



# Environmental, Social and Governance Performance Summary

In this report, our second *ESG Performance Summary*, we share sustainability performance metrics based on guidance from the Sustainability Accounting Standards Board (SASB) as reasonably likely to have a material impact on the financial and operating performance of midstream energy companies. We have also included other metrics we understand to be relevant to our business and to our stakeholders.

## 2019 Year in Review

In 2019, we invested approximately \$1 billion in growth capital projects. These investments support the energy industry, employees, contractors and communities in which we operate. We completed the first phase of the Wapiti gas plant, including the North Wapiti Pipeline System, and the expansion of our Simonette gas plant. While expansions in the Wapiti area led to an increase in absolute emissions over 2018, this increase is expected to be offset by our Gathering and Processing optimization efforts, which include suspending and consolidating operations at eight of our gas plants from 2019 to 2021. The carbon dioxide equivalent contribution of the suspended or planned suspensions made up approximately 20% of our 2018 total direct emissions.



We also continued to expand our underground cavern storage capacity at our Fort Saskatchewan facility and are on track to place a new cavern into service in each of the next three years. The process for cavern development is water intensive and resulted in an increase in water withdrawal over 2018; however, once cavern development is complete water withdrawal is minimal.

At Keyera, we remain committed to achieving the highest standard of operational excellence throughout the organization. During 2019, we continued to reinforce this commitment and achieved important performance milestones in safety and reliability. Highlights in 2019 included leading gas facility reliability, achieving a below industry average pipeline incident ratio and celebrating 25 years without a lost time incident at our Alberta EnviroFuels facility. We are proud of our performance in 2019. Keyera has always fostered a culture of being a responsible energy provider and corporate citizen, and our accomplishments in 2019 speak to this continued dedication.

## ESG Performance Summary

Emissions & Energy	2019	2018	SASB Code <sup>1</sup>
Total direct GHG emissions (scope 1) (TonnesCO <sub>2</sub> e)	1,631,228	1,581,780	EM-MD-110a.1
Percentage of direct GHG emissions covered under regulatory programs	93%	94%	EM-MD-110a.1
Percentage of direct GHG emissions verified by a third party	64%	72%	N/A
Indirect GHG from energy consumed (scope 2) (TonnesCO <sub>2</sub> e) <sup>2</sup>	505,271	588,294	N/A
Carbon dioxide (CO <sub>2</sub> ) emissions (Tonnes)	1,538,464	1,504,836	N/A
Methane (CH <sub>4</sub> ) emissions (Tonnes)	3,241	2,599	EM-MD-120a.1
Percentage of methane	5%	4%	EM-MD-120a.1
Sulfur oxide (SO <sub>x</sub> ) emissions (Tonnes) <sup>3</sup>	3,215	2,111	EM-MD-120a.2
Nitrogen oxide (NO <sub>x</sub> ) emissions (excluding N <sub>2</sub> O) (Tonnes) <sup>4</sup>	5,916	5,861	EM-MD-120a.2
Volatile organic compounds (VOCs) (Tonnes)	2,076	1,593	EM-MD-120a.2
Particulate matter (Tonnes) <sup>4</sup>	128	74	EM-MD-120a.2
Carbon sequestered at major facilities (Tonnes) <sup>5</sup>	56,007	54,634	N/A
Offsets generated (TonnesCO <sub>2</sub> e) <sup>6</sup>	40,822	49,967	N/A
Keyera's CDP Climate Change response	<a href="#">See our GHG &amp; Emissions page</a>		EM-MD-110a.2

Spills & Environmental Management	2019	2018	SASB Code <sup>1</sup>
Number of significant environmental fines <sup>7</sup>	0	0	N/A
Number of hydrocarbon spills	5	3	EM-MD-160a.4
Aggregate volume of hydrocarbon spills (bbl) <sup>8</sup>	184	12	EM-MD-160a.4
Volumes recovered (bbl) <sup>9</sup>	150	9	EM-MD-160a.4
Volumes in unusually sensitive areas (bbl) <sup>10</sup>	19	0	EM-MD-160a.4
Volumes in the Arctic (bbl)	Not applicable to our operations		EM-MD-160a.4

<sup>1</sup> Unless otherwise indicated in footnote metrics are calculated using SASB guidance and under operational control.

<sup>2</sup> 2018 figures have been updated since last year as a result of improvements in our tracking and reporting.

<sup>3</sup> Sulfur oxides are expressed as SO<sub>2</sub>.

<sup>4</sup> These figures do not include U.S. operations. For context, our U.S. GHG represents only ~0.6% of our total GHG emissions.

<sup>5</sup> CO<sub>2</sub> sequestered through acid gas injection (AGI) operations.

<sup>6</sup> Offsets in the form of Alberta government issued Emission Performance Credits. These figures reflect offsets that were submitted and are pending regulatory approval.

<sup>7</sup> Defined as a penalty of more than \$10,000 USD.

<sup>8</sup> Aggregate volume is the total estimated amount spilled, not reduced by hydrocarbon subsequently recovered, evaporated or otherwise lost.

<sup>9</sup> Volume of spilled hydrocarbons removed from the environment through short-term spill response activities.

<sup>10</sup> 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 the United States, unusually sensitive areas are identified by the National Pipeline Mapping System of the Office of Pipeline Safety.



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

<b>Water</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code<sup>11</sup></b>
Percentage of water withdrawn from water scarce areas <sup>15</sup>	0%	0%	EM-EP-140a.1
Total water withdrawn (m <sup>3</sup> ) <sup>16</sup>	1,881,841	1,353,515	EM-EP-140a.1
Total water discharged (m <sup>3</sup> ) <sup>17</sup>	15,611	24,215	EM-EP-140a.2
Fresh water consumed (m <sup>3</sup> )	1,843,135	1,317,426	EM-EP-140a.1
Percentage of water recycled or reused <sup>18</sup>	77%	78%	EM-EP-140a.2
Keyera's CDP Water Security response	<a href="#">See our Water page</a>		N/A

<b>Waste</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code<sup>11</sup></b>
Total waste (Tonnes) <sup>19</sup>	1,430,922	1,505,044	EM-CM-150a.1
Total hazardous waste (Tonnes) <sup>20</sup>	5,643	4,918	EM-RM-150a.1
Total non-hazardous waste (Tonnes) <sup>20</sup>	1,425,279	1,500,127	N/A
Total solid waste (Tonnes) <sup>21</sup>	32,897	20,781.17	N/A
Total liquid waste (Tonnes) <sup>22</sup>	1,398,025	1,484,263	N/A
Percentage of waste recycled/reused/treated	10%	10%	EM-CM-150a.1

<sup>11</sup> Unless otherwise indicated in footnote metrics are calculated using SASB guidance.

<sup>12</sup> The number of incidents per 1,000 kilometres (km) of total pipeline length.

<sup>13</sup> Reportable incidents is defined as unrefined product release off lease or of more than 2 m<sup>3</sup> on lease; substance release into a waterbody; pipeline release, break or hit, uncontrolled gas release of more than 30,000 m<sup>3</sup>; well flowing uncontrolled; fire caused by a flare or incinerator; fire causing a loss of more than 2 m<sup>3</sup> of oil or 30,000 m<sup>3</sup> of gas, or causing damage to a wellhead.

<sup>14</sup> Reliability across all operated gas plants (including scheduled outages and turnarounds).

<sup>15</sup> Water scarcity areas defined as watersheds with an overall water risk rating of 3 to 5 as per WRI Aqueduct Water Atlas with oil & gas weighting scheme.

<sup>16</sup> Water withdrawn from the environment via the use of a regulatory authorization (e.g. Water Act License, Temporary Diversion License or authorized under Alberta's Environmental Protection and Enhancement Act 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.

<sup>17</sup> 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.

<sup>18</sup> Total water recycled and reused / (total water recycled and reused + total water withdrawals) x 100, as per CDP Water Security 2019 guidance.

<sup>19</sup> 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.

<sup>20</sup> Hazardous and non-hazardous waste is as defined by local jurisdiction where the waste is generated.

<sup>21</sup> Solid waste is in a physical state that would pass a paint filter test.

<sup>22</sup> Liquid waste includes sludges, emulsions or liquid impacted wastes. Does not include gaseous or solid waste.

<b>Safety</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code<sup>23</sup></b>
Fatalities <sup>24</sup>	0	0	EM-RM-320a.1
Employee Total Recordable Injury Frequency (TRIF) <sup>25</sup>	1.13	0.52	EM-RM-320a.1
Contractor Total Recordable Injury Frequency (TRIF) <sup>25</sup>	0.80	1.03	EM-RM-320a.1
Employee Lost Time Injury Frequency (LTIF) <sup>26</sup>	0.09	0.00	N/A
Contractor Lost Time Injury Frequency (LTIF) <sup>26</sup>	0.00	0.21	N/A
Employee Motor Vehicle Incident Frequency (MVIF) <sup>27 28</sup>	2.07	1.47	EM-SV-320a.1
<a href="#">Keyera's Health, Safety and Environment Policy</a> (which extends to contractors and suppliers)			
<a href="#">Safety Certification</a>			

<b>Our People</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code</b>
Total employees	1,074	1,040	N/A
Percentage of male employees	75%	76%	N/A
Percentage of female employees	25%	24%	N/A
Percentage of male leaders <sup>29</sup>	76%	77%	N/A
Percentage of female leaders <sup>29</sup>	24%	23%	N/A
Percentage of male executives <sup>30</sup>	79%	86%	N/A
Percentage of female executives <sup>30</sup>	21%	14%	N/A
Voluntary employee turnover	5%	4%	N/A
Employees who completed performance reviews	100%	94%	N/A

<b>Communities</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code</b>
Community investment spend (Thousands of Canadian dollars)	1,000	850	N/A
Employee volunteer hours	8,412	8,244	N/A
Value of employee volunteering during working hours (Thousands of Canadian dollars) <sup>31</sup>	464	463	N/A
Indigenous communities engaged with <sup>32</sup>	27	21	N/A
Number of emergency response trainings/drills <sup>33</sup>	111	112	N/A

<sup>23</sup> Unless otherwise indicated in footnote metrics are calculated using SASB guidance.

<sup>24</sup> Death of an employee or contractor.

<sup>25</sup> Number of recordable injuries x 200,000 / total exposure hours.

<sup>26</sup> Number of lost time injuries x 200,000 / total exposure hours.

<sup>27</sup> Number of employee motor vehicle incidents / 1,000,000 km (over \$2,000 in damage).

<sup>28</sup> The 2018 ESG Performance Summary criteria for MVIF damage was \$1000 and this has now been adjusted to \$2,000 to be in line with industry standard.

<sup>29</sup> Employees with direct reports.

<sup>30</sup> Employees at a Vice-President level or higher.

<sup>31</sup> Number of employee volunteer hours times the average employee hourly salary (salaried and hourly) for that year.

<sup>32</sup> 'Engaged' is defined as project consultation, business involvement and/or community investment.

<sup>33</sup> Includes full-scale exercises, tabletop exercises, training and refresher courses.



<b>Business Ethics</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code<sup>34</sup></b>
Total monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	0	0	EM-MD-520a.1
<a href="#">Code of Business Conduct</a> (extends to contractors and suppliers)			
<a href="#">Whistleblower Policy and call line</a>			

<b>Governance</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code</b>
Independent directors <sup>35</sup>	90%	80%	N/A
Board committee independence	100%	100%	N/A
Lead independent director	Yes	Yes	N/A
Women on board	30%	30%	N/A
Average board meeting attendance	98%	100%	N/A
Say on pay	Yes	Yes	N/A
Majority voting policy	Yes	Yes	N/A
Board training & annual evaluation	Yes	Yes	N/A
Board ESG oversight	Yes	Yes	N/A
<a href="#">Information Circular</a>			

<b>Economics</b>	<b>2019</b>	<b>2018</b>	<b>SASB Code</b>
Net earnings (Thousands of Canadian dollars)	443,609	402,828 <sup>36</sup>	N/A
Adjusted EBITDA (Thousands of Canadian dollars)	944,101	807,363	N/A
Distributed cash flow (Thousands of Canadian dollars)	593,584	638,124	N/A
Taxes paid to government (Thousands of Canadian dollars)	97,435	32,109	N/A

<sup>34</sup> Unless otherwise indicated in footnote metrics are calculated using SASB guidance.

<sup>35</sup> Until June 1, 2019, our Board Chair, James Bertram, was not considered independent under Canadian securities rules due to his prior services (until June 1, 2016) as an executive officer of Keyera. According to Canadian securities rules, Mr. Bertram was considered independent effective June 1, 2019.

<sup>36</sup> Net earnings for the year ended December 31, 2018 have been restated. See [2019 Year End Report](#) for details.

