

KEYERA



2021

# ESG Report



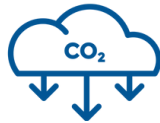
# ESG highlights

## Environment

Responsible environmental stewardship

**12%**

decrease in GHG intensity since 2019



Captured and stored

**76,164**

tonnes of carbon dioxide in acid gas injection wells

Conducted corporate **water risk assessment**



Advanced **low-carbon hub strategy** in the Industrial Heartland

Continued **integration of ESG** into capital investment framework and project delivery process



## Social

Engage and care for people and communities



**0.04**

lost-time injury rate in 2021

**60**

Indigenous-owned or affiliated businesses contracted on KAPS



**Reconciliation Action Plan** initiated

Named one of **Alberta's Top 75 Employers in 2022**



**New process safety team** and strategy

**New social investment program**



## Governance

Maintain strong corporate governance



**Diverse and independent** board with strong oversight

**New Governance & Sustainability** board committee established in 2022



**36%**

female representation on our Board of Directors

**Pay for performance** aligning executive pay with shareholder interests



**Strong culture of integrity** reinforced through our Values, Code of Conduct, and Accountability Framework



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We acknowledge and are grateful to have operations, projects, and offices that reside on the traditional and treaty territories of Indigenous Peoples. We honour and respect the history, languages, ceremonies, and cultures of the First Nation and Métis communities that call these territories home.



## About this report

Keyera is committed to providing stakeholders with transparent, decision-useful environmental, social, and governance (ESG) disclosures. In this report, we describe our approach and recent progress relative to six ESG priority areas identified as most relevant to our business and stakeholders. This report also includes an update on our approach to the energy transition and performance against GHG emissions targets announced in 2021.

To inform our ESG approach, we actively engage with our stakeholders to understand their perspectives and solicit feedback on our performance. To provide feedback, including on this report, please email us at [sustainability@keyera.com](mailto:sustainability@keyera.com). We welcome your questions, comments, and ideas.

### Reporting standards

This report was developed using guidance from the International Petroleum Industry Environmental Conservation Association (IPIECA) and the Sustainability Accounting Standards Board (SASB). We also provide additional information we believe is relevant to our business and stakeholders.

This report follows our [2021 Climate Report](#), which aligned with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). Our Climate Report described our approach to the energy transition, board governance, and management systems. The report also identified climate-related risks and opportunities.

### Reporting scope

The scope of this report includes all businesses and assets owned and operated by Keyera. Our GHG targets are equity-based. Additions or exclusions to data are noted throughout the report.

This report focuses on our performance and activities from January 1 to December 31, 2021, however, may also refer to important advances in 2022. Data contained in the ESG Performance Data portion of this report refers to performance metrics from January 1 to December 31 for the years 2017 through 2021, inclusive, unless otherwise noted. Eighty-eight percent of scope 1 GHG emissions data has been subject to a third-party audit verification process. All financial information or dollar amounts are expressed in Canadian dollars.

### Forward-looking information

This report contains forward-looking information, or forward-looking statements, and refers to non-GAAP financial measures. Please see "Advisories" on page 67.

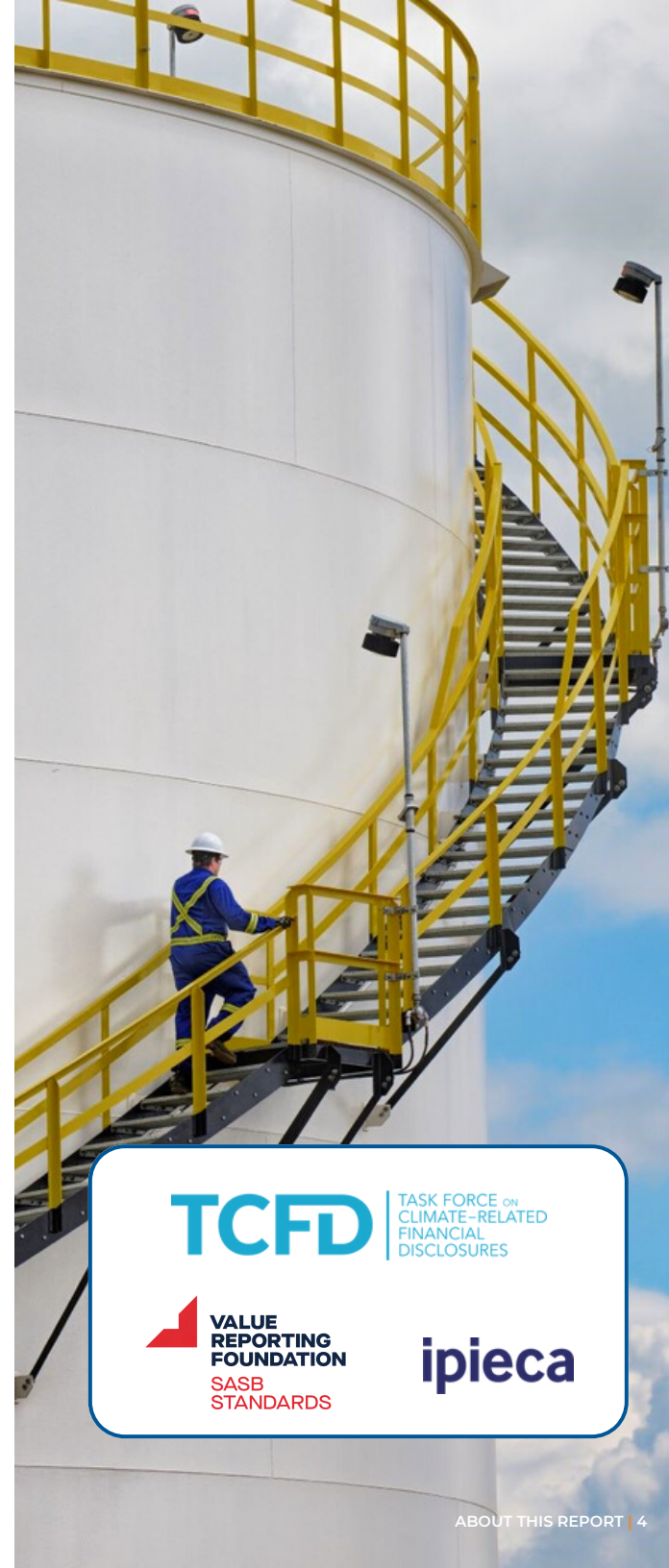
Published September 7, 2022

## Related publications

[2021 Climate Report](#)

[2022 Information Circular](#)

[2021 Year End Report](#)



**TCFD**

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

**VALUE  
REPORTING  
FOUNDATION**  
SASB  
STANDARDS

**ipieca**



# Message from our President & CEO

This year is a strong reminder of how much we are all connected. Connected by the shared goals of providing affordable energy for the world, addressing climate change, navigating a global pandemic, and recognizing more fully the rights and experiences of Indigenous Peoples.

We believe natural gas plays a pivotal role in the energy transition. Both conventional and renewable energy demand is forecast to continue to increase as global populations grow and standards of living continue to rise among developing nations. The current global situation regarding energy security reinforces the necessity for all forms of energy.

At the same time, the world needs to take meaningful steps to reduce emissions. Whether a molecule of natural gas is produced here in Alberta or abroad, the balance of the energy supply is global. Focus on the larger human, environmental and financial implications of the global energy system have never been greater, and the need for Canada's abundant, responsibly produced energy to contribute to a more secure world has never been more compelling. As an Alberta-based energy midstream company, Keyera's natural gas-focused business will play a critical part in providing safe, dependable, and sustainable energy solutions.

It's against this backdrop that I am proud to share with you our 2021 ESG Report, which demonstrates our continued commitment to strong environmental stewardship, social responsibility, and corporate governance. This commitment is underpinned by our people and collaborative approach, which are fundamental both to our progress and long-term success.

As outlined in our report, we believe strongly that integrating sustainability into all aspects of our business enhances long-term performance and is critical to our ability to execute our strategy.

Part of our culture includes a firm conviction that actions speak louder than words. Since assuming the role of Keyera's CEO in 2021, I am extremely pleased about the progress we've made. Some of our achievements include:



Our board's new **Governance & Sustainability Committee**

**Emission reductions** and setting our first **corporate GHG targets**



Working with **60 Indigenous-owned or affiliated businesses** on our KAPS project

**36% female representation** on the board in 2022



Achieving **gender parity** on our Senior Executive Team in 2022

## Delivering on emissions reductions

Keyera took decisive steps in 2021 to continue momentum to reduce our emissions by setting greenhouse gas (GHG) emission intensity targets of 25 percent by 2025, and 50 percent by 2035.



Since 2019, we've achieved a 12 percent reduction in emissions intensity through enhanced operational efficiency and a targeted Gathering & Processing (G&P) Optimization Program. In the longer-term, we remain committed to exploring and pursuing lower-carbon opportunities – both for ourselves and our customers – as part of our approach to energy transition, outlined in our [2021 Climate Report](#).

## People, performance, progress

Our success would not have been possible without the efforts of our 1,000+ employees, who consistently deliver our purpose of **connecting energy for life**. Thanks to the diverse expertise and perspectives of our people, we are enhancing our culture to be more progressive and modern to meet challenges head on and identify winning opportunities. The recent appointment of Desiree Crawford as our new Senior Vice President of Safety, People, & Technology further supports our commitment to our people, culture, and safety efforts.





### *The power of collaboration*

It's our opinion that a sustainable energy future will not be realized in isolation — it depends on collaboration and the broader benefits that come from partnerships founded on complementary strengths. Our business is built on finding the most efficient solutions to satisfy the needs and best interests of our customers, industry, stakeholders, and broader society. Mutually-beneficial collaboration is essential for innovative solutions, generating efficiencies, and contributing to a competitive, high-performing low-carbon economy.

This collaborative approach has resulted in the creation of innovative commercial relationships with large industry partners, alliances with local businesses, and relationships with diverse groups, both within the industry and beyond.

### *Recognition for Reconciliation*

One area where we have made strides is in building stronger connections with Indigenous Rights holders, including the 22 First Nation communities who live along our KAPS pipeline fairway. We are grateful for the work Indigenous-owned or operated businesses have contributed to our KAPS project. Their work has accounted for \$114 million of our construction services contracted value. We continue to seek opportunities for greater economic inclusion and look forward to building a cleaner energy future together.

We prioritized our relationships with Indigenous communities, including developing a stronger understanding of our shared history. This effort starts with me and my personal commitment to increased executive engagement with First Nations and Métis Rights holders. We also launched the development of a Reconciliation Action Plan and redesigned our Social Investment program to include a dedicated pillar for Indigenous Reconciliation.

### *Looking ahead*

As we continue to advance our ESG performance, it's important to remain focused on both the energy we deliver to the world today and the energy that will power the transition to a more sustainable tomorrow. Through modernization, collaborative relationships, and the pursuit of excellence, Keyera will continue to generate long-term shareholder value. Because *connecting energy for life* isn't just Keyera's business — it's our shared future.

### **Dean Setoguchi**

President & CEO



# Message from our Board of Directors

On behalf of the Board of Directors, I wish to commend Keyera on its 2021 ESG Report. This report highlights Keyera's sustainability progress to date and reflects the shared commitment of the board, management, and staff to advancing Keyera's ESG approach and performance.

## *Strategic business integration*

We believe strong governance, including oversight of ESG matters, advances corporate performance and the long-term interests of all stakeholders. Since Keyera's first ESG report was published in 2020, management and the board have worked collaboratively to integrate sustainability considerations into Keyera's strategy and core decision-making processes, including capital investment and enterprise risk management.

The board plays an active role in determining Keyera's ESG strategy and related performance objectives. This involves conducting regular assessments of potential ESG-related risks and opportunities, including the energy transition, which we believe will influence Keyera's long-term success.

Sustainability and the energy transition are integral components of our annual board strategy session, and include the analysis, external perspectives, and discussions that shape our plans to participate in a lower-carbon future. In 2021, the board approved new emissions reductions targets, aimed at reducing Keyera's GHG emissions by 25 percent by 2025 and 50 percent by 2035, on an intensity basis.

## *Importance of stakeholder engagement*

The board actively reviews and monitors the perspectives and feedback received from our many stakeholders and Indigenous Rights holders.

Now, more than ever, it is important that we understand the challenges and opportunities created for individuals, communities, and Indigenous Peoples impacted by Keyera's activities and operations. Enhancing internal capacity to be an effective and collaborative partner is a key priority for both Keyera and the board.

## *Progressive board structure*

In 2021, the board also approved significant structural changes to enhance our oversight and reinforce our history of strong corporate governance. These changes included the creation of a new Governance & Sustainability Committee, with a mandate focused on overseeing Keyera's ESG, corporate governance, and external relations matters.

As part of these changes, the board also approved a new Human Resources Committee, which assists the board by overseeing Keyera's human capital strategy, including executive compensation, executive succession, as well as diversity, equity, and inclusion efforts. The board also recently increased the proportion of female directors to 36 percent with the appointment of Isabelle Brassard in 2022.

## *Positioning for the future*

On behalf of the board, I encourage you to read through this report to learn more about our strong corporate governance, commitment to the health and well-being of people, positive social impact, and strong environmental stewardship. We are confident that Keyera's focus on ESG performance complements its strong financial discipline, which together will deliver responsible, long-term value for shareholders.



The board is proud of all Keyera has accomplished since starting its ESG journey, as well as its significant efforts this year, which have positioned Keyera for a successful future. We look forward to continuing to collaborate with the management team to ensure sustainability remains at the core of Keyera's strategy and day-to-day operations.

## **Jim Bertram**

Chairman of the Board of Directors



# Keyera at a glance

Energy is essential to improving quality of life in every corner of the globe. As one of Canada's largest independent midstream businesses, Keyera plays a crucial role in processing, transporting, and marketing clean-burning natural gas and natural gas liquids (NGLs) that fuel modern life. And we couldn't do it without our people. In 2021, we employed over 1,000 people at 20 facilities and offices located in Alberta, Oklahoma, and Texas. Our employees live our Values and Cultural Behaviours to help us connect energy for life every day.

## Purpose

Our commitment to providing safe and responsible essential energy infrastructure solutions



## 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 (TSR)

## Values

The foundation for how we execute our day-to-day work and engage with our customers and many stakeholders



Health, Safety, & Environment



Integrity & Trust



Responsibility & Accountability



Teamwork



Business Spirit

## Cultural Behaviours

The key behaviours that characterize our workplace culture



Character & Commitment



Listen, Learn, & Share



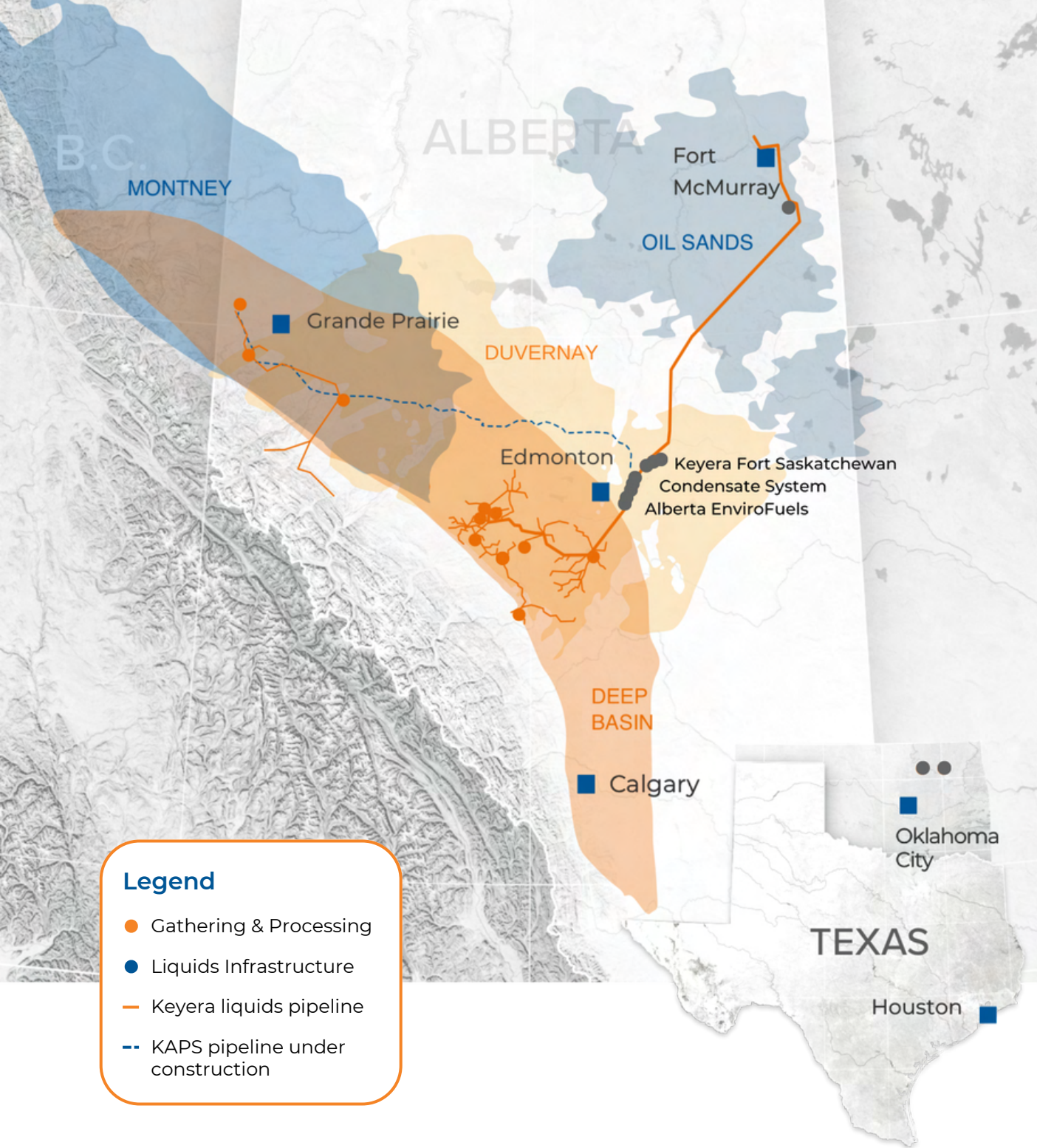
Questioning Attitude



Diligence



Engage & Care



## Our business

We operate an integrated Canadian-based energy infrastructure business with extensive interconnected assets and a depth of expertise in delivering energy solutions.

Our predominantly fee-for-service business consists of:

- natural gas gathering and processing,
- natural gas liquids processing, transportation, storage, and marketing,
- iso-octane production and sales; and
- an industry-leading condensate system in the Edmonton/Fort Saskatchewan area of Alberta.

We strive to provide high-quality, value-added services to our customers across North America. We are committed to doing so in a manner that is safe, ethical, and environmentally and financially responsible.





CORPORATE STRATEGY

# Steady, disciplined growth

Our purpose – *connecting energy for life* – expresses our commitment to providing safe and responsible energy infrastructure solutions today and well into the future.



## Corporate strategy

Since our inception, we have been committed to delivering responsible energy solutions and generating long-term value for our stakeholders. Our purpose – *connecting energy for life* – requires making advances towards a cleaner energy future. Our corporate strategy sets the course for our future and the priorities that will help us achieve our vision *to be the North American leader in delivering energy infrastructure solutions*.

We continue to focus on disciplined growth, while simultaneously preparing for a lower-carbon future. Our strategic priorities include maintaining financial discipline, enhancing competitiveness of our assets, strengthening our existing value chain, and demonstrating ESG leadership. Underpinning our strategy – and everything we do – is our laser-focus on the safety of our people, operations, and communities in which we operate.



Focus on financial discipline



Drive competitiveness of our assets



Strengthen our integrated value chain



Demonstrate ESG leadership

Underpinned by our focus on safety excellence







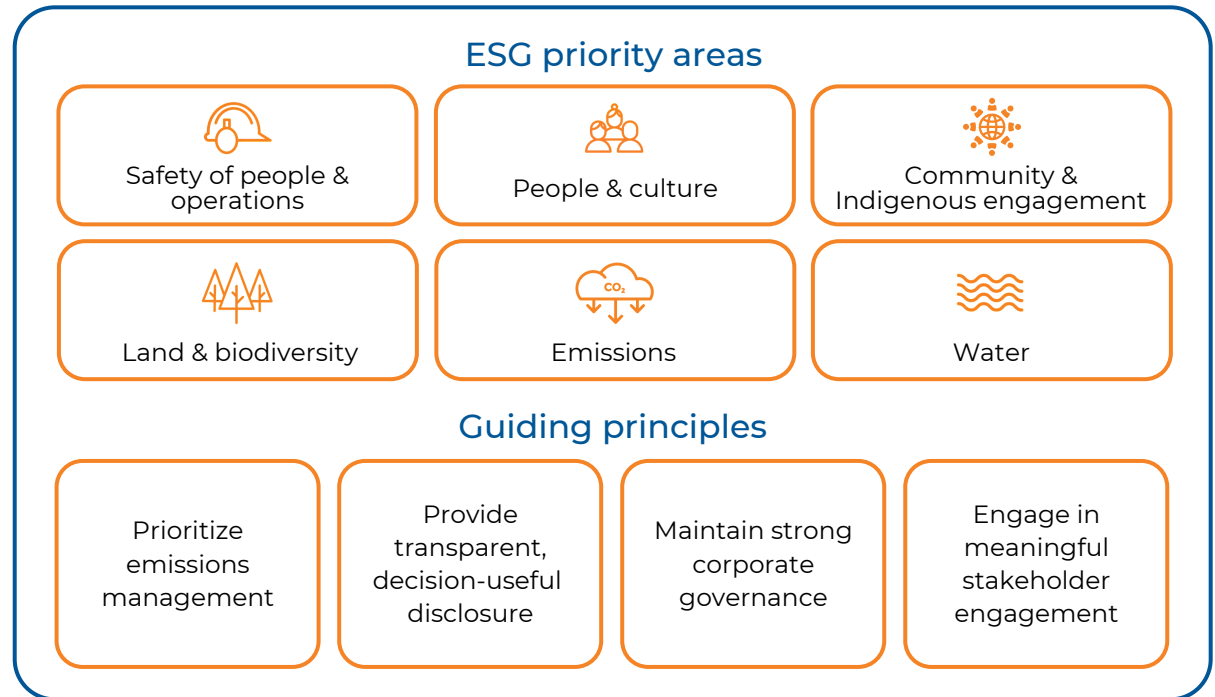
"Our approach has been to establish a solid foundation and take thoughtful, decisive action in the areas that have potential to be most important to our business and stakeholders."

### Nancy Brennan

Senior Vice President of Sustainability, External Affairs, & General Counsel

## ESG leadership

Identifying and managing sustainability-related risks and opportunities not only drives strong ESG performance – it enhances the efficiency and long-term resiliency of our business. In 2020, we completed a comprehensive materiality assessment, resulting in the identification of six ESG priority areas. We also worked with our board to formalize foundational principles intended to guide how we approach demonstrating ESG leadership going forward.



Since releasing our inaugural ESG Report in 2020, we have made meaningful strides to integrate sustainability – including climate and emissions considerations – into our corporate strategy, operational practices, corporate governance, project delivery process, and core decision-making processes, including our capital investment and enterprise risk management programs.

We are confident that this strong foundation – combined with our intentional and collaborative approach – positions Keyera to proactively identify the opportunities and challenges ahead, while meeting the evolving needs and expectations of our stakeholders.

## Energy transition approach

Our [2021 Climate Report](#) describes our energy transition approach, as well as our GHG emissions reduction targets. We are taking a parallel path approach to the energy transition. First, to meet the growing demand for reliable and clean energy, we continue to modernize and enhance the efficiency of our base business. This includes taking action to optimize our existing facilities, establishing robust emission targets, and evaluating new technologies to enhance operational efficiency and lower emissions.

At the same time, we are taking proactive steps to adapt and expand our service offerings for a lower-carbon future. This includes advancing completion of our KAPS pipeline, as well as evaluating and pursuing opportunities for carbon capture, utilization, and storage (CCUS), low-carbon fuels, and hydrogen. We have also entered into strategic relationships with industry partners to accelerate our readiness to participate in the energy transition. Critical to our success is that we continue to do what we do best – listening and fulfilling the needs of our customers and stakeholders.

### Our energy transition strategy

#### Decarbonizing base operations **TODAY**

We will continue to reduce emissions from our base operations by optimizing our assets, investing in technology, supporting renewables, and increasing the use of CCUS in our operations.

#### Pursuing energy transition opportunities **FOR TOMORROW**

We are also exploring future-forward solutions, low-carbon service opportunities, and new business models that leverage our existing asset base, core competencies, and strong customer relationships.

#### GHG targets

We have committed to reducing our scope 1 and 2 GHG intensity (from a 2019 baseline) by:



**25%** by 2025

**50%** by 2035



"Keyera is well-positioned to leverage our existing assets to create a strong energy transition business and we are focused on ensuring those opportunities deliver high-quality, sustainable returns."

**Eileen Marikar**

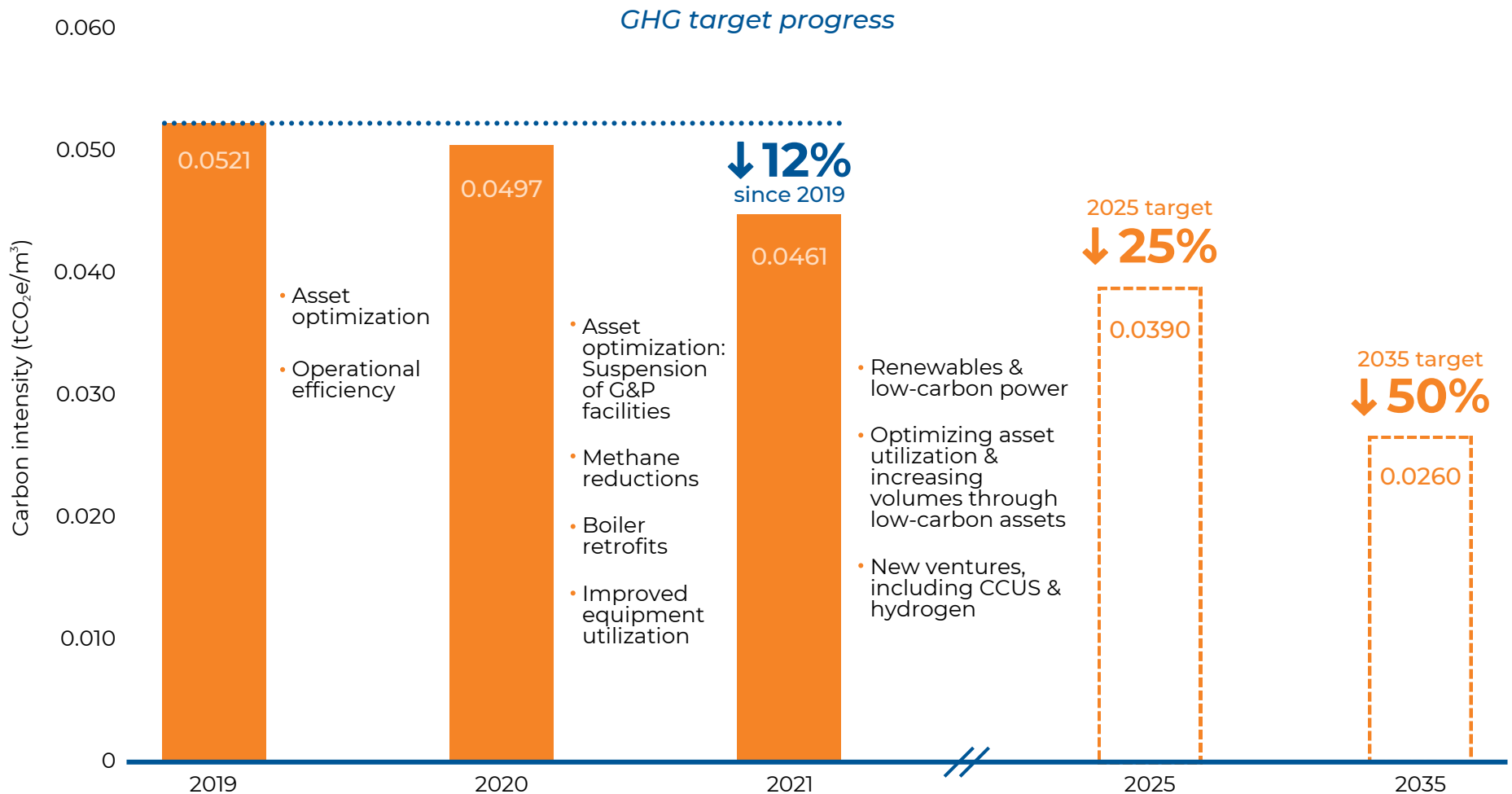
Senior Vice President & Chief Financial Officer



## Our progress: GHG targets

In 2021, we announced near and long-term targets to reduce our GHG emissions intensity 25 percent by 2025 and 50 percent by 2035. We have already made meaningful progress on those commitments. By the end of 2021, we reduced our emissions intensity by approximately 12 percent from our 2019 baseline year. This progress was driven by:

- completion of targeted optimization efforts in our Gathering & Processing (G&P) business to consolidate certain assets and redirect gas throughput to more efficient facilities,
- investments in operational and emissions efficiencies to reduce fuel usage across our facilities, such as retrofitting boilers and optimizing utilization of equipment; and
- enhanced utilization of our assets due to an increase in gas processing volumes.



## Our progress: Decarbonizing our base operations

We also took meaningful steps in 2021 to support the decarbonization of our operations and achievement of our 2025 GHG emissions reduction target. These advances include the creation of multi-disciplinary teams to support innovation and emissions reduction initiatives across our company, as well as leveraging relationships with technology providers to identify and evaluate low-carbon opportunities and solutions.



### *Pursuing operational efficiency & employing technology*

We are currently piloting new technology to improve how we identify and repair methane and other gas leaks in our operations. This technology uses calibrated sensors and artificial intelligence to monitor and alert Keyera of leaks as soon as they occur, allowing us to respond faster.



### *Optimizing utilization of our facilities*

In 2021, we completed a targeted optimization of our G&P assets, which involved consolidating five existing facilities and redirecting their gas volumes to more efficient facilities. These efforts enhanced utilization of remaining facilities by 50 to 65 percent, lowered per unit operating costs, and reduced our absolute emissions by 13 percent.



### *Supporting renewable energy*

In 2020, we entered into a solar power purchase agreement to source approximately 10 percent of our power needs from a new 25-megawatt solar generation facility. We will start sourcing solar power following completion of the facility, anticipated in Q1 of 2023.



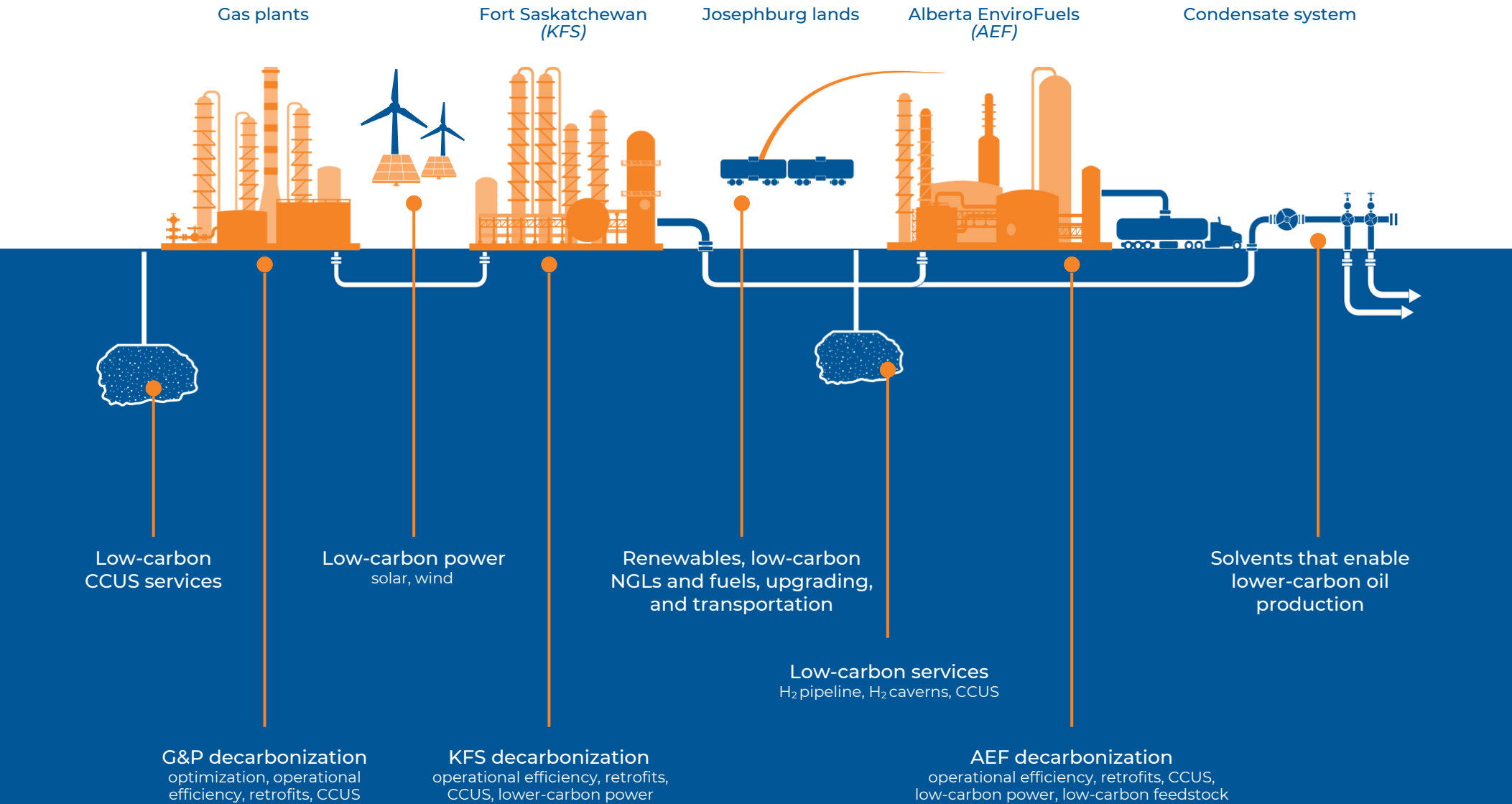
### *Exploring carbon capture, utilization, & storage (CCUS)*

With our longstanding experience in acid gas injection (currently employed at six of our G&P facilities), we have the expertise and infrastructure to capitalize on CCUS opportunities. We continue to evaluate further use of CCUS so we are prepared to execute once these opportunities become economically viable.



# Our progress: Energy transition opportunities

In parallel with efforts to decarbonize our base business, we are also exploring new low-carbon services that would leverage our current asset base and support customers in reducing their emissions. The image below depicts examples of energy transition opportunities currently being explored across our value chain. These include CCUS, lower-carbon fuels and associated transportation, solvents that improve production efficiency, and hydrogen (H<sub>2</sub>) services and transportation.



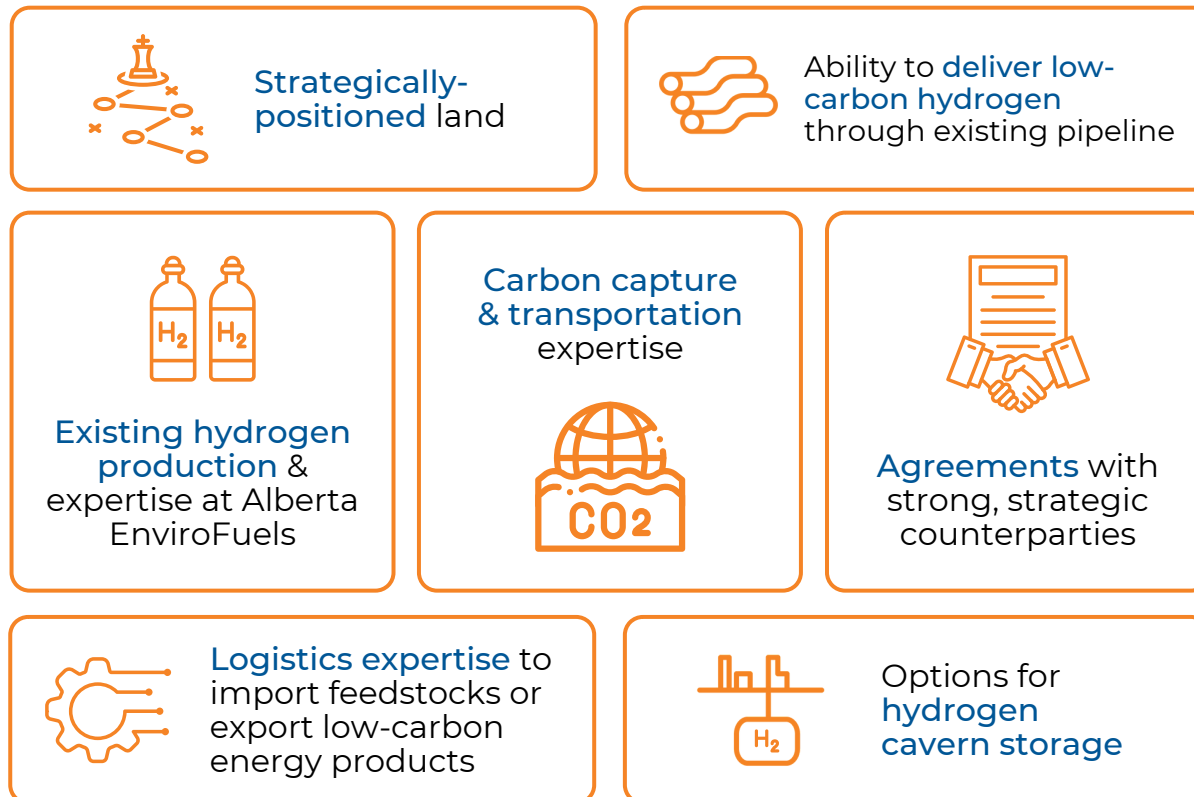
## Low-carbon hub strategy

Alberta's Industrial Heartland has the potential to become a low-carbon energy hub, and Keyera has high-quality existing assets, development lands, and technical expertise to support our industry's lower-carbon future.

We've already seen growth in demand in the Industrial Heartland with Alberta refiners and manufacturers announcing plans to produce low-carbon products. A low-carbon hub in Alberta would require low-carbon feedstock, pipelines, rail and truck logistics, and storage. As demand for low-carbon products materialize, our core assets and expertise have the potential to create a long runway of opportunities.

### Capabilities of a low-carbon hub

Our vision for a low-carbon hub would allow us to reduce our own emissions, but more importantly, provide cost-competitive decarbonization services to our customers. Our capabilities within the Heartland include:



"Our vision for a low-carbon hub not only provides services to our customers, it also allows us to decarbonize our own assets in the Heartland."

**Jamie Urquhart**

Senior Vice President & Chief Commercial Officer





A portion of our Josephburg lands

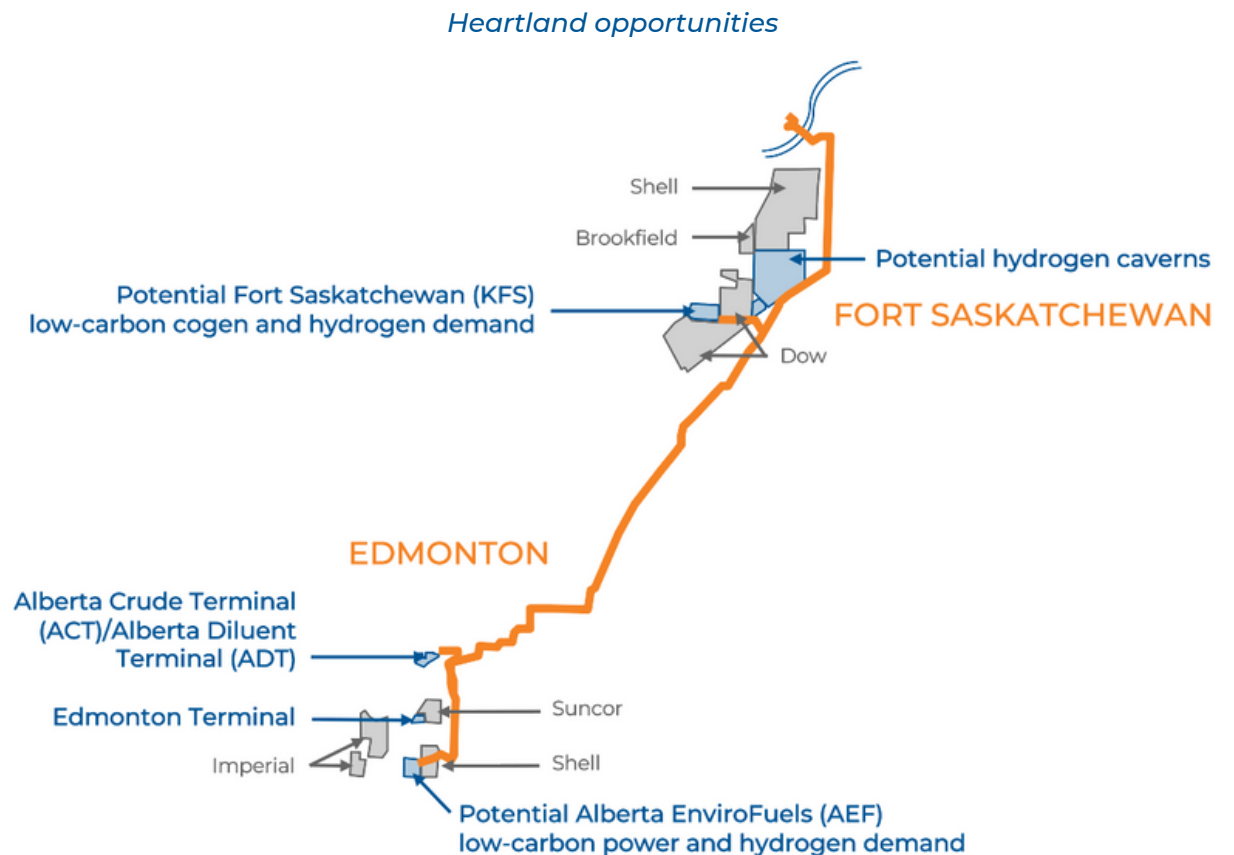
## Strategic collaboration with Shell

In March 2022, Keyera and Shell signed a memorandum of understanding to collaborate on low-carbon projects in Alberta's Industrial Heartland. Such collaboration could include exploring opportunities to build an open-access gathering and distribution network to transport captured carbon dioxide from Keyera and other operations in the region to Shell's proposed Atlas carbon capture and storage facility (previous called Polaris). Keyera is also exploring opportunities to leverage existing infrastructure to transport hydrogen to support future manufacturing and distribution initiatives within the region. The benefit of doing so could enable Keyera and industry to decarbonize their respective operations in the region.

### Opportunities for our Josephburg lands

Our Josephburg lands, located in Alberta's Industrial Heartland, are uniquely positioned to support future cost-competitive energy midstream opportunities. This year, we [signed an MoU with CN](#) that looks at the opportunity to create a specialized clean energy terminal designed to transport conventional and clean energy from multiple sources, while helping develop Canada's green energy future. Some of the key attributes enabling this opportunity include:

- A large number of existing industry pipelines that run either adjacent or through our lands
- Development lands that could provide access to carbon dioxide transportation and storage
- Low-carbon hydrogen manufacturing that could be enabled on our lands or in close proximity
- Access to railroads that could ensure our customers have ready access to high-value markets for low-carbon energy products





GOVERNANCE

# Strong board oversight

Long-term business resiliency begins with strong corporate governance. We are proud to have a long history of sound corporate governance, as well as active and collaborative engagement from our board throughout our ESG journey.

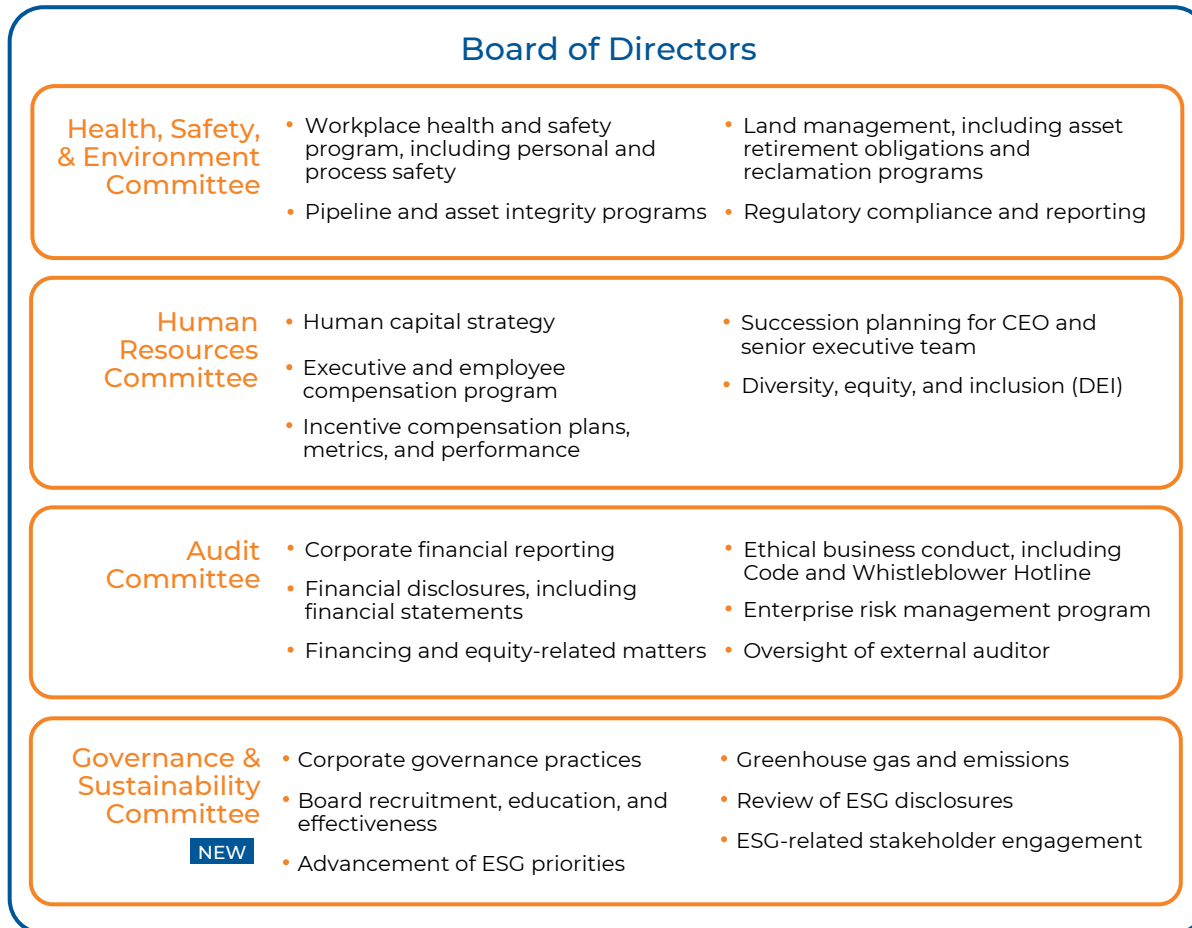


## Board governance

Our [Board of Directors](#) is responsible for overseeing our strategy, financial affairs, and enterprise risk management. The board also approves our approach to corporate governance and ensures we have policies and controls in place to promote principled, ethical business conduct.

Structured oversight of material ESG-related risks and opportunities is integral to long-term corporate resilience and, as such, the board regularly monitors our approach to sustainability. In 2021, to enhance oversight of ESG matters, the board approved the creation of a new Governance & Sustainability Committee.

To support ESG oversight, the board is assisted by four standing committees:



"Diverse perspectives and experiences, deep expertise, and a longstanding commitment to leading governance practices allow Keyera to continuously deliver responsible growth and long-term shareholder value."

**Doug Haughey**

*Independent Lead Director*



## Board oversight

The board is responsible for ensuring it has the diversity of thought, collective expertise, and independent judgement required to steward the organization effectively. Each year, the board evaluates its composition and effectiveness, and the board's approach is set out in its renewal guidelines and policy.

### Independence\*

Each of our directors (with the exception of our CEO) are independent. Each committee chair is independent and all committee members are independent directors.



### Diversity\*

When evaluating potential director candidates, the board considers characteristics such as gender, professional experience, age, ethnicity, and geographic representation.



### Expertise

To assess our current board composition and prospective director candidates, the board uses a matrix that includes skills and industry experience.

### Tenure\*

The current average tenure for our independent directors is six years, reflecting our commitment to ongoing renewal and ensuring diverse and fresh perspectives are maintained among our board.



\*As of June 2022

## Pay for performance

A core element of strong corporate governance is ensuring our executive pay practices align with the interests of our shareholders. In 2021, annual compensation for our CEO was comprised of 85 percent performance-based elements. For our remaining executives, annual compensation in 2021 was, on average, 68 percent performance-based.

These elements consist of board-approved performance metrics, including distributable cash flow per share (DCF) and relative total shareholder return (for long-term incentive grants). For annual incentive (bonus) awards, the board has approved a performance scorecard, comprised of targets based on DCF and key safety, operational, and environmental performance, including emissions reduction metrics.







## Looking forward

- Continued focus of our board and the Governance & Sustainability Committee to oversee issues, policies, practices, and performance on ESG priority areas
- Maintain oversight of executive compensation to ensure alignment with shareholder interests
- Regularly review composition of the board with consideration to diversity, skills, and experience that reflect the needs of our business

KEYERA



# Culture of integrity

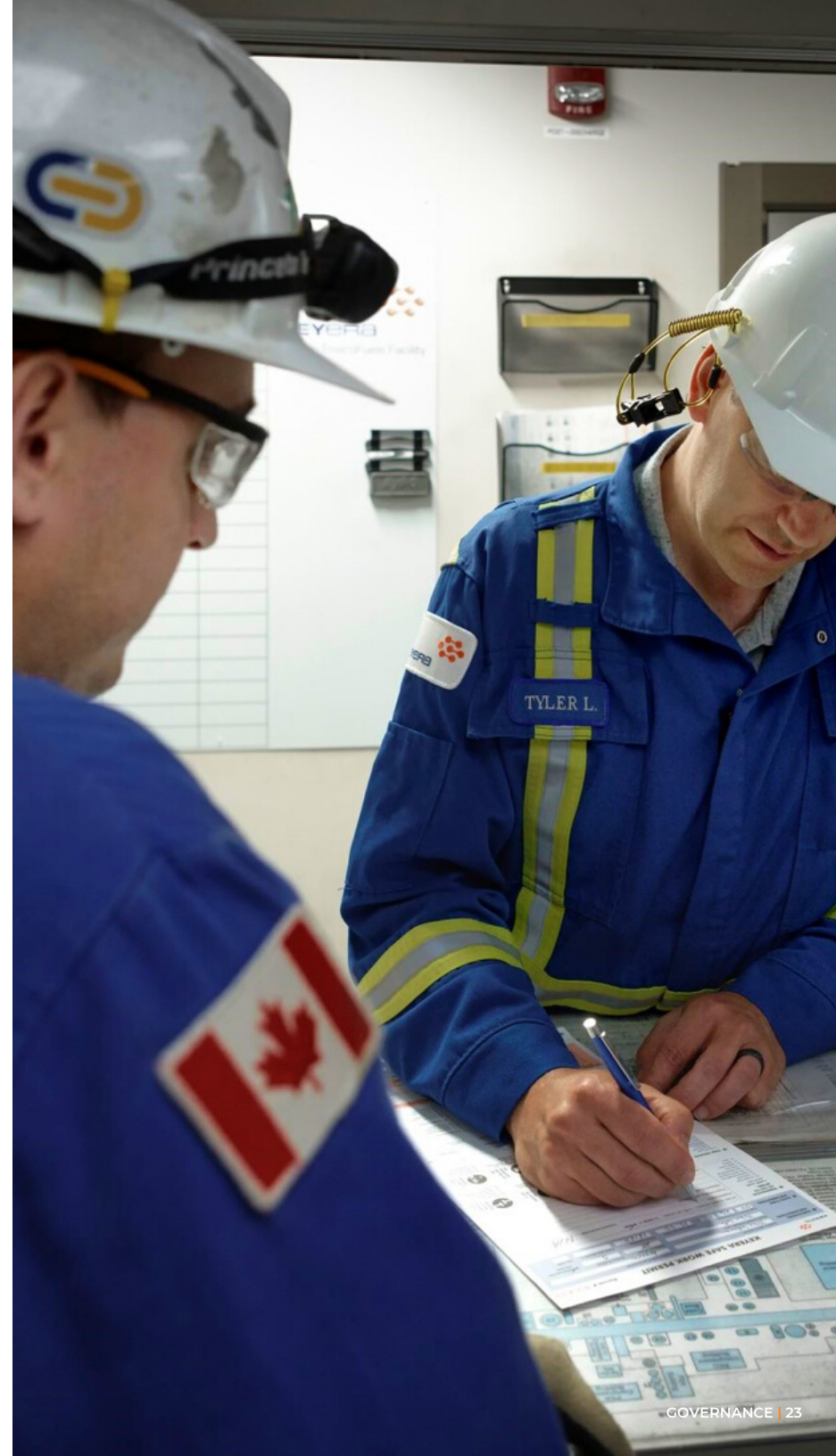
Strong business ethics are at the core of our business.

Our vision of what it means to be a responsible Canadian energy infrastructure company is based on having the highest ethical standards. Our values – including *Integrity & Trust* – guide our decision making and how we treat others

Ethical business conduct is also reinforced through board-approved policies and related organizational controls:

- **Board oversight:** The board is accountable for ensuring we have the proper policies and mechanisms in place to encourage and ensure ethical business conduct. Oversight of the Business Code of Conduct, including complaints, investigations, and reports to our Whistleblower Hotline, is provided by the Audit Committee and reported to the board.
- **Business Code of Conduct:** Our [Business Code of Conduct](#) defines expectations in respect of ethical business conduct, legal, and regulatory compliance for all directors, officers, employees, and contractors. Our Code is also shared with our suppliers.
- **Whistleblower Hotline:** Reports of wrongdoing can be made to any leader, our Senior Vice President & General Counsel, the Human Resources or Legal team, or anonymously through our [Whistleblower Hotline](#). The Hotline is anonymous and administered by an external provider.
- **Accountability Model:** We apply a formal cross-organizational framework to support a culture of responsibility and implementation of fair, just, and consistent processes.
- **Training & reinforcement:** A review of the Code and reporting mechanisms is part of every new hire orientation. Directors, officers, employees, and contingent workers are expected to review and confirm their understanding of these policies.

'*Doing the right thing for the right reasons*' is part of our culture and the way we work at Keyera. And as an organization, we make meaningful efforts to maintain this culture and commitment. We are actively evolving our formal process, but even more importantly, we continue to reinforce a culture that values integrity, respect, and treating one another with care.







**SOCIAL**

## Safety of people & operations

Safety is our core value – it underpins our strategy and everything we do. Nothing is more important than the safety of our people and communities.



"We believe safety is a value, not just a priority. We're committed to the guiding philosophy that 'Because of me, no one ever gets hurt at a Keyera workplace.'"

### Joanna Williams

General Manager of Safety & Operational Excellence

# It all starts with safety

Our vision is to be **#1 in Safety Performance** in our industry, because everyone has someone who cares that they make it home safe. It is this simple, yet powerful, fact that drives our commitment to safety.

To enhance internal cultural alignment, in 2021, we restructured senior executive accountabilities to move safety oversight from the Chief Operating Officer to the Senior Vice President of Safety, People, & Technology. To increase our focus on visible safety leadership, we also created new safety roles, including a General Manager of Safety & Operational Excellence and a dedicated process safety team.

## Priorities guiding our safety journey

To help advance safety at Keyera, we have identified the following four safety priority areas. These priorities were informed by incident reviews, Operational Excellence audits, employee engagement, and extensive industry research.



### Visible safety leadership

Our leaders are accountable to engage with frontline workers and champion safety.



### Critical task excellence

Procedures for critical tasks are clearly defined and diligently applied.



### Enhanced accountability

Everyone at Keyera understands their accountabilities, including taking personal ownership for safety.



### Prescribing safety expectations

Safety roles, responsibilities, and expectations are explicitly mandated to reduce risk and prevent incidents.



## Our approach

### Operational Excellence

Safety is embedded into the day-to-day work and management of our operations through use of an Operational Excellence Management System (OEMS). The OEMS is a comprehensive framework that proactively identifies and mitigates risks through a systematic approach to continuous improvement. It ensures procedures for safe operating practices, hazard assessments, document control, and maintenance protocols are consistently applied. To ensure we effectively manage risk at each stage of project development, our OEMS has been integrated into our project delivery system, with an enhanced focus on process safety.

### Contractor safety

We use ISNetworld to prequalify onsite contractors, verifying workplace safety, environmental, and ethics programs and performance. To ensure consistency with our safety standards, confirmation of these capabilities – as well as a contractor's past performance – are included in supplier selection and monitored by Keyera on an ongoing basis. We also conduct onsite contractor training.

### Integrity & reliability management (IRM)

Protection of our people, community, and assets starts with reliable pipelines and facilities. Our IRM systems provide comprehensive frameworks to proactively identify risks, monitor our assets, and ensure consistent maintenance practices are observed across our operations.

These systems and corresponding integrity management plans are regularly audited by third parties and regulators. Our integrity program includes:

- Regular, priority-based in-line inspections and surveys
- 24-hour monitoring of our pipelines
- Geohazard risk monitoring program that tracks ground, slope, and high-water disturbances in real time
- Water crossings and slope inspections for pipelines
- Application of chemicals, coatings, and cathodic protection to prevent corrosion
- Comprehensive programs for assessing, prioritizing, and completing system repairs
- Detailed maintenance and turnaround plans



We achieved  
**98.6%**  
average reliability  
of our gas plants  
in 2021



## Emergency preparedness

Our integrity management system is designed to proactively prevent emergencies, but in the unlikely event of an incident, we're prepared to respond quickly and effectively. Key highlights of our emergency preparedness program include:

- A corporate emergency response plan (ERP) supported by a Corporate Advisory Team and Field Emergency Coordination Hubs. We also have two Emergency Response teams specifically trained to respond to transportation events or releases to a water body
- Site-specific ERPs at all facilities, which are updated annually and include a full risk assessment every two years
- Public consultation to understand community-specific risks
- Engagement and partnerships with local and regional emergency services and agencies
- Robust training and practice programs, including regular tabletop exercises and full-scale drills
- Specific communications protocols and emergency alert system

## Prioritizing process safety

Equally important to personal safety is process safety. Process safety focuses on preventing releases of hazardous material or energy that could result in significant harm to people and the environment. Excellence in process safety is achieved by applying good design, engineering, and operating and maintenance practices.

In 2021, to enhance our focus on process safety, we established a dedicated team and developed a specific process safety management strategy. This team works with our business units and project teams to anticipate, manage, and control hazards. They emphasize the importance of creating and monitoring barriers and controls that prevent incidents from occurring.

### Small signals lead to big improvements

Part of our process safety focus involves closely evaluating minor events, known as small signals. By identifying causes and trends from minor incidents, we can identify failed barriers and controls that can be proactively addressed.

For example, piping failures around connections and valves often present a common equipment-related small signal. We shared this information broadly across our operating, integrity, and engineering teams, and in response they established corrosion circuit systems and are putting an increased focus on piping within our integrity management system.







## CEO Safety Award

In 2021, we launched our inaugural CEO Safety Award program to recognize outstanding efforts of individuals or teams who are improving or sustaining Keyera's culture of safety. Nominations were made across the organization for two award categories: 1) Demonstrating Health & Safety Leadership and 2) Proactively Managing Health & Safety Risks.

Pictured above is Henrietta, our Occupational Health Advisor and the winner of the first award. She was recognized for going above and beyond in her role in our COVID-19 response. The second award was given to a team at our Wapiti gas plant for demonstrating visible safety leadership and enhancing safety culture and performance at the facility.

## Training & organizational learning

We are a continuous learning organization and work to actively share knowledge across the company to help identify risks and eliminate potential incidents. Examples include:

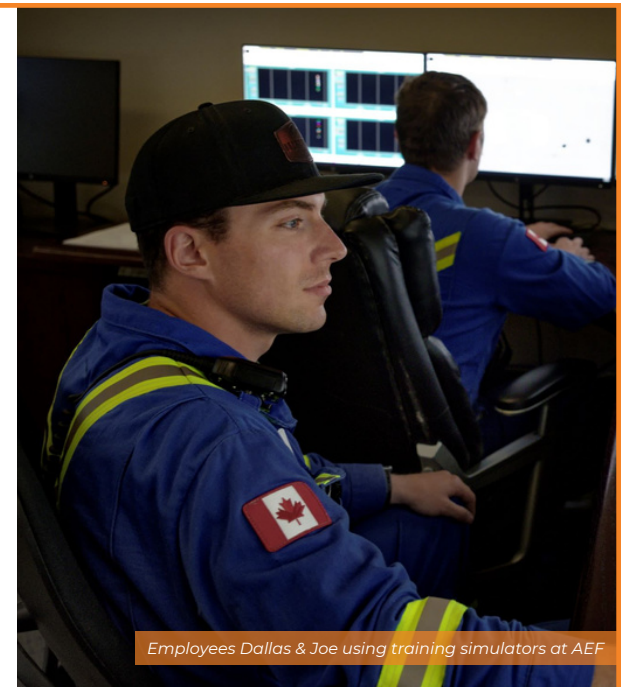
- Ongoing training and drills for field personnel, including emergency and spill response
- Monthly executive review of incidents and lessons learned
- Leader-specific training to promote safety and accountability
- Onsite training and orientation for contractors
- Regular organizational learning opportunities, including in annual company-wide Safety Symposium, lessons learned sessions, and safety bulletins
- Process to monitor and share leading and lagging safety indicator performance and lessons learned
- Industry-leading Competency Management & Development System (CMDs) that supports safety within our existing operations, as well as the safety of industry peers and customers

We also have a Health, Safety, & Environment policy, which sets the expectation that everyone – including employees, directors, and contractors – shares in the responsibility to work safely.

### Simulators aren't just for flight training!

Our team at Alberta EnviroFuels (AEF) is using simulator technology to improve safety at the facility.

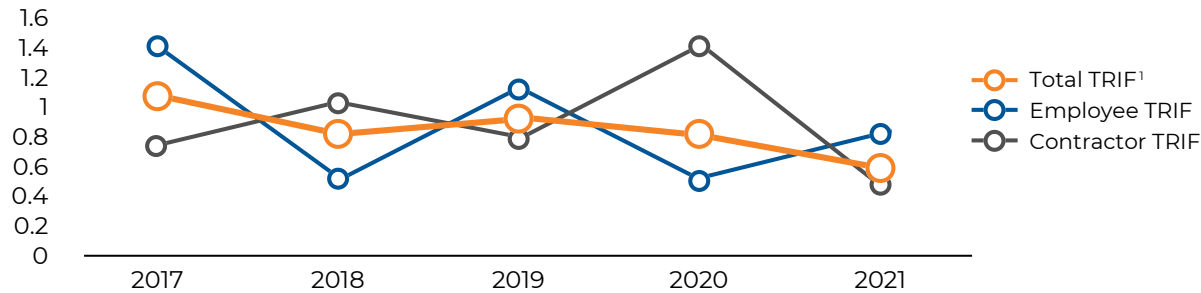
The technology was intended to train employees and simulate emergency shutdown scenarios. But the team soon learned they could use the simulator to perform test runs before doing any facility work. The test runs eliminate the majority of risks involved with actually implementing changes, giving teams a clear idea of what could happen in a real-world scenario. The simulator has also helped refine operating, startup, and shutdown procedures.



Employees Dallas & Joe using training simulators at AEF

# Our performance

## Total recordable injury frequency (TRIF)

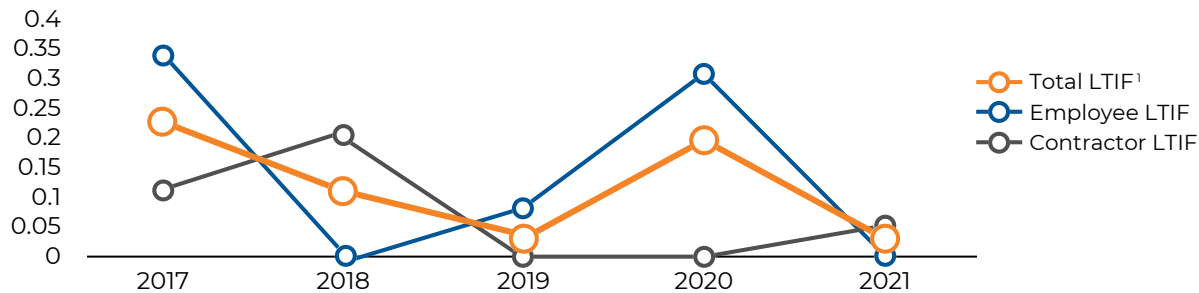


We have experienced variability in our performance over the last five years. However, there has been a positive downward safety trend with an 84 percent reduction in TRIF from 2017 to 2021. Our contractor TRIF improved from 2020 to 2021, supported by enhancements to our supplier prequalification process.

Our most common recordable injuries are caused from ground-level slips, generally resulting in minor ankle or knee twists. To address this, we have increased preventative site maintenance activities and prescribed use of traction aids.

We continue to implement work processes, focus on visible safety leadership, and track trends to reduce recordable injuries.

## Lost-time injury frequency (LTIF)



LTIF remains low compared to industry averages.<sup>2</sup>

We achieved a LTIF of **0.00** for employees in 2021

<sup>1</sup> Calculated by number of injuries x 200,000 / total exposure hours.

<sup>2</sup> Industry averages determined through our participation in the Alberta Government's [Partnerships in Injury Reduction](#), which shows we outperformed industry averages in most categories.



Josephburg pipeline, taken by our Mechanical Coordinator, Les Colbe





## Looking forward

- Continue to advance our four safety priority areas
- Continue to develop our leaders and provide them with tools to support safety on their teams and drive the Cultural Behaviours required for safety excellence
- Reinforce continuous improvement by expanding how we track, analyze, share, and act on trends and root causes







SOCIAL

## People & culture

Our success starts and ends with our people. They have diverse experiences, perspectives, and share a passion for innovation and collaboration that powers everything we do.



## Our approach

Our people and culture allow us to deliver on our strategy. That's why we put our employees first, aiming to create a culture where we all feel engaged to deliver on Keyera's purpose. We are deliberate about sustaining a workplace that attracts and retains talented people and where employee development grows in line with the opportunities of our business.

Our renewed workforce strategy will help us deliver on our organizational objectives, manage risk, and capture opportunities. As part of this strategy, we are identifying critical roles required to meet current and future needs of our business. This includes identifying roles required to support a culture of innovation at Keyera and to build our internal capacity to support the energy transition.

### *Talent attraction*

As our business grows and the industry evolves, attracting the right talent is a major focus for us. Who we bring into Keyera is critical for broadening and strengthening our workforce. We look to attract diverse candidates in terms of skills, perspectives, and backgrounds.

### *Talent development*

It's not just about attracting top talent – we also provide development opportunities for current employees. By providing opportunities, we help our people take ownership of their career growth while also meeting the needs of our business. We invest in employee development through internal courses, leadership training, and professional development opportunities.

### *Talent engagement*

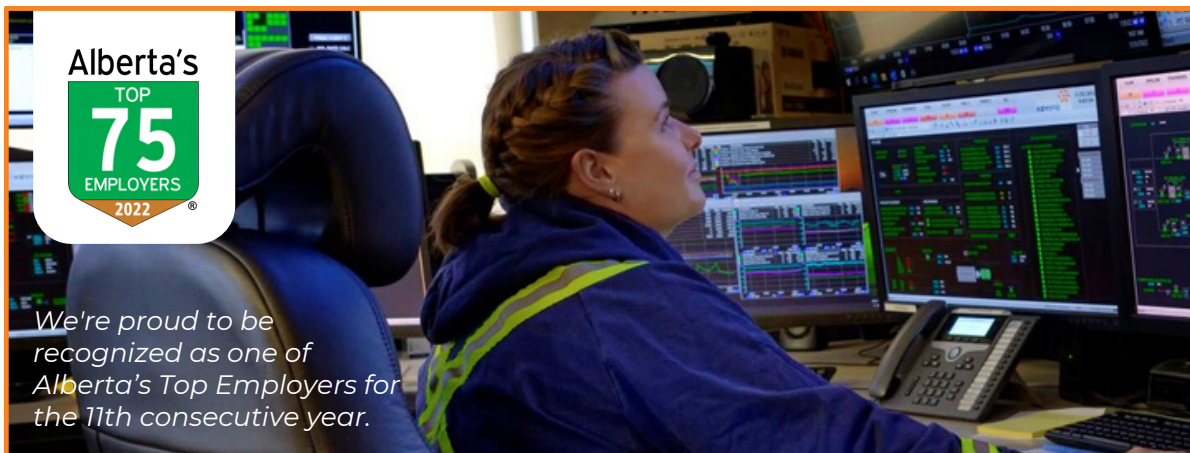
At Keyera, engagement means providing employees with meaningful work, supporting their health and work-life balance, and creating a culture where they feel valued and respected. It also means listening. By listening to our employees, we are better able to respond to their needs and identify ways to improve our business.



"Our workforce strategy is centered around people. By focusing on employee development and experience, we nurture great ideas, attract and retain the best talent, and together achieve our strategic objectives."

### **Desiree Crawford**

*Senior Vice President of Safety, People, & Technology*





Two of our 2022 New Grads, Lee & Joanne

## New Grad Program

We have expanded our student, engineer-in-training, and New Grad Program, with a focus on recruiting and building diverse talent for entry positions. Under our New Grad Program, launched in 2022, new graduates work 12 to 16-month rotations in three to four different roles related to their educational backgrounds.

The program gives new grads the opportunity to bring their careers to life with valuable work experience across different areas of our business. Upon completion, the intent is to offer them a full-time position.



In 2022,  
**over 50%**  
of our new grads  
were female

## Our Cultural Behaviours



### Culture

Our culture guides how we treat one another and drives employee engagement. Given the importance of culture to the success of our business, we've embedded our Cultural Behaviours into business processes, including:

- Recruitment practices
- New-hire onboarding procedures
- Employee performance evaluations and our short-term incentive program
- Operational Excellence standards
- Leadership development courses and annual leadership conference
- Lessons learned analyses

### Benefits

We have a competitive benefits and savings program that provides employees with flexibility to adjust benefits to meet their individual needs, including for use towards health and fitness. We also offer flexible working hours, alternative work options (including shortened and compressed work weeks), and flex days, as well as short and long-term leave options for education, family, or personal reasons.

Employees receive two paid days each year to volunteer and support the causes that are most important to them. During our annual United Way campaign, employees are offered volunteer opportunities and employee donation matching.

### Piloting virtual work

At the onset of the COVID-19 pandemic, we took immediate action to protect our employees and contractors, including adopting work from home capabilities. As the pandemic evolved, we continued to engage with employees to understand their personal and work-related needs. One of the outcomes of this engagement was the development of a Virtual Work Pilot Program, wherein eligible employees receive 52 virtual work days per year to do their work from any location they choose. The program's goal is to provide flexibility and support work-life balance.



## Diversity, Equity, & Inclusion (DEI)

We're committed to diversity, equity, and inclusion at Keyera. We strive to create a workplace where people feel respected and that their opinions are valued, because we know diverse perspectives and experiences contribute to creative thinking and help Keyera make better decisions. Our DEI program is guided by four pillars: *Leadership*, *Awareness*, *Talent*, and *Measurement*.

We are an equal opportunity employer and have a policy in place to prevent discrimination. We continue to develop internal practices to recognize and avoid unconscious bias and promote inclusivity.

Employees are encouraged to engage in the DEI discussion, which is why we've formed a DEI Employee Resource Group (ERG). This group consists of employees from various levels and locations across the company and acts as a sounding board as we advance the four pillars of our DEI program.

Our progress in each of these pillars includes:



### Leadership

*Develop an inclusive mindset*

- Providing third-party training by science-backed behavioural training company, MindGym, to teach leaders about unconscious bias and building an inclusive workplace
- Added 'inclusion' as a leadership competency in our annual development reviews



### Talent

*Attract, develop, & engage diverse talent*

- Targeting underrepresented groups through diverse job board postings, for example, posting directly with Indigenous communities
- Participating in network events designed for underrepresented groups, such as women and Indigenous Peoples



### Awareness

*Foster organizational awareness*

- Established a DEI ERG awareness campaign where members share personal stories and experiences
- Included a DEI section within our employee engagement survey
- Introduced Indigenous awareness training for employees and contractors



### Measurement

*Actively measure & focus on continuous improvement*

- Conducting gender distribution and pay equity analyses
- Using data to inform our recruitment and succession planning



"Keyera is a welcoming and accepting place – I haven't felt the need to hide who I am. The personal benefits of being out at work include reduced stress, more authentic relationships with coworkers, and increased job satisfaction."

**Jen Graham Grier**

*Human Resources Advisor*

# Our performance

## Gender diversity

Male / Female

### Executives



### Leaders



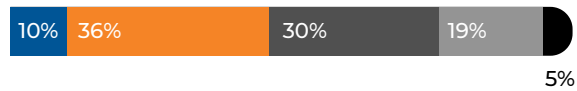
### Employees



In 2022, we achieved **gender parity** on our senior executive team

## Age diversity

Less than 30 / 30 to 40 / 40 to 50 / 50 to 60 / 60+



## Improving how we track diversity

In the coming year, we are expanding our HR system to introduce optional, anonymous self-disclosure that allows us to collect relevant information such as Indigenous identification, ethnicity, disabilities, gender, and LGBTQ+ identity, for both job applicants and employees. By tracking this information, we will be able to better assess our diversity performance as we advance our DEI program, talent development, and recruitment efforts.







## Looking forward

- Continue to develop our workforce strategy with a focus on planning talent needs, attracting diverse talent, and supporting current employees in their career development
- Refresh how we engage with our employees
- Continue to advance our DEI program







SOCIAL

# Community & Indigenous engagement

Strong relationships are built on trust, understanding, and respect. It is only by listening, learning, and sharing that we can have meaningful dialogue and create mutually beneficial opportunities.

Employees volunteering at Camp Yogi for a full day of onsite maintenance to show gratitude to the community of Anzac for their support during our South Cheecham expansion project



## Our approach

Our approach to Indigenous and community engagement is grounded in our core values of *Integrity & Trust*, and *Responsibility & Accountability*. We seek to understand the perspectives of local and Indigenous communities and find opportunities to contribute to their overall health and economic success.

Our engagement with local communities is centered around three key pillars:

- 1 Promote **meaningful dialogue and engagement**
- 2 Enhance **economic and social well-being**
- 3 Invest in communities to **build capacity and resilience**

### *Meaningful dialogue & engagement*

We are committed to engaging with communities early and throughout the life of a project. We take a 'listening first' approach to understand local needs. For every project, we create formal engagement plans that guide how we communicate, engage, address interests, and deliver on our commitments. Our grievance procedures outline how we address and work to resolve concerns.

Although COVID-19 limited our ability to engage in-person with communities in 2020 and 2021, through virtual engagement we were able to maintain connections, ensure ongoing dialogue and support communities through the various challenges of the pandemic.

When we were able to return to face-to-face, we participated in many community-led initiatives, such as local supply chain forums, community meetings, and local industry association discussions.

### *Indigenous engagement*

We are committed to supporting Indigenous Peoples and building long-term, mutually beneficial relationships. We do so by respecting Indigenous culture and lands, helping support capacity within communities, and exploring opportunities with Indigenous businesses.

Our efforts are guided by the following principles:

- **Seek to understand** the unique history, traditions, culture, and perspectives of the Indigenous communities we interact with
- **Actively listen and learn** to enable transparent, open dialogue, and facilitate timely and meaningful consultation
- **Collaboratively support opportunities** to encourage positive outcomes within Indigenous communities, including training, employment, and business

As we move forward, we will focus on building strong relationships based on shared values and maximizing Indigenous participation in our business operations, new ventures, subcontracting, and social investment.



"So much can be learned just by listening. Our approach is to listen first to truly understand the distinct needs of communities and Indigenous Rights holders. By engaging early and often, we can develop mutually beneficial long-term relationships."

### **Alyssa Haunholter**

*General Manager of External Relations*



"I'm grateful Keyera offers Indigenous Awareness training to employees – it was exceptionally well done. As Canadians, many of us know very little about the rich cultures and histories of Indigenous Peoples, so it's important that we all take these opportunities to listen and learn."

**John Parfett**  
Plant Director

## Our journey towards Reconciliation

The work of the Truth and Reconciliation Commission of Canada shone a light on the harm done to Indigenous Peoples in Canada, challenged preconceived beliefs, and opened a path to healing through their 94 Calls to Action. All Canadians have a role to play in these efforts, and we have started exploring how Keyera can meaningfully contribute to the advancement of Indigenous inclusion and Reconciliation.

**To ensure we act respectfully and thoughtfully, we are building a Reconciliation Action Plan with the help of external practitioners and input from Indigenous advisors.**

Our process includes internal reflection circles, knowledge-building sessions, and a review of our practices. We are excited about where this journey will take us and how it will deepen our commitment to support and collaborate with First Nations and Métis communities.

Some early activities include:



**Indigenous awareness training:** We introduced Indigenous awareness training curated by an Indigenous consultant to help employees and contractors develop their understanding of Indigenous history and perspectives.



**Social investment in Indigenous Reconciliation:** We redesigned our social investment program to include Indigenous Reconciliation as one of its three pillars.



**Working with Indigenous owned or affiliated businesses:** We significantly increased work with Indigenous-owned or affiliated business.



*Our CEO, Dean Setoguchi, with members of the Willow Lake Métis Nation at a celebration of the Nation's newly acquired land*

Keyera donated \$30,000 to Willow Lake Métis Nation as they work with the Resilience Institute to create a land development plan and environmental monitoring strategy for land they recently purchased in Fort McMurray, Alberta.



## Enhance economic & social well-being

### Local supply chain opportunities

Supporting economic well-being and local employment has always been important to Keyera, and as our business grows we are formalizing our procurement and supply chain management program. We aim to create consistency in how we assess local content in our supply chain and integrate standard criteria into our decision-making processes across the organization.

We have also put a focused effort towards supporting Indigenous economic development and working with Indigenous suppliers. We encourage First Nations and Métis communities to participate in procurement and employment opportunities, as well as support professional development, skills training, and mentorship.

In spring 2021, we presented to the Fort Saskatchewan Chamber of Commerce's business community about accessing our supply chain network and upcoming opportunities at local Keyera facilities. Through this open forum, we were able to better understand the types services offered by the local business community and build connections with local service providers.

### KAPS: A project in collaboration

We feel fortunate to have witnessed a significant increase in our engagement and collaboration with Indigenous communities since beginning our KAPS pipeline project. Together, we have built strong relationships, supported the economic and social well-being of our communities, and learned from each other.

**22**

Indigenous communities engaged

**\$114M**

of construction services contract value allocated to Indigenous-owned or affiliated businesses

**60**

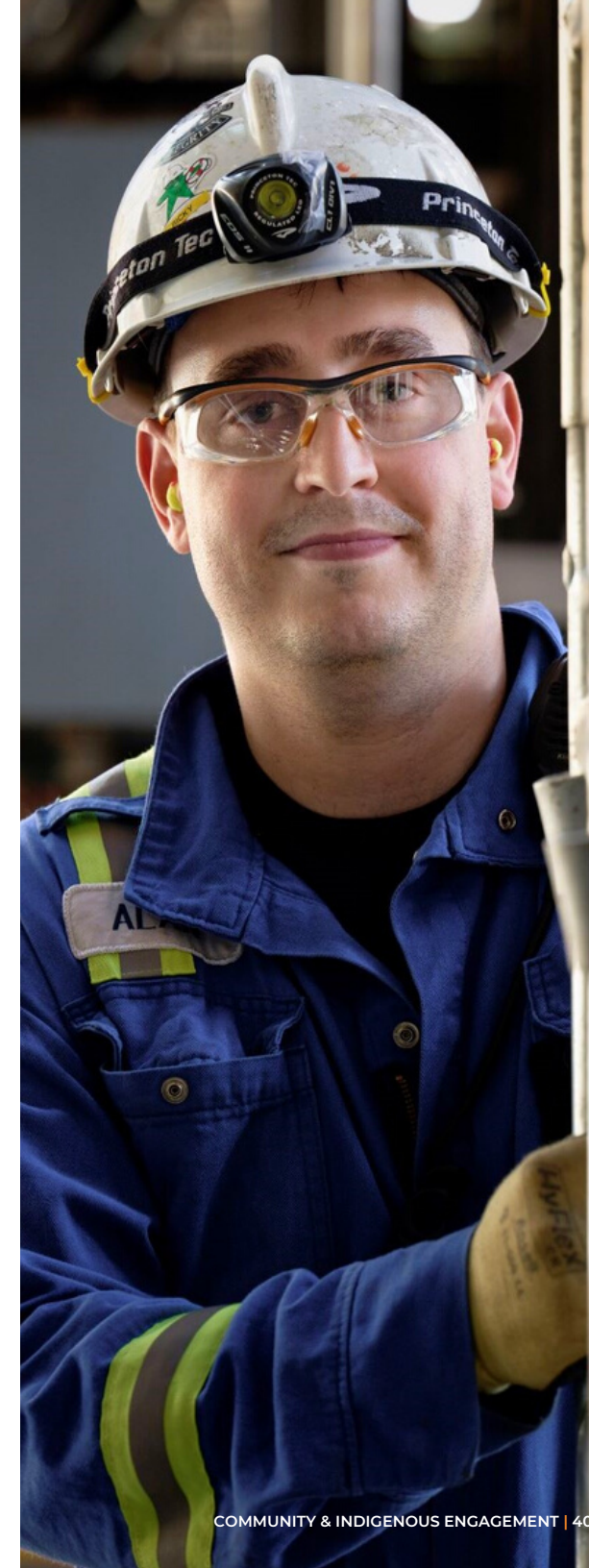
Indigenous-owned or affiliated businesses contracted

**134**

traditional land use studies conducted by First Nation communities

**\$3.1M**

in community funding to support Indigenous training, infrastructure, health programs, and community initiatives





Indigenous Wetland Pilot Project staff & volunteers

## Ducks Unlimited Canada Indigenous Wetland Pilot Project

We partnered with Ducks Unlimited Canada on a pilot project working with Indigenous partners to build a better way to manage wetland conservation. The project aims to improve wetland management by bridging Indigenous knowledge and Western science. The pilot project will be conducted in Evergreen Park in the county of Grande Prairie, and outcomes from the pilot will inform wetland management across the country.

## Invest in communities to build capacity & resilience

### Redesigned social investment program

In 2021, we redesigned our social investment program to ensure we make meaningful and long-term impact where it's needed most. After conducting a lengthy strategic review that included feedback from communities, employees, and other stakeholders, we created a program that aligns with our ESG priorities and reflects the evolving needs of the communities our people call home.

### Keyera Connects

Through our [Keyera Connects program](#), we partner with organizations and support our three pillars of social investment:



**ENVIRONMENTAL  
INNOVATION**



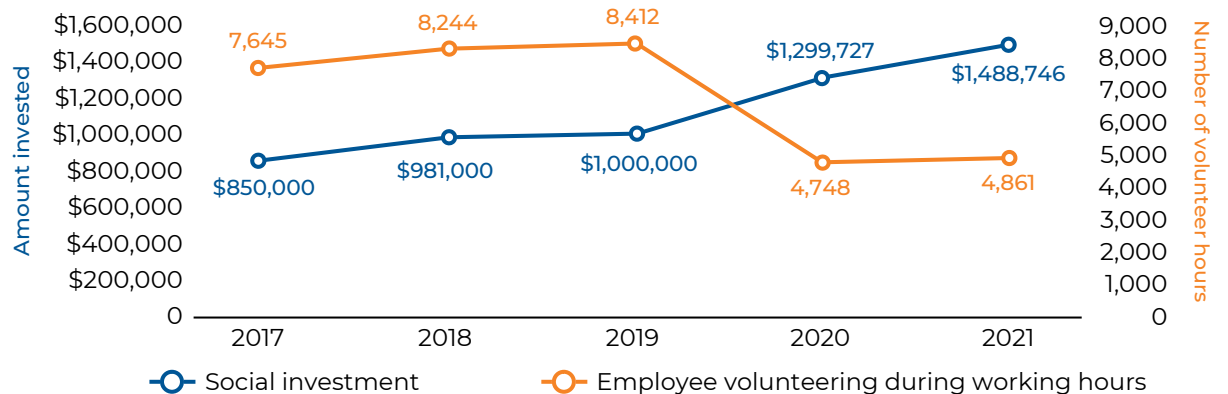
**INDIGENOUS  
RECONCILIATION**



**COMMUNITY  
RESILIENCY**

## Our performance

Social investment in relation to employee volunteer hours



While COVID-19 limited our employees' ability to volunteer in their communities, we responded to community needs by making additional donations to United Way's Community Response Fund, local food banks, and various health and wellness organizations in 2020 and 2021. In 2022, we are increasing our budget to support our new Keyera Connects pillars.





## Looking forward

- Continue our journey in support of Indigenous Reconciliation
- Evolve and formalize our local and Indigenous supply chain program
- Advance Keyera Connects by increasing funding and developing partnerships that create meaningful, long-term impact across our three investment pillars



*Our CEO, Dean Setoguchi, participating in a Signing Ceremony with Chief George Arcand of Alexander First Nation*





## ENVIRONMENT Emissions

Emissions management is a guiding principle of our ESG approach. This focus enables business success today and for the future.



## Our approach

All of our operations have controls and procedures in place to track, report, manage, and reduce emissions. We closely track our scope 1 and scope 2 GHG emissions, as well as criteria air contaminants (CACs) such as sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matter (PM). We also regularly test operating equipment and ambient air quality to ensure we meet all applicable regulatory requirements. We share our emissions performance broadly internally and with external stakeholders to support continuous improvement and transparency.

### Multi-disciplinary approach to managing GHG risks & opportunities

We participate in several regional airsheds and management groups in a coordinated effort to track and manage air quality within our communities.

Our corporate understanding of emissions-related risks and opportunities is developed through coordination between various internal teams and engagement with external partners. Working collaboratively, our teams assess and plan for the various climate-related transitional and financial impacts over the near and long-term. Further detail about our governance and management oversight can also be found in our [Climate Report](#).

We are collaborating with our partners and customers to better understand our scope 3 emissions, as well as closely monitoring global emissions frameworks and standards, such as the Science Based Targets initiative (SBTi).

### Integration into decision-making

We use a number of tools and processes to help evaluate acquisitions, divestitures, new projects, and upgrades to ongoing operations.

The Canadian federal carbon price is used in financial models to understand various potential impacts of carbon pricing on investments. We forecast carbon-related compliance costs for all facilities and across our business portfolio. We are proactively exploring ways to enhance how we evaluate and quantify climate and emissions factors in our decision-making processes. We are also planning to enhance and expand our use of different scenario analyses to inform our long-term strategy and business planning.



#### Major investments

evaluated through our capital investment decision-making framework



#### Emissions performance

evaluated at every stage gate of our project delivery process



#### Emissions reduction opportunities

assessed at the facility level on an ongoing basis and during major turnarounds



#### Enterprise risk management program

includes climate-related transition and physical risks and opportunities



#### Technology options & opportunities

continually investigated and piloted to identify technical and economic feasibility



#### Collaboration with business & government

explored to scale projects and improve outcomes



"Decarbonizing our operations is a company-wide effort. Our multi-disciplinary approach helps identify, evaluate, and execute on emissions reduction opportunities. I'm proud of the progress we've made in decreasing the carbon intensity of our assets."

### Jarrod Beztily

Senior Vice President of  
Operations & Engineering



Aerial shot of Keyera's South Cheecham Terminal & future site of our South Cheecham Sulphur Handling Facility

## New technology at South Cheecham helps reduce emissions

During the technology evaluation stage for our South Cheecham Sulphur Handling Facility, our engineering team identified that by combining the thermal oxidizer and boiler, the facility would use 67 percent less fuel. By selecting a combination oxidizer-waste heat boiler, we significantly reduce nitrogen oxides (NO<sub>x</sub>) and GHGs, as well as associated compliance costs.

## Decarbonizing our base business

A key pillar of our approach to the energy transition is reducing the emissions intensity of our current operations. By doing so, we improve efficiency, reduce risks, and reduce our environmental footprint. We are currently pursuing decarbonization of our assets in the following ways:

### *Investing in technology & operational efficiency*

- Continuing to invest in upgrades, retrofits, and digitalization to enhance our operational efficiency, reduce emissions, and improve performance
- Exploring additional facility cogeneration opportunities to provide low-carbon heat and electricity, and reduce emissions at our facilities
- Choosing low-carbon alternatives (e.g. electrical pumps), and emission-reducing opportunities (e.g. acid gas injection) during new project development

### *Supporting renewable energy*

- Forming partnerships with solar generation providers to reduce emissions associated with power use at our facilities, as well as lowering our carbon compliance costs through the use of regulated offsets
- Exploring the application of small-scale renewable energy generation on existing sites
- Seeking complementary wind opportunities

### *Optimizing utilization of our facilities*

- Consolidating G&P facilities by transferring gas volumes to most efficient facilities and suspending less efficient operations
- Pursuing opportunities for plant emission reductions, such as converting sour gas facilities to sweet gas
- Selectively divesting from high-carbon intensity assets or business lines

### *Exploring carbon capture, utilization, & storage (CCUS)*

- Adding additional CCUS to reduce emissions from our facilities
- Exploring how existing assets could be used to enable CCUS services for our customers



#### READ ABOUT OUR PROGRESS

- [Steps taken to decarbonize our operations](#)
- [Energy transition opportunities being explored](#)



## Methane management

Methane has made up four to six percent of our total GHG emissions over the last five years, and is included in corporate emissions intensity reduction targets. Given their importance, we actively monitor and seek to reduce fugitive emissions, venting, and flaring.

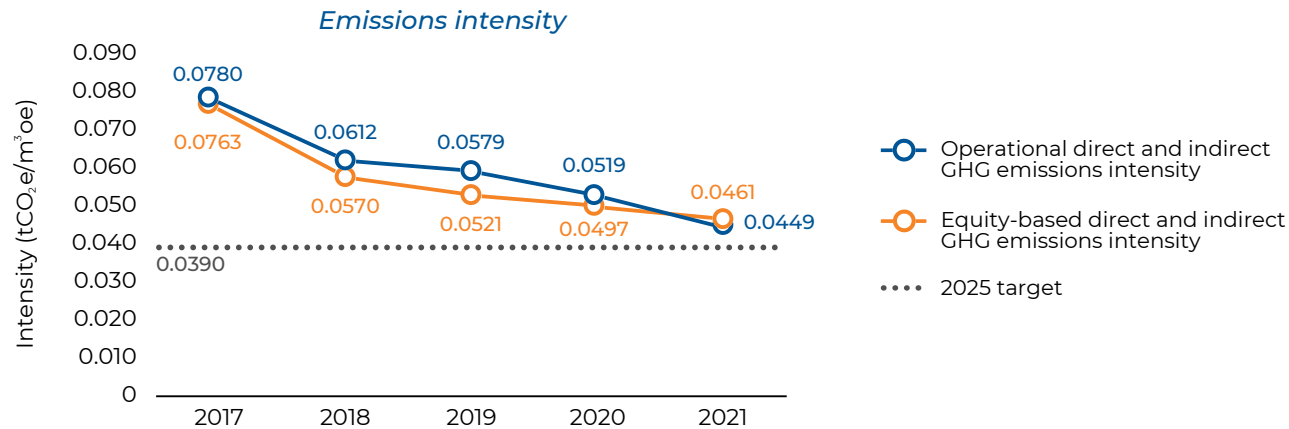
Our Fugitive Emission Management Program (FEMP) establishes our plans and supporting programs to systematically detect and manage fugitive emissions. Through FEMP, we regularly conduct Leak Detection and Repair surveys at our site, which use infrared cameras to detect fugitive emissions sources. In addition, our operations teams conduct annual reviews of flaring events to identify opportunities to reduce emissions.

We have various methane abatement programs and initiatives. In 2021, we upgraded pneumatic devices and installed instrument air compressors at some of our sites to reduce emissions from venting. We are also piloting a new continuous methane monitoring technology that will allow us to remotely monitor for fugitive emissions and enable quicker response.

During project development and facility upgrades, our project teams proactively look for opportunities to enhance facility design, including construction and operational controls that would reduce flaring, venting, and methane emissions.

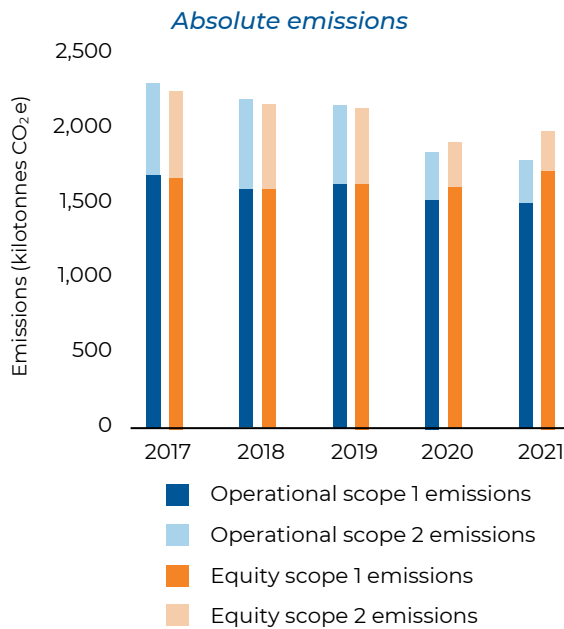
We participate in various industry groups that work together to manage regional air quality. For example, as part of the Sundre Petroleum Operators Group (SPOG), we participate in a coordinated effort to manage fugitive emissions from oil and gas facilities in the area. SPOG routinely conducts aerial surveys over participating facilities to monitor and quantify methane emissions. If SPOG detects a new source or a significant change to emission levels near a Keyera facility, they contact us to conduct a ground-based survey and initiate any required repairs.

## Our performance



Our operational-based scope 1 and scope 2 emissions intensity decreased by 23 percent since 2019. Equity-based scope 1 and scope 2 emissions intensity decreased by 12 percent during the same period. The difference between operational and equity emissions is primarily due to emissions related to our new, non-operated Pipestone gas plant.

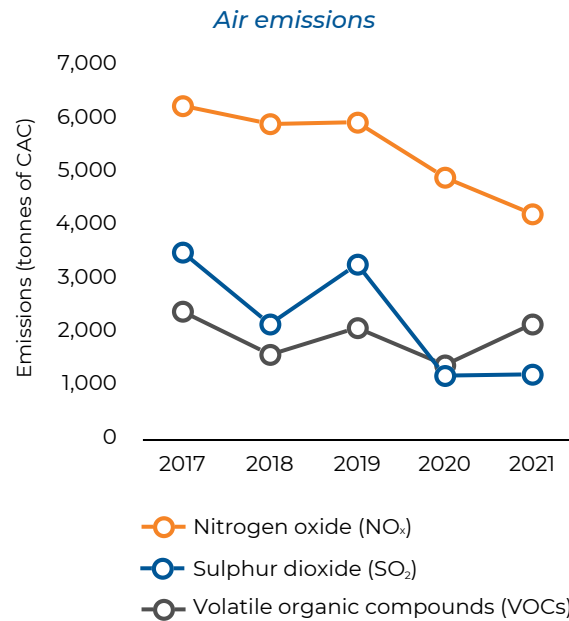
Our emissions intensity reductions are a result of 1) investment in operational efficiencies (such as retrofitting boilers and optimizing equipment use to reduce fuel consumption); and 2) increasing volumes processed through our assets, particularly related to increased throughput efficiency at our recently consolidated G&P facilities.



On an operational-basis, our absolute scope 1 emissions have decreased by 134,861 tonnes or 8.3 percent since 2019.

These reductions were driven by operational efficiencies and increased utilization. In addition, our scope 2 emissions declined as a result of reduced imported electricity consumption and a greening of Alberta's grid (as a result of the grid shifting from coal-fired power to lower-carbon sources).

On an equity basis, our absolute scope 1 emissions have increased by 61,760 tonnes or 3.8 percent since 2019. This increase was driven by the ramp-up of our new, non-operated Pipestone gas plant during this period.

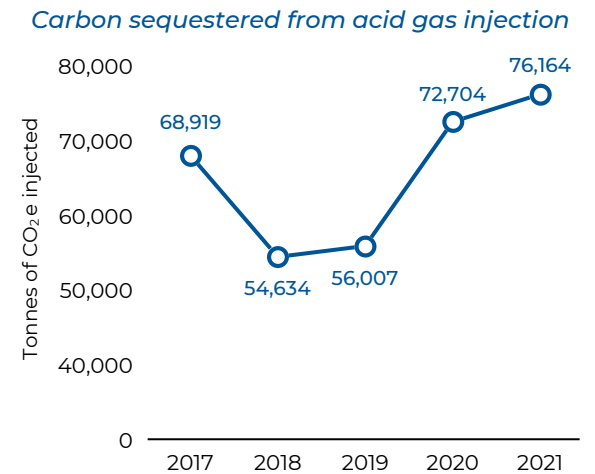


Overall, our air emissions have trended downward from 2019 to 2021, primarily as a result of our G&P Optimization Program.

With regards to nitrogen oxides (NO<sub>x</sub>) specifically, the reduction of 31.4 percent from 2019 to 2021 was a result of the optimization program and reduced use of engines without NO<sub>x</sub> controls, as well as improved NO<sub>x</sub> calculation methodology.

The increase in volatile organic compounds (VOCs) from 2020 to 2021 was primarily due to an improved VOC estimation methodology. Compressor seal vents – which were previously counted as methane – were identified to be ethane, thus increasing our VOCs.

Year-over-year fluctuation in sulphur dioxide (SO<sub>2</sub>) are due to gas composition changes.



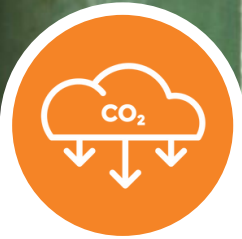
Our cumulative acid gas capture and injection volumes increased by 36 percent from 2019 to 2021.

This increase was a result of additional injection volumes at our Wapiti, Brazeau River, and Simonette G&P facilities. In 2021, we sequestered 76,164 tonnes of carbon dioxide.

Since our first acid gas injection efforts in 1996, Keyera has sequestered more than 1,154,422 tonnes of carbon dioxide.

Canada's Multi-Sector Air Pollutants Regulations (MSAPR) aims to limit the NO<sub>x</sub> emissions from boilers, heaters, and engines. All Keyera facilities meet stringent MSAPR limits and we are currently developing a strategy to ensure compliance with tightening requirements in 2026 and 2036. These efforts will support our GHG reduction targets through equipment upgrades and retrofits.





## Looking forward

- Continue to progress the achievement of our GHG targets by decarbonizing our base business and pursuing new low-carbon opportunities
- Further refine how we include emissions in our decision-making tools
- Explore scope 3 and evolve with global emissions standards – such as the Science Based Targets initiative (SBTi) – as they become available







## ENVIRONMENT Water

Water is a vital, shared resource and an important aspect of our operations. We know we must manage water sustainably to protect long-term environmental health and business resilience.



## Our approach

We have developed comprehensive environmental operating practices to manage our water withdrawals, quality monitoring, wastewater disposal, and to protect water sources near our operations.

### Water withdrawal

We aim to use water efficiently for both existing and new projects, and actively seek opportunities to reduce, reuse, and recycle water. At our Fort Saskatchewan facility, for instance, water used for underground storage cavern mining and operations is reused and recycled from above-ground brine ponds.

During project development, we assess water sources with the intent to minimize water basin impact and identify the most suitable water solutions. This analysis involves gathering feedback from local and Indigenous communities. For example, at our South Cheecham Sulphur Handling Facility, we installed a system to withdraw and treat low-quality saline groundwater, rather than drawing from freshwater sources.

With our focus on continuous improvement, we are pursuing how to make our processes for collecting water data and monitoring performance more efficient. We are also exploring the use of digital technologies and where we can further automate processes to enable more effective decision-making.

### Water quality & wastewater

During each stage of a project and throughout our operations, we ensure surface and groundwater protection and mitigate risk to natural aquatic ecosystems. Keyera does not produce or release effluents. Water quality management activities include:

- Consideration of water-related infrastructure and operational processes during project development
- Monitoring groundwater and stormwater runoff quality
- Applying stringent practices for disposal of wastewater, including deep well injection and third-party handling
- Using containment areas around facilities

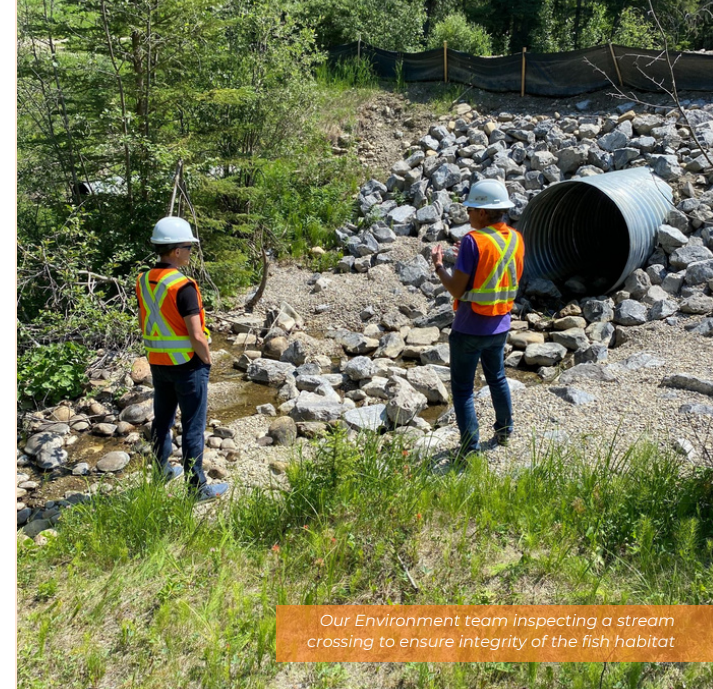


92%

of water used at AEF was recycled in 2021

### Water crossings

We have hydrological and geotechnical surveillance systems to monitor land disturbances and changes in river levels in high-risk areas. This helps us proactively identify potential issues. We also complete risk assessment surveys for all major water crossings traversed by our pipelines and have developed site-specific emergency response plans at all river and named-creek crossings.



Our Environment team inspecting a stream crossing to ensure integrity of the fish habitat

## Integrity & care at every crossing

Our KAPS pipeline will cover more than 560 kilometers and cross multiple rivers. At the front-end of the project, we conducted extensive environmental assessments to understand the potential water impacts and risks, then created detailed project plans to manage water crossings during construction.

In addition, we have developed a comprehensive emergency response plan for the full pipeline, and within that have bought new river spill response equipment, trained crews, and signed agreements with external emergency response support agencies.



“By undertaking initial steps to understand our water risk profile, we have expanded our understanding of what further steps we can take now to enhance our water stewardship well into the future.”

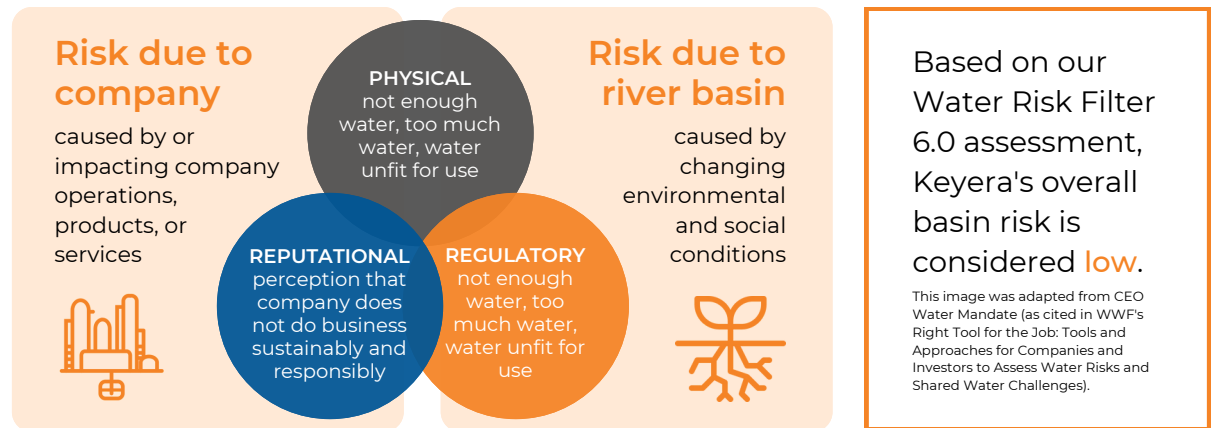
### John Hunszinger

Vice President of Operations,  
Liquids Infrastructure

### Water risk assessment

In 2021, we initiated a water risk assessment to better understand the risks and opportunities related to the basins we work within, as well as corresponding risks to our business.

Using WWF's internationally recognized [Water Risk Filter 6.0 tool](#), all Keyera facilities were assessed for basin risk and water-reliant assets were reviewed for operational risk. The assessment scored each basin and operation using 32 indicators within physical, reputational, and regulatory risk categories providing a broad, initial view of our water risk profile. The assessment also included climate and socio-economic scenario forecasting to evaluate potential longer-term risks into 2030 and 2050.



Results of this initial assessment were as follows:

- On average, our G&P assets are deemed to be operating in low basin risk regions
- Our U.S. Liquids Infrastructure assets had the highest basin risk score, though use relatively small volumes of water in operations
- Our Fort Saskatchewan facility and Wapiti gas plant were assessed to have medium operational risk given the water processing activities at these facilities

Our next stage is to pursue a more detailed evaluation of the operational and business development risks and validate results of the Water Risk Filter tool with more local context. Our long-term approach will:

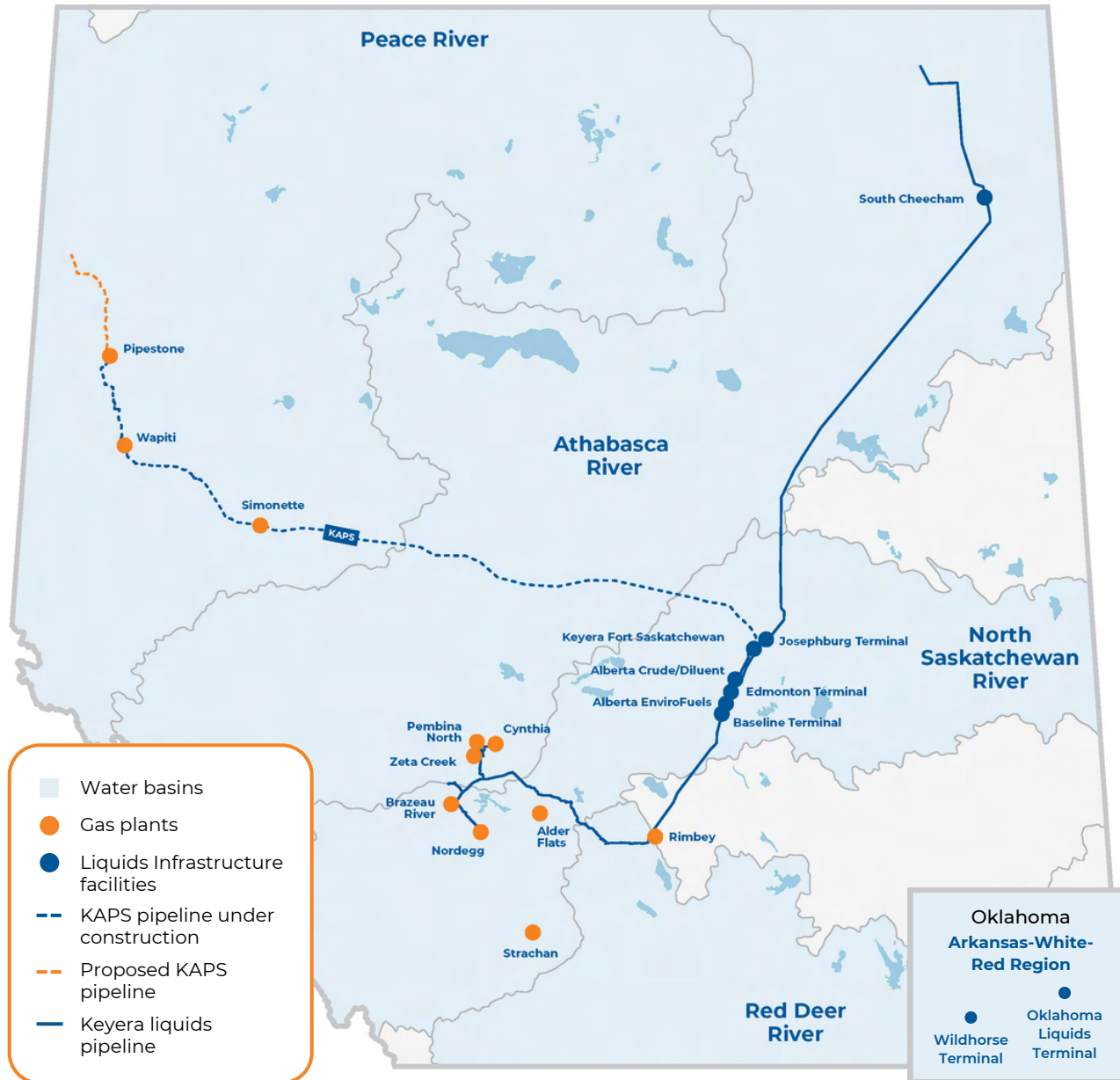
- 1 Use water risk assessment data to **inform decisions** for current and future development
- 2 Embed water stewardship in **overall governance and business practices**

We are also exploring how to further include water risks and metrics in our project evaluation and capital investment frameworks.



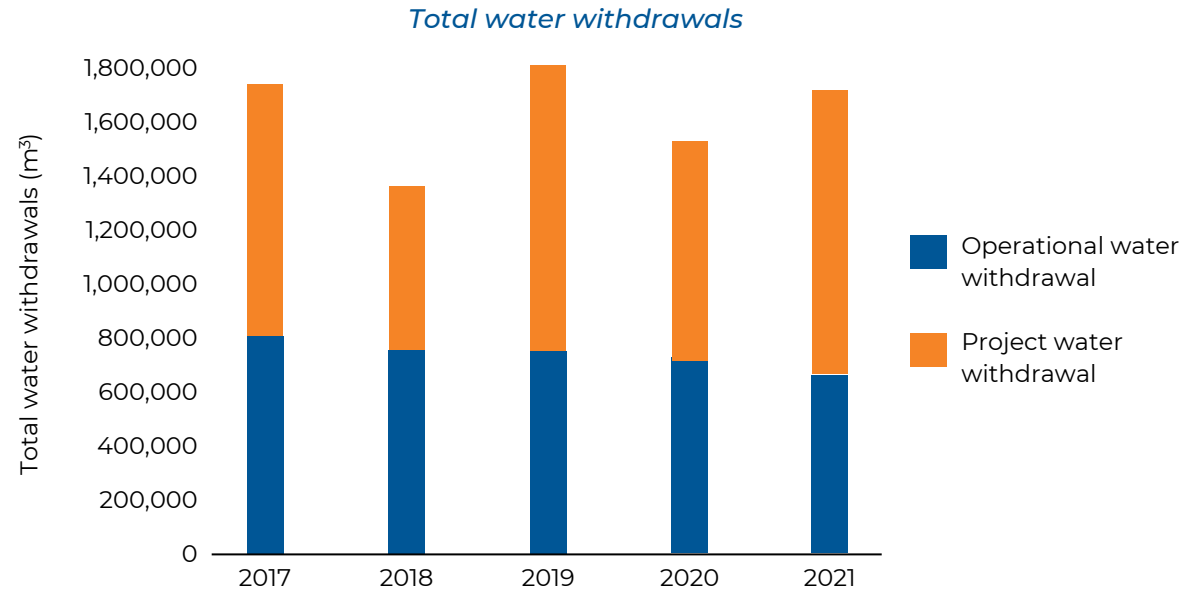
### Our assets & associated water basins

Keyera owns assets in one American and four Canadian river basins. The majority of our assets are located within the North Saskatchewan River basin in Alberta.





## Our performance



Water withdrawal for operational purposes was down 8 percent from 2020 to 2021. Project-related water use was up by 30 percent, primarily due to the KAPS project and salt cavern solution mining at our Fort Saskatchewan (KFS) facility, both anticipated. Water withdrawn for KAPS is a temporary withdrawal related to the pipeline installation phase of construction. Water is critical for the drilling mud systems required to complete pipeline boring activities. Mud systems are carefully selected to ensure mud can be discharged without causing environmental impact. KAPS resulted in an additional ~46,000 m<sup>3</sup> water withdrawn in 2021. Salt cavern solution mining at KFS fluctuates year-over-year depending on project need, and in 2021 resulted in increased water withdrawal of approximately 193,000 m<sup>3</sup> from 2020.

Water returned to the environment is almost all related to project development and fluctuates from year to year. The increase in water discharged from 2020 to 2021 was almost exclusively associated with KAPS, as described above. Following its use in pipeline installation, water is returned to the environment through land-spraying or sump disposal following strict regulatory requirements.

Our G&P operations receive raw natural gas from our customers, which often contains water as a byproduct of the production process. Our gas plants separate this produced water from the raw gas and dispose of it by deep well injection following regulated practices. A significant portion of our annual liquid waste is produced water. This produced water is not included within our own water withdrawal or discharge metrics, but is included as liquid waste within our waste performance metrics.





## Looking forward

- Validate outcomes of water risk assessment and further integrate water considerations into decision making
- Further incorporate water in our project evaluation and capital investment framework
- Explore automation and improved processes to more efficiently track water performance





## ENVIRONMENT

# Land & biodiversity

Communities and ecosystems rely on us to ensure the land and wildlife impacted by our operations is properly cared for. We take a comprehensive view on land and biodiversity management, covering the lifecycle of a project.



## Our approach

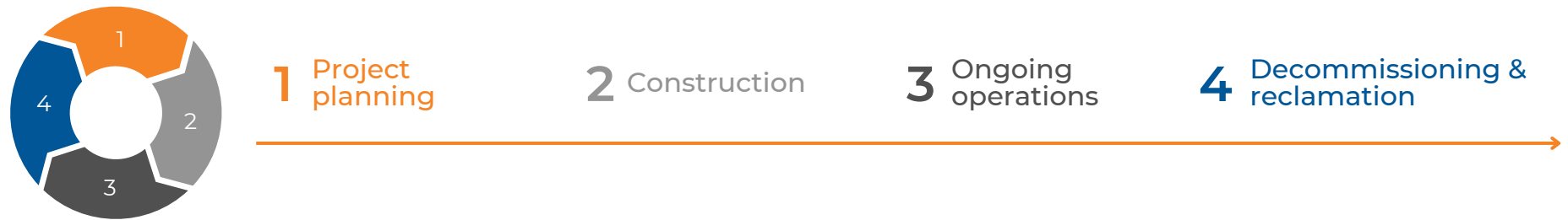
We take a proactive approach to land and biodiversity management. Our practices are facilitated using our Operational Excellence Management System, which defines how we identify and mitigate potential risks, as well as achieve regulatory compliance. Responsible environmental management includes promoting ecological stability and protecting vegetation, wildlife and fisheries, watercourses, and soil and air quality. We also carefully consider and respect the integrity of archeological sites and Indigenous traditional land uses.

Environmental risk prevention relies on having robust and effective Integrity Management Systems to minimize potential spills and other biodiversity-related disturbances. We closely monitor environment and regulatory data to assess our performance, ensure compliance, and identify opportunities for improvement.

Land reclamation commitments are managed through a Liability Management System (LMS). The LMS tracks our reclamation obligations, end-of-life management objectives, and applies risk ranking to prioritize our decommissioning, remediation, and reclamation projects and activities. End-of-life costs are accounted for as part of our financial obligations, ensuring we maintain a strong asset-to-liability ratio.

We use our Competency Management & Development System (CMDS) to provide training to employees. In the coming year, we plan to enhance our environmental management system. We also plan to develop formal Design & Construction Environmental Standards.

### Environmental management through the project lifecycle



#### Project planning

- Conduct environmental and archaeological field assessments
- Engage and seek feedback from local residents and Indigenous communities
- Consider cumulative effects of regional development
- Track and manage environmental touch points throughout each stage gate of the project



#### Ongoing operations

- Facilitate ongoing land and wildlife management using our environmental management practices
- Regularly test and monitor soil, noise, air, and groundwater



#### Construction

- Create environmental management plans for construction projects, prescribing activities required to mitigate impacts to land, water, and wildlife – particularly in sensitive areas
- Track environmental practice-related construction metrics (i.e. drainage and soil stability) to ensure Keyera, and our contractors, are meeting our environmental standards



#### Decommissioning & reclamation

- Once an asset is retired, it is integrated into our Decommissioning & Land Reclamation Program for systematic return to equivalent land use capacity
- Where possible, allocate remediation-related costs earlier in the asset's lifecycle than required by regulation



Employees at our decommissioned Nevis facility

## Retiring our legacy assets

In 2021, we continued to execute on our G&P Optimization Program, including fulfilling our responsibility to return suspended facilities to equivalent land use capacity. Most significantly, we began the suspension of our Brazeau North and Ricinus gas plants and completed surface deconstruction at Bigoray. We continued surface deconstruction at West Pembina, as well as the removal of hazardous materials from a number of other facilities.

Consistent with our focus on long-term environmental stewardship and disciplined financial management, site closures are actively managed through our Decommissioning & Land Reclamation (DLR) program. The program takes a comprehensive view of all decommissioning projects with the following objectives:

- Ensuring consistency across projects
- Meeting regulatory requirements
- Proactively identifying and mitigating potential risks
- Handling hazardous material appropriately and reducing waste through salvage and recycling where possible
- Managing inactive liabilities
- Managing costs effectively

The program applies a phased approach to decommissioning:



In 2021, the Métis Nation of Alberta Region #3 approached Keyera regarding potential historic sites located near our decommissioned Nevis gas plant. In response, we worked with the Métis Nation to conduct a traditional land-use assessment for the land in and around the facility.

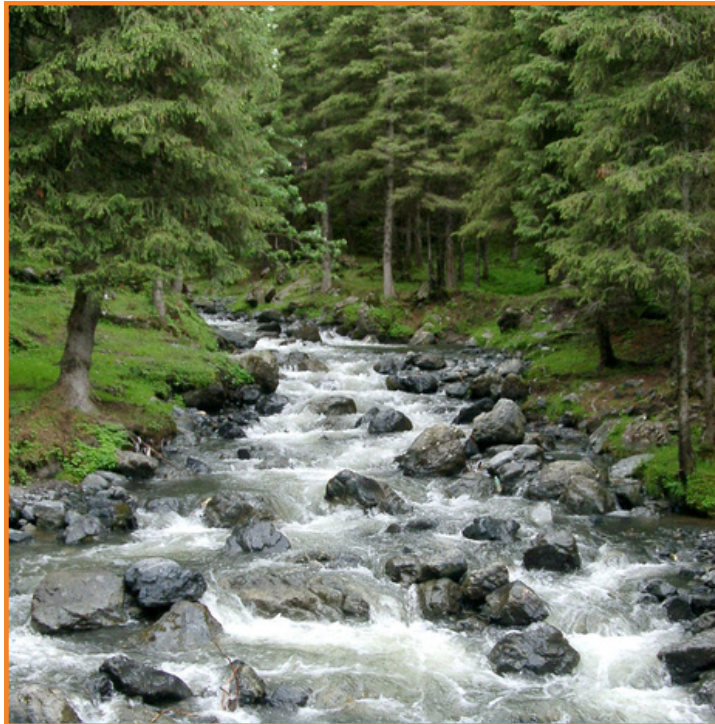


## Biodiversity

We take special care to identify and protect sensitive species, including amphibians, fish, birds, mammals, and vegetation. During project design, we conduct desktop and field-based pre-disturbance assessments to identify areas of sensitive or critical wildlife and vegetation habitat. We often hire local experts and communities to conduct assessments. Government databases and feedback from local and Indigenous communities help us identify areas or populations of significance.

We apply a Mitigation Hierarchy approach for project planning and biodiversity management. This framework prioritizes minimizing – and ideally avoiding – biodiversity impacts, particularly in sensitive areas and critical habitats. The Mitigation Hierarchy is used to develop our Environmental Protection Plans (EPPs) for construction and reclamation, including location-specific mitigations for identified sensitive and critical habitat. For example, the EPP may contain proactive wildlife prevention measures such as amphibian fencing around temporary ponds, bird deterrents, or restrictions on removing trees in sensitive habitats.

Where habitat is affected by our work, we take every effort to restore the area to its previous ecological state.



Keyera is a part of the Foothills Stream Crossing Partnership (FSCP), a multi-industry partnership created to help improve stream conditions and preserve fish habitat. The FSCP pools data and works to prioritize fish habitat where erosion or sediment has created barrier to fish passage, or where repairs would be most beneficial to the watershed.

Since 2011, FSCP members have mitigated fish barriers at more than 200 stream crossings and have scheduled the repair of fish barriers in 55 priority watersheds.

"We believe it's important to protect the land, species, ecological services, and natural resources surrounding our operations. We plan for every stage of a facility's life – considering land quality, biodiversity, and habitat protection from the planning stage through to decommissioning and reclamation."

**Kerri Gilders**

*Director of Environment & Regulatory*



Falcon at our AEF facility

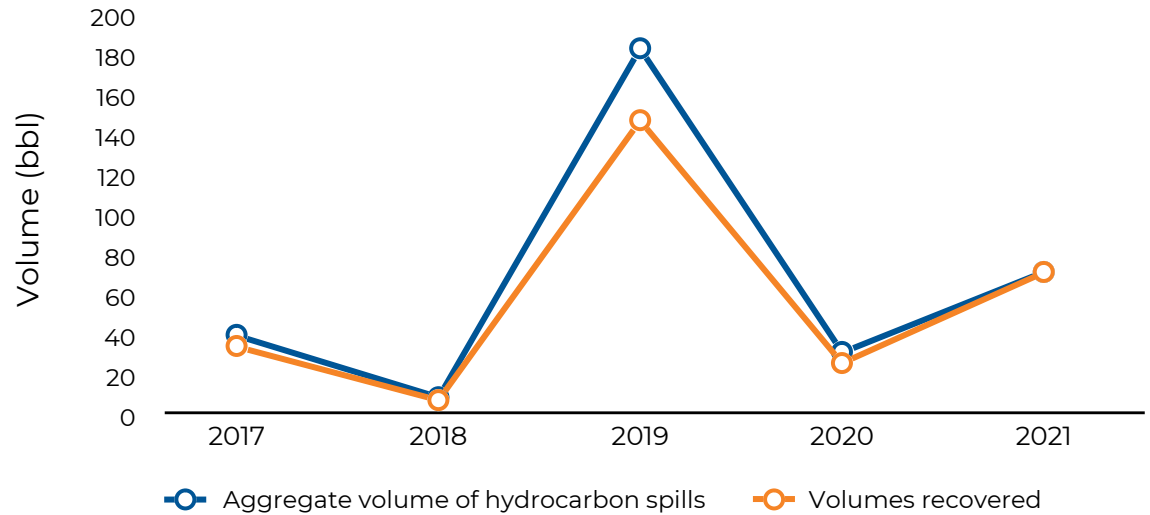
**Ask any facility operator and they'll tell you that pigeons pose some real challenges.**

Not only do they create an enormous mess, but they create the potential for equipment to malfunction and increase safety concerns.

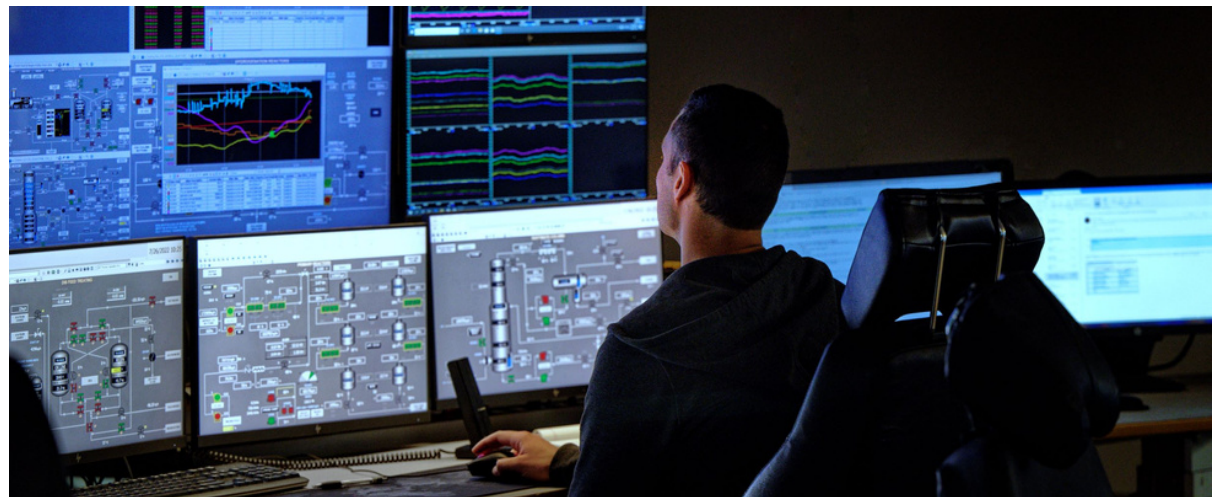
When faced with this issue at our Alberta EnviroFuels (AEF) facility, we explored a number of options, ultimately choosing nature's pest control: peregrine falcons. By setting up nesting sites and encouraging the raptor to establish residency, we not only solved our pigeon problem, but also helped support the Government of Alberta's program to re-establish the local falcon population (which are currently listed as a Threatened Species).

## Our performance

*Aggregate volume of hydrocarbons spilled & volumes recovered*



With the exception of a significant condensate leak in 2019, the annual number of hydrocarbon spills occurring at our operations is considered average with our industry. Keyera reviews each spill incident to learn from and inform spill mitigation strategies. In 2021, all spill volumes were recovered.







## Looking forward

- Continue deconstruction and remediation phases of inactive sites
- Enhance environmental management system
- Develop formal Design & Construction Environmental Standards

*Employees at an old Keyera well site that has been mostly reclaimed*



## ESG performance data

Sustainability data provided below is based on guidance from the Sustainability Accounting Standards Board (SASB) to facilitate alignment of performance data with our industry. We have also included additional sustainability metrics we believe to be relevant to our business and our stakeholders.

Data in this report is based on available information for the reporting period of January 1 to December 31 for 2017 through 2021. The data presented in this report refers to assets operated by Keyera, with the exception of the equity-based emissions metrics. Financial amounts are reported in Canadian dollars. Financial information is from our audited financial statements. Of our scope 1 GHG emissions, 95 percent have been subject to a third-party audit verification process.

Emissions & energy	2021	2020	2019	2018	2017	SASB code
<b>Equity</b>						
Scope 1 GHG emissions (tonnesCO <sub>2</sub> e) <sup>12</sup>	1,692,384	1,595,390	1,630,624	1,581,787	1,655,481	EM-MD-110a.1
Scope 2 GHG emissions (tonnesCO <sub>2</sub> e) <sup>1</sup>	348,220	324,522	491,323	567,418	582,273	N/A
Scope 1 and 2 GHG emissions (tonnesCO <sub>2</sub> e) <sup>12</sup>	2,040,603	1,919,912	2,121,947	2,149,206	2,237,755	N/A
Scope 1 and 2 GHG emissions intensity (tCO <sub>2</sub> e/m <sup>3</sup> ) <sup>12</sup>	0.0461	0.0497	0.0521	0.0570	0.0763	N/A
<b>Operational</b>						
Scope 1 GHG emissions (tonnesCO <sub>2</sub> e) <sup>12</sup>	1,492,770	1,509,238	1,627,630	1,581,766	1,674,218	EM-MD-110a.1
Scope 2 GHG emissions (tonnesCO <sub>2</sub> e) <sup>1</sup>	270,537	304,913	505,271	588,294	593,940	N/A
Scope 1 and 2 GHG emissions (tonnesCO <sub>2</sub> e) <sup>12</sup>	1,763,307	1,814,151	2,132,902	2,170,060	2,268,158	N/A
Scope 1 and 2 GHG emissions intensity (tCO <sub>2</sub> e/m <sup>3</sup> ) <sup>12</sup>	0.0449	0.0519	0.0579	0.0612	0.0780	N/A
Percentage of direct GHG emissions covered under regulatory programs	100%	100%	93%	94%	94%	EM-MD-110a.1
Percentage of direct GHG emissions verified by third party <sup>3</sup>	95%	87%	64%	72%	74%	N/A
Carbon dioxide (CO <sub>2</sub> ) emissions (tonnes) <sup>1</sup>	1,386,555	1,401,493	1,538,464	1,504,836	1,592,177	N/A
Methane (CH <sub>4</sub> ) emissions (tonnes) <sup>1</sup>	3,403	3,173	3,241	2,599	2,820	EM-MD-120a.1
Percentage of methane <sup>1</sup>	6%	5%	5%	4%	4%	EM-MD-120a.1
Sulfur dioxide (SO <sub>2</sub> ) emissions <sup>4</sup>	1,210	1,116	3,215	2,111	3,376	EM-MD-120a.1
Nitrogen oxide (NO <sub>x</sub> ) emissions (excluding N <sub>2</sub> O) (tonnes) <sup>5</sup>	4,058	4,846	5,916	5,861	6,136	EM-MD-120a.1
Volatile organic compounds (VOCs) (tonnes) <sup>1</sup>	2,181	1,329	2,076	1,593	2,371	EM-MD-120a.1
Particulate matter (tonnes) <sup>5</sup>	106	117	128	74	75	EM-MD-120a.1
Carbon sequestered by acid gas injection (tonnes) <sup>6</sup>	76,164	72,704	56,007	54,634	68,919	N/A
Emissions performance credits (EPCs) (tonnesCO <sub>2</sub> e) <sup>7,8</sup>	121,981	45,162	40,822	49,967	72,766	N/A

<sup>1</sup> Only includes limited U.S. operations data for 2017.

<sup>2</sup> 2020 and 2019 figures have been updated as a result of recalculations and data availability.

<sup>3</sup> In 2021, we improved our percent verification calculation methodology and as a result the 2020 figure has been updated.

<sup>4</sup> Sulfur oxides are expressed as SO<sub>2</sub>. Figures do not include SO<sub>2</sub> emissions from U.S. operations as those are not material.

<sup>5</sup> 2017-2019 figures do not include U.S. operations.

<sup>6</sup> Figure previously stated for 2020 has been updated as a result of improved accounting for formation CO<sub>2</sub>.

<sup>7</sup> Refers to Alberta government-issued Emissions Performance Credits (EPCs). The figure for 2021 reflects submitted EPCs that are still pending regulatory approval.

<sup>8</sup> Keyera generated more EPCs in 2021 as a result of decreasing GHG emissions intensity, which was primarily due to the Gathering & Processing optimization efforts that took place between 2019 and 2021.





Spills & environmental management	2021	2020	2019	2018	2017	SASB code
Number of significant environmental fines <sup>9</sup>	0	0	0	0	0	N/A
Number of hydrocarbon spills <sup>10</sup>	5	3	4	3	5	EM-MD-160a.4
Aggregate volume of hydrocarbon spills (bbl) <sup>10</sup>	71	31	182	12	42	EM-MD-160a.4
Volumes recovered (bbl) <sup>11</sup>	71	28	148	9	36	EM-MD-160a.4
Volumes in unusually sensitive areas (bbl) <sup>12</sup>	0	6	0	0	0	EM-MD-160a.4
Volumes in the Arctic (bbl)	Not applicable to Keyera operations					EM-MD-160A.4
Discussion of environmental management	See pages 49-60					EM-MD-160a.1

Integrity	2021	2020	2019	2018	2017	SASB code
Number of tier 1 and tier 2 pipeline incidents <sup>13</sup>	2	3	2	1	1	EM-MD-540a.1
Pipeline incident ratio for tier 1 and tier 2 incidents <sup>14</sup>	0.34	0.58	0.34	0.18	0.17	N/A
Percentage of natural gas pipelines inspected	16%	14%	5%	15%	4%	EM-MD-540a.2
Percentage of hazardous liquid pipelines inspected	51%	37%	17%	30%	11%	EM-MD-540a.2
Gas plant reliability <sup>15</sup>	98.6%	97.5%	98.4%	98.5%	97.0%	N/A

<sup>9</sup> Defined as a penalty of more than \$10,000 USD.

<sup>10</sup> Keyera aligns with the International Petroleum Industry Environmental Conservation Association (IPIECA) definition of a hydrocarbon liquid as crude oil, condensate, and petroleum-related products containing hydrocarbons that are used or manufactured. This would include gasoline, residuals, distillates, lubricants, kerosene, refinery petroleum-derivatives, non-aqueous drilling fluids and oil fuels, and does not include chemicals, aqueous-based drilling fluids, produced water, and other process-related non-hydrocarbons.

<sup>11</sup> Volume of spilled hydrocarbons removed from the environment through short-term spill response activities.

<sup>12</sup> Unusually sensitive areas are identified in Canada as watercourses, waterbodies, or wetlands regulated under provincial water legislation; Alberta Environment and Parks key wildlife layer mapping; Federal Aquatic Critical Habitat areas; Federal Emergency Order Habitat areas; Alberta Conservation Information Management System element occurrence and protected areas; Alberta Historical Resource Values. In the U.S., unusually sensitive areas are identified by the National Pipeline Mapping System of the Office of Pipeline Safety.

<sup>13</sup> Keyera aligns our definition of a pipeline incident with American Petroleum Institute (API) definitions for Process Safety Events (liquids and liquids systems). Tier 1 events are unplanned and/or uncontrolled commodity releases that result in either significant consequences and/or higher release volumes as defined by API. These types of events could result in a lost-time injury or fatality, an officially declared community evacuation or shelter in place, a fire, or an explosion. Tier 2 events are incidents that result in a recordable injury, minor fire, or explosion with little to no damage or minor volume release.

<sup>14</sup> Number of tier 1 and tier 2 pipeline incidents per 1,000 kilometers (km) of total pipeline length.

<sup>15</sup> Reliability across all operated gas plants (including scheduled outages and turnarounds).

Water	2021	2020	2019	2018	2017	SASB code
Percentage of water from water scarce areas <sup>16</sup>	0%	0%	0%	0%	0%	EM-EP-140a.1
Total water withdrawal (m <sup>3</sup> ) <sup>17</sup>	1,702,791	1,523,846	1,881,841	1,353,515	1,732,054	EM-EP-140a.1
For operations (m <sup>3</sup> ) <sup>18</sup>	657,078	713,030	750,506	750,248	803,969	EM-EP-140a.1
For projects (m <sup>3</sup> ) <sup>19</sup>	1,045,713	810,816	1,131,335	603,267	928,085	EM-EP-140a.1
Total water discharge (m <sup>3</sup> ) <sup>20</sup>	49,223	6,543	15,611	24,215	18,853	EM-EP-140a.2
Fresh water consumed (m <sup>3</sup> ) <sup>21</sup>	1,637,350	1,486,596	1,843,135	1,317,426	1,696,662	EM-EP-140a.1
Percentage of water recycled or reused <sup>22</sup>	64%	66%	67%	71%	67%	EM-EP-140a.2

Waste	2021	2020	2019	2018	2017	SASB code
Total waste (tonnes) <sup>23</sup>	3,343,086	3,231,536	1,430,922	1,505,044	1,211,776	EM-CM-150a.1
Total hazardous waste (tonnes) <sup>24</sup>	5,546	5,065	5,643	4,918	3,669	EM-CM-150a.1
Total non-hazardous waste (tonnes) <sup>24</sup>	3,337,540	3,226,471	1,425,279	1,500,127	1,208,107	EM-MM-150a.4
Total solid waste (tonnes) <sup>25</sup>	20,860	17,510	32,897	20,781	72,217	EM-MM-150a.7
Total liquid waste (tonnes) <sup>26</sup>	3,322,226	3,214,025	1,398,025	1,484,263	1,139,560	EM-MM-150a.5
Percentage waste recycled/reused/treated <sup>27</sup>	4%	4%	10%	10%	17%	EM-CM-150a.1

<sup>16</sup> Water scarcity areas are defined as watersheds with an overall water risk rating of 3 to 5 as per WRI Aqueduct Water Atlas with oil and gas weighting scheme applied.

<sup>17</sup> 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. Metric also includes routine/permanent water withdrawn from municipal waterworks for industrial purposes.

<sup>18</sup> Water withdrawn as a result of routine operations.

<sup>19</sup> Water withdrawn as a result of a short-term activity or project that is not representative of water usage during routine operations. Examples may include asset construction (pipeline, facility wellsite), cavern development, asset decommissioning, or deconstruction.

<sup>20</sup> Water sources identified in "total water withdrawn" footnote 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>21</sup> Fresh water drawn from surface water or groundwater. Does not include brackish ground water or water from municipal licenses.

<sup>22</sup> Calculated as: (Total water recycled and reused / (total water recycled and reused + total water withdrawals)) x 100

<sup>23</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>24</sup> Hazardous and non-hazardous waste is as defined by local jurisdiction where the waste is generated.

<sup>25</sup> Solid physical state wastes that would pass paint filter test.

<sup>26</sup> Liquid physical state wastes, sludges, emulsions, or liquid impacted wastes. Does not include gaseous or solid waste.

<sup>27</sup> 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 people & operations	2021	2020	2019	2018	2017	SASB code
Fatalities <sup>28</sup>	0	0	0	0	0	EM-RM-320a.1
Combined Total Recordable Injury Frequency (TRIF) <sup>29</sup>	0.59	0.82	0.93	0.83	1.09	EM-RM-320a.1
Employee TRIF	0.82	0.51	1.13	0.52	1.45	EM-RM-320a.1
Contractor TRIF	0.47	1.42	0.80	1.03	0.71	EM-RM-320a.1
Combined Lost-Time Injury Frequency (LTIF) <sup>30</sup>	0.04	0.20	0.04	0.12	0.23	EM-RM-320a.1
Employee LTIF	0.00	0.31	0.09	0.00	0.34	EM-RM-320a.1
Contractor LTIF	0.06	0.00	0.00	0.21	0.12	EM-RM-320a.1
Employee motor vehicle incident frequency (MVIF) <sup>31</sup>	0.66	1.83	2.07	1.47	1.16	EM-SV-320a.1
Number of emergency response trainings/drills <sup>32</sup>	103	61	111	112	121	EM-MD-540a.4
Discussion of safety and emergency preparedness	See pages 24-30					

[Health, Safety, & Environment policy](#)

People & culture	2021	2020	2019	2018	2017	SASB code
Total employees	1,005	959	1,074	1,040	1,000	N/A
Percentage of male employees	76%	76%	75%	76%	77%	N/A
Percentage of female employees	24%	24%	25%	24%	23%	N/A
Percentage of male leaders <sup>33</sup>	79%	78%	76%	77%	81%	N/A
Percentage of female leaders <sup>33</sup>	21%	22%	24%	23%	19%	N/A
Percentage of male executives	67%	73%	79%	86%	85%	N/A
Percentage of female executives	33%	27%	21%	14%	15%	N/A
Voluntary employee turnover <sup>34</sup>	3.8%	2.5%	3.0%	3.0%	2.0%	N/A
Employees who completed performance reviews	100%	100%	100%	94%	95%	N/A

<sup>28</sup> Refers to workplace death involving an employee or contractor.

<sup>29</sup> Number of recordable injuries x 200,000 / total exposure hours.

<sup>30</sup> Number of lost time injuries x 200,000 / total exposure hours.

<sup>31</sup> Number of motor vehicle incidents / 1,000,000 km (over \$2,000 in damage or police report filed).

<sup>32</sup> Full-scale exercises, tabletop exercises, training, and refresher courses.

<sup>33</sup> Employees with direct reports.

<sup>34</sup> Does not include retirements.





Community & Indigenous engagement	2021	2020	2019	2018	2017	SASB code
Community investment spend (thousands of CDN dollars)	1,489	1,300	1,000	981	850	EM-EP-210a.3
Employee volunteer hours (during working hours)	4,861	4,748	8,412	8,244	7,645	EM-EP-210a.3
Value of employee volunteering during working hours (thousands of CDN dollars) <sup>36</sup>	289	245	464	463	420	EM-EP-210a.3
Indigenous communities engaged <sup>37</sup>	30	31	22	21	10	EM-EP-210a.3

Business ethics	2021	2020	2019	2018	2017	SASB code
Total monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	0	0	0	0	0	EM-MD-520a.1
<a href="#">Code of Business Conduct</a> (extends to contractors and suppliers)						
<a href="#">Whistleblower Policy and Hotline</a>						

Governance <sup>38</sup>	2021	2020	2019	2018	2017	SASB code
Independent directors <sup>39</sup>	90%	89%	90%	80%	80%	N/A
Board committee independence	100%	100%	100%	100%	100%	N/A
Lead independent director	Yes	Yes	Yes	Yes	Yes	N/A
Women on board	30%	33%	33%	33%	33%	N/A
Average board meeting attendance	100%	100%	98%	100%	98%	N/A
Say on Pay	Yes	Yes	Yes	Yes	Yes	N/A
Say on Pay results	98.0%	98.6%	98.0%	97.8%	98.5%	N/A
Majority voting policy	Yes	Yes	Yes	Yes	Yes	N/A
Board training and annual evaluation	Yes	Yes	Yes	Yes	Yes	N/A
Board ESG oversight	Yes	Yes	Yes	Yes	Yes	N/A
Discussion of governance practices	<a href="#">Management Information Circular</a>					

<sup>36</sup> Number of volunteer hours multiplied by average hourly salary (salaried and hourly) for that year.

<sup>37</sup> Engaged is defined as project consultation, business involvement, and/or community investment.

<sup>38</sup> Data in the Governance tables reflect information as reported in the Management Information Circular for each respective year. For example, the data for 2021 reflects information as of March 24, 2022, as reported in our 2021 Management Information Circular.

<sup>39</sup> In accordance with Canadian securities rules, our Board Chair, Jim Bertram, was considered independent June 1, 2019, following completion of a three-year period since the cessation of his prior role as an executive officer of Keyera.



Economics (thousands of CDN dollars) <sup>40</sup>	2021	2020	2019	2018	2017	SASB code
Net earnings	324,206	62,030	443,609	402,828	289,920	N/A
Funds from operations	765,872	810,436	754,254	696,298	567,639	N/A
Distributable cash flow	668,595	718,176	593,584	638,124	510,434	N/A
Payout ratio	63%	59%	67%	56%	61%	N/A
Adjusted EBITDA	955,848	873,582	944,101	807,363	617,015	N/A

Activity	2021	2020	2019	2018	2017	SASB code
<b>Gathering &amp; Processing (G&amp;P)</b>						
Gross processing throughput (MMcf/d) <sup>41</sup>	1,460	1,274	1,496	1,537	1,464	EM-RM-000.A
Net processing throughput (MMcf/d) <sup>41</sup>	1,235	1,057	1,191	1,193	1,149	EM-RM-000.A
<b>Liquids Infrastructure (LI)</b>						
Gross processing throughput (Mbb/d) <sup>42</sup>	143	149	170	176	181	EM-RM-000.A
Net processing throughput (Mbb/d) <sup>42</sup>	78	73	79	80	67	EM-RM-000.A
AEF iso-octane production volumes (Mbb/d)	14	12	12	13	12	EM-RM-000.A

<sup>40</sup> For details related to Economics and Activity metrics, including the use of "Non-GAAP Measures" such as funds from operations, distributed cash flow, payout ratio and adjusted EBITDA, please refer to Keyera's 2021 Year End Report dated February 16, 2022, available on SEDAR or [www.keyera.com](http://www.keyera.com).

<sup>41</sup> Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent. Net processing throughput refers to Keyera's share of raw gas processed at its processing facilities.

<sup>42</sup> Fractionation throughput in the LI segment is the aggregation of volumes processed through the fractionators and the de-ethanizers at the Keyera Fort Saskatchewan facility and Dow Fort Saskatchewan facility.



## Advisories

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; ongoing impact 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 Rights holders; plans to further develop our social investment; and anticipated community and economic benefits for community stakeholders and Indigenous Rights holders related to certain projects including, without limitation, our 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 Rights holders 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 that 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; constraints on, or the unavailability of, adequate infrastructure and technology; changes in the political environment in Canada, North America, and elsewhere; the conflict between Russia and Ukraine as it relates to energy security; 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 Annual Information Form dated February 16, 2022 and annual management discussion and analysis for the year ended December 31, 2021, and described in our public filings available in Canada at [www.sedar.com](http://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.





## Contact us

If you have questions about our 2021 ESG Report, reach out to [sustainability@keyera.com](mailto:sustainability@keyera.com).

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