



KPMG LLP
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Independent Limited Assurance Report to Pembina Pipeline Corporation

We have been engaged by the management of Pembina Pipeline Corporation (“Pembina”) to undertake a limited assurance engagement, in respect of the year ended December 31, 2020, on certain quantitative performance information disclosed in the attached Selected Environmental Indicators Report (the “Report”) as described below.

Subject matter information and applicable criteria

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

- Scope 1 Greenhouse Gas (GHG) emissions (tCO₂e)
- Scope 2 GHG emissions (tCO₂e)

There are no mandatory requirements for the preparation and publication of GHG metrics. As such, Pembina applies the World Resources Institute/World Business Council for Sustainable Development’s Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the ‘GHG Protocol’) and its own internal reporting guidelines and definitions for GHG reporting (collectively the ‘applicable criteria’) which can be found in the Appendix 1 of the Report.

Management’s responsibilities

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria, current as at the date of our report. Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility and professional requirements

Our responsibility in relation to the subject matter information is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (‘ISAE’) 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. ISAE 3410 requires that we plan and perform this engagement to obtain the stated level of assurance, in accordance with the applicable criteria.

Independence, quality control and competence

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter.

Assurance approach

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the subject matter information, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries with relevant staff at the corporate, business unit and facility level to understand the data collection and reporting processes for the subject matter information;
- Assessment of the suitability and application of the criteria in respect of the subject matter information;
- Where relevant, performing walkthroughs of data collection and reporting processes for the subject matter information;
- Comparing a sample of the reported data for the subject matter information to underlying data sources;
- Inquiries of management regarding key assumptions and, where relevant, the re-performance of calculations;
- Completion of a remote site visit to the Aux Sable Channahon facility, including walkthroughs of data collection and reporting processes, interviews with senior management and relevant staff and a virtual site tour; and,
- Reviewing the subject matter information presented in the Report to determine whether it is consistent with our overall knowledge of, and experience with, the emissions performance of Pembina.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that for the year ended December 31, 2020, the subject matter information, as described above, has not been prepared and presented, in all material respects, in accordance with the applicable criteria, current as at the date of our report.

Chartered Professional Accountants, Licensed Public Accountants

July 23, 2021
Calgary, Canada

Selected Environmental Indicators Report

Year ended December 31, 2020

As part of Pembina Pipeline Corporation (“Pembina”)’s continued commitment to refine our reporting methodology, we engaged KPMG LLP (‘KPMG’) to undertake a limited assurance engagement on Pembina’s reported 2020 greenhouse gas (GHG) emissions. The following GHG data are included in the assurance scope. Pembina intends to use the GHG data in our 2020 sustainability reporting.

Pembina has calculated GHG emissions in accordance with the requirements of the World Resource Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition (the “GHG Protocol”) and in accordance with internally developed criteria included in Appendix 1, which form an integral part of this report.

Subject Matter	Key Performance Indicator	Units (Metric Tonnes CO2e)
Climate Change	Scope 1 Greenhouse Gas Emissions ¹	1,745,245
	Scope 2 Greenhouse Gas Emissions ¹	1,386,511

¹Emissions data is collected for CO₂, CH₄, N₂O, and HFCs in metric tonnes and converted to tonnes of CO₂ equivalent based on the 2007, Fourth Assessment Report (AR4) of the United Nations Intergovernmental Panel on Climate Change (IPCC).



Appendix 1

Greenhouse gas (GHG) reporting evaluation criteria

- Pembina has selected the Operational Control approach to define our organizational boundaries for GHG reporting and includes all material sources and sinks associated with facilities and operations (both corporate and pipeline) that are in direct operational control by Pembina and Pembina subsidiaries.
- Pembina reports Scope 1 (direct emissions from operations such as stationary fuel combustion, mobile combustion, fugitive, flaring, vented emissions and formation CO₂) and Scope 2 (indirect emissions from purchased and imported electricity and heat consumption).
- Scope 1 emissions are calculated using operational activity data (e.g. fuel consumption data from meters, measured survey data and engineered estimates) multiplied by a calculated emission factor or applicable regulated default emission factors.
- Scope 2 emissions are calculated using current location based emission factors from Environment and Climate Change Canada's National Inventory Report (NIR) for Canadian facilities, U.S. Environmental Protection Agency's Emissions & Generation Resource Integrated Database (eGRID) for US facilities and Alberta Environment and Parks Technology, Innovation and Emission Reduction (TIER) benchmark emission intensity factor for imported heat medium.
- Pembina has a contractual instrument to acquire electricity at one of our sites. We are gathering the appropriate data in order to report Scope 2 emissions applying the market based methodology going forward. Based off our initial internal analysis, we do not expect this to result in a difference greater than 1.9% in our overall Scope 2 emissions.
- Energy consumption for fuel used to inform the Scope 1 emission includes all types of fuels consumed by Pembina operations, including natural gas, diesel, gasoline, propane and jet fuel. Fuel consumption is based on a combination of invoiced amounts provided by third party suppliers, meter readings and system generated reports.
- Purchased electricity is used to inform the Scope 2 emissions. Electricity and imported heat consumption include the total energy consumed during the 2020 operations. Electricity and imported heat consumption are based on invoiced amounts provided by third party suppliers, with the exception of certain assets which were estimated based on 2019 consumption due to data availability limitations. The consumption data is converted into GHG equivalents using predetermined energy conversion factors based on published emission intensity factors from federal and provincial jurisdictions.
- Pembina has not yet selected a base year. A base year will be selected in 2021. Our base year recalculation policy is to restate base year emissions for any significant structural changes as a



result of major acquisitions, divestments and mergers and meet our significance threshold of $\pm 15\%$ of Base Year Scope 1+2 emissions.

- Immaterial sources of emissions such as physical and chemical processing emissions, construction activities, fugitive emissions from mobile equipment refrigeration units and electrical equipment with suspected SF6 compounds and non-routine events such as emissions from spills are excluded from reported emissions.