

Delivering Energy for a Cleaner Future

2022 ENVIRONMENTAL | SOCIAL | GOVERNANCE REPORT





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Purpose

This report is designed to communicate to our stakeholders the principles and metrics with which we are tracking our Environmental, Social and Governance (ESG) progress. This report provides an overview of TriSummit Utilities Inc. (TSU's) 2021 ESG performance, highlighting metrics, initiatives, and priorities from January 2021 to December 2021.

Scope: This report includes details from all TSU's operating assets, including the headquarters.

Where applicable, indicators used in this report are aligned to internationally recognized standards and frameworks relevant to our business structure and important to our stakeholders.



- ▶ Message from our Leaders
- ▶ ESG Highlights
- ▶ About Us
- ▶ Materiality Assessment





DAVID CORNHILL
Chair of the Board of Directors



JARED GREEN
President and Chief Executive Officer

Delivering Energy for a Cleaner Future



Environmental, social, and governance goals and initiatives are embedded in how our Board, Executive Team, and employees are meeting our commitment to a better, cleaner future for everyone.

Message from our Leaders

In this, TriSummit's second Environmental, Social and Governance (ESG) Report, we are pleased to update our shareholders, employees, community members, customers, debtholders and other stakeholders on our progress in advancing our ESG priorities and practices. In our first report, we recognized the need to continue to improve our sustainability efforts, and as we share our achievements in this report, we continue to look ahead to anticipate the future requirements in ESG reporting.

Last year, we made our commitment to Net-Zero emissions by 2030 from our operations for our existing Canadian assets¹, and we are working hard to stay on track. We are pleased to share our progress and we will continue to challenge ourselves to reach this goal. While our net-zero commitment excludes subsequently acquired assets, such as our pending acquisition of ENSTAR Natural Gas Company and Cook Inlet Natural Gas Storage Alaska, we will strive to bring our emissions-reducing mindset to bear as we grow and add new businesses and will

communicate with our stakeholders as our vision to the future evolves.

We continued to build on our previous work with and support of the communities where we live, work, and play, leveraging our resources to support more than 100 community healthcare and poverty alleviation organizations. This includes our commitment to, and work with Indigenous communities and organizations.

Our 471 employees are our most valuable asset, and we strive to ensure a culture where they can thrive and grow.

TriSummit prioritizes the health and safety of our employees and stakeholders. Later in this report, we highlight the organization's health and safety achievements.

In 2021 we took significant steps forward in our Inclusion and Diversity strategic initiative, defining our roadmap with the direct involvement of our entire Board and Executive team.

At TriSummit, our Board Committees hold explicit responsibilities for ESG priority areas, all of which are overseen by the Compensation and Governance (C&G) Committee.

Along with the established practice of defining annual company-wide health and safety targets in all utilities and individual short-term incentive plans (STIPS), the C&G Committee establishes emissions reduction targets and additional multipliers across strategic ESG initiatives.

TriSummit adheres to the Sustainability Accounting Standards Board (SASB) for Gas Utilities & Distributors (SICS: IF-GU). Within this framework, we have identified the ESG topics and metrics that represent the most material impacts associated with TriSummit's operations and assets.

As we grow and move forward in our sustainability journey, we intend to keep our environmental, social and governance mindset at the forefront.

¹ Refer to "Net-Zero Commitment" at the end of this presentation.

About Us

MISSION

To be a reliable and cleaner energy provider of choice through being a leader in safety, cost-effectiveness, and customer service



Safe and Reliable

Safety of our customers, our communities and our employees is the top priority of the company.

Our employees and contractors are responsible for acting safely, continually improving practices and procedures to enhance safety and reliability, and for encouraging the same behaviors in others.



Our People, Customers & Community

We succeed together because we work hard and are good at what we do. We connect across our teams, and we respect each other.

We respect and value our customers and endeavor to provide the best customer experience and help to build strong, vibrant communities.



Communication and Integrity

We strive for clear, transparent communication with customers, employees, regulators, shareholders, and other stakeholders. We act with integrity, and we deliver on our commitments.



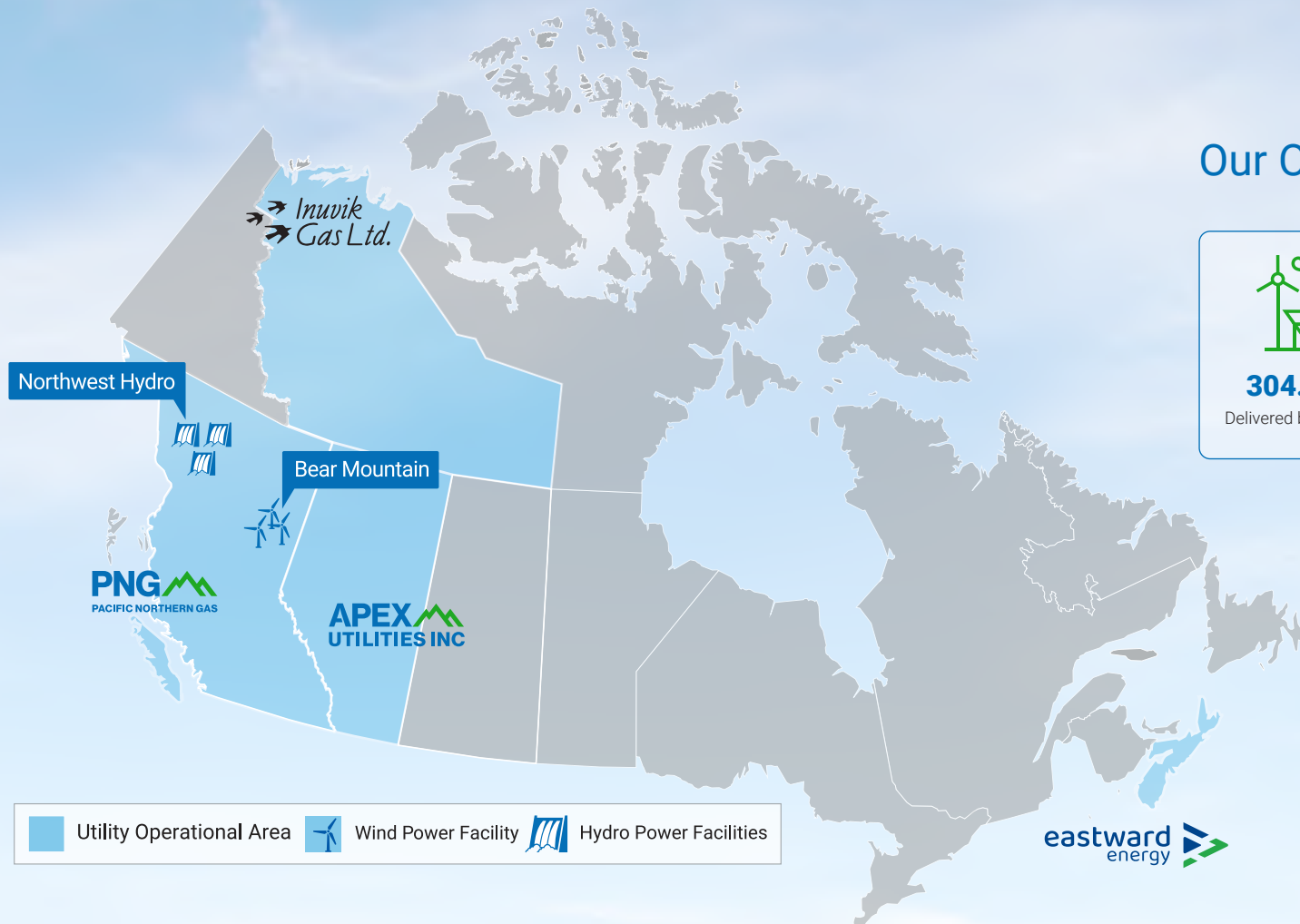
Responsible Solutions

We provide low carbon energy solutions to our customers and always look for ways to minimize our environmental footprint.

We operate our business prudently and in an environmentally responsible way.

OUR CORE VALUES

Our Operations at a Glance



304.5 GWh

Delivered by our Utilities



133,000

Customers



38.7 PJ

Delivered by our Utilities

ESG Highlights



ENVIRONMENTAL

Replacement and Maintenance

System Betterment Program

Renewable Energy Generated

304.5 GWh of net renewable energy generated

Renewable Natural Gas (RNG)

Signing multiple RNG Contracts

Customer Service Programs

Helping our customers lower emissions and decarbonize through programs such as Smart Energy Solutions



SOCIAL

Safety

Total Recordable Injury Frequency 1.7

Workplace

471 Employees

Indigenous Relations

100% of employees completed Indigenous Awareness training

Inclusion & Diversity

34% of total workforce identifies as female

Community Investments

\$222K invested in over 100 organizations

Health and Safety (33% of funds)

Strong Communities (25% of funds)

Poverty Alleviation (42% of funds)



GOVERNANCE

Ethics

100% of employees and executive team completed annual Code of Business Ethics Certificate

Inclusion & Diversity

Independent² Board Members
40% Female | 60% Male
Management*
37.5% Female | 62.5% Male

Board Training

100% of Board and Executive Team received Canadian Centre for Diversity and Inclusion executive training in 2021

² Independent as defined in Canadian securities laws.
* Includes TSU Executive Team and the Utility Presidents

TriSummit is a Canadian corporation headquartered in Calgary, Alberta with diversified rate-regulated natural gas distribution utilities and long-term contracted renewable power generation assets.

Utilities

TriSummit delivers reliable natural gas to end-users in Alberta, British Columbia and Nova Scotia. The utilities include Eastward Energy (rebranded from Heritage Gas in 2022), headquartered in Dartmouth, Nova Scotia; APEX Utilities Inc. (AUI), headquartered in Leduc Alberta; Pacific Northern Gas (PNG), headquartered in Vancouver, British Columbia.

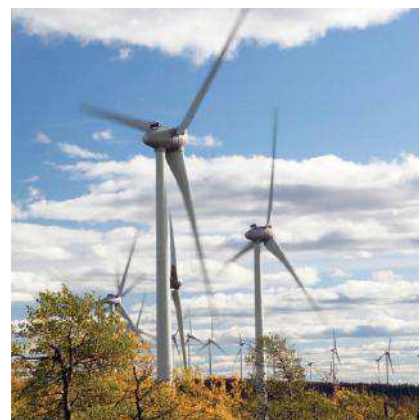
TriSummit owns a one-third equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories.

TSU provides an essential service to keep families and businesses warm across Canada. In aggregate, these utilities have just over \$1 billion of rate base as of June 30, 2021 and serve approximately 133,000 customers.



Renewable Energy

Includes a 100 percent interest in the 102 MW Bear Mountain Wind Park and an approximate 10 percent indirect interest in the 303 MW Northwest Hydro Facilities in British Columbia.



Ownership

TSU is indirectly owned by two Canadian public investment managers with over C\$350 billion in combined assets under management.

The Public Sector Pension Investment Board (PSP) is one of Canada's largest pension investment managers with C\$230.5 billion of net assets under management as of March 31, 2022. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force.

It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and credit investments.

Headquartered in Ottawa, PSP Investments has its principal business office in Montréal and offices in New York, London and Hong Kong. PSP Investments has C\$23.5 billion of infrastructure assets under management.

Alberta Investment Management Corporation (AIMCo) manages one of Canada's largest public pools of funds with more than \$150 billion of assets under their management. It invests globally on behalf of 32 pension, endowment, and government funds in the Province of Alberta with holdings that span all asset classes. Currently, AIMCo has \$15.1 billion of infrastructure and renewable resources assets under its management.

Materiality Assessment

TriSummit understands that our operations can have wide-ranging economic, environmental, and social impacts, and we must ensure that we are making positive contributions within our operational areas, helping to ensure a better, cleaner future.

Our stakeholders include Indigenous communities, customers, shareholders, employees, community members, and debtholders. TriSummit strives to capture meaningful data to ensure a better, cleaner future while pursuing strategic growth. Using both the Global Reporting Index (GRI) and the Sustainability

Accounting Standards Board (SASB) for Gas Utilities & Distributors (SICS: IF-GU) metrics, our Executive team undertook a materiality assessment to identify our highest ESG priorities for our company as we look to the future.

As part of the Materiality Assessment, the executive team identified topics that could impact our business directly, including risks and opportunities. Further analysis led to the inclusion of topics that would be of importance to our stakeholders. These topics have been used to inform the ESG report and future reporting priorities.

ENVIRONMENT

- ▶ GHG Emissions
- ▶ Environmental Compliance
- ▶ Innovation & Energy Transition

SOCIAL

- ▶ Occupational Health and Safety
- ▶ Rights of Indigenous Peoples
- ▶ Employment Practices
- ▶ Community investment
- ▶ Inclusion and Diversity
- ▶ Energy Affordability and Access

GOVERNANCE

- ▶ Data and Cybersecurity
- ▶ Emergency Preparedness
- ▶ Economic Performance



Environment

Net-Zero



- ▶ Canada's Road to Net-Zero
- ▶ Energy Efficiency
- ▶ TriSummit's Approach to Reporting
- ▶ TriSummit's Scope 1 Emissions Profile
- ▶ TriSummit's Diverse Portfolio

Canada's Road to Net-Zero

When Canada ratified the Paris Agreement in 2016, Canada joined 193 other Parties committed to fighting climate change. Since that time, the Government of Canada has tabled the Canadian Net-Zero Emissions Accountability Act to achieve net-zero emissions by 2050. TriSummit is eager to play a role in helping Canada reach this target.

TriSummit has a long history of innovation directed at minimizing our impact on the environment. With a focus specifically on GHG emissions, TSU and each utility individually, proactively seeks opportunities to reduce our footprint.



Actions Speak Louder than Words

System Betterment Program

Operating a utility company with several entities across multiple jurisdictions requires continuous maintenance and improvements. Replacing equipment, adopting new processes, and incorporating new technologies allow us to provide safer, more efficient, and more reliable service to our customers.

Our multi-year Betterment Program focuses on maintaining, replacing, and repairing our capital assets including pipelines, regulating compression, and metering facilities. Upgrades and replacements such as these also help to reduce overall emissions, as more modern equipment is built to significantly higher standards for emissions and efficiencies. Managing the integrity of our pipeline systems is critical to our operational success and leads to lower overall emissions and environmental impacts.

During 2020/ 2021, AUI and PNG undertook significant repairs and replacement of sections of pipe on their gas transmission and distribution systems. This will continue into 2022 and beyond.

Emissions Measurement Protocols

While maintenance programs ensure ongoing systems integrity, measurement programs allow monitoring of the effectiveness of the repairs. In 2021, TriSummit increased the direct measurement of emissions across our operations for preliminary analysis; further verification is required to fully inform the next phase in our journey to Net-Zero Scope 1 and 2 emissions by 2030³. Data-based decision-making, beginning with tracking emissions performance, is critical to laying the foundation of transparency, accountability, and responsibility. We understand that fugitive emissions are by far the biggest contributor to our overall emissions, and we are focusing our efforts to more accurately measure and make meaningful reductions in this area.

Replacing Heating Oil with Natural Gas

Heating oil is still a primary fuel source in much of Atlantic Canada. The emissions intensity of heating oil is greater than that of natural gas. Through EEI, TriSummit is working to deliver cleaner natural gas to thousands of new customers in Nova Scotia, including both residential and commercial buildings.

The distribution system required to connect new customers to our pipeline grid continues to expand. When it is not feasible to service larger customers through dedicated distribution lines, we are able to offer Compressed Natural Gas (CNG).

Contained within cylindrical containers, CNG is transported via truck directly to customer locations.

Whether switching to natural gas or CNG, customers and the environment benefit when buildings are heated by lower GHG-emitting fuel sources. Whether switching to natural gas or CNG, customers and the environment benefit when buildings are heated by lower GHG-emitting fuel sources.



³Refer to "Net-Zero Commitment" at the end of this presentation.

Innovation Never Stops

TriSummit strives to continuously evolve and improve our energy services. We look for opportunities to invest in technology that provides low-carbon alternatives to traditional utility offerings.

Renewable Natural Gas

Renewable Natural Gas (RNG) is an energy source produced from decomposing organic waste. The feedstock for RNG production can be obtained from readily available organic materials such as yard and crop waste, forest residue, landfill waste, livestock manure, food scraps, and wastewater. Once collected it is processed and purified before it enters the existing pipelines. 2021 was an exciting year for TSU as the first RNG contracts were signed. In late 2022, RNG in the form of biomethane will be available.

Hydrogen

Hydrogen is the most abundant and lightest element in the universe. It is a key chemical component in many materials. Hydrogen can also serve as an energy carrier. It can be used to store, transport, and deliver energy produced from other sources.

Hydrogen at PNG

PNG is collaborating with Enbridge and FortisBC to investigate the extent to which hydrogen produced from renewable and low-carbon resources can be blended with natural gas to reduce the carbon intensity of delivered gas in British Columbia.

Within the BC Hydrogen Natural Gas Blending Study, PNG will assess the potential of its natural gas distribution system to deliver a hydrogen-natural gas fuel blend safely and reliably to its residential, commercial, and industrial customers.

This study represents an important opportunity to leverage existing natural gas delivery infrastructure to initiate the transformation of British Columbia's and Canada's natural gas sector to net-zero emissions, including transitioning the sector's existing talent pool and creating new cleaner energy jobs.

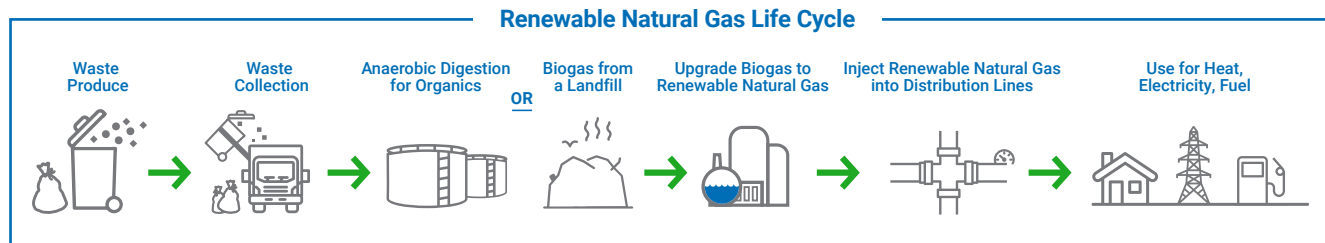
Given the study's critical role in facilitating the growth of British Columbia's hydrogen economy, the province has committed to funding to the study.

Hydrogen at EEI

In 2021, EEI applied for federal government funding towards a 5 MW hydrogen electrolyzer project.

If the project proceeds, it could have the ability to fuel many transit buses and lower the carbon footprint of transportation in the province.

This project is also intended to be blended into EEI's distribution system to lower the overall GHG emissions intensity in the distribution system in Nova Scotia.



Energy Efficiency

TriSummit is playing an important role in helping its customers in the energy transition to lower emissions.

Fostering innovation is a key component of TriSummit's approach as is demonstrated through participation in the Natural Gas Innovation Fund (NGIF) of the Canadian Gas Association.

This program funds research and pilot installations of pre-commercial natural gas technologies. Also supported, is field testing of commercial and pre-commercial high-efficiency natural gas equipment to demonstrate its viability to customers, builders, HVAC professionals and policymakers.

TSU plans to demonstrate these benefits through installations of ultra-high-efficiency hybrid heating systems (see "Ultra-High Efficiency Hybrid Heating System" below) and natural gas-driven heat pumps at their operational locations.

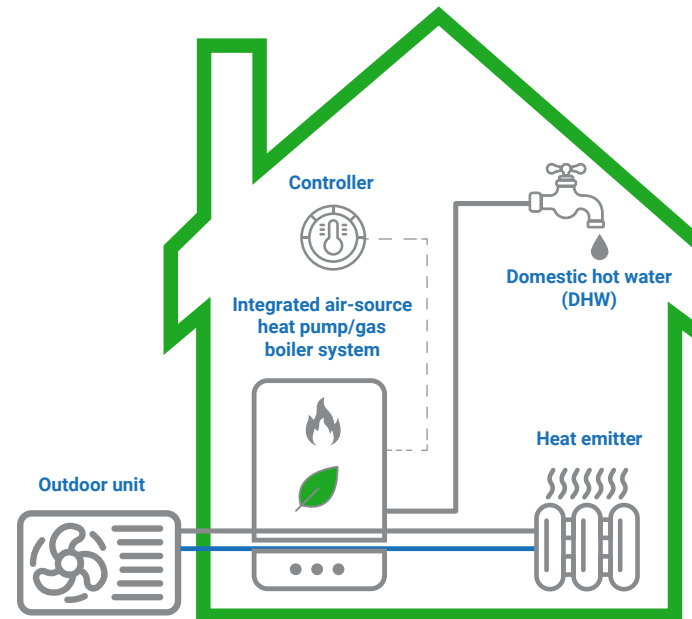
Smart Energy Solutions Implemented at PNG

Since 2016, PNG's energy efficiency program, delivered under the brand "Smart Energy Solutions," has offered residential, commercial, and industrial customers incentives for upgrades to natural gas equipment with high-efficiency models that reduce customers' natural gas demand. In addition, PNG raises awareness of natural gas, energy efficiency, and safety amongst school-aged children enrolled in public schools in our service areas through the "Smart Energy Kids" program.

Ultra-High Efficiency Hybrid Heating System

This hybrid dual heating system combines a natural gas furnace or boiler with an electric air source heat pump. During mild temperatures, the heat pump operates as the primary space-heating device. When the outside temperature drops to a switch-over point, the heat pump shuts off and the heating is provided by a gas furnace or boiler.

Using a hybrid system ensures reliable heating even in the coldest temperatures while remaining the most cost-effective solution compared to an all-electric heating system. In addition, this system can help balance the electrical grid by offloading demand during peak periods and reducing GHG emissions associated with space heating. To raise awareness of the potential of the hybrid heating system amongst PNG's customers, we are installing a hybrid heating system at our field office in Smithers.



Natural Gas-Driven Heat Pump

Relying on natural gas to drive the refrigeration cycle, these pumps function similarly to air-source heat pumps. Natural Gas-Driven heat pumps offer significant natural gas savings and GHG reductions for PNG's commercial customers.

Electric Vehicle Chargers at AUI



AUI installed four Leviton Electric Vehicle (EV) chargers at its Head Office in the fall of 2021. These chargers are level 2, meaning they can fill most EVs within five hours from empty.

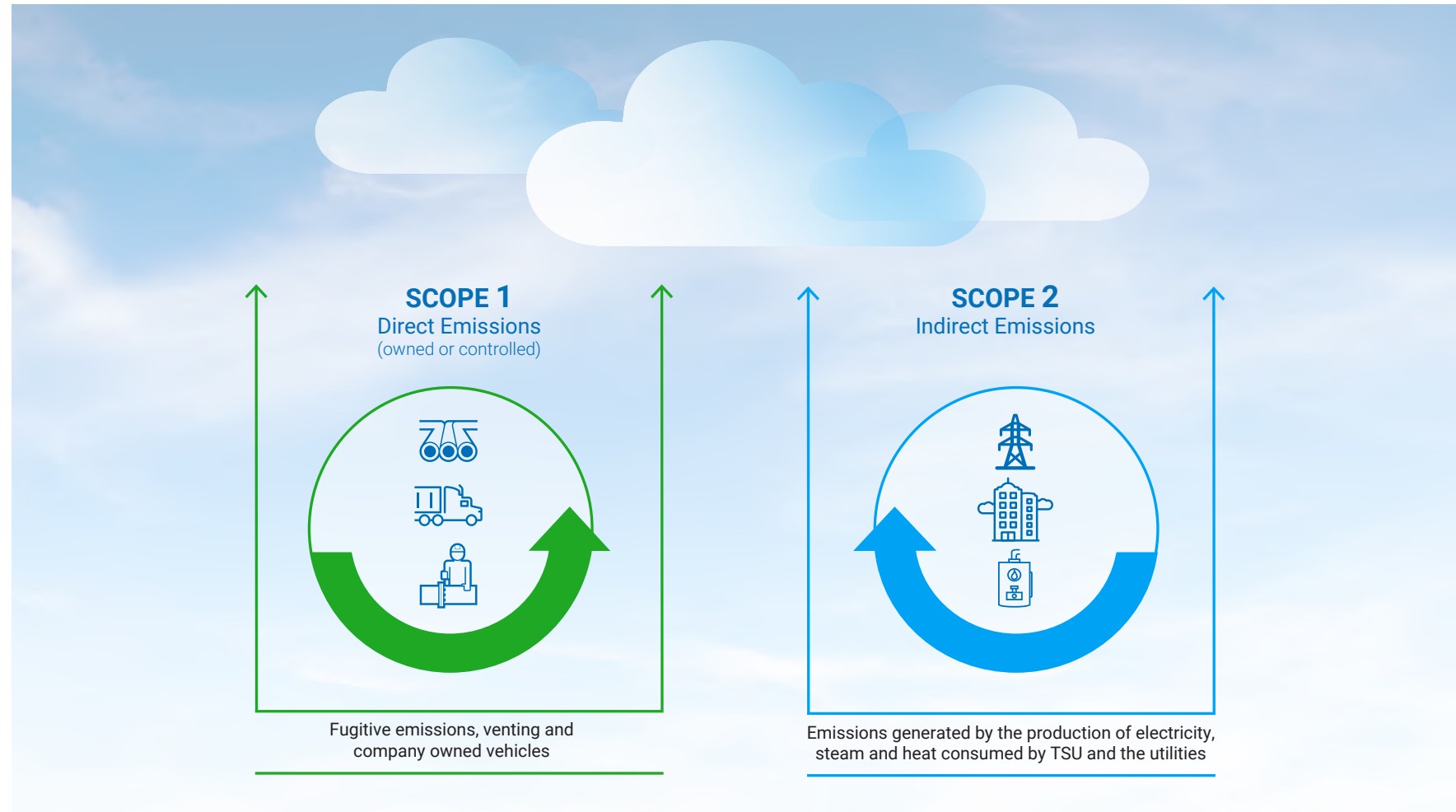
Charging infrastructure is critical for enabling the adoption of EVs and decarbonizing the passenger transportation sector. With our new operational chargers, AUI also ordered our first fleet of EVs which are expected in mid-2023.

TriSummit's Approach to Reporting

In 2021 TriSummit completed data gathering and preliminary analysis of our Scope 1⁴ and Scope 2⁵ emissions intensity. This included our three utilities, our 100 percent owned and operated Bear Mountain Wind Park, and our corporate head office. This data will undergo additional reviews and will help inform the organization's strategic planning moving forward.

TriSummit has committed to fully and accurately characterizing our emissions profile through multiple strategies, including amending previous quantification methodologies, improving reporting and transparency, and accuracy of existing inventories.

TSU follows the Canadian Energy Partnership for Environmental Innovation (CEPEI) methodology to gather Scope 1 emissions. The TSU emissions report was verified under the GHG Protocol Standard published by the World Resources Institute. In British Columbia, PNG is required under regulation to report its Scope 1 emissions to the province using the Western Climate Initiative (WCI) methodology.



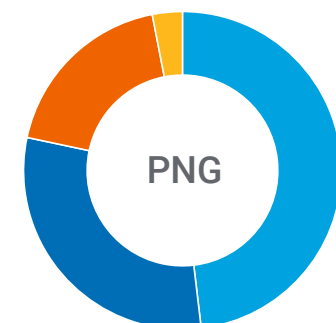
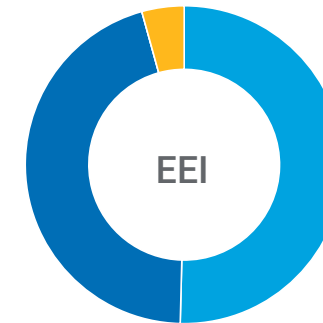
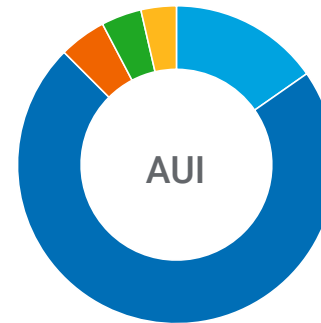
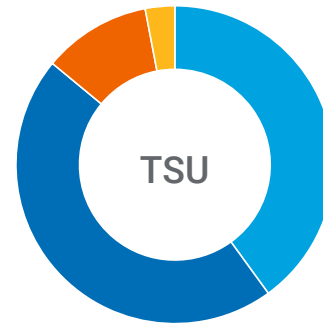
⁴ Scope 1 are emissions that originate directly from equipment operated by TSU and the utilities.

⁵ Emissions generated by the production of electricity, steam and heat consumed by TSU and the utilities.

TriSummit's Scope 1 Emissions Profile

The primary source of Scope 1 emissions at each of the utilities was associated with fugitive emissions and venting. These activities are largely related to our ongoing System Betterment program, an initiative to replace and repair pipelines and equipment across the organization.

SCOPE 1 EMISSIONS CONTRIBUTORS 2021



Fugitives



Venting



Stationary
Combustion



Fleet
Vehicles



Sundry

TriSummit's Diverse Portfolio

The area of cleaner energy is ever-changing, and we are committed to staying at the forefront of emerging trends. Innovation is an important aspect of the future of our business, and as we position ourselves for growth, our organization understands our responsibility as environmental stewards.

Wind Energy

Bear Mountain Wind Park is a 102 MW wind facility located near Dawson Creek, British Columbia. Consisting of 34 turbines, each with a hub height of 78 metres and a rotor diameter of 82 metres, it generates enough clean electricity to power approximately 23,000 homes. It is British Columbia's first fully operational wind park.

It was commissioned and connected to the power grid in 2009. Covering 25 hectares, the land continues to be used for cattle grazing and can be accessed by the public for various recreational activities.



Hydroelectric Power

The Northwest Hydro Facilities are a series of run-of-river hydroelectric generating facilities located in Tahltan First Nation territory, approximately 1,000 kilometres northwest of Vancouver. In addition to associated transmission and related equipment, they include the Forrest Kerr Hydroelectric Facility, the McLymont Creek Hydroelectric, and the Volcano Creek Hydroelectric Facility. Together the three operations have a generating capacity of approximately 303 MW, sufficient to power 135,000 homes with clean energy.

Carbon Offsets

TriSummit is committed to reducing its carbon emissions. Recognizing there are elements of the operations that are difficult to decarbonize, this is mitigated by the purchase of carbon offsets.

The Bear Mountain Wind Park generates renewable energy credits (REC), which are both used to offset TriSummit's emissions, with the excess sold as a separate income stream.

RNG and Hydrogen

TSU is actively exploring and pursuing RNG and hydrogen as two potential sources of clean molecules for customers. PNG is participating in a collaborative hydrogen study with FortisBC and Enbridge to investigate hydrogen blending with natural gas.

EEL applied for federal funding in 2021 for a 5MW hydrogen electrolyzer and will continue to advance the project in the coming years. In 2021, PNG signed two contracts for RNG deliveries in future years.



Social



- ▶ A Profile of TriSummit
- ▶ Health and Safety Accountability
- ▶ Inclusion and Diversity
- ▶ Community Investment
- ▶ Indigenous Relations

A Profile of TriSummit

With the safety of our customers, communities and employees as a paramount priority within the organization, we focus on building an environment where employees are encouraged to develop and maintain operational safety practices.

TriSummit is committed to providing an inclusive workplace for our employees, while proactively providing employees with growth and development opportunities.

Our employees are at the core of our success and it's critical to ensure they are valued, included and supported.

Employee Wellness

Throughout 2021 TriSummit along with the greater community, continued to manage the health, safety, and wellness impacts of COVID-19. With guidance from provincial and federal health authorities, we implemented additional measures to keep our employees safe at work. This included a mandatory vaccine policy.

Employee mental health and wellness was another area of focus for TriSummit during the pandemic. Due to the geographic reach of the company, the organization adopted new forms of technology to stay connected and engaged. Continued support is offered to employees through the benefits program, flexible spending accounts, and employee medical assistance programs.

Career Development and Training

Investing in our employees through training and development opportunities is important as our organization grows. The implementation of the new human resources information system – the UKG Learning module allowed for 18,000 hours of training

across the organization, assisting in the achievement of personal development plans. This training includes modules related to Inclusion and Diversity, Indigenous Awareness and Cybersecurity. This averages out to be about 39 hours per employee.

Many employees attend a wide range of additional internal and external learning, training and development programs to support their areas of expertise within the organization. These are also driven by personal and professional development plans supported by their managers, leadership teams and the executive team.

Voluntary Employee Turnover

TriSummit's voluntary employee turnover rate across all organizations in 2021 was four percent, a level comparable to industry-wide turnover rates pre-pandemic.



Health and Safety Accountability

The safety of our employees and communities is our top priority. Our commitment to safety and continuous improvement includes:

- ▶ Employee safety and system integrity programs that meet or exceed regulatory requirements
- ▶ Dedicated safety leadership
- ▶ Proactive reporting of hazards
- ▶ Emergency preparedness
- ▶ Transparent communication
- ▶ All employees are required to attend regular SafeStart © training, which provides them with the skills to identify states of mind that lead to at-risk behaviour. Incident reduction happens organically when risks are proactively addressed.



- ▶ Contractors employed to perform work on our behalf are prequalified and have health and safety values that are consistent with our own. Health and safety performance is closely managed, and expectations are clearly defined.

Health and Safety Performance

Total Recordable Injury Frequency (TRIF) is a standard industry safety performance measure representing the number of recordable injuries per 200,000 hours worked. TriSummit continues to exceed the forecasted targets. In 2021, two of TriSummit's natural gas utilities were recognized by the Canadian Gas Association (CGA) for their health and safety performance.

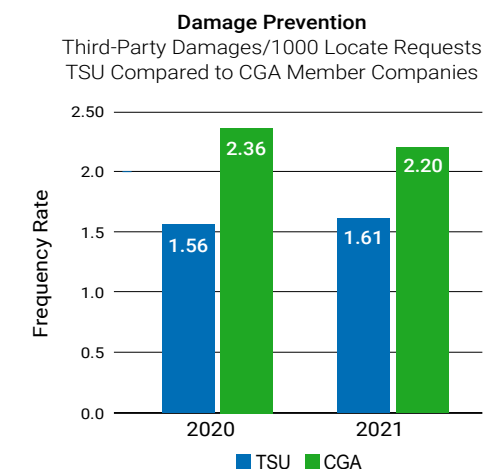
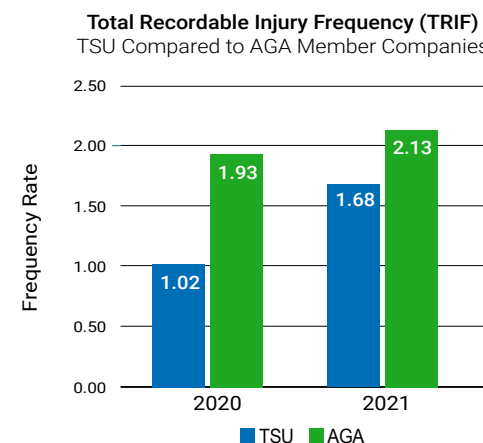
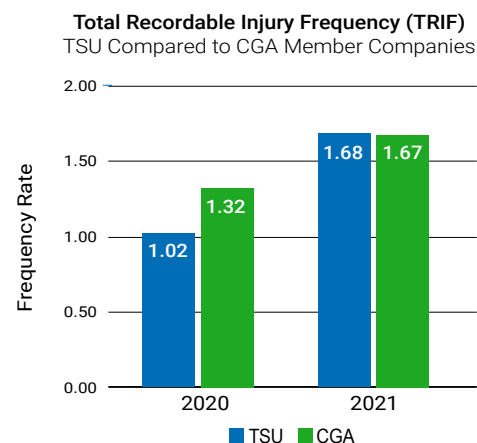
Damage Prevention

Infrastructure damage prevention is an industry reliability metric that is represented by the number of third-party below-grade damages per thousand locate requests.

TSU continues to exceed annual targets and compares positively to the CGA average.



Total Recordable Injury Frequency (TRIF)



Sources: AGA - 2021 Natural Gas Utility and Transmission Industry Occupational Injury and Illness Statistics. | CGA - 2021 Corporate Profile

Inclusion and Diversity

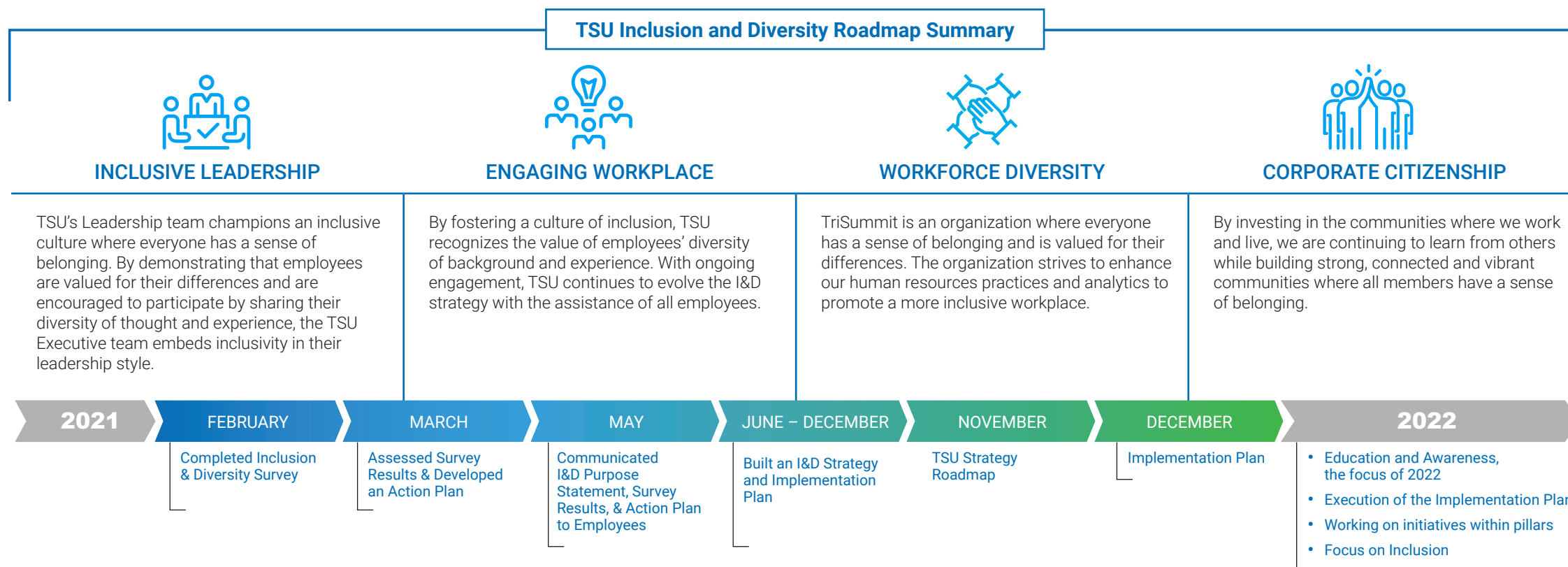
TriSummit Utilities strives to cultivate a workplace in which everyone feels welcomed and encouraged to bring their whole selves to work.

In 2021, Inclusion and Diversity (I&D) was a strategic focus at TriSummit, resulting in a multi-year, multi-entity Strategy Roadmap informed by an employee survey. The results and action plans were communicated to

all employees, with the Board and Executive, and Leadership teams participating in a two-day Canadian Centre for Diversity and Inclusion Executive Training, and an I&D Immersion for the Executive to further

inform the TSU Strategy Roadmap. Everyone wants to work where they feel a sense of belonging, where they are valued for their differences, and are encouraged to participate and contribute openly. This roadmap

strives to eliminate barriers to diversity and embed inclusive practices throughout the organization's culture with practices, values, and behaviours.



Community Investment

Community Investment at TriSummit begins by working with our employees and the communities where we live and work, to understand priorities and needs.

Our engagement and giving are focused on non-profits, registered charities, municipalities, foundations, and educational institutions that

directly support **health, wellness, and safety while building strong, vibrant communities and alleviating poverty and hunger.**

In 2021 TSU leveraged the community investment budget to reach more organizations and initiatives supporting communities and families during the pandemic.

Through our efforts, we are proud to share that we have increased the number of organizations and initiatives we were able to support by 65 percent.

We are proud to be a part of the communities where we live and work, and giving back is important to TriSummit and its employees.



\$222k
Community Investment



100+
Organizations

TSU COMMUNITY INVESTMENT PILLARS



Health, Wellness and Safety
33% of Funds



Build Strong, Vibrant Communities
25% of Funds



Alleviate Poverty and Hunger
42% of funds

Indigenous Relations

In last year's inaugural ESG report, we acknowledged the devastating impacts that colonization has had on Indigenous communities and peoples. TriSummit recognizes the unique interests and rich culture that the Indigenous Peoples of Canada contribute to the country. Reconciliation starts with us.

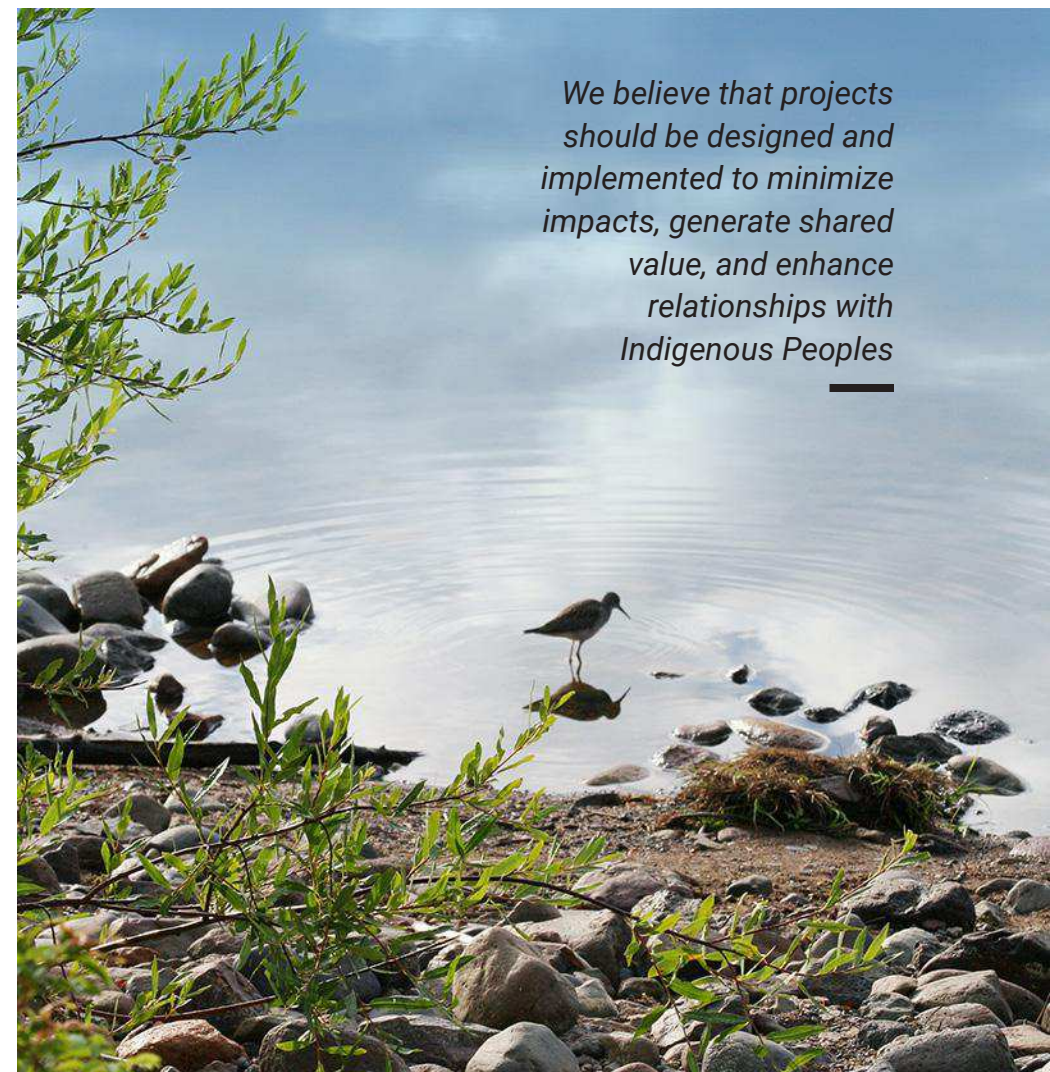
As an organization, TriSummit vows to work closely with our Indigenous partners to understand their culture, practices, perspectives, and goals so that we can make responsible and respectful decisions and better educate our employees. With this, we:

- ▶ Understand the importance of reconciliation and the importance of working together with impacted Indigenous communities through open and meaningful dialogue.
- ▶ Recognize the importance of education of our employees and ensure we have the right resources, skills, and understanding necessary to maintain our relationships with Indigenous communities.

- ▶ Understand and respect that Indigenous Peoples have unique histories, cultures, protocols, values, beliefs, and governments.
- ▶ Understand the unique connection Indigenous Peoples have with the land and the water, and their desire to retain their culture and traditions. We are committed to:
 - Nurturing respectful, positive, long-term, and transparent working relationships with impacted Indigenous communities and our Indigenous partners.
 - The long-term cultural and social success of the communities that we serve.
 - Creating economic opportunities in collaboration with impacted Indigenous communities and our Indigenous partners.

Throughout the organization, TriSummit recognized the first day of Truth and Reconciliation, September 30, 2021, with localized town halls and internal training. In 2021, our teams worked to provide economic opportunities for Indigenous communities through project-related procurement and employment opportunities, donations, and sponsorships.

TriSummit has built strong relationships with local Indigenous communities near our operations by including land and environment representatives in the communities where projects were being considered. A joint review ensured these Indigenous communities were directly involved in archaeology permitting, fieldwork, and construction; as well as environmental, regulatory, and construction reporting.



We believe that projects should be designed and implemented to minimize impacts, generate shared value, and enhance relationships with Indigenous Peoples

Delivering Cleaner Energy

To the Northwest Territories for over 20 years in partnership with Inuvialuit Petroleum Corporation and ATCO Ltd.



In 1999, Inuvik Gas Ltd. (IGL) brought a new energy choice to Inuvik, NWT, and changed the town forever

Inuvik is an arctic town near the northern tip of Canada's integrated road system. The winter season in Inuvik is very long, dark, snowy and cold. Prior to IGL, the primary source of energy for homes and businesses was fuel oil and diesel, both high-emitting and expensive sources of fuel.

IGL is a locally operated company with seven full-time employees and approximately 830 customers. Supported by the experience and talents of the Inuvialuit Petroleum Corporation, TriSummit Utilities Inc., and ATCO Mainstream NWT Ltd., IGL delivers cleaner-burning, natural gas and synthetic natural gas to their customers. This partnership has provided critical infrastructure and services to the town

IGL is committed to assisting and promoting the well-being of Inuvik, including the areas of health, safety, environment, education, and community well-being. IGL supports the fair and equal treatment of all residents.

TriSummit is proud of its long-term partnership



Governance



- ▶ Responsibility and Integrity
- ▶ Board Committees, ESG Oversight and Framework
- ▶ Risk Management

Responsibility and Integrity

TriSummit is dedicated to operating our business with clear communication and integrity as a core value, ensuring we deliver on our commitments to shareholders, employees, community members, customers, and debtholders. Good governance is foundational to this and is implemented by the leadership and supported by the Board of Directors. In 2021, the TriSummit Board of Directors comprised ten directors, with six independents⁶, including the Chair of the Board.

Fostering a culture that promotes integrity and ethical conduct is foundational to the operations of our business, our relationships in the communities where we work, and with our shareholders.

As part of this, each director, officer, employee, contractor, consultant, representative, and agent of TriSummit must comply with the Code of Business Ethics and provide annual certification of compliance.

⁶ As defined in Canadian securities laws.

Board of Directors

The Board assigns responsibilities directly and through its committees which are reviewed and approved annually by the Board.

The Chair of each committee is responsible for ensuring their respective mandates are fulfilled.

We will continue to work with our directors to ensure the appropriate ESG practices are in place, as well as ongoing training for our Directors in ESG reporting.

Board Diversity (Independent Directors)



40%
Female



60%
Male

Board and Committee Composition

Board Members	Audit Committee	Compensation and Governance Committee	Environment, Health and Safety Committee
David W. Cornhill* [^]			
Dietz Kellmann [^]	○		○
Gregory A. Aarssen [^]	○	○	
Andrea Goertz [^]	○	○	○
Wendy Henkelman [^]	○		○
Jared Green			○
Sam Langleben	○		○
Patrick Chabot		○	○
Jason Munsch	○	○	

* Chair of the Board | [^]Indicates Independent Director
This reflects the current Board and Committee in 2022.






Board Committees, ESG Oversight and Framework

The Board has three standing committees:

- ▶ Audit Committee
- ▶ Compensation and Governance (C&G) Committee
- ▶ Environmental Health and Safety (EHS) Committee

The C&G Committee has oversight responsibility for TriSummit's governance framework, human resources and compensation framework and standards, and our governance approach to ESG. The C&G committee receives regular updates on ESG commitments and reporting, being charged with the oversight of the ESG process while working collaboratively with other committees for review, direction, and approval.

Board Committees

Key Focus Areas ¹			Committee Responsible ²
	ENVIRONMENTAL	▶ Emissions Reduction	→ EHS Committee
	SOCIAL	▶ Health & Safety	→ EHS Committee
		▶ Employment / Diversity Non-Discrimination ▶ Indigenous Relations ▶ Community Investment	→ Compensation and Governance Committee
	GOVERNANCE	▶ Business Ethics ▶ Governance ▶ Core Values	→ Compensation and Governance Committee
		▶ Cybersecurity	→ Audit Committee

¹ The Compensation and Governance Committee is Responsible for the overall ESG Framework, including key focus areas

² The Committee Responsible oversees all data, metrics, and reporting

Sustainability Linked Compensation

The C&G Committee is responsible for the overall ESG framework, including key focus areas.

The Committee responsible oversees all data, metrics and reporting.

In December 2021, the C&G Committee approved an emissions reduction multiplier factor for corporate scorecards. Other ESG factors based on strategic initiatives such as Operationalizing TSU's Net-Zero pathway, development of people, and the execution of the Inclusion and Diversity Roadmap are also part of the compensation scorecard.

The emissions reduction multiplier is intended to be replaced by a target and weighting for emissions after 2022.

TriSummit and our operating utility entities have the same EHS stewardship objectives defined in corporate scorecards and short-term incentive programs (STIP) for all employees that are linked to safety leadership.

Ethics and Compliance

Fostering and maintaining a culture that promotes integrity and accountability is essential to the responsible operation of TriSummit's business and maintaining transparent and mutually beneficial relationships with our stakeholders and rightsholders.



100% of employees completed the Code of Business Ethics Certification

Each director, officer, employee, contractor, consultant, representative and agent of TriSummit must comply with the code of business ethics (COBE) and provide an annual certification of compliance. In 2021, this requirement was measured and monitored through the UKG Learning Module, further assuring 100 percent completion of the certification.

Related policies

[Code of Business Ethics](#)
[Whistleblower Policy](#)

Risk Management

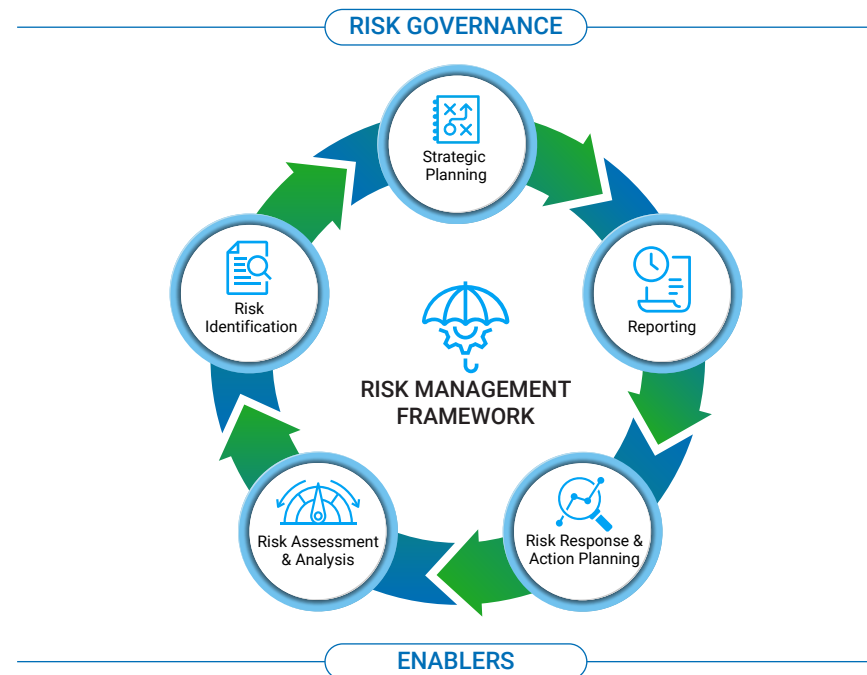
Our organization recognizes that risk is present in our business activities and that the management of risk is critical in maximizing performance and helping the organization achieve its strategic objectives. TriSummit has developed an Enterprise Risk Management (ERM) Framework, which assists to identify, evaluate, respond to and report on the organization's key risks.

This framework is aligned with guidance provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is jointly sponsored by five organizations including The Institute of Internal Auditors.

ERM is the culture, capabilities, and practices integrated within strategy setting and execution, influenced by the Board of Directors, Executive, and all staff. It is a continuous process applied strategically across the organization in day-to-day operations, designed to identify, assess and prioritize potential events that could affect performance and enable the response to and monitoring of key risks.

TriSummit's risk management program is overseen by the Audit Committee. Risk updates are provided to the committee on a quarterly basis and a detailed review of the program is performed annually.

TriSummit follows a robust and structured approach to appropriately manage risks faced by the business. Our risk management framework is composed of seven key attributes which facilitate effective management of risks.



Risk Identification

Information regarding risks that have been identified and are being managed by the company can be found in TriSummit's most recent Management Discussion and Analysis and Annual Information Form on our website.

Emergency Preparedness

Detailed Emergency Response Programs are in place at all TSU companies that include planned mock emergency scenarios to ensure employees are trained and can respond appropriately to unplanned events in a timely manner.

Emergency Response Programs are reviewed and updated annually to include information learned from debriefing actual emergencies or actions identified from planned simulations. Changes are reviewed with employees who are involved and impacted by emergency response.

Cyber Security

TriSummit deploys industry-leading solutions and processes to secure our information and systems. Our cybersecurity strategy is guided by business objectives, regulatory requirements and best-practices frameworks. The cybersecurity awareness program utilizes a training schedule that keeps our people current and focused on cybersecurity. We conduct regular testing of our cyber defenses, incident response processes and user awareness to measure the effectiveness of our efforts.

Managing cyber risk is a top corporate priority at TSU. Under executive and Board oversight, we continuously advance our cyber risk management practice to ensure our digital assets are protected in response to the evolving threat landscape.

Protecting digital assets is of paramount importance, which is reflected in our executive sponsorship, Board reporting and cybersecurity maturity program.

Appendix



2021 SASB Disclosure Report / Gas Utilities & Distributors

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Energy Affordability	Average Rates ¹ (\$/GJ)	1. Residential Gas Rate	Quantitative	Rate	IF-GU-240a.1	\$10.99 /GJ
		2. Commercial Gas Rate				\$9.64 /GJ
		3. Industrial Gas Rate				\$7.20 /GJ
		4. Transportation Gas Rate				\$2.70 /GJ
	Typical monthly gas bill for residential customers for MMBtu delivered per year	1. 50 MMBtu	Quantitative	CAD	IF-GU-240a.2	\$48.32
		2. 100 MMBtu				\$96.63
	Disconnections for non-payment	Number of residential customers gas disconnections for non-payment	Quantitative	Number	IF-GU-240a.3	1,228
		Percentage reconnected within 30 days		Percentage (%)		46%
	External factors on customer affordability	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-GU-240a.4	See External Factors Tab
End-Use Efficiency	Utility Revenues	1. Percentage of gas utility revenues from rate structures that are decoupled	Quantitative	Percentage (%)	IF-GU-420a.1	48%
		2. Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)				0
	Gas Savings	Customer gas savings from efficiency measures by market	Quantitative	Million British Thermal Units (MMBtu)	IF-GU-420a.2	4,888
Integrity of Gas Delivery Infrastructure	Incidents	1. Reportable pipeline incidents	Quantitative	Number	IF-GU-540a.1	11
		2. Corrective Action Orders (CAO)				2
		3. Notices of probably violation (NOPV)				0
	Percentage of distribution pipeline that is:	1. Cast and/or wrought iron	Quantitative	Percentage (%) by length	IF-GU-540a.2	0%
		2. Unprotected steel				0%
	Percentage of Gas	1. Transmission pipelines inspected	Quantitative	Percentage (%) by length	IF-GU-540a.3	60%
		2. Distribution pipelines inspected				22%
	Efforts	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions.	Discussion and Analysis	N/A	IF-GU-540a.4	See Addendum

¹ Note that customer rates exclude carbon tax, GST, and are not weather normalized.

External Factors

British Columbia

B.C.'s economy grew by 6.1 percent in 2021, and the unemployment rate declined to 6.5 percent from 8.8 percent in 2020. The average rate of consumer inflation rose to 3.4 percent.

The market price for gas commodities saw significant increases in 2021 which are expected to continue to rise through 2022 as a result of geopolitical issues in natural gas-producing countries across the world.

Alberta

In 2021 Alberta's economy began to recover from the uncertainty of the COVID-19 pandemic and low oil prices. The unemployment rate fell to an average of 7.5 percent from 11.3 percent due to low interest rates, supply shortages and increased consumer confidence, inflation spiked in the latter half of 2021. The market price for natural gas in Alberta has increased, leaving customers who have chosen a variable rate option, such as the default supply regulated rate option, subject to the volatility of market prices. In order to combat these rising prices, the Government of Alberta has tabled legislation to introduce a Natural Gas

Rebate to help customers address the rising cost of utilities by capping rates from October 2022 to March 2023.

Nova Scotia

The economic conditions in 2021 are similar to 2020 for the province. Increasing inflationary cost pressures and associated rising interest rates are now paired with increasing gas commodity costs due to a global supply shortage caused by the pandemic.

The government of Canada and the provincial government have moved forward with climate policy work, including carbon pricing, Clean Fuel Standards, and a newly proposed Oil and Gas Cap. Eastward Energy has worked with the provincial Environment and Climate Change, and Natural Resources and Renewables departments to communicate the severity of gas costs and the implications for customers in the province. The provincial government has proposed an alternative plan to carbon pricing in Nova Scotia, and Eastward Energy is supportive of the adoption of the plan by the federal government to provide relief to the layering commodity costs.

Eastward Energy will continue to leverage long-term transportation contracts reaching liquid commodity markets in North America to provide stability in pricing when possible. As carbon pricing and global gas commodity prices increase, this further enables the business case for renewable investments, such as green hydrogen and renewable natural gas.

Other Factors

British Columbia and Alberta are both subject to carbon tax while Nova Scotia has implemented a Cap-and-Trade program.

Managing the Integrity of our Gas Infrastructure

Safety culture is at the core of TSU operations, and all employees are engaged in safety awareness and preparedness. One of our primary goals is to fulfill the energy needs of customers in the safest, most reliable and most efficient manner possible. Our customers depend on a readily available supply of gas. Asset integrity with TSU's network of pipelines is an important factor in emissions reductions.

TSU continues to take a risk-based approach to manage hazards throughout the lifecycle of our assets. This approach is composed of several key elements including replacement and upgrades of materials and equipment, damage prevention programs, and inspections and surveys. This approach improves system reliability and reduces emissions.

TSU continues to mitigate risk with strengthened regulatory relations paired with programs to assess and prioritize aging assets for replacement and upgrades in the short and long term. A recent innovation identified to lower GHG emissions is the use of hydrogen injection, which will require infrastructure upgrades – providing opportunities for capital investment designed to improve performance and mitigate risks related to both safety and emissions. These capital investments may lead to increases in rate bases, ultimately benefiting customers through safety and reliability and shareholders.

Damage Prevention

Pipeline damage events negatively affect system reliability, increase greenhouse gas emissions, and can result in serious health and safety issues. To reduce the occurrence of these events we actively participate in preventative programs, educate the public and contractors regarding safe work practices near pipeline infrastructure and regularly monitor our rights-of-way and facilities for hazards.

Each of TSU's utilities has its own respective Integrity Management Program to formally assess risks covering all areas of the distribution system, identifying key threats and consequences. Mitigation measures associated with each risk are described and include specific system integrity monitoring programs, Emergency Response programs and protocols, employee training and Competency

Assessment Programs (CAP), and other elements captured in Environment Health Safety and Wellness (EHSW) programs.

Knowing the condition of our assets is critical to ensuring ongoing safe and reliable operations. We use state-of-the-art technologies and equipment to inspect and survey our pipeline systems, which allows us to proactively plan for maintenance

before issues can arise.

TSU continues to strive to stay informed with the best business practices and most up-to-date information by participating in industry organizations, such as the Canadian Gas Association and the Canadian Common Ground Alliance, to benchmark our performance against our industry.

Table 2. Activity Metrics

	ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Number of Customers	1. Residential	Quantitative	Number	IF-GU-000.A	116,107
	2. Commercial				16,600
	3. Industrial				117
Natural Gas Delivered to	1. Residential Customers	Quantitative	Million British Thermal Units (MMBtu)	IF-GU-000.B	12,706,851
	2. Commercial and Industrial Customers				13,098,583
	3. Industrial				5,671,628
	4. Transferred to a Third Party				5,239,188
Length of Gas	1. Transmission Pipelines	Quantitative	Kilometers (km)	IF-GU-000.C	2,782
	2. Distribution Pipelines				23,234

² Note that Commercial and Industrial customer rate classes are consolidated to reconcile with the MD&A.

Net-Zero Commitment

Net-zero in this context refers to net-zero operational Scope 1 and Scope 2 GHG emissions, which are emissions that originate directly from equipment operated by TSU and the utilities (Scope 1) and emissions from the production of energy consumed by TSU and the utilities (Scope 2), both as of the date of the commitment. For greater certainty, net-zero does not include subsequently acquired assets such as those forming part of TSU's proposed acquisition of AltaGas Ltd.'s Alaska utilities business. TSU follows the Canadian Energy Partnership for Environmental Innovation (CEPEI) methodology to gather Scope 1 emissions.

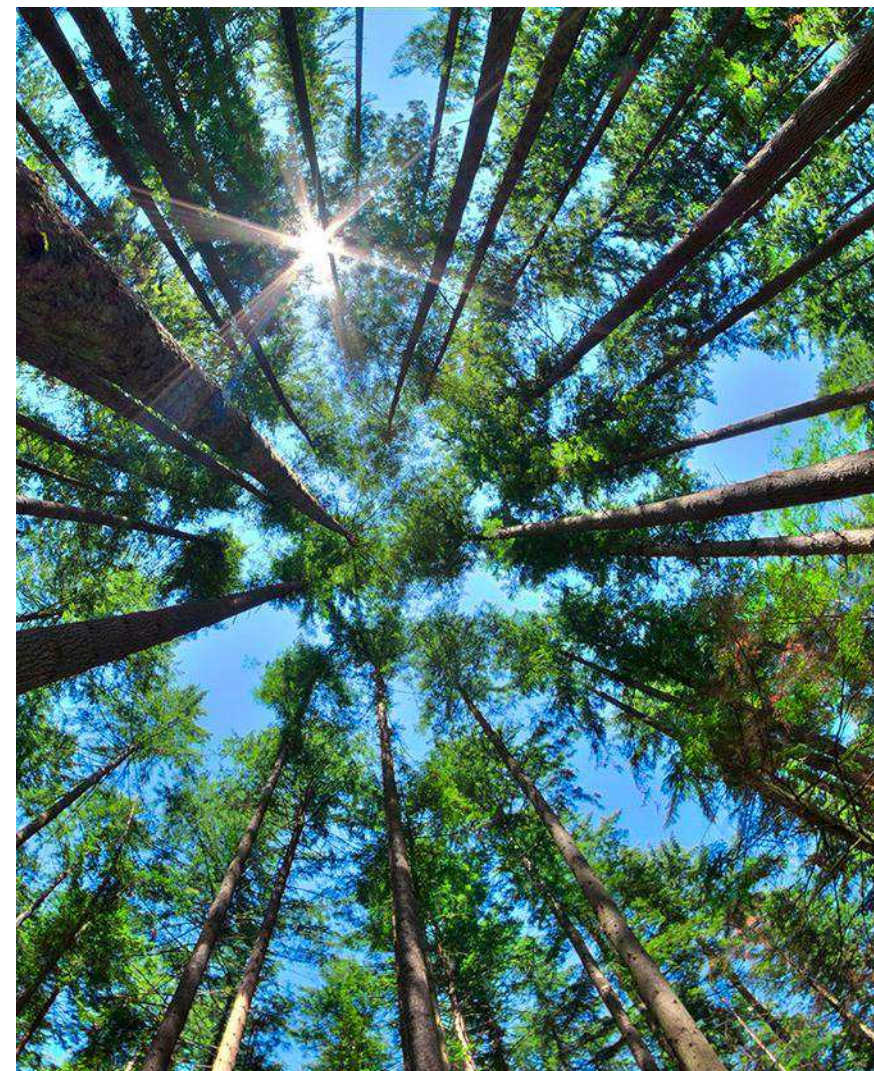
The TSU emissions report was verified under the GHG Protocol Standard published by the World Resources Institute. In British Columbia, PNG is required under regulation to report its Scope 1 emissions to the province using the Western Climate Initiative (WCI) methodology.

TSU's net-zero strategy and commitment were developed with the assistance of an expert climate consulting firm and is premised on the following four pathways, with a primary focus on emissions reductions and emissions offsets: (1) emissions reductions through equipment replacement and energy efficiencies and the adoption and promotion of technology advancements to reduce emissions; (2) emissions offsets by reducing TSU's carbon footprint through acquiring offsets and other environmental credits; (3) investing in renewables by identifying and pursuing opportunities to switch from higher carbon emitting fuels to lower carbon energy (e.g. hydrogen, renewable natural gas, etc.) and/or projects that generate offsets (e.g. renewable power); and (4) improving the accuracy of emissions estimations.

The net-zero commitment is based on management's assessment of the relevant information available at the time the commitment was made and is based on a number of material assumptions and factors, actual results may differ significantly.

TSU and its management believe that the net-zero commitment has been prepared on a reasonable basis with respect to emissions from its current Canadian operations, excluding future acquisitions and reflecting management's best estimates and judgments, and represents, to the best of management's knowledge and opinion, TSU's expected course of action.

However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. See "Forward-Looking Statements and Information."



Forward-Looking Statements and Information

This report contains certain forward-looking statements and information that are based on TSU's expectations, estimates, projections and assumptions considering its experience and its perception of historical trends as well as current market conditions and perceived business opportunities. In some cases, forward-looking information can be identified by terminology such as "expects", "will", "would", "anticipates", "plans", "estimates", "develop", "intends", "potential", "continue", "could", "forecast", "create", "keep", "believe", "aim", "endeavor", "commit" and similar expressions suggesting future events or future performance. In particular, this report contains forward-looking statements pertaining to, without limitation: plans, targets, strategies and timing with respect to reducing greenhouse gas emissions; the 2030 net-zero direct GHG emissions commitment (and the related pathways to achieve such commitment); the belief that TSU will meet its net-zero direct GHG emissions commitment; plans and strategies to improve ESG performance; diversity and inclusion efforts; plans to further develop community investment, Indigenous relationships and engagement efforts; strategies to protect the integrity of energy infrastructure; and anticipated in-service dates for growth projects. Undue reliance should not be placed on these forward-looking statements and information as they are based on assumptions made by TSU in light of information available as of the date hereof (or as of the date the forward-looking statement was made) regarding, among other things: that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; volumes and rates; exchange rates; inflation; interest rates; credit ratings; regulatory approvals and policies; future operating and capital costs; project completion dates; capacity expectations; that there will be no material defaults by the counterparties to agreements

with the Company and such agreements will not be terminated prior to their scheduled expiry; the Company will continue to have access to wind and water resources in amounts consistent with the amounts expected by the Company; and the outcomes of significant commercial contract negotiations; broad compliance with TSU's plans, strategies, programs and goals across its reporting and monitoring systems among its employees, stakeholders and service providers; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects; the willingness of Indigenous stakeholders to engage in consultation and reconciliation efforts; the success of growth projects; applicable laws and government policies; that current technologies are sufficient to achieve reductions in GHG emissions targets; assumptions relating to long-term energy future scenarios; the achievement of the pathways related to achieve TSU's net-zero direct GHG emissions commitment; TSU's carbon price outlook; and prevailing regulatory, tax, and environmental laws and regulations. While TSU believes the expectations and assumptions reflected in these forward-looking statements are reasonable as of the date hereof (or as of the date the forward-looking statement was made), there can be no assurance that they will prove to be correct. TSU's forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: uncertainties faced by regulated companies; volume throughput and the impacts of commodity pricing, supply, composition and other market risks; natural gas demand; prevailing economic conditions; legislative and regulatory environment; impacts of climate change and carbon taxing; cost of compliance with environmental regulation; weather, hydrology and climate changes; TSU's relationships with external stakeholders, including indigenous stakeholders;

the potential for service interruptions; TSU's ability to create, maintain, replace and expand infrastructure on a timely basis; the availability of emissions offsets; increased competition; loss of franchise grants; TSU's ability to economically and safely develop, contract and operate assets; TSU's dependence on certain partners; access to and use of capital markets; TSU's ability to service or refinance its debt and manage its credit ratings and risk; underinsured losses; cybersecurity risks; failure to achieve benefits of business acquisitions; pension liabilities; impact of labour relations and reliance on key personnel; ability to maintain compliance with borrowing covenants; interest rate, exchange rate and counterparty risks; potential litigation; effects of decommissioning, abandonment and reclamation costs; impacts of the COVID-19 pandemic; TSU's ability to pay dividends; potential volatility in market price of securities; and the other factors discussed under the heading "Risk Factors" in TSU's annual information form dated March 2, 2022 for the year ended December 31, 2021. The Company believes the forward-looking statements are reasonable. However, such statements are not a guarantee that any of the actions, events or results of the forward-looking statements will occur, or if any of them do occur, their timing or what impact they will have on the Company's results of operations or financial condition. Many factors could cause TSU's or any particular business segment's actual results, performance or achievements to vary from those described in this report, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this report as intended, planned, anticipated, believed, sought, proposed, estimated,

forecasted, expected, projected or targeted and such forward-looking statements included in this report should not be unduly relied upon. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent, and TSU's future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this report. TSU does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this report are expressly qualified by these cautionary statements

Glossary of Terms

GHG Greenhouse gases (GHG) are those gases in the atmosphere that have an influence on the earth's energy balance. They cause the greenhouse effect, and the best-known examples are carbon dioxide, methane and nitrous oxide, which can be found naturally in the atmosphere at low concentrations. The man-made sources of greenhouse gases are those we are reporting on.

GW A gigawatt (GW) is a unit of power in the International System of Units, with a symbol of GW. Giga denotes a factor of a billion, which means there are one billion watts in a gigawatt.

GWh Refers to a Gigawatt hour (GWh), a unit of energy representing one-billion-watt hours, equivalent to one million kilowatt hours.

PJ The petajoule (PJ) is equal to one quadrillion joules, and is a unit of energy in the International System of Units (SI). It is equal to the amount of work done when a force of 1 newton displaces a mass through a distance of 1 metre in the direction of the force applied.