

KEYERA

Connecting **energy** for life

2019 ESG Report



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ESG reporting approach

Report contents

In line with our values of Integrity, Trust and Accountability, Keyera has always been committed to transparent reporting and disclosure. This 2019 report is our first comprehensive ESG Report and addresses the environmental, social and governance ("ESG") factors we believe are currently most material to our stakeholders and our business. The material ESG factors described in this report are as follows:

-  Safety of people and operations
-  People and culture
-  Emissions
-  Community and Indigenous engagement
-  Land management
-  Water

For each material ESG factor, this report includes an overview of our approach, our current management and governance framework and anticipated next steps for the future. This report also provides an overview of our company, Board governance and Executive Team oversight of ESG-related issues, as well as our response to the COVID-19 pandemic.

This report also includes detailed performance data on key ESG-related topics. It builds on performance data shared in our prior ESG Performance Summaries, now including three-year trends as well as additional indicators set out by the Sustainability Accounting Standards Board ("SASB") to be reasonably likely to have an impact on the financial or operating performance of midstream companies. We have also included additional metrics we understand to be relevant to our business and to stakeholders.

Reporting period and data

This report reflects a reporting period from January 1, 2017

to December 31, 2019, as well as significant events from 2020. The detailed performance data contained in this report is also from this period.

Keyera intends to publish an ESG report and provide updates on our ESG performance on a regular basis.

Unless otherwise noted, data presented in this report refers to assets operated by Keyera. Exceptions and data limitations are noted in the corresponding footnotes. Indicator definitions follow SASB guidance where possible. Where applicable, indicator descriptions are referred to in the corresponding footnotes.

Advisories

This report contains forward-looking statements that are based on certain assumptions and expectations and subject to certain risks, which could cause actual performance and results to differ materially. This report also refers to certain financial measures that are not defined by Generally Accepted Accounting Principles ("GAAP"). For more information, please refer to "Forward-Looking Statements and Information" and "Non-GAAP Measures" found at page 37 of this report.

References

References in this report to "we", "our", "us", "Company" and "Keyera" refer to Keyera Corp. All financial figures are expressed in Canadian dollars unless otherwise noted.

More information

For more information on our ESG performance, operations, financial results and corporate governance, please see our most recent prior disclosures:

[2019 Financial Report](#)

[2020 Annual Management Information Circular](#)

Your feedback

We welcome your feedback on our 2019 ESG Report and our approach to sustainability. Shareholders and other stakeholders can provide feedback by emailing us at sustainability@keyera.com or using the contact information found on the Contact Us page of our website at www.keyera.com.

2019 Performance highlights

\$1B

capital invested

56,007

tonnes carbon sequestered,
3% increase from 2018

\$1M

community investment

98.4%

gas plant reliability

67%

percentage of
water recycled

8,412

employee volunteer
hours

33%

female independent
directors

37%

total shareholder return

Accolades and recognition

A

ESG rating of "A" in the MSCI
ESG rating assessment

Outperformer

ESG 'Outperformer' by
Sustainalytics

Top 100

One of Canada's Top 100
Employers



Message from our CEO

I am proud to share Keyera's inaugural ESG report with you. This report represents an important milestone in our longstanding commitment to strong environmental stewardship, social responsibility and ensuring the highest standards of corporate governance. It also reflects our commitment to transparency and achieving best-in-class ESG performance.

When we formed Keyera 22 years ago, our strategy was clear:

- create a flexible, integrated network of energy infrastructure assets,
- maintain strong financial discipline,
- establish enduring customer and stakeholder relationships built on trust; and
- foster a workplace culture characterized by collaboration and integrity.

Our vision of what it means to be a responsible Canadian energy infrastructure company has served us well through various industry cycles and economic changes. Our resilience and an unwavering focus on creating long-term value have strongly positioned Keyera to continue to thrive well into the future.

We have continued to build on our original foundation, adapting with changes experienced by the energy industry and external environment, particularly over the past several years. We have applied new and innovative approaches to the nature and scope of services offered to our customers and strengthened our network of assets. We have also worked diligently to enhance the talent and diversity of our workforce, including our executive leadership team. This report is just one more step in our journey, adding more transparency and strength to our ESG performance.

Connecting energy for life

Our mission, **connecting energy for life**, is put into motion by Keyera employees every day.

Internal collaboration enhances our efficiency, mitigates risk and drives corporate performance. Dedication to building long-term, mutually productive partnerships with customers,



partners and stakeholders create better outcomes for our industry and the communities we call home. Responsible growth of our integrated assets and service offerings connects Canadian energy products to national and global markets.

Perhaps the most compelling example of how we live our mission is the manner in which we have navigated the unprecedented challenges created by the COVID-19 pandemic in 2020. We have witnessed our values in action as the Keyera team worked with great diligence and care to keep one another, as well as our families, friends and communities, safe. I am extremely grateful for the strength of our team and their commitment to health and safety. With this strong foundation in place, I am confident Keyera can navigate any challenge, together.

Strong foundation for long-term value creation

While this may be our first formal report to describe our approach to ESG issues and sustainable business practices, doing business responsibly is both a long-standing commitment and a source of great pride at Keyera.

Our Executive Team continues to demonstrate a commitment to safety, accountability and the highest level of integrity. They encourage a questioning attitude to spark healthy debate, creativity and idea generation.



As a team, we look to the horizon, intrinsically dedicated to long-term environmental stewardship, lasting stakeholder relationships and creating shareholder value. Our focus on leadership integrity is reflected throughout the pages of this ESG report.

I am extremely proud of the Keyera team, and our long-standing commitment to doing business responsibly. We are well positioned for continued strong value creation and to be a leader in the energy transition."

With this strong foundation, I believe Keyera has a bright future. We have a culture that places safety, reliability, the environment and meaningful collaboration at the forefront. We are deeply committed to operational excellence. We invest in the communities where we live and operate. Simply put, we "do the right things for the right reasons," a value that is foundational to Keyera's culture. We believe these elements are key to successfully building and maintaining long-term value for all our stakeholders.

I am extremely proud of the organization we have built over the past 22 years. This report is a poignant milestone for me as I approach my retirement at the end of 2020, and prepare to pass the torch to Dean Setoguchi, our incoming CEO. The Keyera team has my deepest gratitude, respect and best wishes. I am confident that their collective vision and passion will continue to drive the execution of our mission – [connecting energy for life](#).

David Smith
CEO

Message from our Board of Directors

On behalf of Keyera's Board of Directors, I want to congratulate the Keyera team on their first formal ESG report. This report is a significant milestone in Keyera's commitment to robust management systems, continuous improvement and ongoing examination of not only what is accomplished, but also how company goals are reached. Regular reporting on progress is the critical link between the company delivering on its strategy and living its values.

As a Board, our role is to provide effective oversight which maintains stakeholder confidence in the company's ability to deliver on its promises and meet its obligations. This includes active participation in identifying and monitoring key ESG-related risks and opportunities, as well as the company's reporting priorities. Developed through robust stakeholder engagement and subject to disciplined Board oversight, Keyera has identified six material ESG factors, which are as follows:

- Safety of people and operations,
- People and culture,
- Emissions,
- Community and Indigenous engagement,
- Land management; and
- Water.

Going forward, these factors will be incorporated into the company's strategic planning, capital allocation and investment decisions, and reflected in its performance measurement practices. They will also be thoughtfully managed, with progress shared through transparent ESG disclosure. Structured oversight of material ESG-related issues is one of the ways our Board seeks to mitigate risk, identify opportunities and maintain corporate resilience over the long-term.

We believe that deliberate, comprehensive oversight of key ESG-related matters also aligns with Keyera's values and the Board's longstanding commitment to strong corporate governance. This focus empowers the Executive Team and,



by extension, staff, to conduct business with clear purpose and ensure we continue to "do the right things for the right reasons."

As outlined in this report, setting and monitoring organizational performance relative to material ESG factors is a key responsibility of the Board. In executing this responsibility, the Board is assisted by its Committees, each of which apply their expertise and informed judgment to oversee sustainability issues within their respective areas of responsibility.

The Board is pleased with the progress Keyera has made to identify and address the environmental, social and governance risks and opportunities facing our business and our industry. To encourage alignment, in 2019, the Board approved the inclusion of key ESG performance measures, including safety, reliability and emissions, into our short-term incentive (or bonus) plan for our executives and employees, starting in 2020. Despite these developments, we know there is more work to be done to ensure appropriate management and oversight of identified and emerging ESG issues. We recognize that material ESG factors will evolve over time, as we continue to engage with our stakeholders and monitor risks and opportunities in the future. This is a journey to which the Board is committed, and on which Keyera will continue to report over the years to come.



“To ensure a sustainable and resilient business, the Board must provide active, thoughtful oversight of the key environmental, social and governance risks and opportunities facing our business. Providing stakeholders with transparent, meaningful ESG reporting reflects the Board’s commitment to strong governance and reinforces our focus on monitoring how business outcomes are achieved.”

Keyera’s workplace culture is diverse, inclusive and collaborative. As a Board, we are committed to ensuring strong leadership and succession planning, which we believe delivers long-term shareholder value. This strong culture and consistent financial discipline have been the hallmarks of the leadership of our current CEO, David Smith. As David approaches his retirement after 22 years with Keyera, the Board wishes to thank him for his exemplary leadership and dedication to the company. We also extend our best wishes to David and his family for the future.

As Dean Setoguchi assumes the role as Keyera’s new CEO on January 1, 2021, a new chapter for the company commences. The Board is confident that Keyera will continue to build on its strong foundation of responsible growth and delivering long-term shareholder value. We look forward to supporting Dean and the Keyera team as we further our mission of [connecting energy for life](#).

Jim Bertram
Chair, Board of Directors

Message from Dean Setoguchi

I am excited to be taking on the role of CEO and building on the legacy of those who preceded me, David Smith and Jim Bertram. Under David and Jim's guidance, we have built an exceptionally strong foundation that will benefit Keyera for many years to come. I am intent on carrying this legacy forward with respect and passion for our business, our stakeholders and future generations.

The seamlessness of my transition into the CEO role, like other changes made to our Executive Team in 2020, are a testament to the depth of our leadership talent and successful executive succession planning by our Board of Directors. I continue to be impressed and energized by the capabilities and diversity of our team, which shares a collective drive to achieve best-in-class safety performance, customer recognition and total shareholder returns. Strong ESG performance is essential to achieving this vision.

Our inaugural ESG report highlights the priorities we believe hold the most potential for impacting Keyera's future performance. It also illustrates the strength of our ESG performance to date, our commitment to continuous improvement, and how we are positioning ourselves for the future.

Health and safety

Safety is our highest priority, and is a cornerstone of Keyera's culture. It is my personal goal to ensure everyone on the Keyera team and within the communities we operate, make it home safely to their families, every day. We are committed to relentlessly building on our success to achieve our goal of being #1 in safety.

While this report is intended to be retrospective in nature, I believe it is essential to address how the coronavirus pandemic is impacting the health and safety of millions of people. From the onset, our commitment to the safety and wellbeing of our people, communities and stakeholders was critical as we faced the personal and economic challenges arising from the pandemic. I am extremely grateful for the tremendous resilience of our team. We remain dedicated to safely and responsibly offering essential services to North American energy markets.



A culture of caring and commitment

Compassion and integrity are integral elements of our culture. Respect and a central belief that teamwork means embracing diversity, equity and inclusion are fundamental to how we work. We also believe that by embracing change and an innovative approach, we are better positioned to tackle the challenges and opportunities that lay ahead. With these values in mind, I am eager to see what our new and diverse leadership team will accomplish together.

Environmental stewardship

We are committed to delivering our services in the most environmentally sustainable way, which includes thoughtful management of greenhouse gas ("GHG") and other emissions, as well as our use of water and land. We understand and acknowledge that the world is transitioning to a low-carbon economy. As developing countries around the globe continue to seek to improve their quality of life, energy demand is expected to rise over the coming decades. It is clear that the world will need all forms of supply to meet this demand, and the cost of providing that energy will play a major role in making it accessible. In 2021, we will continue to advance our commitment to sustainable practices, including setting emissions reduction targets and alignment with phase one TCFD disclosures.



“Our industry has experienced significant change, and we know there are more changes to come. I speak on behalf of our entire leadership team in saying that Keyera will play an important role in the transition to a low-carbon economy. We are confident in our strategy and the strength of our many customer and stakeholder relationships. I believe in the innovation and agility of the Keyera team.”

A bright future

The following pages provide concrete examples of the progress we are making along our sustainability journey. With a foundation of responsible growth, innovative thinking and integrity, we believe Keyera is uniquely positioned to play a leadership role in Canada’s energy future. Integral to our leadership will be a relentless pursuit of ESG performance improvements. The integrity and commitment of our people are what will make the difference in [connecting energy for life](#).

Dean Setoguchi
President

Our company at-a-glance

In 2019, Keyera employed more than 1,000 people at 25 facilities located in Alberta, Oklahoma and Texas. Our integrated Canadian-based business provides essential value-added services to energy producers primarily located in the Western Canada Sedimentary Basin. Our services include natural gas and natural gas liquids (NGL) gathering and processing, fractionation, storage, transportation, logistics and marketing services, as well as manufacturing and marketing of iso-octane, a low-vapour pressure, clean-burning gasoline blending additive. We are known for safely operating complex energy processing facilities in an environmentally and financially responsible manner.

Our mission

Connecting energy for life

Our mission expresses our commitment to play a key role in the energy transition, by providing energy to improve quality of life around the world.

Our vision

To be the North American leader in delivering energy infrastructure solutions

#1 in safety performance #1 in customer recognition #1 in total shareholder return

Our values

Since our inception in 1998, our core values have provided the framework for how we execute our day-to-day work and conduct our business. They are as follows:



Health, Safety & Environment
Caring for our people and our planet



Integrity & Trust
Doing the right thing for the right reasons



Responsibility & Accountability
Delivering on our commitments to customers, stakeholders and ourselves



Teamwork
Embracing diversity and working together



Business Spirit
Encouraging drive and passion to add value for our customers

Our cultural behaviours

In 2019, Keyera formally defined the key behaviours that characterize our workplace culture. We believe that defining and reinforcing the positive aspects that set us apart enhances employee engagement and the execution of our business objectives.



Character & Commitment
We follow through on our commitments



Listen, Learn & Share
Actively share our knowledge with our team



Questioning Attitude
Guard against complacency, challenge the status quo



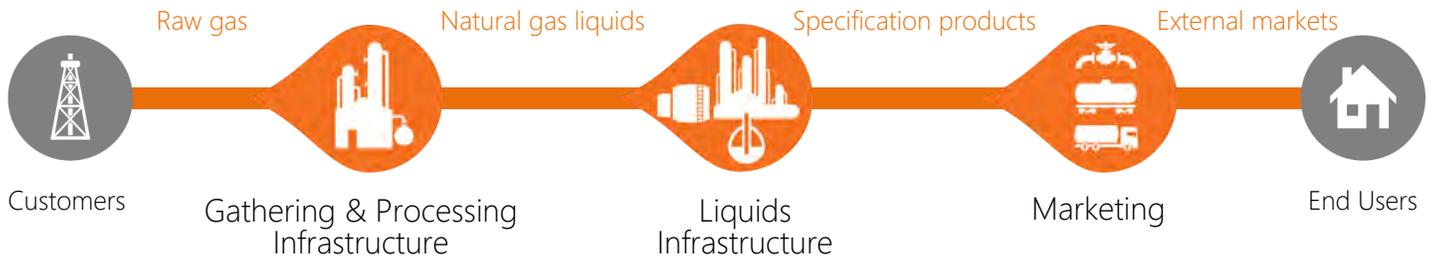
Diligence
Follow approved processes and procedures



Engage & Care
Work together to achieve our goals

What we do

Keyera operates an integrated value chain comprised of extensive interconnected assets. With deep expertise in delivering energy infrastructure solutions, our business is organized into three integrated segments.



Where we operate



Strategically located gas plants in liquids-rich western Alberta

Highly utilized fractionation, storage, transportation and upgrading assets with high barriers to entry

Industry-leading condensate system

Largest underground storage position in Alberta

Corporate governance

The Board is responsible for stewarding Keyera's overall business and financial strength, as well as providing oversight of enterprise risk management and our strategic direction. The Board also oversees our approach to corporate governance, ensuring that appropriate mechanisms and controls are in place to ensure principled and ethical business conduct.

The Board plays an integral role in the development and ongoing evaluation of the company's strategic direction, including our approach to key environmental, social and governance matters. This includes affirming our ESG priorities, monitoring our performance, as well as our approach to stakeholder engagement. In executing these responsibilities, the Board is assisted by its three standing Committees: Audit; Compensation and Governance ("CGC"); and Health, Safety and Environment ("HSE"), each of which plays a key role in providing ESG-related oversight.

The responsibilities of the Board and its respective Committees are set out in written Terms of Reference.¹ For ESG-related matters, the Committees assist the Board by examining key issues, identifying risks and opportunities, monitoring performance and ensuring compliance with regulatory and other requirements.

The principal role of each Committee in providing ESG related oversight is summarized below:

Audit committee

- Ensures overall corporate financial integrity is maintained, including approval of all financial disclosures
- Oversees our Code of Business Conduct and related compliance policies, as well as related complaints, reporting, investigations and our integrity hotline
- Audit Committee Chair has direct oversight of any report or concerns involving alleged financial wrongdoing, including financial misstatements



Keyera has a proud history of strong corporate governance. We believe this commitment is critical to remaining resilient and aligned with stakeholder interests over the long-term."

Nancy L. Brennan

Senior Vice President, General Counsel and Corporate Secretary

¹ Our Board Mandate and respective Committee Terms of Reference are available on our website at www.keyera.com.

Compensation and Governance committee

- Responsible for corporate governance practices, including ensuring an independent, diverse and engaged Board with the skills, attributes and perspective necessary to provide effective corporate oversight, as well as Board and Committee effectiveness, director renewal and education
- CEO and executive succession planning
- Oversees employee, executive and director compensation, which is approved by the Board
- Ensures our executive compensation program and related outcomes reinforce strong pay for performance and align with shareholder interests
- Monitors key workplace policies and initiatives, including diversity and inclusion

Health, Safety and Environment committee

- Responsible for monitoring our workplace health and safety programs and performance, including operational excellence and related reporting
- Oversees our environmental stewardship programs and practices, including land management, reclamation and asset retirement obligations, and related regulatory reporting and compliance
- Monitors our asset management, reliability and integrity programs and related performance
- Oversees our greenhouse gas and carbon emissions performance and reporting, reduction initiatives and monitors regulatory compliance, trends and best practices

Ethical business conduct

Code of Business Conduct

The Board also provides oversight to encourage a culture of integrity, transparency and accountability. This is achieved through policies and practices designed to ensure ethical business conduct, including robust mechanisms to detect and address potential wrongdoing. Our commitment to ethical conduct is outlined in our Code of Business Conduct (the “Code”). The Code applies to all directors, officers, employees and contractors, and is based on our values of Integrity, Trust, Responsibility and Accountability. Executives, employees and certain contractors are required to formally reaffirm their commitment to the Code and related policies each year.

Whistleblower hotline

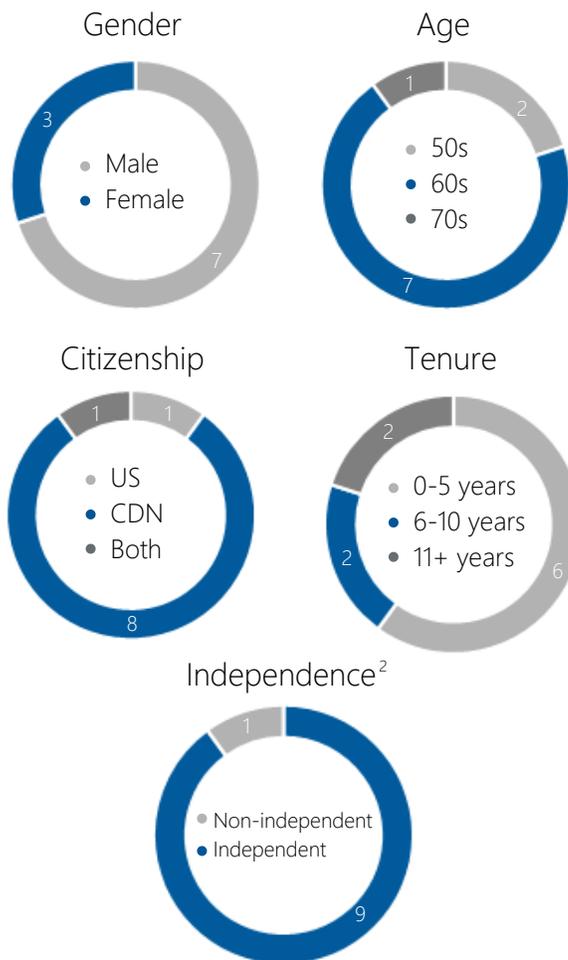
Reporting of suspected wrongdoing is required of all employees and encouraged among our contractors,

customers and stakeholders. Reports can be made to any leader, our Senior Vice President and General Counsel, or anonymously through our whistleblower hotline (our “Hotline”). The Hotline is administered by an external provider and enables anonymous 24-7 reporting of any alleged unethical or improper conduct.

Reports are provided on an anonymous basis to our Senior Vice President and General Counsel for investigation and follow-up. Reports involving any accounting, internal accounting control, auditing or other financial irregularity are provided directly to the Audit Committee Chair. Reported concerns are investigated promptly. Complaints are reported to the Audit Committee on a quarterly basis. Significant concerns and/or investigations are reported to the full Board.

About our Board

Our directors bring extensive experience, industry knowledge and diverse perspective to our Board. A snapshot of some key characteristics of our directors in 2019 is provided below.



² Keyera’s only non-independent director in 2019 was our CEO, David Smith.

ESG oversight

The Board takes an active role in the oversight and direction of our ESG approach, including ensuring appropriate mechanisms and systems are in place to identify, mitigate and manage our principal ESG-related risks and opportunities, as well as monitoring and tracking our performance.

The Board works closely with our Executive Team to determine the ESG factors most material to Keyera and our stakeholders. In 2019, the Board approved the inclusion of key safety, reliability and environmental performance metrics in our annual scorecard, used to determine 2020 bonuses for executives and employees. The Board has also played an active role in the determination of our material ESG factors.

Executive compensation

All CEO and executive compensation decisions are approved by the independent members of the Board. In discharging this responsibility, the Board seeks to ensure compensation outcomes align with our pay for performance approach, as well as the interests of our shareholders. The Board also closely monitors feedback received from shareholders regarding our compensation approach.

Annual compensation of our executives is on average 77 percent performance based, with 100 percent of long-term incentive compensation based on our corporate performance.³ Our executive compensation approach has consistently received strong support from shareholders, with an average say on pay vote of 98 percent over the past three years.⁴ Detailed information on our compensation program is provided in our [2019 Management Information Circular](#).

Our executive team

Our Executive Team is responsible for developing our strategy, identifying and managing our ESG-related priorities, as well as modeling and encouraging a healthy and productive culture. These efforts include soliciting feedback from our largest shareholders. In 2020, our CEO and Executive Team worked closely with our Board to build on ESG strategy work initiated in 2019.

In 2019, our Executive Team undertook a review of our ESG approach, initiating an analysis of our ESG priorities, risks and potential opportunities. This review included an assessment of our existing ESG disclosure, as well as initiating a materiality assessment, which was conducted over the course of 2020.

Our Executive Team also featured our ESG approach at our inaugural Investor Day held in December 2019.⁵ This event



Effective 2021, our senior leadership team, from left to right: Eileen Marikar, CFO, Dion Kostiuik, SVP HR and Corporate Services, Nancy Brennan, SVP General Counsel and Corporate Secretary, Dean Setoguchi, President (incoming CEO), Bradley Lock, COO, and Jamie Urquhart, CCO. Above is a composite photo, taken following COVID-19 protocols.

provided an opportunity for our executives to engage directly with shareholders and seek feedback on our approach. At that time, we committed to building on our strong ESG performance, enhancing the breadth and transparency of our sustainability and ESG-related disclosure, and continuing to seek stakeholder feedback.

Each executive plays a key leadership role in managing our ESG priorities. Each executive provides functional oversight of key ESG priority areas. For key ESG matters, executives also serve as management liaisons to our respective Board Committees and provide regular updates to the Board to assist in executing its ESG oversight responsibility.

These efforts include soliciting feedback from our largest shareholders, management and other stakeholders to identify important ESG issues most material to them and to our business. We carefully reviewed best practices, and retained external experts to discuss key ESG-related risks and opportunities, as well as potential impacts to our strategy with the Executive Team and our Board. Further information about these efforts will be included in our 2020 ESG Report.

These efforts affirmed our commitment to transparency and proactive engagement. They also highlighted the importance of effective management and governance frameworks to sharpen our focus and drive continuous improvement. Our Executive Team, working closely with our Board, is committed to continuing this journey and building on the significant work completed to date.

³ Average annual compensation for our 2019 Named Executive Officers.

⁴ Average say on pay vote results at our annual shareholder meeting for years 2017 to 2019, inclusive.

⁵ Webcast of our 2019 Investor Day and presentation materials are available on our website at www.keyera.com

Transition to a low-carbon economy

Energy remains the foundation of our modern society and has contributed to many advances, including transportation, healthcare, and our ability to communicate with one another. As countries around the world continue to seek to improve their quality of life, energy demand is anticipated to rise over the coming decades. To meet this demand, the world will need all forms of energy.

Despite the forecasted growth in energy demand, we acknowledge the risks and uncertainties posed by climate change. We recognize the perspective of our stakeholders regarding the impact of climate change, and believe we will play an important role as the world transitions to a low-carbon economy.

Our integrated infrastructure assets provide significant opportunities for Keyera to pursue low-carbon and emission reduction service opportunities. We have a dedicated team responsible for identifying new opportunities that will not only reduce carbon intensity, but also produce economic benefits. Given our existing portfolio of integrated assets, carbon capture and sequestration, as well as blue hydrogen production, are among the opportunities we see on the horizon.

We are committed to providing greater transparency in 2021 on the risks and opportunities anticipated for Keyera as we transition to a low-carbon economy. A key part of our 2020 ESG Report will be the establishment of emissions reduction targets.

“We believe we have an important role to play in the transition to a low-carbon economy. With a culture that fosters innovative and diverse thinking, our team is passionate and committed to connecting energy for life.”

Jamie Urquhart

Senior Vice President and Chief Commercial Officer



Material ESG factors

Our approach

Since our inception, Keyera has been committed to responsible environmental and social stewardship and strong corporate governance. In 2019, our Executive Team and our Board initiated a comprehensive review aimed at identifying the ESG-related issues most important to our stakeholders and our business. For Keyera, material ESG factors refers to those areas considered reasonably likely to have a material impact on our environmental, financial or operating performance.

Our material ESG factors were identified through engagement with shareholders and other stakeholders, and included in-depth interviews with members of our Board, Executive Team, and operational and functional leaders. As part of this process, we also solicited feedback on our existing ESG approach and disclosures, including potential gaps or areas for improvement. To ensure feedback received was candid and fulsome, all interviews were conducted by a third-party advisor with significant ESG strategy development and implementation expertise, who presented their findings directly to our Board.

Learnings from this engagement process resulted in the identification of six distinct material ESG factors. These factors, which we believe are of critical importance to our business and long-term strategy, are as follows:



Safety of people and operations



People and culture



Emissions



Community and Indigenous engagement



Land management



Water

“We believe that incorporating sustainability considerations into our decision-making processes will assist us to achieve our financial priorities, including strong return on investments.”

Eileen Marikar

Senior Vice President and Chief Financial Officer

We recognize that material ESG issues are dynamic and will evolve and change over time. Keyera is therefore committed to regularly assessing these factors to ensure they remain relevant to our stakeholders, our business and strategy. We are also committed to carefully monitoring our performance and sharing our progress relative to these material ESG factors in the future.



COVID-19 response

While the social and economic impact of the COVID-19 pandemic did not influence the 2019 results in this report, the pandemic had a significant impact on our employees, contractors, customers and communities over the course of 2020.

The health and safety of our employees, contractors, customers and communities remains our number one priority. At the onset of the pandemic, we took immediate action, establishing emergency response teams to address our pandemic response, business continuity and critical facility operation, respectively. The responsibilities of these teams collectively included establishing new operating practices and safety protocols to ensure the well-being of our staff and community members while continuing to provide essential services to our customers. Among the immediate steps we took to ensure the safety of individuals within our operations and communities include:

- establishing detailed safety protocols for all operations personnel that remain on the job, to ensure uninterrupted, essential services,
- strengthening our workplace sanitization practices,
- placing strict limitations on all non-essential travel,
- adopting “work from home” capabilities so all “non-essential” workers can perform their roles remotely; and
- providing meaningful support to employees, ensuring their health, safety and wellness needs, as well as those of their family members, are addressed.

Throughout the pandemic, it has been the dedication of our people and their demonstration of our values, that has enabled Keyera to continue to operate our business, both safely and effectively, under the most extraordinary conditions. At Keyera, we remain committed to delivering on our corporate mission of **connecting energy for life**.



Safety of people and operations

Why it matters

Safety is at the core of all we do. Nothing is more important than the health and safety of our people, and the communities in which we operate. Strong safety practices and standards are an essential component of our social license to operate.

Our approach

Operational excellence

Our commitment to health and safety is reflected in our focus on operational excellence. Through operational excellence, comprehensive safety practices and procedures are directly embedded into the day-to-day work of our people and our operations.

Keyera achieves this integration through our operational excellence management system ("OEMS"). OEMS is a comprehensive framework by which key operational and safety risks are proactively identified, managed and mitigated. Under OEMS, detailed responsibilities and processes are applied to ensure that consistent safety standards, hazard assessment, document control, process safety and maintenance protocols are observed. At facility

locations, OEMS reinforces our strong safety culture and drives adherence to strict protocols, including standardized safe operating practices. We believe this disciplined and coordinated approach to safety is critical to achieving our business objectives and realizing our goal to be #1 in safety.

Integrity management

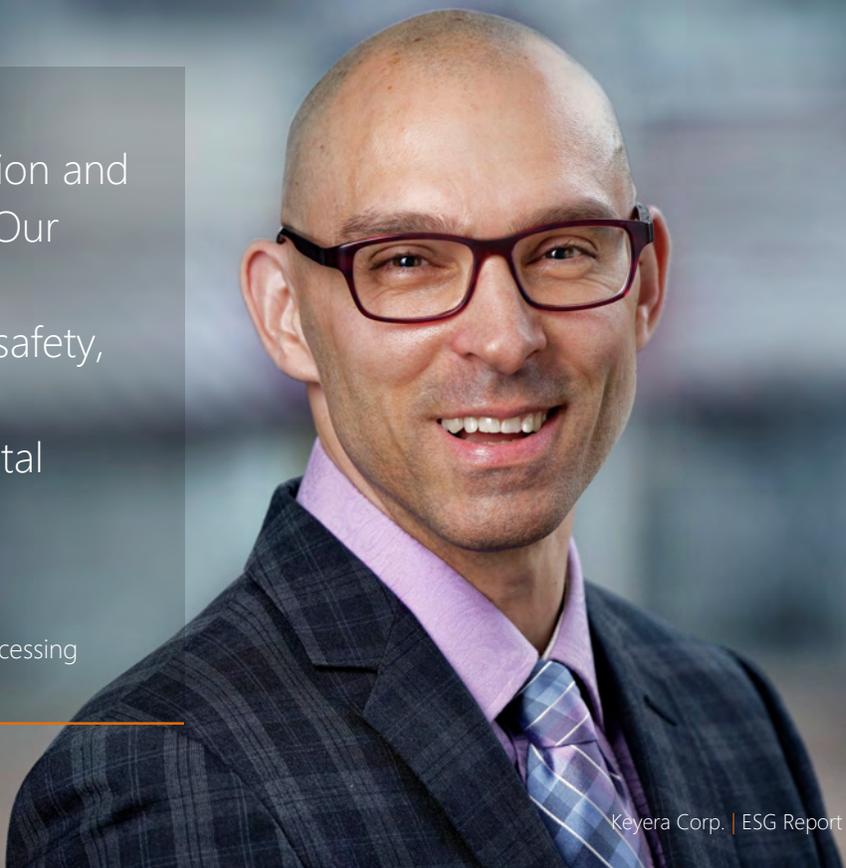
Keyera has implemented programs to ensure the observance of robust, consistent maintenance practices across the organization. Through our Pressure Equipment Quality Management System and Pipeline Integrity Management Program, we carefully monitor our assets to identify and mitigate risks, to maintain the long-term integrity of our facilities and pipelines. Keyera's integrity management plans are registered and regularly audited by the various authorities in the jurisdictions in which we operate.

Activities undertaken to manage pipeline integrity include conducting regular in line and other inspections, assessing and completing system repairs, applying chemicals to mitigate potential corrosion, using right-of-way surveillance to minimize the risk of third-party damage and conducting depth of cover surveys. We also provide training for field personnel on responsible spill response to ensure protection of the ecosystems that surround our facilities.

“Safety is integral to every action and business decision at Keyera. Our cultural behaviours set clear expectations with respect to safety, reliability and our collective responsibility for environmental stewardship.”

Jarrod Beztilny

Vice President, Operations, Gathering and Processing



We supplement these programs with a comprehensive Asset Management and Reliability ("AMR") Program which uses standardized processes and industry leading technology to manage, maintain and report on equipment reliability performance across all our assets. Our multi-year effort to deploy AMR across all Keyera assets is scheduled to be completed in 2021.

Safety is also an integral element of the development of new capital projects. Through our Project Delivery System ("PDS"), we incorporate sound engineering principles to ensure comprehensive hazard assessments and risk mitigation solutions are identified and incorporated into each stage gate of new projects and ensure all new equipment is captured, managed and maintained within our integrity and maintenance systems.

Training and knowledge sharing

Keyera has designed and manages an industry leading Competency Management and Development System ("CMDs") that not only supports our existing operations but has also been made available to customers and peer companies to support health and safety within the industry. The intent of CMDs is to ensure operations, maintenance, safety and emergency preparedness capabilities are well defined and meet strict competency criteria. These competencies are validated and signed off by experienced trainers and leaders to maintain the highest level of worker capability.

To reinforce our focus on safety and continuous improvement, Keyera holds a company-wide Safety Symposium each year. A full-day event, the Symposium is attended by more than 200 senior leaders, safety and operational staff from across the company. Members of our Executive Team and Board also attend to share learnings and reinforce our strong safety focus. The Symposium enables leaders and staff to share information and learnings from recent safety events, including audits and investigations, as well as identify areas for improvement.



Emergency Response

All our facilities maintain a comprehensive, site specific emergency response plan ("ERP") to support its operation. These plans are synergized with our corporate emergency response plan, which ensures potential incidents have a comprehensive response plan that is well understood across the company. These programs are regularly tested and practiced using table top exercises and full-scale ERP drills, conducted under the supervision of our emergency response coordinator to ensure consistent training and execution, and share learnings across the company.

Keyera also maintains an emergency response team, referred to as Keyera Emergency Response Team ("KERT") which responds to all liquefied petroleum gas ("LPG") transportation incidents for the industry throughout Alberta. Through an agreement with Emergency Response Assistance Canada ("ERAC"), KERT has been in existence for over nine years and has responded to over 50 industry incidents involving the transportation of LPGs through truck or rail. Keyera also maintains a second and separate team which is qualified to provide full-scale response to any environmental release to a surface water body.

Reporting

Keyera believes robust reporting and transparency are critical to achieve and maintain a strong safety culture. We have implemented comprehensive systems to monitor our safety performance, allowing us to identify and track incidents and implement appropriate corrective actions. Learnings are broadly shared within our safety and operational teams to reinforce transparency and drive continuous improvement. These learnings, including audit and investigation results, are also reviewed by our Executive Team on a monthly basis.

In 2019, we made considerable strides in our ongoing efforts to encourage reporting and knowledge sharing among our safety and operational staff. Leaders are expected to encourage and model a questioning attitude and engage in open dialogue with their teams on how to drive continuous improvement in the safety and reliability of our operations.



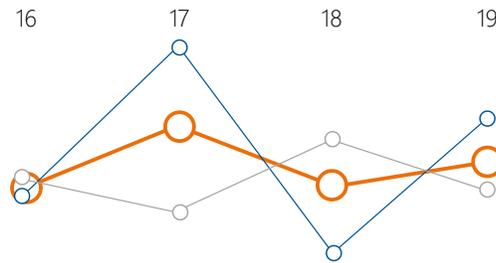
External audits and certifications



Continuous improvement in our safety program is also sought through the use of third-party assessments. Since 1999, Keyera has completed an annual Certificate of Recognition ("COR") process, a third-party audit of our safety program and our health and safety culture. We also participate in formal COR audits on a three-year cycle. These external assessments are intended to ensure that our health and safety program is effective and meets or exceeds provincial standards. We are proud to have achieved national Workplace Safety Certificates of Recognition for over 20 years.

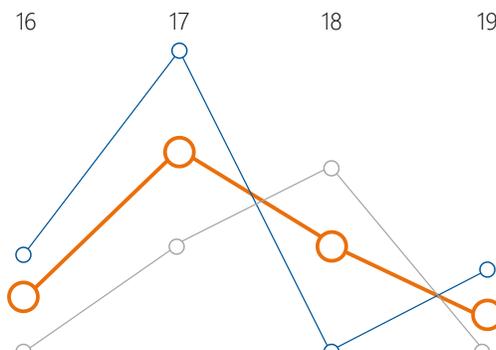
Our performance

Total Recordable Injury Frequency (TRIF)



Total TRIF	0.82	1.09	0.83	0.93
Employee TRIF	0.78	1.45	0.52	1.13
Contractor TRIF	0.86	0.71	1.03	0.8

Lost Time Injury Frequency (LTIF)



In 2019, our total lost time injury frequency (LTIF) rate dropped from 0.12 to 0.04. Results also show areas for improvement and continued vigilance.

Total LTIF	0.06	0.23	0.12	0.04
Employee LTIF	0.11	0.34	0	0.09
Contractor LTIF	0	0.12	0.21	0

Governance

Keyera's strong safety culture is modeled by our leadership and enforced through a governance framework that emphasizes commitment, diligence and accountability. This is reflected in our comprehensive health and safety management programs and our focus on encouraging transparency and continuous improvement.

Annual safety goals, key initiatives and programs enhancement priorities are developed and managed by our Operational Risk Management Committee ("ORMC"), comprised of senior level operations, engineering, environment and regulatory and health and safety leaders. The ORMC and the safety team report through our Senior Vice President and Chief Operating Officer, who has executive responsibility for our workplace health and safety and asset integrity programs.

Organizational health and safety performance, including compliance key metrics, and corporate responsibility program results, and related audit and investigation findings are reviewed by our Executive Team on a monthly basis. These results are reported to our HSE Committee and Board at each regularly scheduled meeting.

What's next

- Keyera has undertaken a review of industry best practices and is developing a benchmarking process to compare and track our safety performance relative to industry peers. This information is intended to drive further improvements in our safety processes to support achievement of our #1 in safety goal.
- For 2020, key safety, environment and reliability metrics are included in our annual incentive scorecard used to determine annual bonuses of our executives and employees.
- Keyera continues to focus on assessing and monitoring the safety requirements and performance of our suppliers and contractors to ensure alignment with our goal to be #1 in safety.



People and culture



Why it matters

We believe focusing on our people and culture sets the foundation to achieve better business performance. Attracting and retaining top talent provides Keyera with a significant competitive advantage in achieving our goal of being #1 in each of safety, customer recognition and total shareholder return.

Our approach

Our strong people and culture focus is reflected in our values and our cultural behaviours, which include a commitment to diversity and inclusion.

Culture is the fabric that connects our team and aligns our efforts. It guides how we treat one another, our customers, communities and other stakeholders, as well as how we deliver on our commitments and execute on our strategy. Since our inception in 1998, we have carefully developed our culture, which is characterized by teamwork, integrity and an entrepreneurial mindset. Our culture is a source of pride among our employees, and has resulted in Keyera being repeatedly recognized as an employer of choice, both in Alberta and nationally. We believe our commitment to integrity and cultivating talent creates a responsible and sustainable organization, positioning us to deliver long-term value.

Aligning our values and cultural behaviours

To support and sustain our culture, we reinforce our values and cultural behaviours through regular employee communication and formal training held throughout the year. These efforts include:



New employee onboarding

Includes education on our history, mission, vision, values and cultural behaviours, as well as workplace policies and practices.



Annual training

Employees are required to complete annual cultural behaviors training and confirm their commitment to our Business Code of Conduct.



Leadership development

Formal training for leaders to ensure regular dialogue and reinforcement about the importance of our values and cultural behaviours, as well as tools to enhance their leadership capabilities.



Annual leadership conference

Focuses on business strategy and key organizational priorities, leadership development and our values and cultural behaviours.



Employee engagement

Quarterly in-person or virtual town hall meetings for all staff providing key updates about our business and strategy, new workplace initiatives and programs, and to reinforce safety and our cultural behaviours. Employee engagement is also assessed and monitored through company-wide surveys.



Employee wellness

Regularly and actively promoted by our leaders and HR team. Includes regular all-staff communications, external speakers and resources to support the mental and physical health of employees and their families.

“A healthy workplace culture and focus on employee wellness supports higher employee engagement and better business outcomes. Strong commitment to people and culture differentiates us by attracting top talent, enabling an innovative mindset and creative problem solving skills allowing us to thrive well into the future.”

Dion Kostiuk

Senior Vice President, Human Resources and Corporate Services



Diversity and inclusion

Keyera is committed to diversity, equality and inclusion. We define teamwork, one of our core values, as “embracing diversity and working together.” We believe that embracing different experiences and perspectives sparks innovation, contributes to broader, more progressive solutions and drives better business outcomes. It also helps us attract and retain a more inclusive spectrum of talent and perspectives, which we believe are critical to achieving our vision.

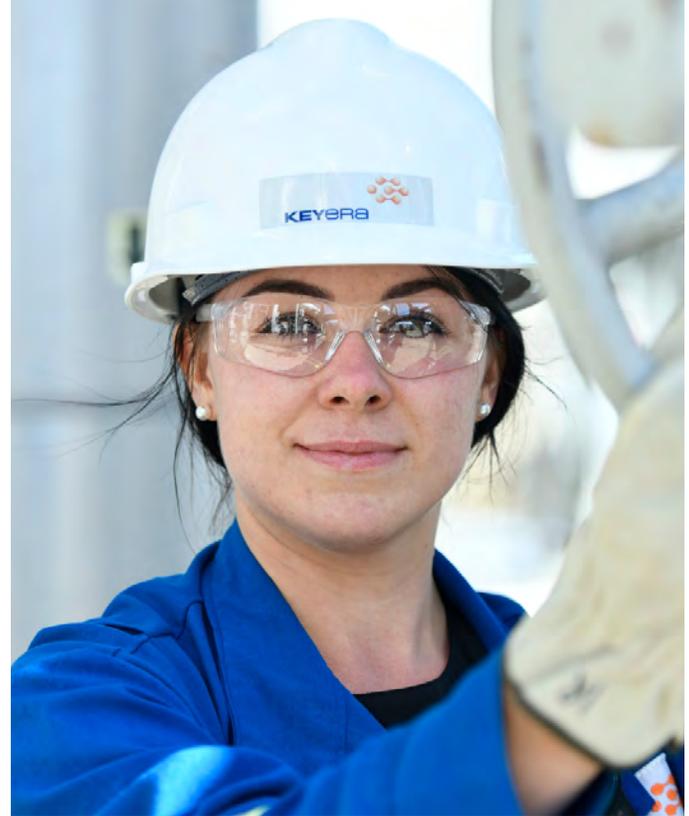
Our commitment to diversity and inclusion is supported by our diverse leadership team, who provide a consistent and constructive tone from the top. This encourages mutual respect and reinforces our belief that all voices and opinions hold value in our workplace. We have a long-term commitment to increasing gender diversity, and through the dedicated efforts of our CEO, David Smith, have appointed more women to technical and leadership roles in recent years. His leadership in respect of diversity provided the building blocks for the formalized diversity and inclusion program developed in 2019.

The pillars of our diversity and inclusion program are:



Keyera placed particular emphasis on diversity and inclusion in 2019 through dialogue and engagement with our Board, Executive Team, leaders and a number of diverse employee focus groups. In parallel with these efforts, we also undertook the following in 2019:

- We continued to engage with workplace diversity experts, including the facilitation of a diversity and inclusion awareness session with senior leaders and the Executive Team at our annual leadership conference.
- We conducted a broad baseline analysis to assess gender pay equity within our leadership ranks and succession talent pools, the results of which were reported to our Board.



- We participated in surveys with Mercer and McKinsey to understand how our diversity and inclusion practices compare externally.
- We incorporated gender distribution analytics and data tracking into our annual succession planning process, which were reviewed with our Executive Team.

Employee development

We believe that focused development of our workforce is an investment in our long-term success. In 2019, we identified employees to participate in Keyera’s top talent development program. Approximately two-thirds of participants typically receive new opportunities within three years of entering the program.

These efforts are in addition to our annual succession planning program, which systematically identifies the readiness of internal succession candidates for key leadership roles within the organization. We also have a robust performance management program for all employees.

Employee professional development is also supported through ongoing formal mentoring and coaching programs, internal seminars and education sessions, and funding for key skills development. Each member of our Executive Team is responsible for mentoring top and emerging talent and ensuring robust development and succession planning.

Keyera invested an average of approximately \$1,500 per employee for skills development and professional education initiatives in 2019.

Governance

Culture and the wellbeing and development of our people is key to our long-term success. Our Senior Vice President, Human Resources and Corporate Services, reports directly to the CEO and is responsible for ensuring professional development, succession planning, compensation, benefits and other workplace programs are in place to support our people, develop their capabilities and ensure a healthy and productive workplace.

Oversight of these programs, our human resources, including succession planning, professional development and diversity and inclusion is the responsibility of the Compensation and Governance Committee of the Board.

Performance



Named one of **Alberta's Top 75 Employers** for the seventh consecutive year



Named one of **Canada's Top 100 Employers** for the second consecutive year

Female representation



% of female employees

24% 2017 **24%** 2018 **25%** 2019

% of female executives

15% 2017 **14%** 2018 **21%** 2019



4.61% female promotions



5.96% male promotions

Keyera is an equal opportunity employer as evidenced by our nearly equivalent promotion percentage within each gender in 2019.

Performance reviews



% completed by employees

95% 2017 **94%** 2018 **100%** 2019

Voluntary turnover rate

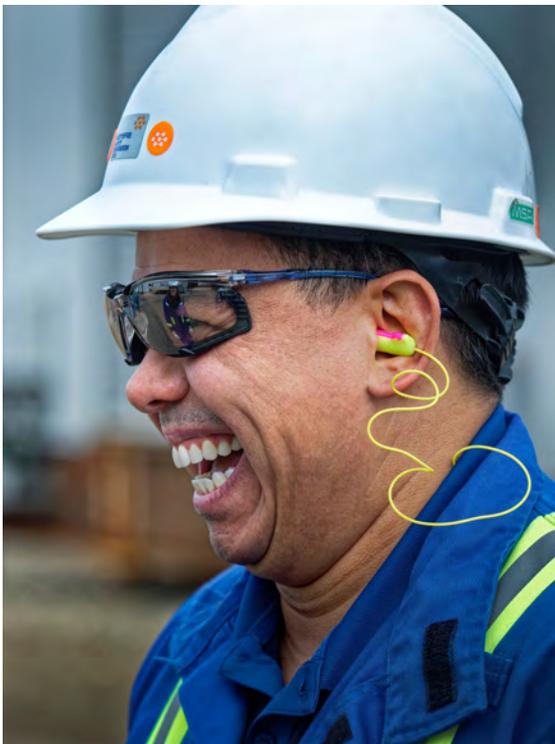
Not including retirements



2.11% 2017 **3.07%** 2018 **3.08%** 2019

3.90%

Industry voluntary turnover rate in 2019



What's next

- Keyera continues to formalize and integrate its diversity and inclusion strategy, including appointment of an internal steering committee, and enhanced measurement tools to advance and track our efforts.
- To encourage innovation and creative problem solving within our organization, Keyera has formed an Innovation Steering Committee. The committee will focus on developing competencies, skills and practices to integrate drive, innovative thinking and practices across our organization.



Emissions



Why it matters

We believe reducing GHG emissions is an important step in moving the world to a more sustainable energy path. We recognize our stakeholders' concerns about the risks related to climate change, and believe we have a responsibility to proactively address and reduce our GHG emissions.

Our approach

Keyera closely monitors our Scope 1 and Scope 2 emissions, as well as regulatory developments and emerging best practices. Our sustainability team works across the organization to model and understand the environmental, financial and long-term impacts of our emissions and to identify corresponding risks and opportunities. Emissions-related impacts are considered by management when evaluating major capital expenditures, technological and other investments, as well as possible acquisitions and divestitures.

Emissions considerations play an important role in our corporate strategic decision-making process. Our integrated portfolio of assets continues to place increasing emphasis on lower-emission resources, including our natural gas and natural gas liquids business. We believe cleaner-burning natural gas will replace more emissions intensive hydrocarbons. As LNG becomes increasingly prevalent

globally, we believe we will play a role in the value chain to deliver natural gas to markets that need it.

Optimization and efficiencies

One of the pillars of our corporate strategy is "maximizing the utilization of our facilities." We relentlessly seek to improve the efficiency of our current network of assets. We continue to make progress in reducing our emissions and have taken proactive steps to identify and implement opportunities to reduce our overall carbon footprint.

Perhaps the most significant example of these efforts is our recent Gathering and Processing optimization plan. This plan, involving a multi-disciplinary approach from our operations, sustainability, business development, regulatory and land management teams has resulted in the decision to shut down and consolidate eight gas plants and where possible, redirect gas to our most efficient facilities. Through these consolidation efforts, Keyera anticipates it will reduce gross CO₂ equivalent emissions by approximately 20 percent by the end of 2021, compared to our 2018 asset base.⁶

In 2018, Keyera also made the decision to shut down the sour gas processing equipment at our Strachan facility. In doing so, we reduced our GHG emissions at the facility by approximately 46 percent from 2017 to 2019.



“Effective monitoring, management and reduction of emissions and, in particular, our greenhouse gas emissions is critical to our long-term success. It not only aligns to society's and Keyera's values, but it makes good business sense.”

Bradley Lock
Senior Vice President and Chief Operating Officer

⁶ The reduction in emissions from Optimization efforts excludes the addition of assets since 2018, such as Wapiti and Pipestone gas plants.

Investing in technology

Technology will continue to play a key role in our transition strategy. A key objective of our continued investment and use of technology is to enhance utilization, decrease emissions and maximize our efficiency. Use of digital assets has enabled closer monitoring of our operations, increased automation and enhanced data analysis.

For example, Keyera has acid gas injection capabilities at five gathering and processing facilities. The acid gas injection process is an environmentally beneficial way of disposing of carbon dioxide (CO₂) and hydrogen sulfide (H₂S) created as a by-product of gas treatment services. Acid gas injection is more efficient and produces less emissions than sulphur recovery.

To accelerate our efforts to reduce our carbon footprint, Keyera continues to expand our use of cleaner burning fuels, reusing waste heat, and generating our own electricity at some facilities, through the use of co-generation.

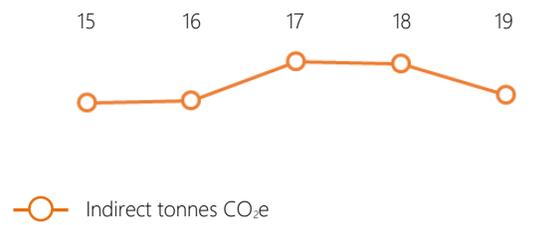
Decisions regarding the selection and modification of equipment at several Keyera facilities, and the adoption of operational controls, are influenced by potential emissions impacts. Keyera has established an Emissions Reduction Opportunity ("ERO") task group to support this effort. The ERO task group focuses on identifying, evaluating and implementing emissions reduction opportunities for GHGs, methane, nitrogen oxides (NO_x), benzene and other emissions across our company.

Performance

Direct GHG emissions (scope 1)



Indirect GHG from energy consumed (scope 2)



1,774,563 1,707,621 1,674,218 1,581,780 1,631,228

485,560 490,905 593,940 588,294 505,271

What's next

- In 2020, Keyera has undertaken a comprehensive, multi-disciplinary process to develop a corporate emissions reduction target. We anticipate sharing our targets, to be approved and monitored by our Board, and align with phase 1 TCFD disclosure in 2021.
- Commencing in 2020, our emissions performance will also be included in our overall enterprise risk management process. Current and potential climate-related risks will be further incorporated into Keyera's risk matrix to ensure emissions considerations are included as part of our planning, risk mitigation and management strategies.
- Starting in 2020, our annual incentive scorecard will include an emissions intensity reduction performance metric, which will be tracked by our HSE Committee and Board on a quarterly basis. Annual results will be used by our Board to determine 2020 annual bonuses of our executives and employees.

Governance

Key emissions data and related regulatory developments are reviewed by our Executive Team on a quarterly basis. This review includes discussion of emissions-related risks and opportunities which may have the potential to impact our stakeholders, our business or strategy.

The Board is responsible for overseeing Keyera's approach to climate risk, including emissions management. The Board is assisted by the HSE Committee, which provides oversight of GHG and carbon emissions management, emissions performance and reduction programs, regulatory compliance and related developments. The Board is also responsible for the review of climate-related risks and mitigation measures.



Community and Indigenous engagement



Why it matters

Meaningful engagement with our communities and Indigenous stakeholders is built on trust and understanding. We believe that transparent and sustained dialogue with affected stakeholders is not only a fundamental element of our long-term success, it is simply the right thing to do.

Our approach

Contributing positively to the overall health and economic resiliency of the communities in which we live and operate has long been important to Keyera.

Our approach is grounded in one of our core values – Responsibility and Accountability. To Keyera, this means understanding the interests and perspectives of our stakeholders and ensuring we deliver on our commitments to them. Our stakeholders include individuals or groups who live or work near, or are or could be impacted by our activities and operations. These include landowners, community members, businesses, organizations, crown disposition holders (such as trappers), as well as government and regulatory agencies.

Our key stakeholders also include Indigenous Peoples, who as First Nations and Metis communities, have a long history with the land on which our assets are located. Within

Canada, Indigenous Peoples have inherent treaty rights, and Keyera acknowledges them as distinct stakeholders who may be potentially impacted by our operations, but also as growing partners in our activities. Our approach to building relationships and partnerships with Indigenous Peoples is therefore addressed separately below.

Our engagement with community stakeholders is centered around three key pillars: (i) meaningful dialogue and engagement; (ii) community investment; and (iii) creating opportunity to enhance social and economic wellbeing.

Community engagement

To ensure we understand the interests and needs of community stakeholders, Keyera focuses on developing respectful, meaningful engagement over the life cycle of our activities.

Engagement starts well in advance of project sanctioning, continuing through project development and operation to decommissioning and reclamation. We believe proactive engagement enables constructive dialogue, creates opportunity for meaningful collaboration and helps us identify and mitigate potential risk. While our stakeholder engagement is based on responsibility and accountability, it is also guided by another core Keyera value, Integrity and Trust.

“Collaborative partnering with Indigenous communities and stakeholders is a business imperative for Keyera. Building strong social and economic relationships provides mutually beneficial outcomes for Indigenous communities and our business.”

Vanessa Cartwright
Community Affairs Coordinator



Stakeholder engagement is directed at building and maintaining mutually productive and lasting relationships with community stakeholders. To achieve this objective, our approach is guided by the following principles:



Community investment

Keyera has a proud history of investing in the communities in which we, and our stakeholders, live and operate. Guided by our values, our goal is to support the overall health and resilience of these communities. To achieve this objective, our community investment program is focused on four core areas:

-  **Youth education**
Supporting post-secondary education for local students, as well as educational initiatives to enhance understanding about the energy industry
-  **Environmental protection**
Supporting local and other initiatives that focus on the care, protection and promotion of our environment
-  **Community health and wellness**
Providing support for health care programs in the communities where we operate including rural access to health care
-  **Community enhancement**
Supporting programs that create vibrant, safe and sustainable communities

In 2019, our community investment program included the following contributions and partnerships:

- partnerships with Ducks Unlimited Canada to develop the Sustainable Wetlands Centre at Evergreen Park in Grande Prairie,
- continued sponsorship of the Peter Lougheed Community Centre in Rimbey,
- sponsorship of the community walking track at the Greenview Regional Multi Plex in Valleyview, Alberta; and
- a five-year commitment to the Anzac Recreation Centre in the Wood Buffalo region providing financial support for the WB (Wood Buffalo) Kids Program, enabling local youth and families to participate in social and cultural programs, sports and activities; as well as its childcare facility and indoor playground.

In 2019, Keyera contributed over **\$1 million** to more than 150 community programs and initiatives

8,412 employee volunteer hours in 2019

Consistent with our pillars, our community investment program currently includes multi-year commitments with several organizations including:



Committed to community: Rimbey, AB

For more than 60 years, Keyera has had operations in Rimbey, Alberta. During that time, we have been an active participant in supporting the Rimbey community, including:

- financial support for the Rimbey Peter Lougheed Community Centre,
- responding to Rimbey grass fires; and
- assisting with local rural crime prevention.

Keyera is also a member of the Rimbey Regional Synergy Group which brings together local industry, community members, and government to collaborate in support of mutually satisfactory resource development outcomes.



In 2019, Keyera engaged with 22 Indigenous communities across Alberta as part of the regulatory approval process for our KAPS pipeline project. Keyera is developing the foundation for what we hope will be longstanding, mutually beneficial relationships and opportunities over the lifecycle of the project. Keyera is establishing community-specific capacity investment plans, intended to provide opportunity for Indigenous member trades training, First Nation commercial opportunities and support for community initiatives.

As part of the KAPS regulatory process, we have also engaged affected Indigenous rights-holding communities to complete traditional land use studies and environmental monitoring along the pipeline right-of-way, valued at approximately \$4 million in 2019. Indigenous stakeholders whose traditional lands are affected by the KAPS project have also completed over 55 traditional land use assessments, intended to align our activities with Indigenous treaty rights and traditional activities. Knowledge gained from these studies will guide our impact mitigation measures during construction, anticipated to begin in 2021. We are also committed to establishing formal relationship agreements with many of these communities as the project progresses.



Indigenous engagement

We are encouraged by efforts within our industry to advance Indigenous economic reconciliation and meaningful participation in economic growth.

Keyera currently engages with Indigenous and Tribal Peoples who have an interest in the land where our assets are located in Alberta and British Columbia, Canada, and in Oklahoma in the U.S.

Our desire to establish long-term and mutually beneficial relationships requires that we continue to enhance and evolve our understanding of the unique history, culture, rights, traditions and knowledge of Indigenous Peoples. In support of this objective, our engagement with Indigenous Peoples affected by our activities and operations is guided by the following principles:

- seek to understand the unique history, traditions, culture and perspectives of the respective Indigenous communities with whom we interact,
- actively listen and learn, to enable transparent and open dialogue and facilitate timely and meaningful consultation; and
- collaboratively develop strategies and opportunities to encourage positive outcomes within Indigenous communities, including training, employment and business opportunities related to our activities.

Indigenous economic inclusion

Keyera is committed to contributing to the resilience of Indigenous communities in the regions where we operate. This commitment includes seeking opportunities to assist capacity building through education, training and work experience to strengthening the involvement of Indigenous businesses in our supply chain.

In 2019, Keyera established an Indigenous Business Involvement (“IBI”) program, directed at creating direct economic and social benefits for Indigenous businesses through participation in procurement and employment opportunities in our projects and operations.

Between 2017 and 2019, Keyera awarded approximately **\$30 million** in services contracts to Indigenous-owned or affiliated companies in connection to our Wapiti facility.

Indigenous community investment

To facilitate our commitment to the social and economic wellbeing of our Indigenous stakeholders, Keyera has established an Indigenous Community Involvement ("ICI") program. Under the ICI program, Keyera partners with Indigenous communities to support initiatives aimed at enhancing community resilience.

These activities are aimed at providing education and economic opportunity to community members through education, training and sponsorships. Examples include:

- sponsorship of the Industrial Education wing of the new Wihnemne School at Paul First Nation (currently under construction),
- sponsorship of Indigenous community delegates to participate at the 2019 CANDO Economic Development Youth Summit,
- sponsorship of Indigenous community members to participate in the "Trade Winds to Success" Tiny Homes Project, providing trade related training and certification. Tiny homes constructed as part of the project were donated to Indigenous community members,
- as part of the KAPS project, Keyera has initiated long-term benefit agreements with several Indigenous communities whose traditional lands are in proximity to KAPS operating areas. Once these arrangements proceed, they will represent the largest community investment initiative in the company's history; and
- sponsorship of the 2019 National Coalition of Chiefs Summit.

Keyera continues to explore opportunities to provide business engagement and employment to our Indigenous stakeholders and to identify initiatives to enhance the economic and social wellbeing of Indigenous communities.

Governance

Ensuring timely, respectful and meaningful engagement with our Indigenous communities and stakeholders and local communities is essential to the execution of our strategic objectives. Oversight of our external and stakeholder relations is the responsibility of our Senior Vice President and General Counsel.

This role reports directly to the CEO and is responsible for setting and directing our stakeholder engagement strategy, priorities and key initiatives, as well as our community investment program. To promote alignment between our stakeholder engagement approach and our ESG priorities, this executive role is also responsible for our Sustainability, Land and Government Relations.



Keyera works with Indigenous businesses and services from areas surrounding our operations, such as members from Duncan First Nation pictured above.

What's next

- We will continue to assess and evolve our Community Investment program, including its key pillars, to ensure alignment with the interests of our stakeholders as well as our Material ESG Factors.
- We continue to seek opportunities to create economic and social benefits for indigenous-owned or affiliated companies through ongoing development of our IBI program.
- As our KAPS project proceeds, we will continue our focus on developing our relationships with indigenous and local community members, including contributing to the economic resilience of communities impacted by our operations.



Land management



Why it matters

Effective land management practices reduce environmental and related risks and enable us to fulfill our obligations to our stakeholders, while meeting regulatory requirements.

Ensuring we are responsible stewards of the land maintains stakeholder trust and allows us to efficiently manage our responsibilities over the lifecycle of our operations.

Approaching land management with a long-term view, from project development through to operation and reclamation, enables us to act as a responsible operator, mitigate impacts of our activities and anticipate regulatory or other changes.

Our approach

Keyera operates in natural and biodiverse areas, and is committed to environmental protection, impact mitigation and ecosystem restoration as an integral part of our business.

We are also committed to minimizing the impact of our activities on the environment, during development, operation and decommissioning. Once assets are retired, the developed lands are returned back to equivalent land use capability. This approach is consistent with our core value of Responsibility and Accountability.

Our land reclamation commitments are managed through a Liability Management System ("LMS"). Based on a series of environmental stages and clear management objectives, the LMS houses an inventory of areas of concern, systematically identifies preferred workflow, tracks end-of-life costs and identifies and ranks risk related to each area of concern. Data is collected from each of our sites to categorize and prioritize the land management considerations and corresponding obligations, so these may be monitored and addressed in a comprehensive and timely manner. This process identifies and tracks our activities from initial land disturbance through to end state, including certification of successful site reclamation. Similar to safety, our land management practices, including application of consistent practices and procedures, are facilitated through use of our OEMS.

Planning beyond regulatory requirements

Site reclamation has a specific set of regulatory obligations. Land upon which our facilities are located must be managed to protect from potential adverse effects. Keyera complies with all applicable regulatory requirements and monitors changes to compliance practices and timelines. Consistent with our focus on disciplined financial management, Keyera elects to allocate remediation related costs earlier in an asset's lifecycle than required by regulation. This approach



“Since Keyera's inception, we have taken a proactive and principled approach to land management practices through the life cycle of our facilities, including land reclamation.”

Kerri Gilders
Director, Environment and Regulatory

enhances our ability to proactively manage long-term liabilities related to site reclamation and balances funding to settle these liabilities over the productive life of the asset.

Biodiversity considerations

When considering any new project, we conduct a thorough biodiversity and archaeological assessment. The assessments include identifying nearby protected, environmentally-sensitive and high value areas as determined by regional governments; reviewing lists of threatened or endangered species on recognized lists; engaging with local residents, landowners and Indigenous communities to identify lands of importance; and, hiring local experts to conduct surveys to assess the baseline and potential disruption from our activities.

These comprehensive biodiversity assessments are used as part of our project decision making and environmental management strategies. Keyera uses a mitigation hierarchy in our approach, with preference to avoid potential disturbance to sensitive areas, and minimizes any corresponding impact through environmental management plans. Where habitat is affected by our work, every effort is taken to restore the area to its previous ecological state or better.

Governance

Land management and site remediation activities, including regulatory compliance, are conducted by our environment and regulatory team, which reports to our Senior Vice President and Chief Operating Officer.

Detailed reporting on our land management and site remediation activities is provided to our Executive Team on a bi-annual basis. This information, including an overview of our current land management and reclamation obligations (including asset retirement obligations) is reported to the HSE Committee and our Board on an annual basis.



What's next

- Ongoing efforts to optimize our gathering and processing portfolio have transitioned several facilities and sites to a state of current or upcoming suspension. To supplement our routine land management system, Keyera is in the process of finalizing the development of a broader decommissioning and land reclamation program to strengthen our management of inactive facilities. This new program will provide coordination for best-in-class delivery of multi-facility closure and reclamation, with a focus on balancing desired outcomes of all affected stakeholders.
- Keyera has also initiated the development of formal guidelines to provide measurable environmental targets related to pipeline construction and reclamation. The targets are designed to readily identify work that meets specified outcomes related to identified environmental conditions.



Water



Why it matters

Water is a vital resource for all living systems, economies and ensuring our collective quality of life. The availability of water can impact our operations, specifically the development of our underground storage caverns as well as the production of process steam to run our gathering and processing facilities. Effective management of water resources can also reduce transportation, handling, and treatment efforts and associated costs.

Our approach

Effective water management is an essential part of our commitment to proactive environmental stewardship. We take a responsible approach to water use, including engaging with government, regulatory and other stakeholders to ensure appropriate water protection, conservation and disposal mechanisms are in place, while diligently monitoring evolving regulatory requirements.

At Keyera, water stewardship includes managing water related risks, monitoring and managing how we acquire and use water, as well as tracking our water and waste water management.

As part of our commitment to proper water management, we actively monitor water withdrawal at our facilities as well as control and test potable water quality and do not discharge waste water into the environment. Most sites also have robust groundwater quality monitoring programs.

Our most predominant use of water occurs in the development of our underground storage caverns. In this context, we use water to dissolve naturally occurring salt formations to create a cavern for the storage of liquid hydrocarbons. Once salt from the formation has dissolved into the water, it creates brine, which we store in above-ground brine ponds or inject into disposal formations. Once the cavern is placed in operation, brine is reused to displace hydrocarbons stored in our caverns.

Managing risks related to water crossings

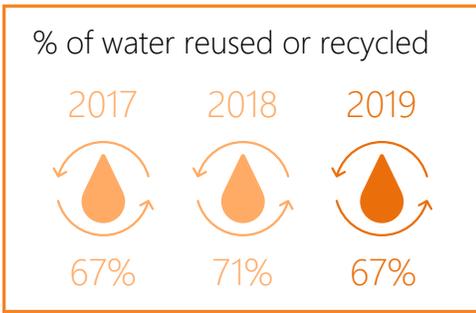
Over the last several years, Keyera has placed particular focus on the identification and mitigation of risk related to pipelines which cross water bodies. As part of this effort, we have completed comprehensive risk assessments and surveys of all major water crossings traversed by our pipelines and developed site specific emergency response plans at all river and named creek crossings.



“We have an important role as a steward of water resources. Water is required in the operation of our facilities, generation of steam for various production processes and in select infrastructure expansion initiatives. Keyera takes proactive and diligent steps to conserve water, prevent water contamination and ensure proper water disposal.”

John Hunszinger
Vice President, Operations, Liquids Infrastructure

Performance



Governance

Water management efforts are integrated into project delivery systems and water-related infrastructure and operational processes.

Oversight of our approach to water protection and management is the responsibility of our corporate responsibility team, which reports to our Senior Vice President and Chief Operating Officer.



What's next

- As a consequence of the optimization plan undertaken in 2020 involving the shut down and consolidation of eight of our gathering and processing plants, each plant is expected to contribute to incremental decreases in freshwater consumption. The plan also includes returning indefinite water use licenses to manage under more modern provincial water management plans.
- Keyera has initiated work to review and analyze our freshwater withdrawal, water disposal and re-use activities. This process will enable us to better understand our existing water management framework and governance.



Performance data tables and SASB index

Data in this report is based on available information for the reporting period of January 1 to December 31 for each year indicated below. Financial amounts are reported in Canadian dollars, unless otherwise stated.

Sustainability data below is reported based on guidance from SASB to facilitate alignment of performance data across our industry. We refer to the SASB Oil & Gas – Midstream Standard (October 2018). We have also included additional sustainability-related metrics we believe to be relevant to our business and our stakeholders.

 Emissions and energy	2019	2018	2017	SASB Code
Total direct GHG emissions (scope 1) (TonnesCO ₂ e) ¹	1,631,228	1,581,780	1,674,218	EM-MD-110a.1
Percentage of direct GHG emissions covered under regulatory programs	93%	94%	94%	EM-MD-110a.1
Percentage of direct GHG emissions verified by a third party	64%	72%	74%	N/A
Indirect GHG from energy consumed (scope 2) (TonnesCO ₂ e) ²	505,271	588,294	593,940	N/A
Carbon dioxide (CO ₂) emissions (Tonnes) ²	1,538,464	1,504,836	1,592,177	N/A
Methane (CH ₄) emissions (Tonnes) ²	3,241	2,599	2,820	N/A
Percentage of methane ²	5%	4%	4%	EM-MD-120a.1
Sulfur oxide (SO _x) emissions (Tonnes) ³	3,215	2,111	3,376	EM-MD-120a.2
Nitrogen oxide (NO _x) emissions (excluding N ₂ O) (Tonnes) ⁴	5,916	5,861	6,136	EM-MD-120a.2
Volatile organic compounds (VOCs) (Tonnes) ⁵	2,076	1,593	2,371	EM-MD-120a.2
Particulate matter (Tonnes) ⁵	128	74	75	EM-MD-120a.2
Carbon sequestered at major facilities (Tonnes) ⁶	56,007	54,634	68,919	N/A
Offsets generated (TonnesCO ₂ e) ⁷	40,822	49,967	72,766	N/A
Discussion of emissions management	Pages 23-24			EM-MD-120a.2

 Spills and environmental management	2019	2018	2017	SASB Code
Number of significant environmental fines ⁸	0	0	0	N/A
Number of hydrocarbon spills	5	3	7	EM-MD-160a.4
Aggregate volume of hydrocarbon spills (bbl) ⁹	184	12	47	EM-MD-160a.4
Volumes recovered (bbl) ¹⁰	150	9	41	EM-MD-160a.4
Volumes in unusually sensitive areas (bbl) ¹¹	0	0	0	EM-MD-160a.4
Volumes in the Arctic (bbl)	Not applicable to Keyera's operations			EM-MD-160a.4
Discussion of environmental management	Page 29-32			EM-MD-110a.2

¹ 2017 figure does not include our U.S. operations.

² 2017 and 2018 data has been updated from our 2019 Performance Summary.

³ Sulfur oxides are expressed as SO₂.

⁴ Does not include our U.S. operations. For context, our U.S. GHG represents only ~0.6% of our total GHG emissions.

⁵ 2017 and 2018 figures do not include our U.S. operations.

⁶ Represents CO₂ sequestered through acid gas injection (AGI) operations.

⁷ Refers to offsets in the form of Alberta government issued Emission Performance Credits. 2018 and 2019 figures reflect submitted offsets that are pending regulatory approval.

⁸ Defined as a penalty of more than \$10,000 USD.

⁹ Aggregate volume is the total estimated amount spilled, not reduced by hydrocarbon subsequently recovered, evaporated, or otherwise lost.

¹⁰ Volume of spilled hydrocarbons removed from the environment through short-term spill response activities.

¹¹ Unusually sensitive areas are identified in Canada as watercourses, waterbodies, or wetlands regulated under the provincial water act; Alberta Environment and Parks key wildlife layer mapping; Federal Aquatic Critical Habitat areas; Federal Emergency Order Habitat areas; Alberta Conservation Information Management System (AIMS) element occurrence and protected areas; Alberta Historical Resource Values. In United States, unusually sensitive areas are identified by the National Pipeline Mapping System of the Office of Pipeline Safety. Data expressed has been updated to include only off-lease releases.

 Integrity	2019	2018	2017	SASB Code
Pipeline incident ratio ¹²	0.34	0.18	0.17	N/A
Number of reportable pipeline incidents ¹³	2	1	1	EM-MD-540a.1
Percentage of natural gas pipelines inspected	5%	15%	4%	EM-MD-540a.2
Percentage of hazardous liquid pipelines inspected	17%	30%	11%	EM-MD-540a.2
Gas plant reliability ¹⁴	98.4%	98.5%	97.0%	N/A

 Water	2019	2018	2017	SASB Code
Percentage of water from water scarce areas ¹⁵	0%	0%	0%	EM-EP-140a.1
Total water withdrawn (m ³) ¹⁶	1,881,841	1,353,515	1,732,054	EM-EP-140a.1
Total water discharged (m ³) ¹⁷	15,611	24,215	18,853	EM-EP-140a.2
Fresh water consumed (m ³) ¹⁸	1,843,135	1,317,426	1,696,662	EM-EP-140a.1
Percentage of water recycled or reused ¹⁹	67%	71%	67%	EM-EP-140a.2
Keyera's CDP Water Security Response	Available on our Water page on Keyera.com			

Waste	2019	2018	2017	SASB Code
Total waste (Tonnes) ²⁰	1,430,922	1,505,044	1,211,776	EM-CM-150a.1
Total hazardous waste (Tonnes) ²¹	5,643	4,918	3,669	EM-CM-150a.1
Total non-hazardous waste (Tonnes) ²⁴	1,425,279	1,500,127	1,208,107	N/A
Total solid waste (Tonnes) ²²	32,897	20,781	72,217	N/A
Total liquid waste (Tonnes) ²³	1,398,025	1,484,263	1,139,560	N/A
Percentage of waste recycled/reused/treated ²⁴	10%	10%	17%	EM-CM-150a.1

¹² Refers to number of incidents per 1,000 kilometres (km) of total pipeline length.

¹³ Reportable incidents above are defined as unrefined product release off lease or of more than 2 m³ on lease; substance release into a waterbody; pipeline release, break or hit, uncontrolled gas release of more than 30,000 m³; well flowing uncontrolled; fire caused by a flare or incinerator; fire causing a loss of more than 2 m³ of oil or 30,000 m³ of gas, or causing damage to a wellhead.

¹⁴ Reliability across all operated gas plants (including scheduled outages and turnarounds).

¹⁵ Water scarcity areas are defined as watersheds with an overall water risk rating of 3-5 as per WRI Aqueduct Water Atlas with oil & gas weighting scheme.

¹⁶ Water withdrawn from the environment via use of a regulatory authorization (e.g. Water Act License, Temporary Diversion License or authorized under EPEA approval). Sources include, but are not limited to: dugout, lake, wetland, watercourse, reservoir, ground water, and routine/permanent water withdrawn from municipal waterworks for industrial purposes.

¹⁷ Water sources identified in footnote 16 which are then discharged to the natural environment. Does not include water sent to injection wells or third-party disposal (reported under waste), discharge of industry runoff/stormwater or evaporated volumes.

¹⁸ Fresh water drawn from surface water or groundwater. Does not include brackish ground water or water from municipal licenses.

¹⁹ Total water recycled and reused / (total water recycled and reused + total water withdrawals) x 100, as per CDP 2019 guidance. Data has been updated.

²⁰ Waste is defined as an unwanted substance or mixture of substances that results from the construction, operation, abandonment, or reclamation of a facility, well site, pipeline or related infrastructure, equipment and activities.

²¹ Hazardous and non-hazardous waste is as defined by local jurisdiction where the waste is generated.

²² Solid waste is in a physical state that would pass paint filter test.

²³ Liquid waste includes sludges, emulsions, or liquid impacted wastes. Does not include gaseous or solid waste.

²⁴ Product that was reused, recycled or treated to reduce the hazard of the waste. Does not include waste that is stored or incinerated, nor does it include waste from remediated in situ, brines injected as part of salt cavern storage or produced water used for enhanced oil recovery.

 Safety of our people and operations	2019	2018	2017	SASB Code
Fatalities ²⁵	0	0	0	EM-RM-320a.1
Employee Total Recordable Injury Frequency (TRIF) ²⁶	1.13	0.52	1.45	EM-RM-320a.1
Contractor Total Recordable Injury Frequency (TRIF) ²⁶	0.80	1.03	0.71	EM-RM-320a.1
Employee Lost Time Injury Frequency (LTIF) ²⁷	0.09	0.00	0.34	N/A
Contractor Lost Time Injury Frequency (LTIF) ²⁷	0.00	0.21	0.12	N/A
Employee Motor Vehicle Incident Frequency (MVIF) ²⁸	2.07	1.47	1.16	EM-SV-320a.1
Number of emergency response trainings/drills ²⁹	111	112	121	N/A
Discussion of safety and emergency preparedness	Page 18			EM-MD-540a.4
Safety Certification	Page 19			
Keyera's Health, Safety and Environment Policy (applies to Keyera contractors and suppliers)				

 People and culture	2019	2018	2017	SASB Code
Total employees	1,074	1,040	1,000	N/A
Percentage of male employees	75%	76%	77%	N/A
Percentage of female employees	25%	24%	23%	N/A
Percentage of male leaders ³⁰	76%	77%	81%	N/A
Percentage of female leaders ³⁰	24%	23%	19%	N/A
Percentage of male executives ³¹	79%	86%	85%	N/A
Percentage of female executives ³¹	21%	14%	15%	N/A
Voluntary employee turnover ³²	3%	3%	2%	N/A
Employees who completed performance reviews	100%	94%	95%	N/A

 Community and Indigenous engagement	2019	2018	2017	SASB Code
Community investment spend (Thousands of Cdn dollars)	1,000	850	850	N/A
Employee volunteer hours	8,412	8,244	7,645	N/A
Value of employee volunteering during working hours (Thousands of Cdn dollars) ³³	464	463	420	N/A
Indigenous communities engaged with ^{34 35}	22	21	10	N/A

²⁵ Refers to workplace death involving an employee or contractor.

²⁶ Number of recordable injuries x 200,000 / total exposure hours.

²⁷ Number of lost time injuries x 200,000 / total exposure hours.

²⁸ Number of employee motor vehicle incidents / 1,000,000 km (over \$2,000 in damage).

²⁹ Includes full-scale exercises, tabletop exercises, training and refresher courses.

³⁰ Employees with direct reports.

³¹ Refers to employees at a Vice-President level or higher.

³² Does not include retirements.

³³ Number of volunteer hours times average hourly salary (salaried and hourly) for that year.

³⁴ 'Engaged' is defined as project consultation, business involvement and/or community investment.

³⁵ 2019 figure has been updated from our 2019 Performance Summary.

Business ethics	2019	2018	2017	SASB Code
Total monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	0	0	0	EM-MD-520a.1
Code of Business Conduct (extends to contractors and suppliers)				
Whistleblower Policy and call line				

Governance	2019	2018	2017	SASB Code
Independent directors ³⁶	90%	80%	80%	N/A
Board committee independence	100%	100%	100%	N/A
Lead independent director	Yes	Yes	Yes	N/A
Women on board ³⁷	33%	33%	33%	N/A
Average board meeting attendance	98%	100%	98%	N/A
Say on Pay	Yes	Yes	Yes	N/A
Say on Pay results	98.04%	97.84%	98.52%	N/A
Majority voting policy	Yes	Yes	Yes	N/A
Board training & annual evaluation	Yes	Yes	Yes	N/A
Board ESG oversight	Yes	Yes	Yes	N/A
Management Information Circular				

Economics	2019	2018	2017	SASB Code
Net earnings (Thousands of Cdn dollars) ³⁸	443,609	402,828	289,920	N/A
Adjusted EBITDA (Thousands of Cdn dollars) ³⁹	944,101	807,363	617,015	N/A
Distributable cash flow (Thousands of Cdn dollars) ³⁹	593,584	638,124	510,434	N/A
Taxes paid to government (Thousands of Cdn dollars)	97,435	32,109	6,176	N/A

³⁶ Our Board Chair, Jim Bertram, is considered independent under Canadian securities rules effective January 1, 2019. Due to his prior role as an executive officer of Keyera until June 1, 2016, Mr. Bertram was not considered independent prior to this time.

³⁷ Above percentages includes all directors except Keyera CEO, David Smith.

³⁸ Net earnings for the year ended December 31, 2018 have been restated. See Keyera's [2019 Year End Report](#) for details.

³⁹ Adjusted EBITDA and distributable cash flow are Non-GAAP financial measures, please refer to pages 43 and 44 of Keyera's [2019 Year End Report](#) dated February 26, 2020, available on SEDAR at <https://www.sedar.com/>, for further information on these Non-GAAP Measures and for a reconciliation of Adjusted EBITDA and distributable cash flow to its most closely related GAAP measure.

Advisories

Forward-looking statements and information

This report contains forward-looking statements. These statements relate to future events or Keyera's future performance. Such statements are predictions only and actual events or results may differ materially. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "plan", "intend", "believe", and similar words or expressions, including the negatives or variations thereof. All statements other than statements of historical fact contained in this report are forward-looking statements. The forward-looking statements reflect Keyera's beliefs and assumptions with respect to such things as the outlook for general economic and market trends and conditions, industry and ESG trends, the integrity and reliability of Keyera's assets, and the governmental, regulatory and legal environment. In some instances, this report may also contain forward-looking statements attributed to third parties.

In particular, this report contains forward-looking statements pertaining to, without limitation: plans, targets, and strategies with respect to reducing greenhouse gas and other emissions and anticipated reductions in our emissions levels; plans and strategies to improve our utilization, efficiencies and performance; our ESG plans and their implementation generally; future opportunities related to LNG, low carbon and emission reduction service opportunities, alternative hydrocarbon production and carbon capture and sequestration; potential impacts of the COVID-19 pandemic; our reporting and monitoring systems, including improvements related thereto; programs in respect of workplace safety, operational excellence, asset integrity and other improvements including to our health and safety programs; our health and safety performance as well as that of our service providers, including plans to enhance or improve such performance; our approach to engaging with stakeholders, including, without limitation Indigenous and Tribal stakeholders; plans to further develop our community investment; and anticipated community and economic benefits for community and Indigenous stakeholders related to certain projects including, without limitation, our anticipated KAPS pipeline project, current and anticipated land management (including reclamation) and biodiversity programs, including strategies for management, data collection and reporting in respect thereof; current and anticipated strategies in respect of water management, data collection and reporting.

Undue reliance should not be placed on these forward-looking statements and information as they are based on assumptions made by Keyera as of the date hereof regarding, among other things: oil and gas industry exploration and development activity levels; commodity prices; availability of capital and industry and market conditions; the availability and efficacy of various technologies; the success of our operations including, without limitation, our gathering and processing facility optimization efforts; that future results of our operations and related activities will be consistent with past performance and/or anticipated performance and management expectations related thereto; availability of individuals with skills required to execute on our business objectives and strategy; general compliance with Keyera's plans, strategies, programs and goals across its reporting and monitoring systems among our employees, stakeholders and service providers; our ability to successfully engage Indigenous and Tribal stakeholders in consultation and partnering efforts; the success of growth projects including, without limitation, our KAPS project; and existing regulatory, tax, environmental and other laws and regulations.

While Keyera believes the expectations and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Forward-looking statements are subject to known and unknown risks and uncertainties which may cause actual performance and financial results to differ materially from the results expressed or implied, including but not limited to: our ability to implement our strategic priorities and business plan and achieve the expected benefits; the strength and operations of the oil and natural gas industry and related commodity prices and market conditions; Indigenous and landowner consultations and related requirements; reliance on third parties to successfully operate and maintain certain assets; shortages or disruptions in the availability of labour, human capital and/or materials; actions by governmental and regulatory authorities, including changes in regulatory processes or increased environmental regulation; fluctuations in operating results; adverse general economic and market conditions in Canada, North America and elsewhere; risks related to the current and potential impacts of the COVID-19 pandemic and depressed commodity prices; constraints on, or the unavailability of, adequate infrastructure and technology; changes in the political environment in Canada, North America and elsewhere, ability to access sources of financing

including debt and equity; the effectiveness of our existing and planned ESG and risk management programs; ability to expand, update and adapt our infrastructure on a timely and effective basis; changes in credit ratings; technology and security risks including cyber-security risks; and natural catastrophes.

Additional information on these factors as well as other risks that could impact Keyera's operational and financial results are contained in Keyera's AIF and annual management discussion and analysis ("MD&A") for the year ended December 31, 2019, our interim MD&A for the three and nine months ended September 30, 2020 and described in our public filings available in Canada at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, Keyera assumes no obligation to update forward-looking statements and information should circumstances or management's expectations, estimates, projections or assumptions change. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

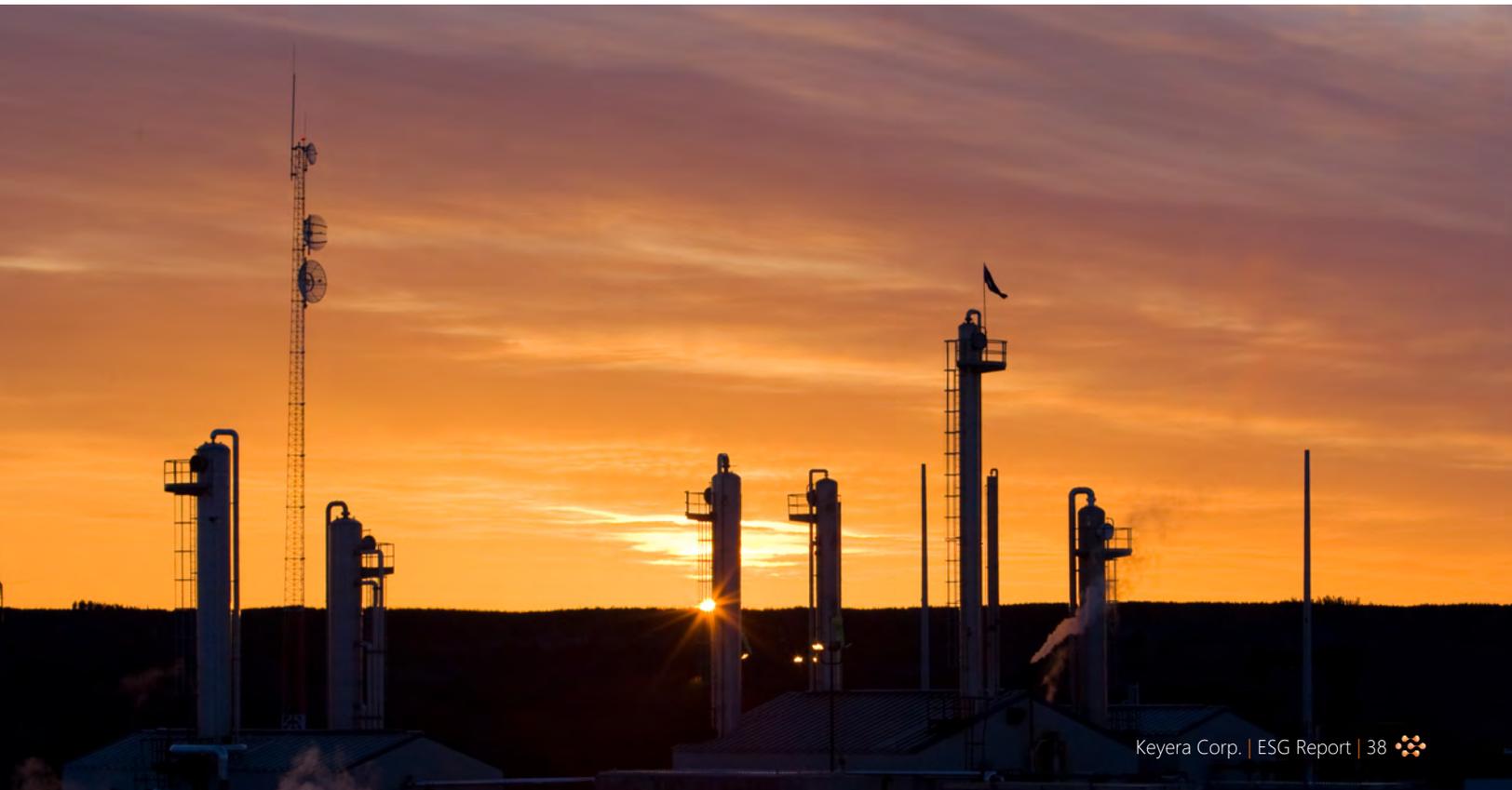
Non-GAAP measures

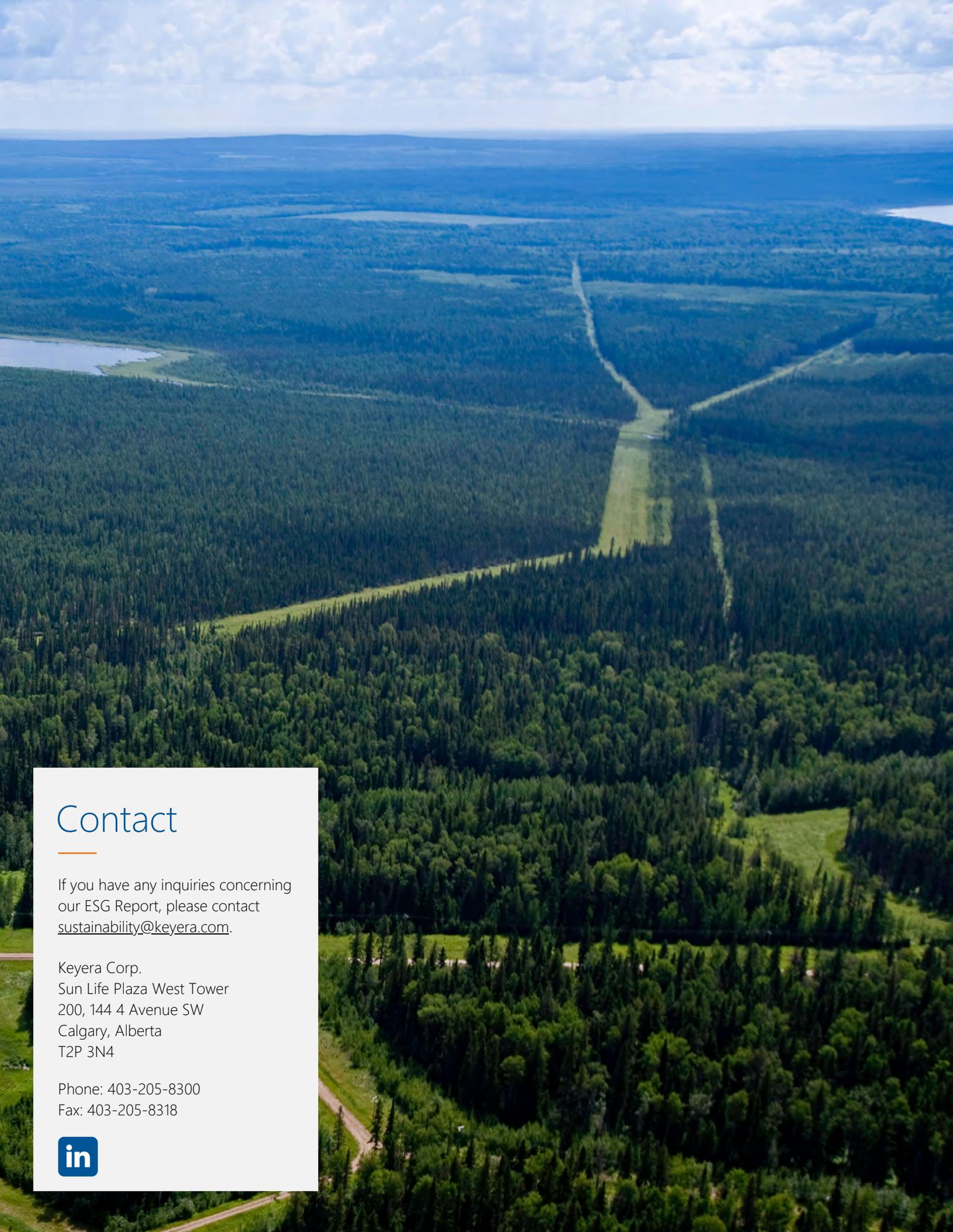
In this report, Keyera has used the terms Adjusted EBITDA

and distributable cash flow, which do not have any standardized meaning under IFRS ("Non-GAAP Measures"). Since Non-GAAP Measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that Non-GAAP Measures are clearly defined, qualified and reconciled to their nearest GAAP measure. These Non-GAAP Measures are calculated and disclosed on a consistent basis from period to period. The intent of Non-GAAP Measures is to provide additional useful information respecting Keyera's financial and operational performance to investors and analysts and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS.

This report refers to certain other terms commonly used to satisfy sustainability reporting requirements. These terms are not necessarily used by Keyera in the management of the business.

The Non-GAAP Measures used in this report may not be comparable with measures provided by other public corporations or entities. Please refer to pages 43 and 44 of Keyera's 2019 Year End Report dated February 26, 2020, available on SEDAR at www.sedar.com, for further information on these Non-GAAP Measures and for a reconciliation of Adjusted EBITDA and distributable cash flow to its most closely related GAAP measure.





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