

**POLICY NO:** 113

**TITLE:** ESG Policy

**SECTION:** Corporate Services

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### PURPOSE

Aquatera Utilities Inc. (Aquatera) is committed to embedding Environmental, Social, and Governance (ESG) principles into every aspect of its business. This policy affirms our dedication to sustainable practices, ethical governance, and meaningful community engagement, ensuring that our values are upheld not only within our owned operations but also across all managed contract operating locations.

Aquatera's Core Purpose of Growing Healthy Communities focusses on sustainable solutions, inclusive, equitable, and diverse employment practices and transparent communication with our stakeholders. Aquatera will achieve this through a combination of ESG practices ensuring that our purpose is reflected in measurable outcomes, responsible leadership, and long-term value creation for each community we serve. This policy applies to Aquatera's Board of Directors, employees, vendors and stakeholders involved in the delivery of services under Aquatera's operational umbrella, including third-party and managed contract operating locations.

### TERMS OF THE POLICY

#### Environmental Commitments:

Aquatera is committed to environmental protection and sustainability in all aspects of our operations. We recognize our responsibility to the natural habitat, the environment and the communities we serve, and we strive to minimize environmental impacts while protecting public health and safety.

Operations: Aquatera owns and operates a Regional Water Treatment Facility, a Water Distribution System, a Wastewater Treatment Facility, a Wastewater Collection System, a Recycling Center and a Landfill. These operations can represent significant risks to the environment and public health; and as such, Aquatera understands the importance of operating in an environmentally ethical and trustworthy manner.

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

Defined measures and initiatives are in place to support water conservation. Aquatera also, manages and maintains comprehensive water, wastewater, and solid waste environmental

compliance and regulatory approvals programs. To ensure compliance, Alberta Environment and Protected Areas conducts regulatory audits across Aquatera's water and wastewater treatment and distribution and collection systems. Aquatera also submits monthly reports to the provincial regulator based on daily testing results for water and wastewater to ensure quality and safety.

Stakeholders: Aquatera recognizes that environmental stewardship is a shared responsibility. To support this, Aquatera has implemented educational programs and campaigns that promote water conservation, safety and the responsible disposal of unwanted or hazardous materials.

Capital projects for growth are key to Aquatera's sustainability. Aquatera works closely with Shareholders, regulators, engineering firms and contractors to ensure that all environmental considerations are analysed during project planning. This includes the design and construction of new projects, upgrades to existing infrastructure, major operational changes, and progress reporting.

Climate Change: Aquatera acknowledges the reality of climate change and its potential impacts on the environment and public health. In response, the organization is committed to reducing its environmental footprint through innovation, technology, stakeholder collaboration, and public education. The organization actively works to reduce internal energy use and minimize carbon emissions associated with its activities.

Aquatera takes a long-term and impactful approach to climate change through innovative projects such as the Landfill Gas-to-Energy Project. Through this project Aquatera captures fugitive landfill emissions to create heat and electricity for our water treatment plant while reducing our GHG impact.

Aquatera engages with the following key industry players on environmental sustainability: Alberta Water and Wastewater Operator Association (AWWOA), Solid Waste Association of North America (SWANA), Provincial and Federal Regulators, Water North Coalition, Peace Air-Shed Zone Association (PASZA), Recycling Association of Alberta and Western Canada Water and Wastewater Association (WCWWA).

### **Social Responsibility:**

Aquatera believes that growing healthy communities begins with fostering a strong internal culture. The organization's core values of safety, quality, respect and teamwork form the foundation of its workplace. Aquatera is committed to being both an exemplary employer and a trusted community partner by creating a positive, inclusive, and healthy work environment.

Compensation and Benefits: Aquatera supports employee well-being by offering fair and competitive compensation, informed by regular market analysis. A comprehensive benefits program is provided to permanent employees and their families, including access to personal services and mental health resources.

Culture, Engagement and Development: Aquatera promotes a collaborative and flexible workplace that encourages innovation and accountability. New employees participate in a structured orientation program, and leaders maintain an open-door policy to encourage communication and support. Employee feedback is gathered through the quarterly Staff CEO Council Meetings, anonymous question link, annual performance reviews and biannual satisfaction surveys. Appreciation events are held throughout the year to recognize employees and their families.

Succession planning is in place for key roles and managers and employees are encouraged to discuss career development opportunities through annual performance reviews.

Health and Safety: At Aquatera the health and safety of employees, contractors, communities and customers is a top priority. Aquatera adheres to leading health and safety standards across all areas of our company. Each year Aquatera conducts a series of health and safety seminars and requires employees to complete mandatory safety training relevant for their roles.

Diversity and Inclusion: Aquatera values diversity in all its forms, which starts at the Board level, and is committed to fostering an inclusive workplace. The organization promotes and practices equal opportunity as part of our recruitment process to develop a community of diverse talent. We believe that employing a diverse workforce makes us a stronger organization, and we are focussed on creating an inclusive environment that respects and celebrates all employees. We seek to maintain a positive workplace, free from discrimination and harassment, and champion pay equity and mutual respect.

Strengthening our Communities: Per Aquatera's Sponsorship Policy, Aquatera commits at least one point three per cent (1.3%) of net income (before dividends) to the community through sponsorships each year.

Aligning with Aquatera's Core Purpose of Growing Healthy Communities, the support provided throughout all of its service communities focusses on:

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

Aquatera believes that employee giving and community involvement is beneficial to its service communities. This may include volunteer work, as well as flexibility in work schedules to a maximum of eight hours paid leave time (annually) to allow for employee participation in volunteer roles and other support when applicable. Aquatera matches employee donations that meet Aquatera's Sponsorship Policy criteria to a maximum of \$100 annually.

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

Truth and Reconciliation: Aquatera has adopted the definition of truth and reconciliation from the Truth and Reconciliation Commission. Aquatera recognizes that truth and reconciliation is an ongoing and evolving process and that every interaction with Indigenous Peoples and non-Indigenous people is an opportunity to advance truth and reconciliation. Aquatera further recognizes that truth and reconciliation will be distinct to the First Nations, Inuit, and Métis peoples. Aquatera acknowledges the homeland of the many diverse First Nations and Métis people whose ancestors have walked this land since time immemorial, and we are grateful to work, live and learn on the traditional territories of several treaties, including Treaty 6 and Treaty 8.

## **Governance:**

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

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

Transparency: Aquatera is committed to transparency and accountability in its operations, demonstrated through the annual publication of its *ESG Performance Report, Year in Review Report* and *Board Governance Disclosure Annual Report*. These reports are publicly available through the company's website, ensuring stakeholders have consistent access to key performance metrics and governance practices.

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

Aquatera is committed to ensuring a fair workplace for employees as well as business partners. Policies are in place to protect against unlawful discrimination and harassment. Honest and direct communication are encouraged to resolve issues and concerns in an expeditious manner. A company Whistle-blower Hotline was incorporated to provide an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behaviour, or fraud.

## **DEFINITIONS:**

**Managed Contract Operating Locations** - Managed contract operating locations refer to municipalities, communities, or service areas that fall outside the Grande Prairie regional boundaries and are not directly connected to Aquatera's primary water transmission infrastructure. These locations are governed by specific service agreements or contracts that outline the scope, standards, and responsibilities of Aquatera's operations within those areas.

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

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

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