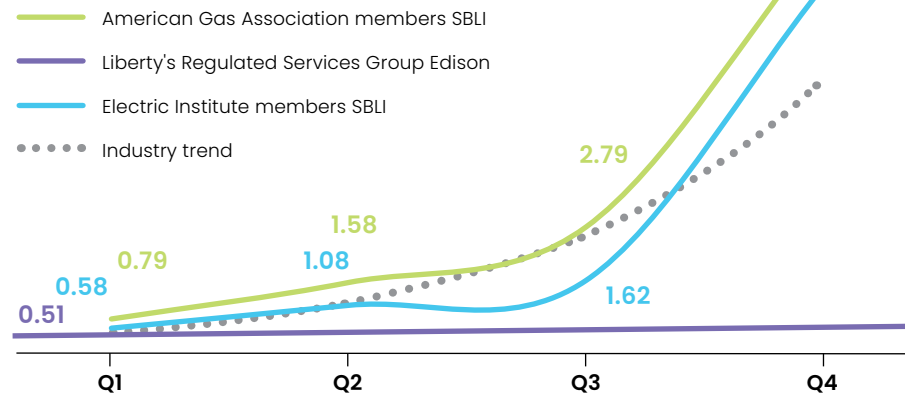
At Liberty, safety is part of everything we do. It is not just about meeting targets or statistics, it is a fundamental aspect of our culture and a key driver of our company's success.

Our safety model empowers employees to identify workplace hazards and take responsibility for their own safety, as well as the safety of their colleagues and the public. This approach helps managers to effectively promote our safety culture and help protect their teams.

We have implemented a transformative five-year health and safety plan that shifts our focus from analyzing past incidents to proactively identifying risks. By using leading indicators, we detect trends and anomalies, helping us prevent potential incidents. This proactive stance with safety has allowed the Renewable Energy Group to celebrate an impressive milestone of 10 years with no lost time incidents. This achievement is a testament to our dedication to safety awareness and exceptional collaboration.

The Regulated Services Group outperformed its industry peers and industry trends for health and safety throughout 2023

Severity Based Lagging Indicator ("SBLI") Rate



Bucket truck image (reach out to Amanda)

2023 safety culture scorecard: a journey of commitment and achievement

Leadership engagements

Leadership engagement plays a crucial role in reinforcing our safety culture across all levels of the organization. In 2023, Liberty North American operations exceeded expectations, with 1,822 leadership engagements — well above the target of 887. Notably, the Renewable Energy Group surpassed its goal of 168 with 256 engagements, demonstrating active leadership involvement in safety initiatives. This proactive leadership presence reinforces safety as a priority across every division.

Safety observations

Safety observations allow us to monitor and evaluate safe behaviors and work conditions in real-time. Liberty North American operations recorded an impressive 11,943 safety observations, exceeding its target of 6,823. Similarly, the Regulated Services Group surpassed expectations, with 7,104 observations versus a target of 6,013. These high engagement levels reflect the organization's commitment to promoting safe work practices and continuously improving safety conditions across its operations.

Good Catch program

The Good Catch program is designed to empower employees to proactively identify and report hazards and positive safety actions. The data for 2023 highlights Liberty's strong performance, with 1,169 good catch reports across Liberty North American operations, exceeding the target of 395. The Renewable Energy Group achieved 128 good catches, surpassing its target of 63, while the Regulated Services Group recorded 1,041 reports, well above the 332 target mark. This proactive reporting culture is critical for identifying potential hazards before they lead to incidents.

Facility inspections

Conducting regular facility inspections is essential for maintaining safety and compliance. In 2023, Liberty North American operations conducted 268 inspections, meeting its target of 132. Within this, Liberty's Regulated Services Group performed particularly well, with 206 inspections, nearly doubling its target of 88. Regular inspections help us identify risks early and take corrective actions to strive for facilities that remain safe environments for all employees.

On-time corrective action closure

Timely closure of safety-related action items is vital for preventing future incidents. In 2023, Liberty North American operations had 706 total actions, with 95 remaining open. However, the key highlight is that none of the actions were past due, indicating a highly effective response system. This level of responsiveness further strengthens our overall safety management.

Looking ahead

Liberty is dedicated to advancing its safety culture by focusing on key priorities for 2024 and beyond. Our efforts are centered on developing leadership, improving risk management, and enhancing safety in our working environments. Through initiatives such as environmental, health, and safety leadership training, energy-based safety observations, and the use of human performance tools and serious injury and fatality precursors, we aim to create a culture where safety is integrated into every action. Visible safety leadership is crucial for developing trust and encouraging sound decision-making at all levels. Leadership plays an

important role in maintaining a safe workplace by building strong, trusting relationships, and consistently prioritizing safety. High-energy hazards remain a focus, with regular site visits and engagement with frontline employees to strive for safety controls that are effective and aligned with protecting against life-threatening risks. Additionally, we embrace a culture where failures are seen as learning opportunities, encouraging employees to recognize hazards and fail safely. By addressing the precursors to serious injuries, we proactively manage risks and empower our teams to build a more resilient safety culture, supporting Liberty's continued progress in protecting its people and operations.

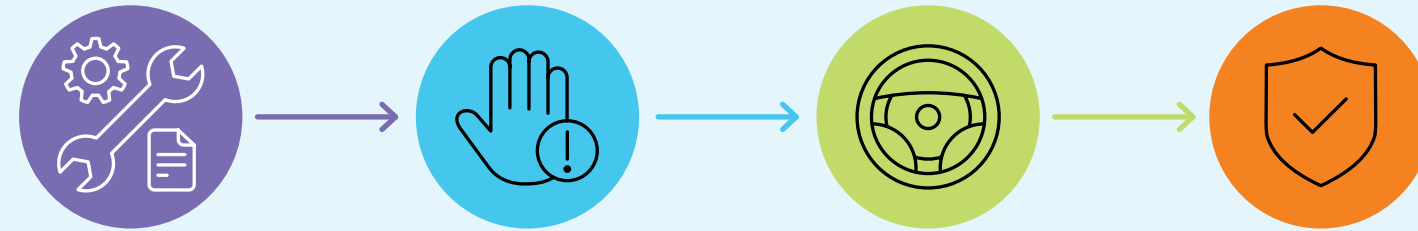
Sector peers continued to recognize Algonquin for excellence in health and safety

We are always pleased when peers from our industry recognize our safety record. Highlights include recognition from:

American Gas Association Employee and Vehicular Safety Award	2023, 2022, and 2021
Canadian Gas Association Award for New Brunswick Gas Achieved the lowest RIR among medium-sized combination companies	2023, 2022, and 2021
American Gas Association Leading Indicator Safety Award	2023 and 2022
Arizona Water Association Safety Achievement Award For Bella Vista, Entrada Del Oro, Gold Canyon Wastewater, Black Mountain Sewer, Cordes Lakes, and Rio Rico Water and Wastewater	2023
Mutual de Seguridad Award for Suralis Achieved the lowest injury rate among utility companies in Chile	2023

Our Life-Saving Behaviors and their impact on our safety culture

The Life-Saving Behaviors include four critical areas: Work Readiness, Stop Work Authority, Driving, and Safety Controls. Each of these behaviors plays a role in fostering a proactive safety mindset among all Algonquin employees. By choosing to work for Algonquin, employees commit to upholding these behaviors, placing safety at the forefront of every task.



Work readiness

We emphasize the importance of being fully prepared to perform work safely.

Employees are encouraged to acquire the tools, knowledge, and situational awareness necessary to execute their duties without risk.

Stop work authority

If an unsafe condition, behavior, or hazard arises, employees are empowered to stop work immediately.

This proactive measure is instrumental in preventing potential accidents by addressing risks before they escalate.

Driving

Safe driving practices are integral to our operations.

Employees are trained to follow all relevant driving rules and regulations, fostering on- and off-site travel safety.

Safety controls

Using all required safety controls to perform work safely is paramount.

We have created systems that have the capacity to "fail safely," allowing errors to occur without leading to harm. By understanding the hierarchy of controls and focusing on eliminating hazards, substituting safer alternatives, and utilizing engineering and administrative controls, we continuously strengthen our safety protocols.

Over the past four years, since the introduction of our Life-Saving Behaviors, we have seen a notable shift in our safety culture. These behaviors, designed to manage risks associated with our daily operations, have proven to be transformative in promoting safe and secure workplaces.

Our commitment to these behaviors has achieved outstanding results. Numerous examples from the past four years highlight how Life-Saving Behaviors have successfully been applied in real-world situations, contributing to the reduction of workplace incidents.

From quick action during hazardous conditions to consistent use of protective measures, our employees have shown the positive impact of these practices in keeping our work environment safer.

As we move forward, we will continue to reinforce the importance of these behaviors, recognizing their ongoing contribution to Algonquin's safety-first culture. This collective effort helps each employee not only strive to protect themselves, but also their colleagues, aligning with our vision to create a workplace where safety is second nature.

The Algonquin headquarters in Oakville, Ontario was just one location where our employees gathered on June 24, 2024 to celebrate our Renewable Energy Group's safety milestone of 10 years without a lost time incident.

Customer experience

As a provider of electricity, natural gas, water, and wastewater services, our customers are at the very center of our purpose of *sustaining energy and water for life*. Ultimately, they are why we do what we do.

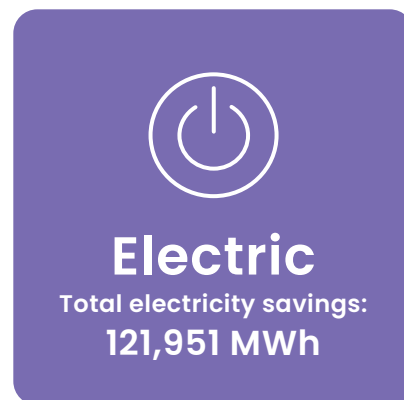
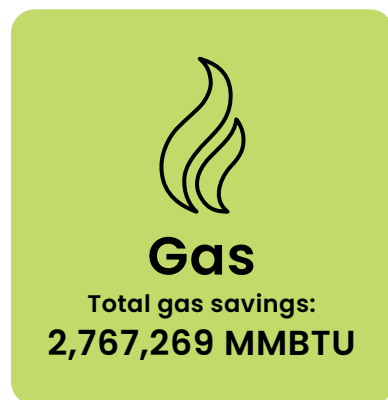
Algonquin has made significant investment in our ability to provide a better customer experience to the more than 1.2 million customers who are connected to our utility networks. Upgrades to our billing, customer care, and customer data systems, known internally as our Customer First program, aim to improve how we interact with and serve our customers. A multi-year effort, in 2023 we continued to roll out our new platform with the goal of completing implementation in 2024.

Going beyond billing and call center services, we have a variety of energy efficiency programs

in place to aid our customers in reducing energy, water, and gas consumption and costs, and their impact on the environment. These programs vary depending on the jurisdiction and services we provide, whether electricity, gas, or water. However, all are focused on supporting the more efficient use of resources while maintaining the critical services that people require.

Through these initiatives, Algonquin is using its capacity as a utility company to support the program infrastructure and relationships required to make customer participation easier.

Lifetime savings for Algonquin energy and water efficiency measures



**Learn how
Algonquin programs
help our customers
save on their energy
and water bills**

Algonquin's Total Rewards team gathered on September 30, 2023 at our Oakville headquarters in recognition of the National Day for Truth and Reconciliation.

Indigenous relations A path toward sustainable collaboration

Algonquin recognizes that our business footprint intersects with traditional lands of numerous indigenous groups, and that respectful and collaborative communication is key to developing positive relationships. This has been most apparent in our Canadian operations for both renewables development and natural gas infrastructure. As Algonquin continues its transition to a fully regulated utility company, our approach to indigenous groups will also continue to evolve along with new standards and expectations for consultation and collaboration.

More broadly, Algonquin supports staff in education and acknowledgment of our indigenous neighbors through internal communication resources and events, led by our Ethnically Diverse Group of Employees (EDGE) committee. Examples include webinars and podcasts celebrating Native American Heritage Month, as well as activities associated with National Day for Truth and Reconciliation that include education, acknowledgment of indigenous history, and fundraising to support the Woodland Cultural Center located near our head office in Ontario, Canada.

Governance



Featured topics

2023 directors' skills matrix	26
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Cybersecurity	28
Ethics and integrity	28
Sustainable procurement: Algonquin addresses the risk of forced labour and child labour in its supply chain	29
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2030 governance targets

Enhance ESG and climate governance

Delivered through three focus areas:



Clarity of governance and oversight



Quantified ESG expertise

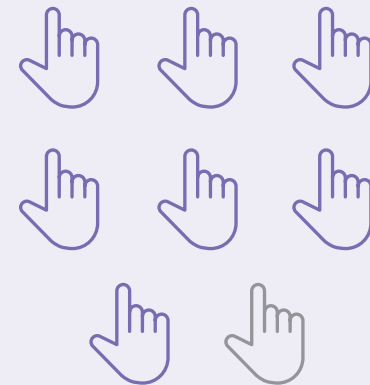
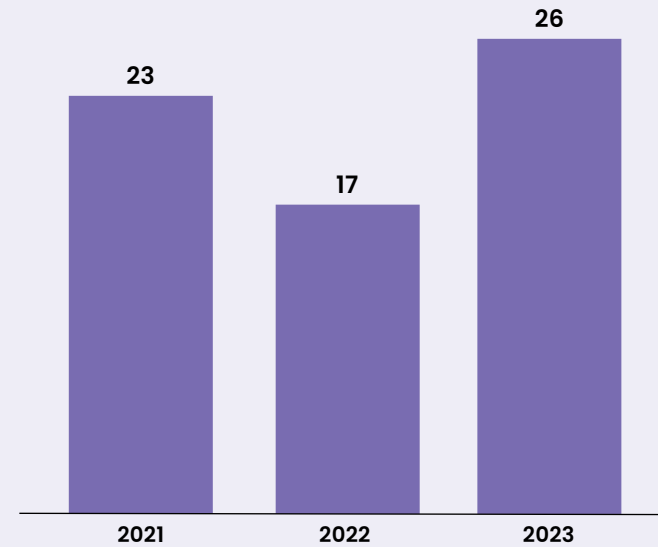


Training and education



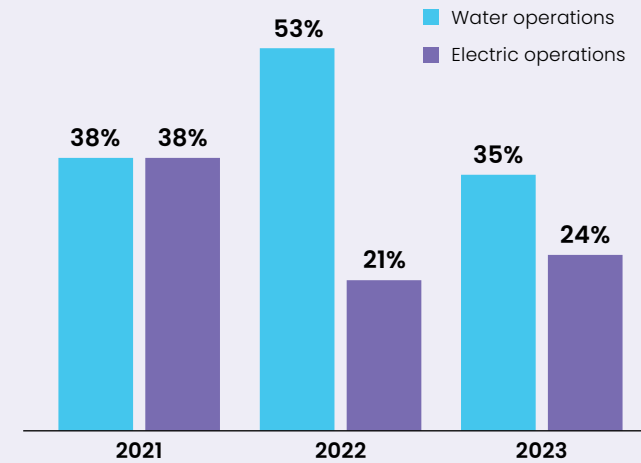
Performance highlights

Number of times Ethics Reporting Line was used



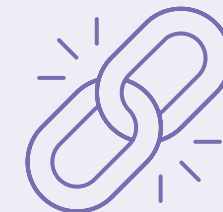
8 of 9
directors are independent.

Liberty's California-based operations total procurement spending with diverse enterprises



In 2023, 99.9% of Algonquin's employees in Canada and the U.S. received cybersecurity training.

Algonquin's robust framework of ethics policies



Algonquin published its first Fighting Against Forced Labour and Child Labour in Supply Chains Act report.

2023 directors' skills matrix¹

The Corporate Governance Committee of Algonquin's Board of Directors has developed the directors' skills matrix shown here. The matrix is reviewed annually by the committee and updated to reflect the expertise, experience, and competencies that it believes are necessary for the Board as a whole to possess as the Corporation's needs evolve.

Board of Directors highlights



8 of 9

directors are independent.



5.9 years

is the average tenure of directors.



8 of 9

directors have senior executive experience.



50%

of directors are female.²



100%

of directors have received anticorruption communications and training.



9 of 9

directors have corporate governance experience.



Find out more about...

• [Algonquin's 2023 Management Information Circular](#)

	Banskota	Barnes	Chande	Goldberg	Huskilson	Laney	Moore	Saidi	Samil
Entrepreneurism: Experience as a founder or senior executive in a fast-paced organization, including experience and responsibility for driving innovation and responding to change.	•		•	•	•	•	•		
Cyber/physical security: Experience with, or understanding of, processes for securing corporate information and systems, physically securing or restricting access to offices, worksites, and other assets, and responding to cyber or physical security incidents.	•		•	•	•				
Financial: Experience with, and understanding of, accounting and financial reporting standards and internal controls gained through service on an audit committee or as a senior executive in a finance function of a publicly listed company or a major accounting firm, or experience in corporate finance, including overseeing capital raising and other complex financial transactions.	•	•	•	•	•	•	•		•
Governance: Experience overseeing governance practices gained through service on a corporate governance committee or as a senior executive of a publicly listed company.	•	•	•	•	•	•	•	•	•
Human resources/diversity, equity, and inclusion: Experience with executive compensation, leadership development and succession planning, workplace culture, and diversity and inclusion gained through service on a human resources/compensation committee or as a senior executive with human resources accountabilities within a publicly listed company.	•	•	•	•	•	•			•
Operations: Experience as a senior executive in energy or utility operations, engineering, project management, and development, or construction.	•				•			•	•
Risk management: Experience with, or understanding of, risk identification, assessment, management, and mitigation, including an understanding of ERM frameworks.	•	•			•	•	•	•	
Senior executive: Experience as a CEO or other senior executive of a large publicly listed company or a large organization with complex or international operations.	•	•	•	•	•	•		•	•
Stakeholder engagement: Experience in, or a strong understanding of, communications and relationship-building, including with investors, customers, regulators, and/or communities, including Indigenous communities.	•	•		•	•	•	•	•	•
Strategy: Experience developing and implementing strategic plans and leading the growth or transformation of a company, including through complex M&A transactions.	•	•	•	•	•	•	•	•	•
Sustainability/climate: Experience with the development, implementation, and oversight of strategies, policies and practices relating to sustainability, environmental matters including climate change, ESG reporting, and health and safety.	•				•	•			

1. Information on the directors/directors' skills matrix is as of April 2023.
 2. Arun Banskota departed the Board in August 2023.

Sustainability governance

Board overview

Strong corporate governance

Algonquin's Board of Directors ("the Board") is dedicated to overseeing various aspects of the organization, including strategic planning, risk management, human resource management, financial reporting, communications, disclosure, corporate governance, and sustainability. The Board's oversight is essential for integrating sustainability performance into Algonquin's corporate strategy.

Board structure and independence

The Board is composed of a majority of independent directors, who provide unbiased supervision of the Corporation's activities and management. The Chair of the Board, also an independent director, plays a crucial role in setting the Board's agenda and facilitating effective governance.

Diversity and inclusion

Algonquin recognizes the benefits of diversity in its Board and executive management team. The Corporation is committed to fostering an inclusive culture, free of conscious or unconscious bias at all levels of the organization. Diversity is defined broadly, encompassing gender, age, race, nationality, culture, language, abilities, education, and experience. The Board aims for at least 30% gender diversity among its directors to promote equal opportunities and the inclusion of diverse perspectives in decision-making processes.



Find out more about...

- [The Board and Executive Diversity policy](#)
- [Our Code of Business Conduct and Ethics](#)

Board committees and responsibilities

As outlined on [page 8](#), the Board is supported by four standing committees: the Audit & Finance Committee, the Corporate Governance Committee, the Risk Committee, and the Human Resources and Compensation Committee. These committees help manage and supervise various functions, including:

- **Corporate governance:** The Corporate Governance Committee periodically reviews the Corporation's governance practices, including for alignment with best practices and regulatory requirements.
- **Human resource management:** The Human Resources and Compensation Committee reviews the Corporation's approach to human resource management, succession planning, and executive compensation.
- **Risk management:** The Risk Committee, with assistance from other Board committees where appropriate, oversees the Corporation's risk management policies and processes for the management and mitigation of risks faced by the Corporation.
- **Audit and finance:** The Audit & Finance Committee provides oversight of the Corporation's accounting and financial reporting processes and reviews business cases for significant projects and investments, annual budgets, and long-term financial plans.
- **Strategic planning:** The Board reviews and approves the Corporation's strategic and business plans, monitors their implementation, and makes necessary adjustments.

Review and approval processes

The Board's responsibilities include reviewing and approving the Corporation's financial information, strategic plans, and significant legal matters. It also oversees compliance with disclosure policies and communication strategies. The Board conducts regular assessments of its effectiveness and that of its committees and individual directors, fostering continuous improvement in governance practices.

The Corporate Governance Committee actively participated in reviewing this ESG report, reflecting the Board's commitment to corporate governance and sustainability practices. By fostering diversity, maintaining independence, and providing oversight, the Board continues to uphold the highest standards of corporate governance and sustainability.

Ethics and integrity

Our approach to fostering a culture of ethical behavior

Ethical behavior is fundamental to our corporate governance. We believe that empowering and encouraging our employees and leaders to act with integrity and to voice concerns when something seems amiss strengthens our organization. To this end, we have integrated principles of ethics and integrity into our Corporate Scorecard and established policies that define the expected behavior of our employees.

Furthermore, we have developed a support system for employees to raise compliance and ethics concerns. Our Compliance Framework initiative enhances our company compliance program by focusing on culture, people, processes, and tools that support adherence to compliance standards. These efforts safeguard our organization's integrity, mitigate risks, and support ethical behavior in alignment with our values and mission.

Ethics Hotline: We have an ethics line that provides our employees and stakeholders an anonymous reporting channel to share concerns and potential breaches of our Code of Business Conduct and Ethics via email, phone, or text.

Cybersecurity

As cybersecurity threats evolve, we must work to update and improve our cyber defenses. To help achieve our cybersecurity goals, we continue to partner with others in our industry, cybersecurity experts, and the U.S. and Canadian governments to share information, data, strategy, and best practices. To help equip our employees with the tools and information needed to navigate cyber threats, Algonquin's mandatory corporate training covers data protection, remote working, and device protection.

Cultivating a cybersecurity culture helps support cybersecurity conscientiousness within the workplace and beyond. As such, Algonquin has launched a cybersecurity transformation journey that aims to provide our employees with the knowledge, tools, and structure to help protect our customers and communities from emerging cyber risks.

Our Cybersecurity Program encompasses all areas of Algonquin's business from our customer service representatives to our field and frontline employees, and broader workforce. These efforts are designed to enhance our ability to identify, protect, detect, respond to, and recover from cyber attacks, thereby helping to pave the way for a more secure future for Algonquin in the cyber world.

In addition, Algonquin's Cybersecurity Strategy is anchored by three primary goals: a) cultivating a pervasive culture of cybersecurity, b) enhancing holistic defenses and services, and c) enabling risk-informed decision-making. We strive to develop tailored security solutions, advanced capabilities to protect and respond to cyber threats, and strong governance structures to support cohesive and effective protection across all of our operations. Additionally, we focus on risk-informed intelligence to support strategic decisions, safeguarding our infrastructure and maintaining trust with our stakeholders. Through these goals, we strive to position ourselves as leaders in cybersecurity within the energy and utilities sector.

Our 15 cybersecurity workstreams

The development and delivery of the 15 workstreams shown below helps Liberty identify, protect, detect, respond and recover from cyber attacks that can impact our employees, customers, and communities.



Identify

- **Asset management**
How technology assets are properly used, maintained, and disposed of (e.g., computers, tablets, and phones)
- **Patch and vulnerability management**
Identification of software vulnerabilities and patches to mitigate them
- **Third-party cyber risk management**
The mitigation of risk related to the procurement and use of software provided by a third party

Protect

- **Identify and access management**
Seeking to provide the correct people with access to the right tools and resources
- **Network protection**
Use of firewalls and network segmentation to reduce and isolate risks
- **Physical security**
Physical security such as fences, cameras, and badges
- **Secure change**
Mitigation of vulnerabilities when making changes to software or equipment
- **Secure operations**
How processes are built with cybersecurity top of mind

Detect

- **Data protection**
Detection and prevention of the unauthorized use and transfer of data
- **Security monitoring**
The unification of antivirus, logs, and sensors in order to effectively manage and analyze security data

Respond

- **Cybersecurity risk management**
Risk processes, tolerance, and analysis specific to cybersecurity
- **Incident response**
Standardized practices specific to incident reporting, priority, and response
- **Governance, awareness, and training**
Standardization and training of what we must do, who does it, how, and when

Recover

- **Business continuity**
The critical information, systems, and processes needed to continue if there is a cyber attack
- **Disaster recovery**
Process of maintaining or re-establishing vital infrastructure following a cyber attack

Subsustainable procurement

Algonquin addresses the risk of forced labour and child labour in its supply chain

We recognize that how we do business and, in particular, the decisions we make in our supply chain can have impacts that reach far beyond our employees and customers. Responding to new requirements for Canadian-based entities, Algonquin published its first Fighting Against Forced Labour and Child Labour in Supply Chains Act report in 2023. This report documents our supply chain processes, areas of potential risk, and mitigation measures that we have in place to avoid vendors that may utilize forced or child labour in the manufacture of products that we procure to operate our businesses. Essential components in our efforts include several key policies, such as our Code of Business Conduct and Ethics, Workplace Civility Policy, and Human Rights Policy. Combined with our Supplier Code of Conduct and Policy on Procurement, along with employee training programs, Algonquin has established a robust set of tools to avoid exposure to forced or child labour in our supply chain.



Find out more about...

- [AQN's 2023 report on the fight against forced labour and child labour in supply chains](#)

Government affairs

Our Government Affairs team leads our engagement with policymakers at federal, state, and provincial levels and advocates for policies that support our strategic pillars of Growth, Operational Excellence, and Sustainability. The team's mission is to support the successful execution of our business strategy through on-the-ground intelligence with a clear line of sight to identify business risks and opportunities.

Following the previously developed group roadmap, which helped us build our internal capacity, establish our priorities, identify policy risks, and pursue strategic initiatives, 2023 was an active year focused on proactive engagement across our operating jurisdictions. Our efforts focused on advocating against potentially harmful policies, while encouraging policies that support Algonquin's goals and mission. In the rapidly evolving energy and utility landscape, we view active, thoughtful participation in these crucial policy discussions as a key component of reducing risk in our existing businesses, as well as supporting priority growth opportunities.

Appendix I:

Forward-looking statements and forward-looking information

This document contains statements that constitute "forward-looking information" within the meaning of applicable securities laws in each of the provinces and territories of Canada and the respective policies, regulations and rules under such laws or "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). The words "aims" "anticipates", "believes", "could", "can", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "targets", "projects", "schedule", "seeks", "should", "strives", "targets", "will", "would" (and grammatical variations of such terms) and similar terms are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information in this report includes, but is not limited to, statements relating to: the sale of the Renewable Energy Group and the anticipated impact thereof on Algonquin; expected future growth, investments and results of operations; expectations regarding generation availability, reliability, capacity and production; sustainability and ESG strategy, initiatives, projects, targets and goals, including related to reducing greenhouse gas emissions, decarbonization, net-zero targets (including interim targets to reach net-zero), alignment with SDGs, renewable natural gas, hydrogen, battery storage, electric vehicles, grid hardening and modernization and renewable generation, and the expected benefits, outcomes, timing and results thereof; outcomes of our safety goals and plans; community investment and engagement efforts; customer benefits; integration of ESG-related analysis, insights and opportunities into Algonquin's business processes and strategies; sustainability governance; ongoing and planned acquisitions and projects, including expectations regarding costs, timing, in-service dates, completion dates, production/generation capacity, job creation and community benefits; "greening the fleet" plans and opportunities; integration of

climate risks into Algonquin's enterprise risk management framework; regulatory, procurement, employee and governmental policy and legislative initiatives and approaches, including expected benefits of legislative initiatives; expected future capital investments, including expected timing and impacts; expected future environmental and social impacts of Algonquin's renewable energy, water, electric and natural gas projects; biodiversity, vegetation and conservation initiatives; employee attraction, retention and engagement initiatives; expectations regarding DEI and gender diversity; customer service, employee engagement, compensation, compliance and disclosure, and the potential impacts of climate change. All forward-looking information is given pursuant to the "safe harbour" provisions of applicable securities legislation.

The forecasts and projections that make up the forward-looking information contained herein are based on certain factors or assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; the presence of a favourable regulatory environment (including for decarbonization initiatives and matters); the commercial viability of emerging technologies relating to decarbonization; the absence of any material equipment breakdown or failure; availability of financing (including tax equity financing and self-monetization transactions for U.S. federal tax credits) on commercially reasonable terms and the stability of credit ratings of Algonquin and its subsidiaries; the absence of unexpected material liabilities or uninsured losses; the continued availability of commodity supplies and stability of commodity prices; interest rate increases or significant currency exchange rate fluctuations; the absence of significant operational, financial or supply chain disruptions or liability due to natural disasters, diseases or other force majeure events; the continued ability to maintain

systems and facilities to support their continued performance; the absence of a severe and prolonged downturn in general economic, credit, social and market conditions; the successful and timely development and construction of new projects; the closing of pending acquisitions substantially in accordance with the expected timing for such acquisitions; the absence of capital project or financing cost overruns; sufficient liquidity and capital resources; the absence of significant counterparty defaults; the continuation of observed and long-term weather patterns and trends; the continued competitiveness of electricity pricing when compared with alternative sources of energy; the realization of the anticipated benefits of Algonquin's acquisitions and joint ventures; the absence of a change in applicable laws, political conditions or public policies and directions by governments materially negatively affecting Algonquin; the ability to obtain and maintain licenses and permits; maintenance of adequate insurance coverage; the absence of material fluctuations in market energy prices; the absence of material disputes with taxation authorities or changes to applicable tax laws; continued maintenance of information technology infrastructure and the absence of a material breach of cybersecurity; successful implementation of new information technology systems and infrastructure; favourable relations with external stakeholders; favourable labour relations; the ability of Algonquin to successfully execute future "greening the fleet" initiatives; the viability, financial and otherwise, of community engagement efforts and sustainability projects; the reliability of scientific evidence upon which sustainability efforts are based; the reliability of software and collection systems for ESG data; the availability of diverse suppliers and qualified personnel to satisfy continued diversity and inclusion efforts; and the ability of Algonquin to effect a sale of the Renewable Energy Group and realize the anticipated benefits therefrom.

The forward-looking information contained herein is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ materially from current expectations include, but are not limited to: changes in general economic, credit, social and market conditions; changes in prevailing attitudes and tolerances with respect to climate change and net-zero strategies and initiatives; changes in customer energy usage patterns and energy demand; reductions in the liquidity of energy markets; global climate change; advancements in environmental science; the development of new sustainable technologies; the incurrence of environmental liabilities; natural disasters, diseases, pandemics, public health emergencies and other force majeure events and the collateral consequences thereof, including the disruption of economic activity, volatility in capital and credit markets and legislative and regulatory responses; critical equipment breakdown or failure; supply chain disruptions; the imposition of import controls or tariffs; the failure of information technology infrastructure and other cybersecurity measures to protect against data, privacy and cybersecurity breaches; physical security breach; the loss of key personnel and/or labour disruptions; failure to successfully implement, and cost overruns and delays in connection with, new information technology systems and infrastructure; seasonal fluctuations and variability in weather conditions and natural resource availability; reductions in demand for electricity, natural gas and/or water due to developments in technology; reliance on transmission systems owned and operated by third parties; issues arising with respect to land use rights and access to Algonquin's facilities; terrorist attacks; fluctuations in commodity and energy prices; capital expenditures; reliance on subsidiaries; the incurrence of an uninsured loss; a credit rating downgrade; an increase in financing costs or limits on access to credit and capital markets; inflation; increases and fluctuations in interest rates and failure to manage exposure to credit and financial instrument risk; currency exchange rate fluctuations; restricted financial flexibility due to covenants in existing credit agreements; an inability to refinance maturing debt on favourable terms; disputes with taxation authorities or changes to applicable tax laws; failure to identify,

acquire, develop or timely place in service projects to maximize the value of tax credits; requirement for greater than expected contributions to post-employment benefit plans; default by a counterparty; inaccurate assumptions, judgments and/or estimates with respect to asset retirement obligations; failure to maintain required regulatory authorizations; changes in, or failure to comply with applicable laws and regulations; failure of compliance programs; failure to identify attractive acquisition or development candidates necessary to pursue Algonquin's growth strategy; failure to dispose of assets (at all or at a competitive price) to fund Algonquin's operations and growth plans; delays and cost overruns in the design and construction of projects; loss of key customers; facilities being condemned or otherwise taken by governmental entities; increased external stakeholder activism adverse to Algonquin's interests; fluctuations in the price and liquidity of Algonquin's common shares and Algonquin's other securities; impact of significant demands placed on Algonquin as a result of pending acquisitions or growth strategies; potential undisclosed liabilities of any entities being acquired by Algonquin; uncertainty regarding the length of time required to complete pending acquisitions; the failure to implement the Algonquin's strategic objectives or achieve expected benefits relating to acquisitions, dispositions or other initiatives, including with respect to the intended sale of the Renewable Energy Group; the possibility of adverse reactions or changes in business relationships or relationships with employees resulting from the announcement or completion of the intended sale of the Renewable Energy Group; risks relating to the diversion of the Board's or management's attention in connection with the intended sale of the Renewable Energy Group; and unanticipated expenses and/or cash payments as a result of change of control and/or termination provisions in purchase or sale agreements. Although Algonquin has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Some of these and other factors are discussed in more detail under the heading "Enterprise Risk Factors" in Algonquin's most recent annual information form and under the heading "Enterprise Risk Management" in Algonquin's

most recent annual and interim management discussion and analysis, each of which has been filed on SEDAR and EDGAR.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

While subsequent events and developments may cause Algonquin's views to change, Algonquin disclaims any obligation to update any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law. All forward-looking information contained herein is qualified by these cautionary statements.

Appendix II:

2023 SASB index¹

Electric utilities and power generators

Greenhouse gases and energy resource planning

No.	Disclosure	2023	
EU-110a.1	Gross global Scope 1 emissions (Mt CO ₂ e)	2,081,332	
	Percentage covered under emission-limiting regulations ²	0.59%	
	Percentage covered under emission-reporting regulations ³	81.65%	
EU-110a.2	Greenhouse gas emissions ("GHG") associated with power deliveries	Owned power ⁴	1,983,067
		Purchased power ⁵	16,796
EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	S 3 Letter from the Chief Executive Officer S 12 Closing out our initial set of ambitious ESG goals S 13 Transitioning to our new 2030 ESG targets S 9 Net-zero commitment	
EU-110a.4	Number of customers served in markets subject to renewable portfolio standards ("RPS") ⁶	264,177	
	Percentage of fulfillment of RPS target	100%	

¹ Scope of disclosure: Unless explicitly noted, annual data herein is presented for the fiscal year beginning on January 1 and end on December 31 of the specified year, and data reflecting a specific point in time is given as at December 31 of the specified year.

² Emissions-limiting regulations included are: Alberta Technology Innovation and Emissions Reduction regulation, California Cap-and-Trade program, and the Regional Greenhouse Gas Initiative.

³ This includes emissions from the stationary combustion of Algonquin's Empire, Sanger, and Windsor Locks thermal facilities, fugitive SF₆ emissions from Empire Electric, Calpeco Electric, and Granite State Electric, and fugitive methane emissions from gas distributions in Massachusetts, New Hampshire, New York, Georgia, Missouri, Iowa, and Illinois.

⁴ Emissions for owned power include total Scope 1 and 2 emissions from all of Algonquin's power generation facilities.

⁵ Emissions for purchased power include emissions from the transmission and distribution losses (Scope 2) of power purchase agreements purchased by Empire Electric, Calpeco Electric, and Granite State Electric.

⁶ This covers all of our customers served by Empire Electric, Calpeco Electric, and Granite State Electric.

Air quality

No.	Disclosure	2023
EU-120a.1	NO _x (Mt)	418
	SO _x (Mt)	8.6
	PM ₁₀ (Mt)	60.1
	Lead (Mt)	0.00010
	Mercury (Mt)	0.000041

Water management

No.	Disclosure	2023
EU-140a.1	Total water withdrawn (ML)	8,468
	Percentage of water withdrawn in regions with high or extremely high baseline water stress	0.32%
EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	7
EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks ⁷	S 11 Risk management S 17 State Line water saving projects

Energy affordability

No.	Disclosure	2023	
EU-240a.1	Average retail electric rate by customer type (\$/kWh)	Residential	0.21
		Commercial and industrial	0.16
EU-240a.3	Number of residential customer electric disconnections for non-payment – U.S. only	4,438	
	Percentage reconnected within 30 days – U.S. only	58%	
EU-240a.4	Discussion of the impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	S 11 Risk management S 24 Customer experience	

⁷ These incidents were associated with various National Pollutant Discharge Elimination System violations during construction at Deerfield II and Sandy Ridge II.

Workforce health and safety

No.	Disclosure	2023
EU-320a.1	Total recordable incident rate	ESG Performance Index 2023 – Health and Safety
	Total recordable fatality rate	
	Total recordable near miss frequency rate	

End-use efficiency and demand

No.	Disclosure	2023
EU-420a.2	Percentage of electric load served by smart grid technology (%/MWh) – U.S. Central Region only	100%
EU-420a.3	Customer electricity savings from efficiency measures by market (MWh) – U.S. only ⁸	121,951

Grid resiliency

No.	Disclosure	2023
EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations – U.S. Central Region only	0
EU-550a.2	System Average Interruption Duration Index (minutes)	160.01
	System Average Interruption Frequency Index (rate)	1.21
	Customer Average Interruption Duration Index (minutes, inclusive of major events days)	132.53

Activity metrics

No.	Disclosure	2023	
EU-000.A	Average active customer connections	Residential	262,700
		Commercial and industrial	42,700
EU-000.B	Total electricity delivered (MWh)	Residential	2,741,500
		Commercial and industrial	3,820,000
EU-000.C	Length of distribution lines (miles)	13,517	

⁸ This is the total lifetime electricity savings for measures or actions that were taken in 2023.

Activity metrics (continued)

No.	Disclosure	2023
EU-000.D	Total electricity generated (MWh)	14,133,090
	Natural gas	27.0%
	Heavy fuel oil	3.8%
	Hydropower	4.4%
	Solar	4.7%
	Wind	60.1%
	Percentage in regulated markets	46.3%
EU-000.E	Total wholesale electricity purchased (MWh)	1,596,988

Gas utilities and distributors

Energy affordability

No.	Disclosure	2023
GU-240a.1	Average retail gas rate by customer type (\$/MMBtu)	Residential Commercial and industrial Transportation
		16.25 12.85 0.75
GU-240a.3	Number of residential disconnections (non-payment) – Canada and U.S. Percentage reconnected within 30 days – U.S. only	
		10,312 59%
GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	S 11 Risk management S 24 Customer experience

End-use efficiency

No.	Disclosure	2023
GU-420a.2	Customer gas savings — efficiency measures (MMBtu) — U.S. only ⁹ Distribution pipeline that is unprotected steel	2,767,269 0.63%

Integrity of gas delivery infrastructure

No.	Disclosure	2023
GU-540a.1	Number of reportable pipeline incidents Number of corrective action orders — U.S. only Number of notices of probable violation — U.S. only	9 0 9
GU-540a.2	Distribution pipeline that is cast/wrought iron Distribution pipeline that is unprotected steel	1.11% 0.63%
GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	S 11 Risk management S 16 Pipeline replacement

Activity metrics

No.	Disclosure	2023
GU-000.A	Average active customer connections	326,500 40,600
GU-000.B	Gas delivered (MMBtu)	18,822,000 20,215,000
GU-000.C	Length of distribution pipelines (miles)	8,482

⁹ This is the total lifetime electricity savings for measures or actions that were taken in 2023.

Water utilities and distributors

Energy management

No.	Disclosure		2023
WU-130a.1	Energy consumption	Total energy consumed (GJ)	672,380
		Percentage grid electricity	87.73%

Effluent quality management

No.	Disclosure		2023
WU-140b.1	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations		1
WU-140b.2	Discussion of strategies to manage effluents of emerging concern	While contaminants of emerging concern are currently not regulated, Algonquin may address these concerns in its wastewater effluents on a case-by-case basis through education, recycling, new technologies, and limiting the source of the constituent.	

Water affordability and access

No.	Disclosure		2023
WU-240a.1	Average retail water rate (\$/100 cubic feet) – U.S. only	Residential	5.07
		Commercial and industrial	4.43
WU-240a.3	Number of residential disconnections (non-payment) – U.S. only Percentage reconnected within 30 days – U.S. only		3,782
			68%
WU-240a.4	Discussion of impact of external factors on customer affordability of water, including economic conditions of the service territory	S 3 Letter from the Chief Executive Officer S 17 Our new Sarival Water Reclamation Facility S 24 Customer experience	

Drinking water quality

No.	Disclosure		2023
WU-250a.1	Number of drinking water violations	Acute health-based	7
		Non-acute health-based	182
		Non-health-based	7
WU-250a.2	Discussion of strategies to manage drinking water contaminants of emerging concern	Algonquin's Regulated Services Group is committed to protecting public health and meets or surpasses all state and federal health standards for tap water in the communities where it does business. To help advance the science of drinking water, we have been collecting data for the U.S. Environmental Protection Agency ("EPA") since the Fifth Unregulated Contaminant Monitoring Rule was enacted in December 2021. Collecting information about the occurrence of unregulated compounds is the first step in the EPA's efforts to determine whether they should be regulated. Water quality is at the foundation of our regulated water utility business, and we aim to act proactively, in advance of proposed laws and/or regulations, to ensure the health and safety of our customers.	

End-use efficiency

No.	Disclosure	2023
WU-420a.2	Customer water savings from efficiency measures, by market (gallons) – U.S. West Region only ¹⁰	84,417,586

Water supply resiliency

No.	Disclosure	2023
WU-440a.1	Total water sourced from regions with high or extremely high baseline water stress (megaliters)	96,913
	Percentage purchased from third-party in regions with high or extremely high baseline water stress	12.4%
WU-440a.2	Volume of recycled water delivered to customers (megaliters)	1,476
WU-440a.3	Discussion of strategies to manage risks associated with the quality and availability of water resources	S 11 Risk management S 17 Our new Sarival Water Reclamation Facility S 24 Customer experience

¹⁰ This is the total lifetime water savings for measures or actions that were taken in 2023.

Network resiliency and impacts of climate change

No.	Disclosure	2023
WU-450a.1	Wastewater treatment capacity located in 100-year flood zones (m ³ /day)	1,302
WU-450a.4	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	S 11 Risk management

Activity metrics

No.	Disclosure	2023
WU-000.A	Average active wastewater connections	52,100
	Average active water distribution connections	508,400
WU-000.B	Total water sourced (megaliters)	198,989
	Percentage of water sourced by source type – water utilities only	
	Surface water	12.0%
	Groundwater	78.8%
	Third-party water	9.1%
	Other	0.0%
WU-000.C	Water provided (megaliters)	156,848
WU-000.D	Wastewater treated (megaliters)	12,681
WU-000.E	Length of water mains (miles)	6,941

Appendix III:

2023 GRI index

Legend (click sources found in tables)

A	2024 Annual Information Form	M	2024 Management Information Circular
AR	2023 Annual Report	S	2024 ESG Report
CC	2023 CDP Climate Change Survey	T	2020 TCFD Climate Change Assessment Report
CW	2023 CDP Water Security Survey	W	External Report
E	2023 ESG Performance Index		

Statement of use

Algonquin Power & Utilities Corp. has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

Organization and its reporting practices

No.	Disclosure	Sources and notes	Alignment with material topics
2-1	Organizational details	S 6 About us S 6 Where we are A 3 Name, address, and location A 5 General development of the business	
2-2	Entities included in the organization’s sustainability reporting	S 6 About us A 3 Intercorporate Relationships A 5 General development of the business	
2-3	Reporting period, frequency, and contact point	S 6 About this report	
2-4	Restatements of information	S 6 About this report E 2, 13 Footnotes 3, 22, 26 AR 42 Bank credit facilities	
2-5	External assurance	W 2023 GHG Verification Report	

Activities and workers

No.	Disclosure	Sources and notes	Alignment with material topics
2-6	Activities, brands, products, and services	S 6 About us S 6 Where we are S 29 Sustainable procurement A 5 General development of the business A 10 Description of the business AR VI, 20 Regulated Services Group AR VII, 30 Renewable Energy Group AR 40 Summary of property, plant, and equipment expenditures	
2-7	Employees	S 6 Where we are S 21 Diversity, equity, and inclusion E 6-9, 20 Employee demographics	

Governance

No.	Disclosure	Sources and notes	Alignment with material topics
2-9	Governance structure and composition	S 8 Oversight and accountability S 27 Sustainability governance A 65 Directors and Officers W Mandate of the Corporate Governance Committee M 27 Corporate governance practices T 12 Governance	
2-10	Nomination and selection of the highest governance body	M 18 Director nominees	
2-11	Chair of the highest governance body	M 21 Director nominee profiles W Position description, Chair of the Board M 39 Position descriptions	

Governance (continued)

No.	Disclosure	Sources and notes	Alignment with material topics
2-12	Role of the highest governance body in overseeing the management of impacts	S 3 Letter from the Chief Executive Officer S 8 Oversight and accountability S 27 Sustainability governance A 26 Oversight of sustainability M 27 Corporate governance practices W Mandate of the Risk Committee W Mandate of the Corporate Governance Committee	
2-13	Delegation of responsibility for managing impacts	S 8 Oversight and accountability S 27 Sustainability governance M 34 Committees of the board M 39 Position descriptions M 58 Corporate Scorecard and results W Mandate of the Risk Committee W Mandate of the Corporate Governance Committee	
2-14	Role of the highest governance body in sustainability reporting	S 8 Oversight and accountability S 27 Sustainability governance A 26 Oversight of sustainability W Mandate of the Corporate Governance Committee	
2-15	Conflicts of interest	W Code of Business Conduct and Ethics M 53 Risk management and compensation M 42 Conflict of interest	

Governance (continued)

No.	Disclosure	Sources and notes	Alignment with material topics
2-16	Communication of critical concerns	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 9 Net-zero commitment S 10 TCFD update and climate risk S 27 Ethics and integrity I Risk Management W 2023 Annual Report – Fighting Against Forced Labour and Child Labour in Supply Chains Act W Mandate of the Board of Directors	
2-17	Collective knowledge of the highest governance body	M 18 Director nominees M 36 New director orientation M 38 Continuing education for directors S 26 Director skills matrix	
2-18	Evaluation of the performance of the highest governance body	M 27 Corporate governance practices	
2-19	Remuneration policies	M 46 Executive compensation M 73 Executive compensation information	
2-20	Process to determine remuneration	M 46 Executive compensation	
2-21	Annual total compensation ratio	E 8 Employee pay ratios	

Strategy, policies, and practices

No.	Disclosure	Sources and notes	Alignment with material topics
2-22	Statement on sustainable development strategy	S 3 Letter from the Chief Executive Officer S 9 Stakeholder engagement – Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 9 Net-zero commitment S 10 TCFD update and climate risk	
2-23	Policy commitments	S 6 About us S 9 Net-zero commitment W Algonquin Power webpage	
2-24	Embedding policy commitments	A 26 Social and Environmental Policies and Commitment to Sustainability M 38 Continuing education for directors M 41 Corporate and board policies W Algonquin Power webpage	
2-25	Processes to remediate negative impacts	S 11 Risk management S 16 Pipeline replacement S 22 Health and safety S 24 Customer experience S 27 Ethics and integrity S 28 Cybersecurity S 29 Algonquin addresses the risk of forced labour and child labour in its supply chain	
2-26	Mechanisms for seeking advice and raising concerns	S 27 Ethics and integrity M 27 Corporate governance practices W Ethics reporting policy	

Strategy, policies, and practices (continued)

No.	Disclosure	Sources and notes	Alignment with material topics
2-27	Compliance with laws and regulations	<p>E 12 Social and economic compliance</p> <p>E 19 Compliance with environmental laws and regulations</p> <p>E 11, 12 Compliance</p> <p>E 19 Compliance with environmental laws and regulations</p> <p>W Ethics reporting policy</p> <p>W Mandate of the Audit & Finance Committee</p> <p>W Code of Business Conduct and Ethics</p> <p>W Mandate of the Board of Directors</p>	
		<p>For further information on compliance requirements, please refer to the 2024 Annual Information Form</p>	
2-28	Membership associations	<p>U.S. trade associations</p> <ul style="list-style-type: none"> • Edison Electric Institute • American Gas Association • National Association of Water Companies • Global Business Alliance • American Clean Power Association <p>Canadian trade associations</p> <ul style="list-style-type: none"> • Electricity Canada • Canadian Renewable Energy Association • Canadian Gas Association <p>Chile trade association</p> <ul style="list-style-type: none"> • Asociación Nacional de Empresas de Servicios Sanitarios 	

Stakeholder engagement

No.	Disclosure	Sources and notes	Alignment with material topics
2-29	Approach to stakeholder engagement	S 3 Letter from the Chief Executive Officer S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 24 Indigenous relations S 24 Customer experience	
2-30	Collective bargaining agreements	E 7 Collective bargaining agreement coverage	

Material topics

No.	Disclosure	Sources and notes	Alignment with material topics
3-1	Process to determine material topics	S 3 Letter from the Chief Executive Officer S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Mandate of the Board of Directors W Mandate of the Risk Committee	
3-2	List of material topics	S 3 Letter from the Chief Executive Officer S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 27 Sustainability governance	

Economic performance

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics AR 1 MD&A	
201-1	Direct economic value generated and distributed	E 20 Economic value generated and distributed	
201-2	Financial implications and other risks and opportunities due to climate change	S 10 TCFD update and climate risk T 16 Climate change risk control and mitigation CC Risks and opportunities CW Risks and opportunities For further information on risks and financial implications, please refer to the 2024 Annual Information Form	<ul style="list-style-type: none"> • Climate resiliency • Transitioning to a low-carbon economy • Talent attraction and retention • Infrastructure investment and resiliency • Employee health and safety • Ethics and integrity • Transparency and disclosure • Risk management
201-3	Defined benefit plan obligations and other retirement plans	E 10 Defined benefit plan	
201-4	Financial assistance received from government	Algonquin receives various forms of financial assistance from various levels of government in the regions it operates. Algonquin does not currently track this information centrally.	

Market presence

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics AR 1 MD&A	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	E 21 Ratios of entry level wage to local minimum wage	
202-2	Proportion of senior management hired from the local community	Algonquin does not document the location of employees prior to employment.	

Indirect economic impacts

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics AR 1 MD&A	
203-1	Infrastructure investments and services supported	S 6 About us S 6 Where we are S 16 Pipeline replacement S 17 Our new Sarival Water Reclamation Facility S 24 Customer experience AR 40 Summary of property, plant and equipment expenditures	<ul style="list-style-type: none"> • Climate resiliency • Transitioning to a low-carbon economy • Greenhouse gas and air emissions • Customer experience and affordability • Energy reliability • Talent attraction and retention • Community support and economic development • Infrastructure investment and resiliency • Cybersecurity • Governmental affairs • Sustainable procurement
203-2	Significant indirect economic impacts	S 10 TCFD update and climate risk For further information on economic impacts, please refer to the 2024 Annual Information Form	

Procurement practices

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 29 Sustainable procurement W Supplier Code of Conduct	<ul style="list-style-type: none"> • Community support and economic development • Sustainable procurement
204-1	Procurement budget used for local suppliers	Algonquin does not currently track this information centrally.	

Anti-corruption

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Code of Business Conduct and Ethics W Supplier Code of Conduct	<ul style="list-style-type: none"> • Ethics and integrity • Transparency and disclosure • Risk management • Cybersecurity
205-1	Operations assessed for risks related to corruption	E 12 Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	E 12 Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	E 12 Anti-corruption	

Anti-competitive behavior

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Code of Business Conduct and Ethics W Supplier Code of Conduct	<ul style="list-style-type: none"> • Ethics and integrity • Transparency and disclosure • Risk management
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	E 12 Anti-competitive	

Environment

Energy

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 10 TCFD update and climate risk S 27 Sustainability governance W Our Commitment to Sustainability W Our Commitment to the Environment S 32 Electric utilities and power generators S 35 Gas utilities and distributors CC CDP Climate Change Survey	
302-1	Energy consumption within the organization	E 15 Internal energy consumption	<ul style="list-style-type: none"> • Transitioning to a low-carbon economy • Greenhouse gas and air emissions • Energy efficiency • Land use and biodiversity • Customer experience and affordability • Energy reliability • Risk management
302-2	Energy consumption outside of the organization	Energy consumption from Algonquin's customers is the primary source of energy outside the organization. Energy delivered to end customers is outlined on page 21 of Algonquin's 2023 Annual Report. Other sources of energy consumption have not been collected, but are primarily from: Algonquin's investments in Atlantica Sustainable Infrastructure PLC., Plum Point and Iatan coal facilities; fuel production and extraction activities; and the generation of electricity distributed by Algonquin.	
302-3	Energy intensity	E 2, 15 Internal energy consumption	
302-4	Reduction of energy consumption	E 2, 15 Internal energy consumption	
302-5	Reductions in energy requirements of products and services	E 2, 15 Energy consumption intensity for power generation	

Water and effluents

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 17 State Line water savings project and Our new Sarival Water Reclamation Facility S 37 Water utilities and distributors CW CDP Water Security Survey	
303-1	Interactions with water as a shared resource	S 17 State Line water savings project and Our new Sarival Water Reclamation Facility T 24 Regulated services: Climate-related risks and opportunities CW CDP Water Security Survey	<ul style="list-style-type: none"> • Climate resiliency • Land use and biodiversity
303-2	Management of water discharge-related impacts	S 17 State Line water savings project and Our new Sarival Water Reclamation Facility T 24 Regulated services: Climate-related risks and opportunities CW CDP Water Security Survey	<ul style="list-style-type: none"> • Water management • Public health and safety • Customer experience and affordability
303-3	Water withdrawal	E 2, 16 Water sourced	
303-4	Water discharge	E 2, 17 Water discharge	
303-5	Water consumption	E 17 Water consumption	

Biodiversity

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Our Commitment to Sustainability S 18 Biodiversity	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	E 19 Species impact Algonquin has collected this information for its operations in the following regions: California (locations specific to Algonquin's California-based electric utility), Arkansas, Kansas, Missouri, Oklahoma, and New Hampshire. Algonquin will evaluate opportunities to disclose this information publicly in the future.	<ul style="list-style-type: none"> • Climate resiliency • Land use and biodiversity • Ethics and integrity • Risk management
304-2	Significant impacts of activities, products, and services on biodiversity	Algonquin has collected this information for its operations in the following regions: California (locations specific to Algonquin's California-based electric utility), Arkansas, Kansas, Missouri, Oklahoma, and New Hampshire. Algonquin will evaluate opportunities to disclose this information publicly in the future.	
304-3	Habitats protected or restored		
304-4	International Union for Conservation of Nature's Red List species and national conservation list species with habitats in areas affected by operations		

Emissions

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 9 Net-zero commitment S 10 TCFD update and climate risk S 27 Sustainability governance T TCFD Climate Change Assessment Report W Our Commitment to Sustainability CC CDP Climate Change Survey	
305-1	Direct (Scope 1) GHG emissions	E 13 Scope 1 emissions	<ul style="list-style-type: none"> • Climate resiliency • Transitioning to a low-carbon economy • Greenhouse gas and air emissions • Public health and safety
305-2	Energy indirect (Scope 2) GHG emissions	E 14 Scope 2 emissions	
305-3	Other indirect (Scope 3) GHG emissions	E 14 Scope 3 emissions	
305-4	GHG emissions intensity	E 14 Scope 1 and Scope 2 emissions and emission intensities	
305-5	Reduction of GHG emissions	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 10-11 TCFD update, net-zero commitment, and climate risk S 15-16 GHG profile and pipeline replacement E 13 Scope 1 emissions	
305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	E 15 Other emissions from electricity generation	

Waste

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 19 Waste and materials management	
306-1	Waste generation and significant waste-related impacts	S 19 Waste and materials management	
306-2	Management of significant waste-related impacts	S 19 Waste and materials management	<ul style="list-style-type: none"> • Climate resiliency • Land use and biodiversity • Waste and materials management
306-3	Waste generated	E 18 Waste generation	
306-4	Waste diverted from disposal	E 18 Waste diverted	
306-5	Waste directed to disposal	E 18 Waste directed to disposal	

Supplier environmental assessment

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 29 Sustainable procurement W Supplier Code of Conduct	
308-1	New suppliers that were screened using environmental criteria	Algonquin does not currently screen suppliers using environmental criteria. Algonquin has engaged primary suppliers with sustainability-focused questionnaires to gauge sustainability performance in the supply chain. Algonquin continues to evaluate opportunities to integrate environmental criteria into supplier screening processes.	<ul style="list-style-type: none"> • Climate resiliency • Ethics and integrity • Sustainable procurement
308-2	Negative environmental impacts in the supply chain and actions taken	Algonquin does not currently track supply chain environmental impacts. Algonquin's Supplier Code of Conduct holds suppliers to a high degree of compliance with all relevant environmental regulations.	

Social

Employment

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Code of Business Conduct and Ethics W Human Rights Policy W Mandate of the Human Resources and Compensation Committee	
401-1	New employee hires and employee turnover	E 9 Hiring rates E 9 Turnover rates	<ul style="list-style-type: none"> • Talent attraction and retention • Employee health and safety • Ethics and integrity
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Algonquin's full-time employees are eligible for the following benefits: life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership.	
401-3	Parental leave	E 9 Parental leave	

Labour/management relations

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 22 Health and safety W Code of Business Conduct and Ethics W Human Rights Policy W Mandate of the Human Resources and Compensation Committee	<ul style="list-style-type: none"> • Public health and safety • Talent attraction and retention • Employee health and safety • Ethics and integrity
402-1	Minimum notice periods regarding operational changes	Algonquin adheres to notice periods identified in relevant union agreements. In instances without union agreements, an internal review process identifies appropriate time periods to notify employees of significant operational changes.	

Occupational health and safety

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 22 Health and safety A 26 Environmental, health, and safety ("EHS") A 48 Health and safety laws and regulations W Our Commitment to Health & Safety	
403-1	Occupational health and safety management system	S 22 Health and safety Algonquin operates our facilities in line with ISO45001:2018 Occupational Health and Safety Management Systems. Although not externally certified, we operate in accordance with requirements and align work practices with regulatory requirements.	
403-2	Hazard identification, risk assessment, and incident investigation	S 22 Health and safety Current practices to identify hazards, assess risks, and investigate incidents include pre-job hazard analysis and collaborative discussions.	
403-3	Occupational health services	S 22 Health and safety The occupational health services currently contributing to hazard identification, minimization, and elimination include Job Safety Analysis and Job Hazard Analysis. Standards and guidelines are followed.	<ul style="list-style-type: none"> • Talent attraction and retention • Employee health and safety • Ethics and integrity
403-4	Worker participation, consultation, and communication on occupational health and safety	S 22 Health and safety Worker participation, consultation, and communication on occupational health & safety ("OHS") is facilitated through collaboration with Union and collective bargaining units. Annual regional safety planning meetings are also held. Regional and corporate communication of OHS issues daily, weekly, and monthly.	
403-5	Worker training on occupational health and safety	S 22 Health and safety Worker training on occupational health and safety is facilitated by following site annual safety plans. Multiple training are carried out: <ol style="list-style-type: none"> 1. Initial – EHS orientation; 2. Mentorship – on the job training – safe procedures; 3. Annual EHS compliance training 	

Occupational health and safety (continued)

No.	Disclosure	Sources and notes	Alignment with material topics
403-6	Promotion of worker health	S 22 Health and safety Worker health as well as safety is promoted through safety alerts, flash reports and monthly newsletters.	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S 22 Health and safety Occupational health and safety impacts are mitigated and prevented through collaborative partnerships with the American Gas Association and the Edison Electric Institute.	
403-8	Workers covered by an occupational health and safety management system	E 6 Employees covered by an EHS management system	
403-9	Work-related injuries	E 6 Employee work-related injury	
403-10	Work-related ill health	E 6 Employee work-related ill health	

Training and education

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics	
404-1	Average hours of training per year per employee	E 12 Training	
404-2	Programs for upgrading employee skills and transition assistance programs	<p>Type of program in place to upgrade employee skills: Interconnect program, Achievement Fund, leadership development courses, instructor-led skill training (project management, Office), Open Sesame eLearning modules, internally developed training, and eLearning.</p> <p>Scope of programs implemented to upgrade employee skills: Virtual instructor-led, in-person instructor-led and eLearning training programs available to all employees.</p> <p>Transition assistance programs in place for continued employability: Transition assistance programs are offered in instances where employees leave the organization involuntarily. Level of programming offered varies depending on role and situation.</p>	<ul style="list-style-type: none"> • Transitioning to a low-carbon economy • Talent attraction and retention • Employee health and safety • Diversity, equity, and inclusion • Risk management
404-3	Percentage of employees receiving regular performance and career development reviews	E 10 Performance reviews	

Diversity and equal opportunity

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 21 Diversity, equity, and inclusion W Board and Executive Diversity Policy	
405-1	Diversity of governance bodies and employees	M 21 Director nominee profiles E 11 Board of directors W Board and Executive Diversity Policy W Code of Business Conduct and Ethics W Human Rights Policy	<ul style="list-style-type: none"> • Talent attraction and retention • Diversity, equity, and inclusion • Ethics and integrity • Transparency and disclosure
405-2	Ratio of basic salary and remuneration of women to men	E 9 Employee average total compensation by level and function, female to male	

Non-discrimination

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics W Code of Business Conduct and Ethics W Human Rights Policy	<ul style="list-style-type: none"> • Talent attraction and retention • Employee health and safety • Diversity, equity, and inclusion • Ethics and integrity • Transparency and disclosure • Risk management
406-1	Incidents of discrimination and corrective actions taken	E 11 Discrimination incidents	

Freedom of association and collective bargaining

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics	<ul style="list-style-type: none"> • Talent attraction and retention • Employee health and safety • Diversity, equity, and inclusion • Ethics and integrity
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	E 7 Collective bargaining agreement coverage W Human Rights Policy	

Child labor

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics	
408-1	Operations and suppliers at significant risk for incidents of child labour	S 29 Algonquin addresses the risk of forced labour and child labour report in its supply chain W 2023 Annual Report – Fighting Against Forced Labour and Child Labour in Supply Chains Act W Human Rights Policy W Supplier Code of Conduct	<ul style="list-style-type: none"> • Ethics and integrity • Risk management • Sustainable procurement • Transparency and disclosure • Governmental affairs and public policy

Forced or compulsory labor

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	S 29 Algonquin addresses the risk of forced labour and child labour report in its supply chain W 2023 Annual Report – Fighting Against Forced Labour and Child Labour in Supply Chains Act W Human Rights Policy W Supplier Code of Conduct	<ul style="list-style-type: none"> • Ethics and integrity • Risk management • Sustainable procurement • Transparency and disclosure • Governmental affairs and public policy

Rights of Indigenous peoples

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 24 Indigenous relations	
411-1	Incidents of violations involving rights of indigenous peoples	E 11 Indigenous relations	<ul style="list-style-type: none"> • Public health and safety • Indigenous relations • Employee health and safety • Diversity, equity, and inclusion • Ethics and integrity • Risk management • Governmental affairs and public policy • Sustainable procurement

Local communities

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 21 Liberty Days W Liberty economic development	<ul style="list-style-type: none"> • Public health and safety • Community support and economic development • Indigenous relations • Ethics and integrity
413-1	Operations with local community engagement, impact assessments, and development programs	E 4 Community engagement	<ul style="list-style-type: none"> • Transparency and disclosure • Risk management • Sustainable procurement

Supplier social assessment

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 29 Sustainable procurement W Supplier Code of Conduct	
414-1	New suppliers that were screened using social criteria	Algonquin integrates health and safety criteria in supplier screening processes. Algonquin has engaged primary suppliers with sustainability-focused questionnaires to gauge sustainability performance in the supply chain. Algonquin continues to evaluate opportunities to integrate additional social criteria into supplier screening processes.	<ul style="list-style-type: none"> • Public health and safety • Community support and economic development • Diversity, equity, and inclusion • Ethics and integrity • Transparency and disclosure • Risk management
414-2	Negative social impacts in the supply chain and actions taken	Algonquin does not currently track supply chain social impacts outside of health and safety compliance. Algonquin's Supplier Code of Conduct holds suppliers to a high degree of compliance with all relevant social regulations.	<ul style="list-style-type: none"> • Sustainable procurement

Public policy

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 29 Governmental affairs W Policy on Lobbyist Code of Conduct	<ul style="list-style-type: none"> • Ethics and integrity • Transparency and disclosure • Risk management • Governmental affairs and public policy
415-1	Political contributions	Information on political contributions made by Algonquin's employee-led political action committee is available at www.fec.gov .	

Customer privacy

No.	Disclosure	Sources and notes	Alignment with material topics
3-3	Management of material topics	S 9 Algonquin's ESG materiality matrix – defining our stakeholders' priority ESG topics S 28 Cybersecurity W Code of Business Conduct and Ethics W Privacy Policy and Notices	<ul style="list-style-type: none"> • Public health and safety • Customer experience and affordability • Ethics and integrity • Risk management • Cybersecurity • Sustainable procurement
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	S 28 Cybersecurity E 4 Cybersecurity	

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INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT

To the Board of Directors and Management of Algonquin Power & Utilities Corp.

We have undertaken a limited assurance engagement on certain performance metrics of Algonquin Power & Utilities Corp. (the “Entity”), included in the accompanying Algonquin Power & Utilities Corp.’s 2023 ESG Report Appendix – Greenhouse Gas (GHG) Metrics Table (the “Report”), for the year ended December 31, 2023.

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the ‘subject matter information’) and criteria:

Subject Matter Information	Units	Criteria
Scope 1 GHG emissions	2,081,332 tonnes CO2e	Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (Revised Edition) (“GHG Protocol”)
Scope 2 GHG emissions (location-based) and (market-based)	88,737 tonnes CO2e	GHG Protocol GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard
Scope 3, Category 3 GHG emissions – Fuel and energy related activities not included in scope 1 and 2	1,051,669 tonnes CO2e	GHG Protocol GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GHG Protocol
Scope 3, Category 11 GHG emissions – Use of Sold Products: Downstream Natural Gas Combustion	2,073,422 tonnes CO2e	
Scope 3, Category 15 GHG emissions – Investments	1,668,464 tonnes CO2e	

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Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, the Entity has developed its own criteria based on the Entity's internal reporting guidelines and definitions for sustainability reporting and applied the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (Revised Edition), including the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard in relation to greenhouse gas emissions, and internally developed criteria for the remaining subject matter information ("applicable criteria").

Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining the Entity's objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of the Entity's use of the criteria, as the basis for preparing the subject matter information in the circumstances;

- Through inquiries, obtained an understanding of the Entity's control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Undertook remote site visits at two facilities. We selected these sites based on the contribution of the site's information to the aggregate subject matter information;
- Inspected a limited number of items to or from supporting records, as appropriate;
- Re-performance a limited number of calculations, as appropriate;
- Considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read the Entity's reporting methodology disclosed in the footnotes of the Report

Emphasis of Matter

As discussed in footnotes 4 and 8 of the Report, the 2017 base year emissions and comparable period emissions from 2022 and 2021 have been restated to reflect the change in methodology for the calculation of fugitive methane emissions from the Entity's wastewater treatment plants in the US and Chile. Our conclusion is not modified in respect of this matter.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity's subject matter information for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.

Restriction on Use

Our report is intended solely for use by the Algonquin Power & Utilities Corp. for the purpose set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by Algonquin Power & Utilities Corp. in the 2023 ESG Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

Chartered Professional Accountants

May 31, 2024

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The Toronto Stock Exchange:

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algonquinpower.com

