



KPMG LLP
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Independent Limited Assurance Report

To the management of Pembina Pipeline Corporation ('Pembina')

We have been engaged by the management of Pembina to undertake a limited assurance engagement, in respect of the year ended December 31, 2019, 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 performance 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 responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining Pembina's objectives in respect of GHG performance and reporting and 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 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 relevant independence requirements and 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 *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. 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 Empress Extraction Plant, 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 procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, those applied in 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.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Non-financial information, such as the subject matter information subject to more inherent limitations than financial information, given the characteristics of significant elements of the subject matter information and the availability and relative precision of methods used for determining both qualitative and quantitative information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as well as the measurement criteria, may change over time and it is important to read Pembina's reporting approach presented in Appendix 1 of the Report.



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, 2019, the subject matter information, as described above and disclosed in the Report, has not been prepared and presented, in all material respects, in accordance with the applicable criteria, current as at the date of our report.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

April 11, 2022
Calgary, Canada

Selected Environmental Indicators Report

Year ended December 31, 2019

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 2019 greenhouse gas (GHG) emissions. The following GHG data are included in the assurance scope. Pembina intends to use this GHG data in future ESG reporting, including to set the base year for future inventory comparison.

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 CO ₂ e)
Climate Change	Scope 1 Greenhouse Gas Emissions ¹	1,774,682
	Scope 2 Greenhouse Gas Emissions ¹	1,251,655

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



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 an operationally derived or the applicable regulated default emission factor.
- 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.
- 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.
- Purchased electricity is used to inform the Scope 2 emissions. Electricity and imported heat consumption are based on invoiced amounts provided by third party suppliers, with the exception of certain assets which were estimated.
- Pembina has selected 2019 as our base year. Our base year recalculation policy is to recalculate 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.