

## Independent Limited Assurance Report to Liberty Utilities (Canada) Corp.

We have been engaged by the management of Liberty Utilities (Canada) Corp. ('Liberty Utilities') to undertake a limited assurance engagement, in respect of the year ended December 31, 2020, on certain quantitative greenhouse gas emissions performance information described below and disclosed in The 2020 Sustainability Report Appendix – Environmental Metrics Table (the "Report") as described below.

### Subject Matter Information and Applicable Criteria

The scope of our limited assurance engagement, as agreed with management, comprises the following greenhouse gas emissions performance information (the 'Subject Matter Information'):

Climate Change	Scope 1 greenhouse gas emissions	2,133,528 tonnes CO <sub>2</sub> e
	Scope 2 greenhouse gas emissions	50,247 tonnes CO <sub>2</sub> e

There are no mandatory requirements for the preparation, publication or review of greenhouse gas emissions performance metrics. As such, Liberty Utilities applies the World Resources Institute/World Business Council for Sustainable Development's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the 'GHG Protocol') and its own internal reporting guidelines and definitions for GHG reporting (Appendix A) (collectively the 'Applicable Criteria').

### Management's responsibilities

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the Applicable Criteria, current as at the date of our report. Management is also responsible for determining Liberty Utilities' objectives in respect of greenhouse gas emissions performance and reporting and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

### Our responsibility and professional requirements

Our responsibility in relation to the Subject Matter Information is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board. ISAE 3410 requires that we plan and perform our procedures to obtain the stated level of assurance, in accordance with the applicable criteria.

### Assurance approach

We planned and performed our work to obtain all the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter Information, and applying analytical and other evidence gathering procedures to the Subject Matter Information, as appropriate. Our procedures included:

- Inquiries with relevant staff at the corporate and facility level to understand the data collection and reporting processes for the Subject Matter Information;
- Assessment of the suitability and application of the Applicable Criteria in respect of the Subject Matter Information
- Where relevant, performance of walkthroughs of data collection and reporting processes for the Subject Matter Information;
- Comparison of a sample of the reported data for the Subject Matter Information to underlying data sources;
- Inquiries of management regarding key assumptions and, where relevant, the re-performance of calculations;
- Completion of virtual site visits to a sample of Liberty Utilities' facilities, including walkthrough of data collection and reporting processes, interviews with senior management and relevant staff and virtual site tours; and,

- Reviewing the presentation of the Subject Matter Information in the Report to determine whether it is consistent with our overall knowledge of, and experience with, the greenhouse gas emissions performance of Liberty Utilities.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.

#### **Independence, quality control and competence**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matters.

#### **Inherent limitations**

Non-financial information, such as that supporting the Subject Matter Information, is subject to more inherent limitations than financial information, given the characteristics of significant elements of the underlying subject matter and the availability and relative precision of methods used for determining quantitative greenhouse gas emissions information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as well as the measurement criteria, may change over time.

#### **Our conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that, for the year ended December 31, 2020, the Subject Matter Information, as described above and disclosed in The 2020 Sustainability Report Appendix – Environmental Metrics, has not been prepared and presented, in all material respects, in accordance with the Applicable Criteria, current as at the date of our report.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature, there is a horizontal line that starts under the "K" and extends to the right, ending under the "P".

**Chartered Professional Accountants, Licensed Public Accountants**

June 23, 2021

Vancouver, Canada

## Appendix A

### Liberty Utilities (Canada) Corp. Greenhouse Gas (GHG) reporting Evaluation Criteria for Scope 1 (direct) and Scope 2 (energy indirect) emissions.

- The Company has selected the Operational Control approach to define its organizational boundaries and includes all material sources and sinks associated with its facilities and operations that it exercises direct operational control over.
- The Company has identified 2017 as its base year. A baseline recalculation is required when the following conditions are met: the facilities in operation in the reporting year changed from those in the base year in a non-organic way; changes in calculation methods, data monitoring, emissions factors and other assumptions have taken place; errors have been discovered in calculation methods and assumptions; operational boundaries have been modified in comparison to the base year; and the cumulative effect of expected changes from the base year recalculation exceed 5% of base year emissions.
- Scope 1 emissions are calculated using activity data (e.g. fuel consumption) and emission factors sourced from Greenhouse Gas Inventories, by USEPA (2020) and the Canadian National Inventory Report (NIR).
- Scope 2 emissions are calculated using activity data (e.g. electricity consumption) and emission factors sourced from Greenhouse Gas Inventories, by USEPA (2020) and the Canadian National Inventory Report (NIR).
- The Company applies the GHG protocol Scope 2 Guidance and report our scope 2 emissions using both market-based and location based-methods. Based on current operations, the results for the location-based and market-based methods are equivalent.
- The greenhouse gases included within the Company's inventory are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and SF<sub>6</sub>.
- Immaterial sources include fugitive emissions – leakage of refrigerants used in buildings, release of CO<sub>2</sub> from fire extinguishers, CH<sub>4</sub> from coal piles.