



'22 Sustainability Report

Our Foundation for
**Sustainable
Growth**

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Pembina Gas Infrastructure's (PGI) Land Acknowledgement



PGI acknowledges our traditional hosts and thanks them for their graciousness in welcoming us to carry out work on their traditional territories.

PGI plays a role in the Economic Reconciliation with Indigenous Peoples and their respective communities where PGI operations take place.

We acknowledge the collective responsibility we all have to these lands and to the future generations who will be stewards of them. PGI recognizes and respects:

- › The spirit and intent of the United Nations Declaration on the Rights of Indigenous Peoples, within the context of the Canadian Constitution and existing Canadian laws;
- › The United Nations Declaration on the Rights of Indigenous Peoples as a framework for reconciliation; and
- › That all Canadians, including private industry and government, must play a role in advancing the Truth and Reconciliation Commission of Canada's Calls to Action, and in particular, Call to Action Number 92, Business and Reconciliation.

Indigenous Peoples are the traditional stewards of the lands and waters where each of us work and choose to live. We further acknowledge that the Indigenous Peoples have inhabited these lands and waters since time immemorial. The Indigenous Peoples' territory, culture, truths, traditions, teachings, and languages are sacred, and we are honoured to live and work here. We acknowledge the original inhabitants of this place, who have hunted, fished, gathered, and taken care of these lands. We respect their right to self-determination, and we honour their sacred spiritual connection with the land and water.

Message from our President and CEO

As a new company, PGI has an opportunity to create something great. We are positioning ourselves to be an environmental leader now and into the future. We believe that focusing on sustainability will benefit us all and allow our organization to become even greater.

Welcome to our inaugural 2022 Sustainability Report. It has been an exciting year! In August 2022, three businesses joined together to form what we now proudly call Pembina Gas Infrastructure (PGI). We are Canada's largest privately owned, premier, natural gas processing company. Since inception, we have focused on establishing our business strategy through identifying our strengths and building on them to further develop our ESG aspirations. We are taking the opportunity to position ourselves responsibly through our commitment to strong governance and environmental and social leadership.

We continue with our long-standing history of safe and reliable operations serving the Western Canadian Sedimentary Basin. Uniquely, our facilities in British Columbia — which are regarded as being among the lowest carbon intensity gas plants in North America — will

be connected to the under-construction LNG Canada export facility. We are well situated to supply lower carbon Canadian natural gas to the world and are welcoming of additional Canadian LNG opportunities proposed for the future.

The balance between providing reliable energy to sustain and improve global standards of living, while at the same time addressing the risks associated with climate change is highly complex. PGI is advantaged in its emissions profile, with 24% of our processing capacity being renewably powered. This translates to 9% of our total energy consumption in 2022 coming from renewable sources. In collaboration with our owners and customers, we are driving to further reduce our emissions.

As such, PGI has established a 30% emissions intensity reduction target by 2030 from 2019 levels. We are committed to play a part in the energy transition and have incorporated a sustainability lens on every investment decision made by our company. To achieve our target, we will pursue operational efficiencies and upgrades, evaluate new projects, and explore innovative technologies to further reduce emissions intensity.

Another top priority for us is to be a responsible, good neighbour in the communities where we live, work, and operate. We want to create positive benefits with long-lasting impacts in our communities. We are also committed to building robust, collaborative partnerships with our Indigenous neighbours.

In 2022 after PGI's formation, we've contributed to over 25 charitable initiatives and invested \$170,000 into our operating communities. A special highlight was our support of children

through a university-led program which distributed classroom science kits to students. The program provided mentorship and helped to engage youth with fun, meaningful, and accessible STEM programs. I look forward to furthering our contributions and am personally touched by the positive stories demonstrating the valuable social impact our company makes.

Pivotal in achieving all of this is having great people at our company striving to do great things. Cultivating a positive employee experience and promoting a diverse and inclusive environment where our employees feel engaged, recognized, and empowered is foundational to our success. We want our employees to have fulfilling experiences as they make a difference through developing creative solutions and finding new ways to do things. PGI also encourages a spirit of community stewardship through giving back and volunteering as part of a well-rounded workplace experience and caring culture.

As CEO of PGI, I have a responsibility to lead our company to support maintaining Canada's position as the provider of the most responsibly produced energy in the world. And as a father, I'm motivated by the desire to create a better future for generations to come. There is a sentiment of optimism in the energy industry today. We reflect that optimistic determination — and will continue striving to create something great while staying humble in our ambition to always become better.

Thank you for your interest in PGI's ESG journey. We are excited about the opportunities and ready for the challenges ahead in pursuit of contributing to a healthier and more sustainable future.



Sincerely,

A handwritten signature in blue ink, appearing to read 'CRousch', written over a thin red horizontal line.

Chris Rousch
President & Chief Executive Office

Reading this Report

Defined Terms

- › The terms “**PGI**,” “**the company**,” “**our**,” “**we**,” and “**organization**” refers to Pembina Gas Infrastructure Inc., and its subsidiaries, as applicable.
 - › The term “**Pembina**” refers to Pembina Pipeline Corporation and “**KKR**” refers to Kohlberg Kravis Roberts & Co. L.P.
 - › On August 15, 2022, Pembina and KKR completed a joint venture transaction to combine their respective Western Canadian natural gas processing assets into a single, new joint venture (“**JV**”) entity, PGI (the “**PGI Transaction**”). Pembina owns 60% of PGI while KKR’s global infrastructure funds own the remaining 40%. Pembina serves as an operator and manager of PGI. Pembina contributed to PGI its wholly-owned field-based gas processing assets as well as its 45% interest in Veresen Midstream Limited Partnership (“**Veresen Midstream**”). KKR contributed to PGI its 55% interest in Veresen Midstream, as well as its 49% interest in PGI Processing ULC (formerly named Energy Transfer Canada ULC) (“**ETC**”). Concurrent with the closing of the transaction, PGI also acquired the remaining 51% interest in ETC.
 - › The term “**our owners**” refers to the JV ownership of PGI, where Pembina owns 60% and KKR owns 40%.
 - › The terms “**our managing owner**” and “**our managing operator**” refer to Pembina as the manager of PGI.
 - › The terms “**our operators**” and “**our contract operators**” refer to Pembina and Ovintiv Canada ULC (“**Ovintiv**”) as PGI’s contract operators. Pembina operates the majority of PGI’s assets, except for certain gas plants and associated infrastructure located in British Columbia which are operated by Ovintiv, collectively “**the Dawson area**”.
 - › The terms “**PGI’s employees**” or “**our employees**” refers to head office employees of Pembina who are dedicated solely to PGI. The term “**workforce**” refers to PGI employees, as well as Pembina and Ovintiv personnel contracted by PGI who are responsible for PGI-owned assets, as applicable.
 - › The term “**our customers**” and “**producers**” refers to the oil and gas producing companies which PGI serves.
 - › PGI’s Sustainability reporting **performance table metrics** contained in this report are derived on an equity basis from inputs provided by our operators Pembina and Ovintiv, as well as our corporate organization. Our operators prepare sustainability performance data for PGI-owned assets in alignment with recognized sustainability reporting frameworks. The data is then reviewed and aggregated by PGI. We strive to conform to applicable Sustainability Accounting Standards Board (“**SASB**”) and Global Reporting Initiative (“**GRI**”) framework standards, and have referenced applicable frameworks in our data tables.
- › Note that certain **performance metrics** are provided on an **inception to year-end** basis (from August 15, 2022 to December 31, 2022). Other metrics are provided on a **pro-forma basis**, which includes performance results for the full-year 2022 prior to PGI ownership as of August 15, 2022. Metrics are footnoted as applicable throughout this report.
 - › PGI adopts and makes reference to our **managing owner’s policies, procedures, frameworks** and **systems**, as applicable, for the management of our business and operations. Refer to **Pembina’s 2022 Sustainability Report** for more information.
 - › Other terms that appear in this report include: Environment, Social, and Governance (“**ESG**”); natural gas (“**gas**”); Liquefied Natural Gas (“**LNG**”), carbon dioxide (“**CO₂**”), carbon dioxide equivalent (“**CO₂e**”).
 - › Units of measure appearing in this report include: million cubic feet per day (“**mmcf/d**”), billion cubic feet per day (“**bcf/d**”); kilowatt-hours (“**kWh**”); gigawatt-hours (“**GWh**”); metric tonnes of carbon dioxide equivalent (“**tCO₂e**”); barrel of oil equivalent (“**BOE**”).



This report contains **forward-looking statements** that are based on management’s current expectations, estimates, projections, and assumptions in light of our experience and perception of historic trends. This information is provided to assist readers in understanding the company’s future and expectations and may not be appropriate for other purposes.



PGI has utilized **Pembina’s 2022 Sustainability Report** as part of our framework to develop this Sustainability Report. Refer to **Pembina’s Report** for more information.

Sustainability at PGI

2022 ESG Highlights



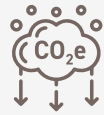
As this is PGI's inaugural ESG Report,

our approach to sustainability

will continue to evolve and grow over time. PGI's approach is rooted in our commitment to work in a responsible manner while promoting the well-being and protection of our workers, the public and the environment.



44% reduction in venting and fugitive emissions intensity from 2019 to 2023.



30% emissions intensity reduction by 2030.

We established a target of reducing Scope 1 and Scope 2 GHG emission intensity 30% by 2030, relative to the 2019 baseline ("30 by 30").



59% of 2022 grid electricity consumption is renewable.



Safety record
0.95 TRIF

combined employee & contractor inception to year-end.



52% of PGI's employees are women.



We invested **\$170,000** into communities near our operations inception to year-end.

About Us

About Pembina Gas Infrastructure

Western Canada's Premier Natural Gas Processor

PGI is a premier natural gas processing entity in Western Canada with a combined capacity of over 5 bcf/d. The formation of PGI is a continuation of the long-standing partnership between Pembina and KKR. PGI is strategically positioned to serve customers throughout the Montney, Deep Basin and Duvernay from central Alberta to northeast British Columbia. Pembina owns 60% of PGI and is an operator and manager of PGI facilities, while KKR owns the remaining 40%. The new company launched on August 15, 2022 (refer to the [March 1, 2022 news release](#) and [August 15, 2022 news release](#) for more information).

PGI is focused on being a reliable, safe, and nimble partner with our energy producing customers in Western Canada. We help them achieve their objectives by providing services which ultimately support connecting their natural gas products to the world. While serving our customers, we also support the communities we operate in and are committed to ESG initiatives to promote a sustainable energy future.



The PGI asset base is the combination of gas processing plants and related pipelines from Pembina, Veresen Midstream, and ETC. The combination of the three businesses brings together complementary platforms to better serve customers in Western Canada.

The prior ownership percentages leading to the formation of PGI are illustrated below:



PEMBINA 100%



PEMBINA 45%
KKR 55%



KKR 49%
ENERGY TRANSFER 51%

Our Ownership:



PEMBINA 60%
KKR 40%

Our Operations

PGI is uniquely situated with a large infrastructure footprint and serves our customers safely and reliably across the Western Canadian Sedimentary Basin. We have the ability to scale our large asset base and generate strategic synergies. As a private company, we can be creative, flexible and nimble in our customer-centric business approach.

PGI's facilities are well-situated to serve the following three resource plays within the Western Canadian Sedimentary Basin:

Montney

- › PGI has numerous plants that primarily serve the Montney play, totalling approximately 2.5 bcf/d of shallow cut processing capacity. These facilities include our Hythe, Steeprock, Wapiti, and Patterson Creek gas plants, which are operated by Pembina, as well as our Dawson area (Tower, Saturn, and Sunrise gas plants) which are operated by Ovintiv. For gas egress, all plants are connected to the Nova Gas Transmission Line (NGTL) system, and some plants are also connected to the Alliance system. Hythe, Steeprock, and Wapiti all have sour processing capability.

Deep Basin

- › PGI's Deep Basin footprint includes our Cutbank Complex, Kakwa, and Resthaven plants that total approximately 1 bcf/d of processing capacity, with 80% having deep cut processing. These plants are all operated by Pembina and have gas egress connections to NGTL. Our Kakwa facility also has sour processing capability.

Duvernay

- › Our assets serving the Duvernay resource play area include the Duvernay Complex, KA, K3, and the Saturn Complex facilities for a total of approximately 1.4 bcf/d of processing capacity. These plants are all operated by Pembina and have egress connectivity to NGTL, with KA and K3 also having a connection to Alliance. Our Saturn facility has deep cut processing capability as well.

Ancillary infrastructure

- › PGI also owns a total of approximately 4,000 kilometres of gathering pipelines, along with numerous compressor stations and liquids hubs, that gathers producer natural gas to our processing plants.

Vertical integration

- › Our facilities are fully integrated with our managing owner, Pembina, which gives our customers the ability to access a comprehensive suite of services including pipeline transportation, NGL fractionation, export terminals and other services to enhance the value of their hydrocarbons.

Operations

- › PGI contracts with Pembina to operate most of our assets. In addition, Pembina provides services under a shared services model for activities such as accounting, engineering, integrity and asset management, human resources, and information technology, among others.



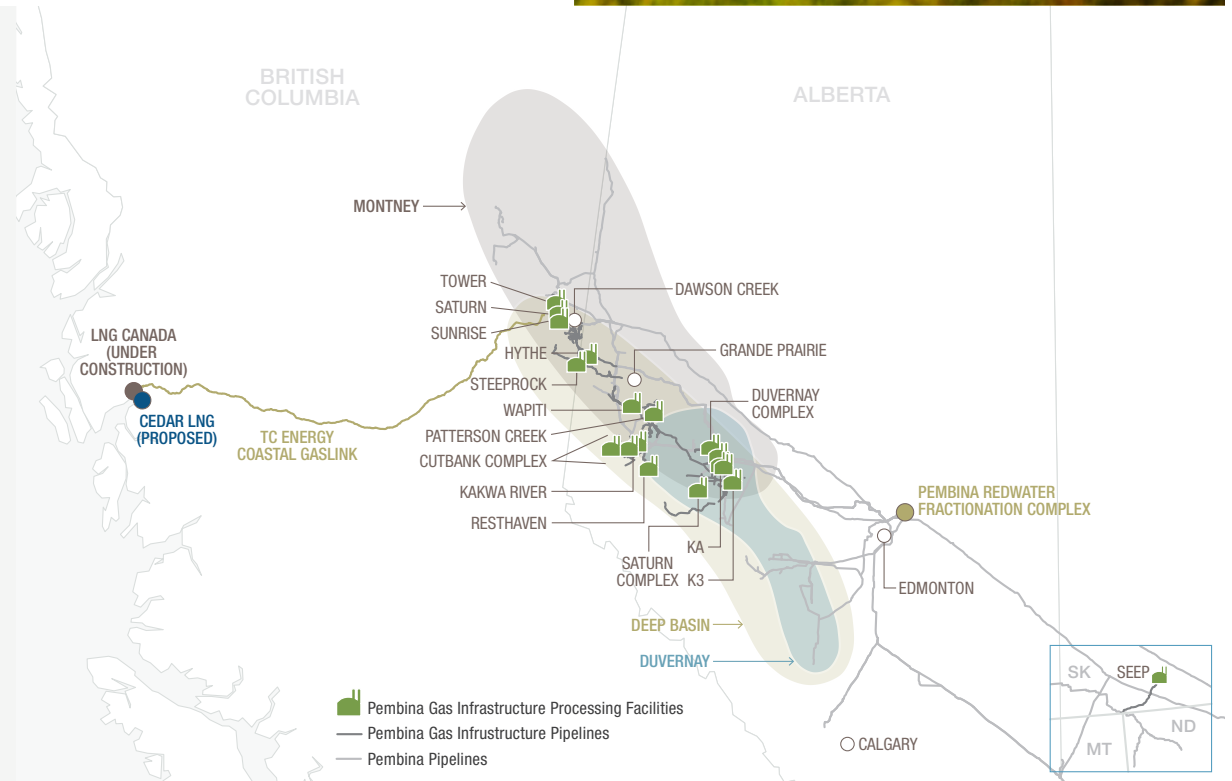
Canadian LNG Opportunities – PGI's assets are uniquely positioned

Natural gas is a key Canadian energy commodity and has the lowest emissions among fossil fuels. **Compared to coal, natural gas combustion releases 50 percent less CO₂ per unit of energy produced** and emits far fewer pollutants such as Sulfur Dioxide, Nitrogen Oxides and particulate matter.

With ample gas supply from the Montney, Deep Basin, and Duvernay resource plays, Canadian natural gas can reduce emissions on a global scale by replacing higher polluting fuels, thus contributing to climate change mitigation efforts.

Natural gas must be exported as LNG in order to reach overseas markets that lack sufficient local gas reserves. Canada produces among the lowest-emission natural gas in the world. As such, the potential of Canada's developing LNG export market is well positioned to play a significant role in supplying the evolving world energy demand. Canadian LNG could greatly contribute on a world-scale as we transition to a lower-carbon economy and a more sustainable future.

PGI is advantaged that newly constructed pipelines physically connect our Dawson assets to future LNG exports. This is through the third-party owned Dawson Groundbirch Pipeline and Coastal GasLink Pipeline, which will deliver gas from PGI to the under-construction LNG Canada facility located in Kitimat, BC. Our access to Coastal GasLink would also provide a physical connection to multiple future LNG opportunities including Cedar LNG, a proposed low-emissions floating LNG facility under development through a partnership between the Haisla Nation and our managing owner Pembina. PGI is excited for the completion of LNG Canada and looks forward to further updates on other Canadian LNG export opportunities.



Sustainability Focus Areas

Our approach to ESG is rooted in our goals for zero harm to our people, assets and the environment. As a new company, we are committed to further advancing our ESG strategy from our baseline of where we are today.

We believe a leading ESG framework will create value and provide long-term benefits to all of our stakeholders while also improving our emissions performance.

Aligned with our managing owner, our ESG report and data disclosures are based on six sustainability focus areas: Governance, Energy Transition and Climate, Employee Well-being and Culture, Health and Safety, Responsible Asset Management, and Indigenous and Community Engagement.





Governance

PGI believes strong governance is critical to **achieving our sustainability goals and prospering as a company.**

At PGI, we work towards integrating ESG best practices into our operations and our culture. This enables us to continue to operate successfully, while reducing risk and enhancing stakeholder value. We also continue to employ the ESG policies, structure, roles and tools of our managing owner.



Aligned
25%
of our employees' short-term compensation goals to environmental, health and safety metrics.

All our business development investment decisions are made considering emissions impacts.

Governance Structure

Our Approach & Performance

ESG Oversight and Management

We are committed to strong standards of governance that reflect our corporate values, support our business strategy and allow us to meet regulatory expectations.

The consideration of ESG issues in our governance and management approach is essential to our success. Our ability to practically integrate ESG into our operations is at the core of our company culture.

Our ESG oversight starts with our Board of Directors. Our Board is composed of members from both of our owners, Pembina and KKR, and provides oversight and leadership on all strategic decisions and the future direction of

the company. This includes review and oversight of any material ESG issues brought forward by management. Ultimate accountability for ESG issues is held by our President and CEO, with day-to-day responsibility and management of ESG issues owned by our Leadership Team (**Figure 1**). The Leadership Team interfaces with our contract operators to ensure oversight, communication of concerns and solutions, and development of ESG improvements.



Figure 1



Board of Directors

All significant operational, governance, financial, and risk management decisions, as well as strategies that could affect our business, are reviewed by the Board. During quarterly updates from management, material ESG issues and risks are presented to and discussed with the Board.



CEO

Our President and CEO has ultimate accountability for all issues facing the company, including ESG-related risks and opportunities.



Leadership Team

Our Leadership Team has day-to-day responsibility for the management of ESG-related issues.



ESG Business Development

Our Business Development team screens, researches, evaluates, and coordinates projects that contribute to our ESG performance improvement goals.



Operations

Our Operations team provides oversight and direction to our front-line operating partners.



Operates approximately 75% of our processing capacity

Our managing owner and operator provides collaborative cross-functional support and expertise to advance our ESG priorities and puts management controls in place and executes performance related to ESG.



Operates approximately 25% of our processing capacity

Our contract operator in the Dawson area puts management controls in place and executes performance related to ESG.

At A Glance Performance



PGI looks forward to welcoming a new female Board member, **Heather Christie-Burns**, in 2023.

In 2023, PGI added Heather Christie-Burns to our Board of Directors. Heather is the Vice President of Pembina's Transmission Pipelines business unit and has over 25 years of energy experience. She brings a breadth of knowledge in areas such as ESG, carbon capture, and emerging technologies and is an invaluable addition to PGI's Board.

Key 2022 governance highlights are as follows:



Successful integration of asset base under PGI JV ownership.

Determination of ESG performance baseline & 30 by 30 target.

Board commitment to development of ESG strategy.

Establishment of formal quarterly ESG reviews in 2023.

Implementing emissions improvements as part of our business process.

Looking Forward: 2023 & Beyond

PGI commits to maintaining and evolving our governance, using best practices to help us progress and improve.

The ESG regulatory landscape is dynamic and we continue to monitor it for developments that could impact our company, including climate-related proposals and regulations.



For more information on our **Governance** practices, please visit the [Pembina Pipeline 2022 Sustainability Report](#).



Energy

Transition
& Climate

Climate change provides opportunities as well as risks for PGI. Through well-considered strategy and focus on constant innovation and continuous improvement, **we can support the future of the energy industry and the energy transition.**

PGI commits to being an environmental leader through the responsible operation of our existing assets and investment in the energy transition.

Our approach includes reducing operational emissions through technology and improved operating practices, increasing our use of renewable energy, and allocating capital to lower carbon investments. All of PGI's business development investment decisions are made considering ESG factors, with a particular focus on emissions impacts.

30%
by 2030

As part of our approach, PGI has set a GHG emissions intensity reduction target to reduce Scope 1 and Scope 2 GHG emissions intensity 30% by 2030, relative to a 2019 baseline.



24%
of our
processing
plant capacity
is electrified
with renewable
power supply.



Our methane
emissions
intensity is
31% lower
in 2022
than in 2019.

Energy Transition & Climate

Our Approach & Performance

We understand the importance of delivering environmentally responsible energy to drive the economy, while also sustaining and improving standards of living everywhere, and at the same time, considering the risks posed by climate change.

PGI is taking a rounded approach in our strategic priorities to ensure our company will continue to prosper to 2030 and beyond. Our goal is to be an environmental leader to sustain, decarbonize and grow our company as well as invest in the energy transition — all of which will support us in achieving our 30 by 30 emissions reduction target.

This is **how our environmental priorities** are focused to support achieving our **30 by 30 target** & to **further our ESG strategy**:



1

Tie executive & employee short-term incentive compensation to GHG emissions reduction performance.



2

Reduce emissions from our operations through equipment modernization, process optimization, fugitive and venting emissions management, and fuel switching.



3

Identify, evaluate and commercialize value added emission reduction project opportunities.



4

Work with government and lending partners to access energy transition grants, incentives, and financing.



5

Collaborate with customers to gain support for emissions reductions to maintain our competitiveness.

2022 Improvements over 2019

On a pro-forma basis, PGI has achieved a 3% GHG emissions intensity reduction from 2019 to 2022.

- › Higher throughput at our ultra-low-emissions Dawson plants contributed significantly to lower intensity. This improvement is partially offset by lower throughput at some sites, and new assets in-service which combust fuel gas as part of routine operations.
- › Venting intensity was reduced by 46% due to replacement of pneumatic devices and mitigation and capture of tank vents.
- › Fugitive intensity was reduced by over 37% due to continuous progress in an established Leak Detection and Repair (LDAR) program at all facilities.
- › While the reasons for the change are only generally discussed here, we plan to provide more year-over-year details in future sustainability reports.

2022 Performance

Full year 2022 Scope 1 & Scope 2 Emissions, on a pro-forma basis:



2019
baseline:
0.0131
tCO₂e/BOE.

2022
performance:
0.0127
tCO₂e/BOE.

Methane is
205,716
tCO₂e, or
9.5% of total
emissions.

2.17
million
metric tonnes
CO₂e
Scope 1
emissions.

0.37
million
tonnes
CO₂e
Scope 2
emissions.



Flaring
intensity is
27% higher
because of additional
sour gas processed.
Greater incineration
was required to
mitigate sulphur
emissions to
atmosphere.



Scope 2 emissions
are 15% of PGI's total
emissions in 2022,
and our Scope 2
emissions intensity
is flat since 2019.
Our Alberta assets' Scope 2
emissions intensity had a
13% improvement
since 2019 due to the grid
transition from coal to
natural gas and renewables.

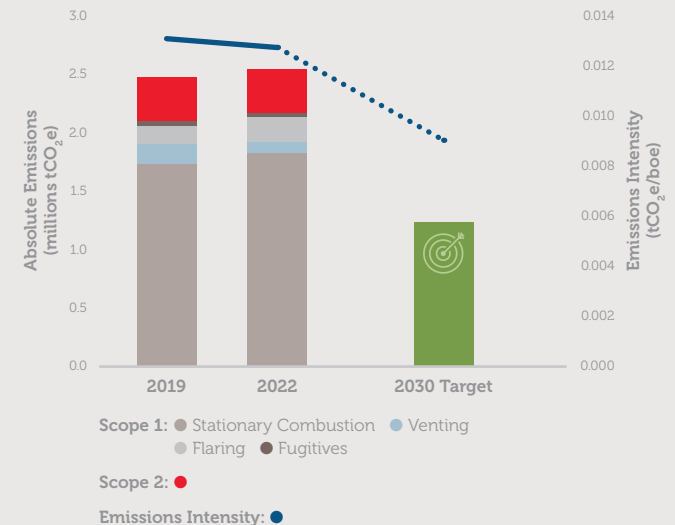


1,632
GWh electricity
consumption with
59%
being from
renewable sources.
Of total energy consumption
(natural gas & electricity)
of 40.1 million gigajoules,
8.7% comes from renewable
electricity.

2022 Emissions & Future Target

Below are charts that
compare absolute emissions
and emissions intensity for
2019 & 2022 with a forecast to
our 2030 target of
0.0092 tCO₂e/BOE.

GHG Emissions and Future Target

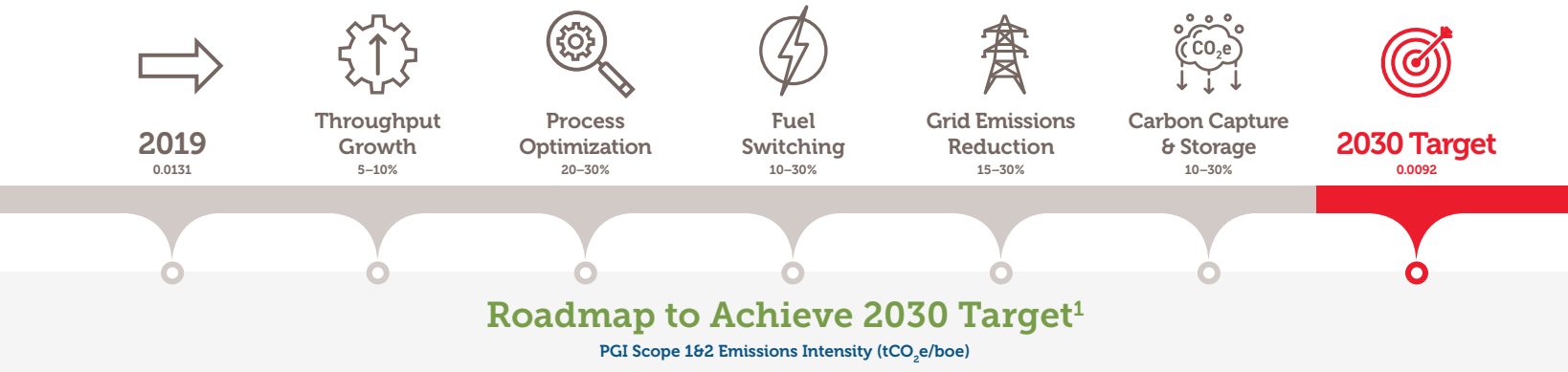




Looking Forward: 2023 & Beyond

PGI is committed to emission intensity reduction and to reaching our 30 by 30 target.

We've developed a vision and potential pathway on how we could achieve our target. The various opportunities could include:



Throughput Growth

Our throughput is growing in alignment with customer demand. We are focused on maximizing throughput and optimizing the performance of all our assets, particularly the ultra-low emissions intensity Dawson area gas plants. Customer demand has strengthened over time due to the Montney and Duvernay resource plays being highly competitive for the development to supply global energy demand.

Process Optimization

Over 70% of PGI's emissions are from the stationary combustion of natural gas.

- › PGI is cataloguing equipment level emissions to identify opportunities for process optimization to lower fuel gas usage by running equipment more efficiently or consolidating if possible.
- › We anticipate a significant opportunity to reduce emissions through optimizing our gas-fueled engine and heater fleets by pursuing upgrades for greater energy efficiency and reduced emissions.

Engines Feature

In 2022, PGI upgraded four natural gas driven engines from lean-burn to a lower-emissions rich-burn configuration.

Installation costs and disruption to operations was minimized by scheduling the upgrades during planned outages. Through upgrading, we estimate emissions reduction per engine to be between 1,000 and 1,400 tCO₂e annually.

PGI will continue the engine upgrade program throughout 2023 and expect an additional eight engines to be upgraded by the end of that year.

We have many additional engines in our fleet that can be similarly upgraded and are planning to continue this initiative for future years.

¹ For illustrative purposes and subject to change.



Fuel Switching

PGI is investigating opportunities to switch gas-fired equipment to electric-powered. Some sites are already grid-connected, creating potential opportunity to electrify additional equipment. Other sites are not grid connected and require significant investment and lead time to become electrified.

- › PGI is evaluating adding cogeneration at certain facilities to produce electricity. Excess heat from the cogeneration process can be utilized to improve overall energy efficiency.
- › Our Dawson footprint in British Columbia is located near existing BC Hydro power infrastructure, which has a very low grid emissions intensity. We are evaluating additional opportunities to electrify gas-fired equipment in this area.
- › Certain PGI Alberta facilities are located in close proximity to the utility grid power supply where electrification could be considered.
- › Industrial electrification is often challenging as it requires a significant investment with increased operating cost to purchase power. PGI, in collaboration with our customers, will diligently assess the feasibility of these opportunities on a case by case review.

Grid Emissions Reduction

PGI currently uses a significant amount of power from the Alberta and BC grids. In Alberta, PGI is anticipating the grid to have significantly lower emissions over time, in alignment with industrial decarbonization plans which are influenced by government regulations. Reduced power grid emissions would positively impact PGI's Scope 2 emissions. Further, if our company pursues electrification of additional equipment, the impact of a lower-emitting grid will be even more pronounced.

Carbon Capture & Storage (CCS)

Our company is exploring the opportunity to evaluate carbon capture and storage technology at certain facilities. We have completed site-specific feasibility studies, which are benchmarked against evaluations conducted by Pembina and other organizations. Currently, CCS projects are challenging due to the substantial capital cost and increased operating costs. PGI is looking to undertake further studies and evaluations to refine the opportunity and timing to potentially implement a CCS project. We will also remain current with ongoing technological advancement, as well as working with governments on their initiatives for regulatory and financial support.

Electrification Advantages & Opportunities

Gas plants require energy to process gas. The energy required can be sourced by either electrification through a power grid connection or through natural gas fired equipment. Several PGI plants are connected to the electrical grids in both Alberta and BC and consume grid power, while our other gas plants consume natural gas to drive major equipment.

- › In BC, the grid power supply largely comes from renewable hydropower and has a very low industry standard grid emissions intensity of 15 grams CO₂e/kWh in 2022². Given this, our electrified Dawson area gas plants are among the lowest emitting gas plants in North America.
- › In Alberta, the power grid has an intensity of 540 grams CO₂e/kWh in 2022². Through the framework of Alberta's Technology Innovation and Emissions Reduction (TIER) regulation, which governs large emitting facilities in the province, the expectation is that the power grid intensity performance will continue to improve. Ongoing investment in lower-emissions generation to meet TIER or other requirements, such as coal-to-gas switching and renewable electricity sources, should drive Alberta's grid emissions factor lower over time. PGI expects to realize Scope 2 emissions improvement accordingly.

² Taken from the Government of Canada's 2021 National Inventory Report: Greenhouse Gas Sources and Sinks in Canada, Tables A13-10 (Alberta) and A13-11 (British Columbia) – Consumption Intensity



Employee

Well-being &
Culture



We are great together –
PGI aspires to create a culture that **provides meaningful opportunities and attracts and retains diverse talent.**

At PGI, it's important to us that we offer a positive employee experience. Our focus is on providing a diverse and inclusive environment where every one of our employees feels they are a part of our team and directly contributes to our goals. We want them to be engaged and feel recognized, while being empowered to participate and take an entrepreneurial approach in their success and ours.



52%
of PGI
employees
are women.



Across PGI's employees and contracted workforce,
60
are **women** for
12%
overall gender diversity.

Employee Well-Being & Culture

Our Approach & Performance

For our business to be successful, we require an engaged, diverse, and innovative workforce. PGI adopts our managing owner's policies for employee well-being, culture, and initiatives to sustain and improve employee engagement.

To attract and retain an engaged workforce, we strive to provide employees with positive experiences throughout the employment lifecycle, including supporting employee well-being through our benefits and wellness programs. Leadership development is emphasized at all levels in our organization, and we pride ourselves in creating a work environment where accountability is clear, strong performance is expected, and results are recognized.

Recognizing employee contributions and achievements is critical to fostering a positive work environment. Following the

policies of our managing owner, we offer various types of recognition programs including a peer-to-peer online recognition program, long-service awards, awards that recognize community involvement and individual performance bonuses.

PGI currently employs 21 people at its Calgary-based head office as of Dec 31, 2022. We also contract with Pembina to provide services to the JV which includes both Calgary-based and field-based staff. PGI also contracts with Ovintiv for operations of our Dawson area assets.

At A Glance Performance³



52%
of PGI
employees
are women.

50%
of PGI
executives
are women.

15%
of managerial
positions
in our
workforce
are held by
women.

Jenn Rivera

Jenn Rivera is a Commercial Services professional who came from ETC, one of the predecessor companies, as part of the formation of PGI. Including her time at ETC, Jenn is proudly celebrating her 20th-year of service anniversary.

When asked about the future, Jenn shares that "there is so much we can do with our asset base. It's really exciting when you think about all of the opportunities and challenges on the horizon".

What's inspired me the most about PGI is our diverse and supportive culture. It's great to work within such a committed and highly engaged team that's focused on achieving common goals – through collaboration, we share in our successes and win as a team.

Jenn Rivera, Sr. Representative
Commercial Services

³ As of Dec 31, 2022.

2022

Performance⁴



Of PGI's employees:

11 in 21
of employees
are women
(52%).

one in two
of executives
are women
(50%).

two in five
managers
are women
(40%).

In PGI's
total workforce of
484 individuals —
a large portion of whom
are field-based staff:

12%
are
women.

15%
of managerial
positions in
our workforce
are held by
women.



The total workforce's
age demographics
reflect:

15%
are under age 30.

61%
are between
ages 30-49.

24%
are over age 50.

Looking Forward: 2023 & Beyond

We continue to monitor our performance on pay equity, including base pay, short and long-term incentives, and are committed to continuous improvement.

Creating a differentiated employee experience is a priority and we will work to further evolve our programs in pursuit of enhancing our employee experience. We continue to encourage employee development and will strive for best practices to attract, retain and promote a diverse and inclusive workforce.



For more information on
Employee Well-being & Culture
practices and policies, please visit the
[Pembina Pipeline 2022 Sustainability Report](#).

⁴ As of Dec 31, 2022.



Health

& Safety

Safety is deeply rooted within PGI's culture. **Aligned with our managing operator, we are committed to operating in a way that protects the health and safety of all our stakeholders, including employees, contractors, and the residents of the communities we operate in.**

Working safely is a way of life at PGI and is at the heart of our values. Our philosophy reflects our belief that all incidents are preventable and that nothing is more important than the safety of our employees, contractors and communities. We continually make health and safety a top priority and work with all of our stakeholders to improve safety.



The TRIF
(Total Recordable
Incident Frequency)
for employees in
our workforce was
0.36
in 2022
inception to
year-end.



Zero
fatalities at
our operations
in 2022
inception to
year-end.

Health & Safety

Our Approach & Performance

Our approach to health and safety follows our managing owner's policies and structures. Our safety programs continuously seek opportunities to further improve safety in our operations.

Our Safety Program is governed by our managing owner's Health, Safety and Environment (HSE) Policy and is one of the operational risk management programs that form the Operating Management System (OMS) in place at all PGI assets. The OMS employs a systematic approach comprised of principles, standards, procedures, guidelines and other supporting documents.

The Safety Program is designed to drive continuous improvement and enhance safety performance — which creates a strong reporting culture to investigate incidents and implement learnings.



To support a learning culture, our managing owner's Incident Review Panel (IRP) meets every other month to review selected incidents to identify and share root causes and lessons learned and to track corrective actions.

Participants in the IRP include PGI representatives, Pembina's executive team, operations and project leaders, and safety specialists. PGI's Board of Directors meet on a quarterly basis to review health and safety performance and set and evaluate strategies, priorities, performance targets and HSE key metrics as necessary. Employee compensation is linked to meeting health and safety performance targets, which are tracked and measured across all our operations.

The Dawson area assets are also subject to Ovintiv's safety management program, which PGI has evaluated and deemed to be in alignment with our managing owner's policies, practices, and procedures. PGI combines reporting from both Pembina and Ovintiv to make a holistic assessment of our performance. In pursuit of continuous learning and improvement, PGI ensures that best practices and learnings are shared between both operating companies.



Figure 2:
Life-saving rules are necessary at all PGI assets.



Driving

Drive defensively for the conditions on and off road, while obeying all applicable laws.



Hazard Assessment

Complete hazard assessments to identify and mitigate risk. Hazards may be overhead, below ground or in the atmosphere.



Work Permits

Obtain and work under a valid permit where required.



Follow the Plan

No deviations from procedures, defined work plans or bypassing safety devices without documented authorization.



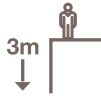
Energy Isolation

Verify isolation of energy sources before work begins.



Confined Space

Obtain a work permit before entering confined spaces. Assess the atmosphere conditions and activity before entry.



Working at Height

Protect yourself against a fall when working at height through guardrails, equipment or a fall protection system.



Ground Disturbance

Obtain a permit before starting ground disturbance activities.



Lifting Operations

Follow safe lifting operations and the lifting plan.

2022 Workforce Metrics⁵

Employees & contractors worked over **840,000** hours.

Nearly **3.7** million kilometres were driven.

No fatalities occurred.

Near Miss Frequency Ratio (NMFR) is

10.9 overall;

broken down as:

14.5 for employees & **4.14** for contractors.

One contractor Motor Vehicle Incident (MVI) & **zero** employee MVIs.

Accumulated

722 Hazard IDs & **1,271** Positive Safety Recognitions (PSRs).

⁵ All Health & Safety metrics are inception to year-end (Aug. 15, 2022 to Dec. 31, 2022). Full year pro-forma statistics are not available because predecessor companies had their own policies, standards, and frameworks for EH&S management in place prior to PGI, which may not be aligned with what PGI uses going forward.

At A Glance Performance⁶



TRIF is
0.95 overall,
broken down as:
0.36
for employees &
2.07
for contractors.⁶



Three
contractor
Lost Time Incidents &
one employee
recordable incident.



TRIF

PGI's TRIF of 0.95 is in-line with the midstream industry; however, we will continuously strive to maintain and improve our safety performance going forward.

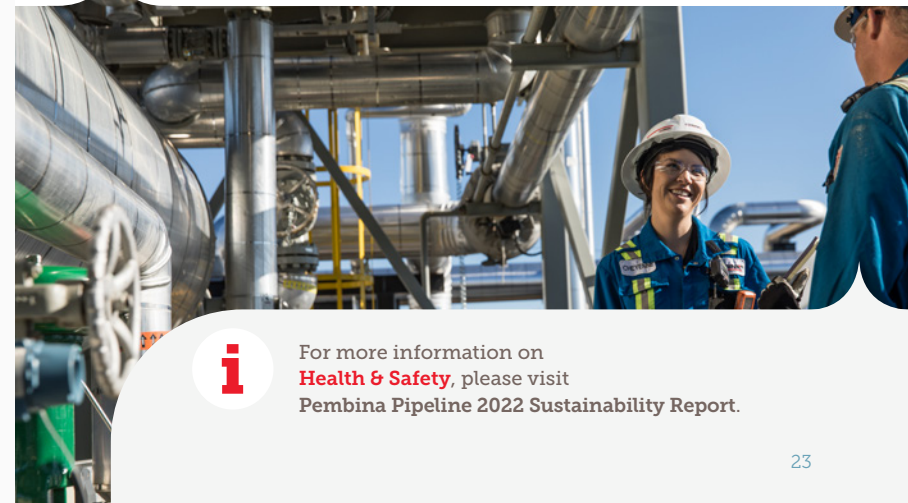
PGI is fortunate to have safety-conscious operators in both Pembina and Ovintiv, who each have a strong track record of improving safety performance.

PGI recognizes that three contractor Lost Time Incidents from inception to year-end indicates an area for improvement. We have utilized the Incident Review Panel process at Pembina to understand the root causes of each incident and develop enhanced safety procedures and communications in an effort to prevent further occurrences.

Looking Forward: 2023 & Beyond

PGI strives for zero safety incidents at all our assets. We emphasize accountability and competence throughout the organization, having a stop-work process in place, and use leading indicators including Hazard Identifications and Positive Safety Recognitions to promote a high performing safety culture.

All incidents are noted immediately and investigated appropriately, with learnings shared both internally and between our contract operators. Safety performance is reviewed regularly with management where procedures and policies are amended as appropriate. Life-saving rules are necessary at all PGI assets. See **Figure 2**.



For more information on **Health & Safety**, please visit [Pembina Pipeline 2022 Sustainability Report](#).

⁶ All stats are inception to year-end Aug 15, 2022 to Dec 31, 2022



Responsible

Asset
Management

PGI is committed to **ensuring our assets remain reliable and have high standards of integrity for ongoing protection of the environment. Our approach to Responsible Asset Management is aligned with our operator and managing owner.**

It's important for PGI that our assets are operated safely, reliably, and with consideration for the environment. By doing so, we contribute to the sustainable success of our employees, communities, customers, and owners. A lifecycle approach is taken to manage our assets including planning, construction, and operating activities. We are committed to continuously improving our operations and seek to align our operating practices with leading standards.



PGI successfully integrated its JV asset base

under Pembina's asset management systems. Baselines have been established & performance tracking is in place.



Zero

hydrocarbon spills or significant pipeline incidents in 2022 inception-to-date.



Four

major facility maintenance turnarounds

completed to ensure reliable and safe operations in 2022 inception to year-end.

Responsible Asset Management

Our Approach & Performance

Responsible Asset Management is a commitment to operating safely, reliability and with consideration for the environment.

Topic areas include the following:



Integrity Management

Through our operator and managing owner, there are robust policies in place for maintaining the integrity of PGI's assets — which is essential to providing safe and reliable operations and environmental protection. **By following these policies, our assets are responsibly managed.**

We are also committed to seeking opportunities for continuous improvement, which meets or exceeds regulatory requirements. Maintaining the integrity of our infrastructure is an integral part of our business. More specifically, our programs include:

Damage Prevention Program

Our program focuses on the development, implementation, and management of robust control programs, effective surveillance and monitoring techniques, and the education of our stakeholders and communities.

Public Awareness Program

This program defines how we create awareness about the presence of our assets in the communities in which we operate, the steps required to prevent damage to our assets, and the role of our community stakeholders in recognizing, reporting, and responding to facility emergencies.

Integrity Management Program ("IMP")

Comprehensive IMPs are utilized for our facilities and pipelines to guide evaluations and risk assessments and determine the necessary testing and integrity work required. These programs include the systems, processes, analysis, and documentation designed to ensure proactive and transparent management of its facilities, and compliance with applicable standards and regulations. We dedicate a significant portion of our annual operating budget directly to integrity management activities to maintain safe and reliable operations.

Additionally, to ensure quality, ongoing continuous improvement, and compliance with all our integrity programs, we conduct both voluntary and mandatory internal and external assurance activities. If we identify improvement opportunities, we develop and implement a corrective action plan.



Spill Prevention & Mitigation

Asset integrity and responsible asset management are critical to ensure the safe operation of our assets and protect our communities and the environment.

Our managing owner's Environment Management Program provides guidance on environmental protection and spill prevention for all phases in the lifecycle of an asset including project planning, construction, and operations.

In the unlikely event of an incident, our Emergency Management Plans outline detailed processes to help execute timely deployment of equipment, resources, and trained personnel to support any type of incident. We regularly conduct Emergency Response Training and Exercises across the organization to ensure we are prepared for how to respond in the event of an incident.



Waste Management

Minimizing waste is an important element of reducing our impact on the environment. We actively identify opportunities to treat, recycle or divert our waste. We manage hazardous and non-hazardous waste generated throughout various processes in our operations and work to identify additional opportunities to partner with third-party recycling facilities.

PGI's waste is generated throughout the gas and hydrocarbon processing, transportation, and storage asset lifecycles, including during construction, operations, maintenance, and closure of our operations. Non-hazardous waste generated from our operations includes materials consumed in facility operations and maintenance, as well as domestic and construction wastes. Hazardous wastes include non-marketable hydrocarbon residuals, wastes generated from cleaning and maintenance of vessels, tanks and pipelines, solids produced by our wastewater treatment processes, and materials generated from site remediation.

PGI operates in jurisdictions within Canada where management of hazardous waste is strictly regulated and we meet or exceed all regulatory requirements for the safe handling and disposal of hazardous waste.



Water Management

Water is a precious and essential resource. At PGI, appropriately handling water and minimizing use of fresh water sources is highly important to us.

Through our managing owner, PGI strives to reduce water usage and avoid potential impacts to water resources, while returning as much water back into the hydrologic cycle as possible. Water is only sent for treatment or to disposal facilities if it cannot be safely returned to the environment. We adhere to strict regulations around water withdrawal and discharge.

Many of our facilities handle all production from our customers' wells – natural gas, hydrocarbon liquids, high salinity produced water, as well as solids and contaminants. The water, solids, and contaminants are removed from the gas and hydrocarbon streams and then handled in a sustainable manner. Produced water is either disposed of at appropriate subsurface facilities meeting regulatory requirements, or by conditioning and re-using the water in our customers' well drilling and completion operations to minimize their use of surface water supplies. Stormwater and runoff at PGI facilities is collected, tested, and discharged to the environment in accordance with jurisdictional surface water quality requirements, in some cases for drilling and completion activities, construction operations, and road dust suppression.

Certain PGI facilities also utilize water as part of gas processing, for example our KA and K3 plants use water for steam generation to provide necessary heat and drive equipment, as well as process cooling. Notably, at the KA facility our operator, Pembina, is undertaking process optimization work that may reduce facility freshwater demand.



Biodiversity & Land Use

PGI recognizes the growing need to take action to protect the abundance and diversity of plants and wildlife, reverse nature loss, and conserve the social and cultural values of land and aquatic resources for Indigenous Peoples and local communities.

Aligned with our managing owner, we are committed to land conservation and minimizing the impact of our operations on the environment. Our operators perform detailed assessment, planning, and ongoing monitoring of the impacts that our projects and operations have on plants, wildlife, and aquatic species as well as complete required reclamation and restoration of lands affected by our operations.

As part of our life-cycle approach to land management and biodiversity we focus on:



Stakeholder engagement



Managing species of concern



Land use



Reclamation



Environmental assessment & planning



Habitat restoration and enhancement through construction, operations & decommissioning



Cyber Security & Data Privacy

Information technology and data protection are essential to PGI's business operation. As such, cyber security and data privacy are critical business priorities to us.

Cyber security & data privacy are managed by our operating owner & are approached following these three core components:



1

Governance

- › Adherence to cyber best practices and measurement of success; and
- › Routine training and testing of the workforce on cyber risks and appropriate actions.



2

Risk & Compliance

- › Focus on evolving regulations and management of our third party(s) and supply chain risks; and
- › Assurance that the architecture, processes and controls are in place within our Operational Technology and Information System assets.



3

Security Operations

- › Continuous round-the-clock monitoring to identify potential vulnerabilities, irregular or threat activities, as well as global trends and incidents;
- › Automated response capabilities for cyber-attacks; and
- › Ongoing maintenance of cyber technology platforms and incident response activation capabilities.

2022 Performance⁷



Integrity Management

PGI, working in Pembina's IMP framework, has set near-term **asset integrity management** priorities & is developing resourcing plans to carry out the required work.



Waste Management

19,151 metric tonnes of waste generated, with **over 80%** being non-hazardous waste.

Waste is diverted whenever possible but the majority is sent to disposal in accordance with regulations.

⁷ All stats are inception to year-end (Aug. 15, 2022 to Dec. 31, 2022).



Spill Prevention & Mitigation

No reportable hydrocarbon spills 2022 inception to year-end.



Biodiversity & Land Use

1,205 acres (**10.1%**) of our impacted areas were revegetated for full year 2022 on a pro-forma basis.

Less than **0.04%** of PGI acreage is in protected areas as of Dec 31, 2022.

One reportable, non-significant pipeline incident 2022 inception to year-end.



Security & Data Privacy

Successful integration of combined PGI JV asset base into Pembina's cyber security protection system, policies, standards & controls.



Water Management

PGI facilities handled over **5.8** million cubic metres of produced water that was safely sent to regulated disposal, for full year 2022 on a pro-forma basis.

1.2 million cubic metres of water consumed for processing on a pro-forma basis, with over **99%** of that volume used for steam generation & process cooling at our KA and K3 plants.



For more information on our **Responsible Asset Management** programs and approach, please visit the [Pembina Pipeline 2022 Sustainability Report](#).



Indigenous

& Community
Engagement

PGI's approach to community investment is guided by tailored engagement with each community.

This approach enables us to better understand what the people and communities surrounding our operations value and how we can best support them.

PGI recognizes the profound relationships Indigenous Peoples have with the land on which we operate. We are committed to entering into lasting and mutually beneficial relationships with all Indigenous Peoples affected by our operations. Our commitment to invest in the communities in which we operate is a cornerstone of PGI's approach to sustainability. We understand the important role we play as neighbours and are committed to giving back in ways that improve people's lives and contribute to lasting, positive social change.



We uphold our predecessor organizations' initiatives

& continually work to improve our relationships & commitments to local Indigenous Peoples & communities near our operations.



We invested **\$170,000** into our communities 2022 inception to year-end.

Indigenous & Community Engagement

Our Approach & Performance

In alignment with our managing owner, PGI's approach to community investment is guided by tailored engagement with each community.

This approach enables us to better understand what the people and communities surrounding our operations value and how we can best support them. We conduct early, meaningful,

and ongoing engagement to understand community goals and social issues and then identify how partnerships and social investments – financial or otherwise – can support them.



PGI is **guided by three key pillars**, ensuring a **balanced approach to decision-making**. The **three pillars** to our **Community Investment Strategy** are:



1

Strong Indigenous Communities

Our goal is to work alongside Indigenous communities to promote Indigenous values, support spiritual social and economic well-being, and advance reconciliation and self-determination.



2

Safe, Inclusive & Connected Communities

Our goal is to ensure our communities are safe, inclusive places where all members have equal access to opportunities, services and spaces that foster a strong sense of belonging. Thriving local economies provide everyone with opportunities to succeed.



3

A Sustainable Future

Our goal is for communities and industry to work together to protect the natural environment for future generations. Citizens benefit from a sustainability-driven economy that improves energy and environmental outcomes and contributes to local economic prosperity.

Through these three pillars, we aspire to create resilient, thriving communities by supporting initiatives that matter to the community and connecting employees to the communities where we work and live.

PGI team members also have access to our managing owner's employee giving program called PATH ("Pembina Actions That Help"), which includes volunteer opportunities and rewards programs, donation matching, and giving campaigns that support employee-driven initiatives. Giving back is a core part of our culture and we believe that supporting causes that matter to employees and communities creates positive social impact and significant value for all our stakeholders.



University of Alberta DISCOVERe

PGI is a proud supporter of the DiscoverE program which serves youth by inspiring & engaging them through fun, meaningful, & accessible science, technology, engineering, & math (STEM) programs.

The student-delivered outreach program in the Faculty of Engineering at the University of Alberta works to enhance the reputation of STEM by improving accessibility, strengthening communities, attracting diverse candidates for DiscoverE programs, and fostering trust with stakeholders.

PGI's contribution supports the distribution of classroom kits providing students with the opportunity to learn engineering, science and technology concepts through exciting hands-on projects and demonstrations while being mentored by University of Alberta students.

DiscoverE's mission is to create excitement and interest in Engineering among under-represented groups, including Indigenous youth and girls through strategic, focused, and meaningful high-impact programs that remove barriers. Through the support of industry partners like PGI, kids can be provided with the opportunity to connect with mentors and professionals with a diverse range of expertise and experience.

Iliana Young, Director of DiscoverE
University of Alberta

Due to location, we can only reach these communities thanks to generous donors like PGI. Classroom Kits provide an extra connection point throughout the year and keep the youth excited about STEM year-round.

Iliana Young, Manager
DiscoverE

These kits are amazing, the instructions are very clear, the inquiry-based structure of the lesson made it very engaging, and it allowed for the whole class to work together. It was also great that each student had a project to take home, they were talking about it for days after! Thank you PGI for sponsoring our school to receive these kits!

Grade 5 Teacher

We also recognize that we have a role to play in advancing the Truth and Reconciliation Commission of Canada's Calls to Action, and in particular, Call to Action Number 92, Business and Reconciliation.

Our path to reconciliation is directed through our managing owner's frameworks which are focused on four directions and are aligned with the Truth and Reconciliation Commission of Canada's Call to Action Number 92.

i For more information on our **Indigenous & Community Engagement** practices and approach, please visit the **Pembina Pipeline 2022 Sustainability Report**.

2022 Performance



PGI classroom kits directly supported learning in communities local to our operations, including indigenous communities.

DiscoverE

actively works to create a decolonized program including Indigenous knowledge demonstrating that Engineering is a profession that values Indigenous people & their knowledge.

PGI's most significant investment in 2022 was in support of the University of Alberta's DiscoverE program.



PGI made a number of additional investments in the communities in which we operate, including ensuring appropriate resources are available to first responders & to support overall health & wellness.

In 2022, PGI continued to strategically advance its community giving & support local organizations across our operating areas, with a total investment of approximately

\$170,000
2022 inception to date.

Supported over **25** charitable initiatives in communities near where we live and work.



To enhance employee engagement, in 2022 PGI utilized Pembina's PATH program to amplify and support the charitable activities of our employees.

PGI employees also participated in Pembina's award-winning Calgary United Way Campaign which raised **\$3.4 million**

through the efforts of employees, contractors, vendors, our Board of Directors and retirees.

PGI participated in Pembina's employee Inclusion Networks, which provided meaningful employee engagement & donation matching opportunities, including Black History Month, International Women's Day, Pride, National Day of Truth & Reconciliation & Movember.

Looking Forward: 2023 & Beyond

Going forward, PGI will continue to build partnerships with organizations that support our three Community Investment program pillars and support the needs of communities across our operating areas.

With the creation of PGI, we have increased community investment funding across our operations, and have reaffirmed our focus on supporting the communities in which we operate. In 2023, we will more than double our Community Investment budget for an even greater impact.

We have been proud to continue our partnership with DiscoverE, significantly increasing our annual funding commitment to expand STEM education throughout our operating communities.

In 2023, some of our operating areas were impacted by the wildfires in Alberta and British Columbia. Prioritizing the health and safety of our people and communities, PGI worked to deploy funding to support first responders in immediate relief efforts and to ensure they have the resources required to respond effectively in future emergencies.

From an employee perspective, we remain focused on providing opportunities for our employees to get involved and give back to the causes that mean the most to them. We believe that providing volunteer and giving opportunities creates space for engagement and helps create positive social impact by connecting employees to the communities where they work and live.

PGI's ongoing and new projects will provide opportunities to liaise with Indigenous groups in the areas in which we operate.

Data Tables

PGI's Sustainability reporting performance table metrics below are derived on an equity basis from inputs from our contract operators Pembina and Ovintiv, as well as our corporate organization. Our contract operators prepare sustainability performance data for PGI-owned assets in alignment with recognized sustainability reporting frameworks and their data is reviewed and aggregated by PGI. We strive to conform to applicable SASB and GRI framework standards, and have listed applicable framework references in our data tables below.

ESG Performance Tables

Governance

Economic Value Generated and Distributed ¹	Applicable Framework	Units	2022
Direct Economic Value Generated ²	GRI 201-1	\$millions	641.0
Direct Economic Value Distributed			
Operating and General and Administrative Expenses ³	GRI 201-1	\$millions	254.0
Payments to Providers of Capital ⁴	GRI 201-1	\$millions	312.0
Employee Wages and Benefits	GRI 201-1	\$millions	2.3
Total Tax Paid ⁵	GRI 207-4	\$millions	10.3
Total Capital Expenditures Minus Depreciation		\$millions	(16.0)

Employee Well-Being and Culture

Employees ⁶	Applicable Framework	Units	2022
Total Employees (Canada)	GRI 401-2	Number	484
Gender Inclusion⁷			
Women in the Workforce	GRI 405-1	Number	60
Women in the Workforce	GRI 405-1	Percentage	12.4%
Women in Managerial Positions	GRI 405-1	Percentage	15.4%
Age Demographics			
Employees Aged 50+	GRI 405-1	Percentage	24%
Employees Aged Between 30 and 49	GRI 405-1	Percentage	61%
Employees Aged Under 30	GRI 405-1	Percentage	15%

Energy Transition and Climate

Climate Change Management ^{8,9,10}	Applicable Framework	Units	2022
Total Scope 1 GHG Emissions ¹¹	SASB EM-MD-110a.1 GRI 305-1	Metric tonnes of carbon dioxide equivalent	2,172,759
Methane (CH ₄)	SASB EM-MD-110a.1 GRI 305-1	Metric tonnes of carbon dioxide equivalent	205,716
Methane GHG Emissions as % of Scope 1 GHG	SASB EM-MD-110a.1 GRI 305-1	Percentage	9.5%
Scope 1 GHG Covered Under Emissions-Limiting Regulation	SASB EM-MD-110a.1	Percentage	100%
Total Scope 2 GHG Emissions ¹²	SASB EM-MD-110a.1 GRI 305-2	Metric tonnes of carbon dioxide equivalent	373,852
Scope 1 & 2 GHG Emissions Intensity		Metric tonnes of carbon dioxide equivalent per barrel of oil equivalent	0.01270
Energy Use	Applicable Framework	Units	2022
Total Electricity Consumption ¹³		Gigawatt hours	1,632
Renewable Electricity Consumption Proportion		Percentage	59.3%
Natural Gas Consumption		Gigajoules	34,286,749
Renewable Energy Consumption Proportion ¹⁴		Percentage	8.7%
Air Quality ¹⁵	Applicable Framework	Units	2022
SOx Emissions	SASB EM-MD-120a.1	Metric tonnes	5,777
NOx Emissions	SASB EM-MD-120a.1	Metric tonnes	6,274
Particulate Matter (PM ₁₀) Emissions	SASB EM-MD-120a.1	Metric tonnes	202
Volatile Organic Compounds (VOCs) Emissions	SASB EM-MD-120a.1	Metric tonnes	1,406

Health and Safety

Workforce Health and Safety ¹⁶	Applicable Framework	Units	2022
Fatalities (Employees and Contractors) ¹⁷	GRI 403-9	Number	0
Total Recordable Injury Frequency (TRIF) ¹⁸			
Employees (TRIF)	GRI 403-9	Rate	0.36
Contractors (TRIF)	GRI 403-9	Rate	2.07
Combined (TRIF)	GRI 403-9	Rate	0.95
Near Miss Frequency Rate (NMFR) ¹⁹			
Employees (NMFR)	GRI 403-2	Rate	14.50
Contractors (NMFR)	GRI 403-2	Rate	4.14
Combined (NMFR)	GRI 403-2	Rate	10.93
Preventable Motor Vehicle Incidents (MVI) ²⁰			
Employees (MVI)		Rate	0.00
Contractors (MVI)		Rate	0.27

Responsible Asset Management

Spill Prevention & Mitigation ²¹	Applicable Framework	Units	2022
Incidents (Spills, Releases, and Significant Failures)			
Reportable Pipeline Incidents ²²	SASB EM-MD-540a.1	Number	1
Significant Reportable Pipeline Incidents ²³	SASB EM-MD-540a.1	Number	0
Hydrocarbon Spills			
Hydrocarbon Spills ²⁴	SASB EM-MD-160a.4	Number	0
Aggregate Volume of Hydrocarbon Spills	SASB EM-MD-160a.4	Barrels	0
Volume of Hydrocarbon Spills Recovered	SASB EM-MD-160a.4	Barrels	N/A
Waste Management^{25,26}	Applicable Framework	Units	2022
Total Waste (Non-Hazardous and Hazardous)			
Total Non-Hazardous Waste	GRI 306-3	Metric tonnes	15,406
Total Hazardous Waste	GRI 306-3	Metric tonnes	3,745
Total Waste Generated	GRI 306-3	Metric tonnes	19,151
Waste to Disposal (e.g., Landfill, Incineration)			
Non-Hazardous Waste (Excluding Produced and Process Water)	GRI 306-5	Metric tonnes	10,459
Non-Hazardous Produced and Process Water Waste	GRI 306-5	Metric tonnes	4,676
Hazardous Waste	GRI 306-5	Metric tonnes	3,715
Total Waste to Disposal	GRI 306-5	Metric tonnes	18,851
Water Management²⁷	Applicable Framework	Units	2022
Total Water Withdrawal ²⁸	GRI 303-3	Million cubic metres	1,116,000
Total Water Disposed ²⁹	GRI 303-2	Million cubic metres	5,776,917
Total Water Returned to the Environment ³⁰	GRI 303-4	Million cubic metres	55,640
Total Fresh Water Consumed ³¹	GRI 303-5	Million cubic metres	1,156,697
Land Use & Restoration; Biodiversity³²	Applicable Framework	Units	2022
Terrestrial Acreage Disturbed	SASB EM-MD-160a.3	Acres	11,957
Impacted Area Restored in 2022 ³³	SASB EM-MD-160a.3	Percentage	10.1%
Land Owned, Leased, and/or Operated within Areas of Protected Conservation Status or Endangered Species Habitat	SASB EM-MD-160a.2	Percentage by Acreage	0.0%
Community and Stakeholder Relations^{34,35}	Applicable Framework	Units	2022
Total Community Investments	Adapted from GRI 201-1	\$millions	0.17

Footnotes

- 1 Data period includes PGI inception to year-end 2022 (August 15, 2022 to December 31, 2022).
- 2 Direct Economic Value Generated represents net revenue, including net sales, a realized gain on a commodity-related derivative, and interest income.
- 3 Operating and General and Administrative Expenses includes operating expenses plus general and administrative expenses less personnel expenses, property taxes, and community investments.
- 4 Payments to Providers of Capital includes distributions to JV owners and interest paid to providers of loans.
- 5 Total Tax Paid consists of property taxes, carbon taxes, and other taxes. PGI does not pay income tax at this time, but is expected to become taxable at some point. Income taxes incurred will be deducted from distributions to owners.
- 6 As at December 31, 2022, and includes the head office employees of Pembina who are dedicated solely to PGI, as well as Pembina and Ovitiv personnel contracted by PGI who are responsible for PGI-owned assets, as applicable.
- 7 Gender inclusion metrics pertain to permanent employees only.
- 8 PGI uses an equity approach to define organizational boundaries for GHG reporting, and includes all material sources and sinks associated with facilities and operations that are directly owned by PGI (pro-forma for 2022).
- 9 Aligns to TCFD Metrics and Targets Recommended Disclosure (b) and (c).
- 10 Values reported represent gross emissions emitted to the atmosphere before accounting for offsets, credits, or other similar mechanisms that have reduced or compensated for emissions.
- 11 Scope 1 emission sources in the reported data include emissions from stationary combustion equipment, fugitive emissions, as well as flaring, incineration, venting and mobile equipment.
- 12 Scope 2 emissions are indirect emissions from purchased and imported electricity and heat consumption, calculated using location-based emission factors from the most recent Environment and Climate Change Canada's National Inventory Report (NIR) for Canadian facilities.
- 13 Includes invoiced amounts from electricity providers.
- 14 Defined as renewable electricity consumption divided by total electricity and natural gas energy consumption.
- 15 Air quality emissions data are calculated based on regulatory requirements and includes emissions at or above regulatory reporting thresholds.
- 16 Data from PGI inception to year-end 2022 (Aug 15, 2022 to Dec 31, 2022).
- 17 A Fatality is a death resulting from a work-related injury/illness.
- 18 TRIF is the number of recordable injuries per 200,000 hours of work. In the reporting period, this includes one employee injury and three contractor Lost Time Injuries.
- 19 A Near Miss is an incident where no loss was sustained, but given a slight shift in position or time, damage, injury, or other loss could have occurred. Near Miss Frequency Rate (NMFR) is the number of near miss incidents per 200,000 hours of work, tracked as part of our Safety Program.
- 20 Motor Vehicle Incident (MVI) rate is the number of preventable incidents per 1,000,000 kilometres driven.
- 21 Data from PGI inception to year-end 2022 (Aug 15, 2022 to Dec 31, 2022).
- 22 Includes reportable spills and releases of any substance and significant failures from a pipeline. PGI has no assets or operations in the Arctic or Unusually Sensitive Areas, nor any operated transport by rail.
- 23 A Significant incident is defined as a release of a commodity product from a pipeline that must be reported to an external agency or authority (federal or provincial).
- 24 Number of Hydrocarbon Spills provides focus on hydrocarbons versus spills of other materials. A spill is defined as reportable, greater than one barrel in volume, includes those that reach the environment (soil or water) and excludes those that were contained within impermeable secondary containment.
- 25 Data from full year 2022 on a pro-forma basis.
- 26 Waste data are collected for both solid and liquid sources. Liquid waste is converted from cubic metres to metric tonnes at a 1:1 conversion for disposal volumes with unknown densities.
- 27 Data from full year 2022 on a pro-forma basis.
- 28 Water Withdrawal includes volumes drawn from the environment to support gas processing operations. This excludes produced water volumes which accompany raw gas that is delivered to the inlet of PGI infrastructure by our customers.
- 29 Water Disposed includes volumes sent from PGI facilities to regulated disposal facilities, deep injection wells, or fracture stimulation operations and includes our customers' produced water that is separated from the raw gas stream.
- 30 Water Returned to the Environment includes fresh surface water recovered at PGI facilities (for example, in storm ponds), or from construction activities such as pipeline hydrotesting, that has been returned to local watersheds in accordance with regulations.
- 31 Fresh Water Consumed includes water directly utilized by PGI process equipment (for example, water used for steam generation and process cooling).
- 32 As at Dec 31, 2022.
- 33 Represents the disturbed acreage associated with PGI owned infrastructure that was brought into service in 2017 (including certain Dawson area assets) that has now achieved revegetation status. Data from full year 2022 on a pro-forma basis.
- 34 Reported direct cash investments reflect community investment spend attributed to Veresen Midstream & PGI during the 2022 calendar year.
- 35 Community investments related to PGI assets directly owned by Pembina, prior to the formation of PGI, are reflected in Pembina's 2022 Sustainability Report.

Forward-Looking Statements

Certain information contained in this report may be “forward-looking” in nature and is based on PGI’s current expectations, estimates, judgments and projections. All statements, other than statements of historical fact, which address activities, events or developments that PGI expects or anticipates may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as “may”, “will”, “estimate”, “anticipate”, “believe”, “expect”, “plan”, “intend”, “target”, “project”, “forecast” or similar words suggesting future outcomes or outlook. PGI makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking information contained herein is made as of the date hereof, unless otherwise noted, and PGI does not undertake any obligation to update or to revise any forward-looking information, whether as a result of new information, future events or otherwise. Any forward-looking information contained herein is expressly qualified by this cautionary statement.





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