



## **NISOURCE INC.**

### **2018 CLIMATE DATA VERIFICATION STATEMENT**

#### **Introduction**

Trinity Consultants, Inc. (“Trinity”) was contracted by NiSource Inc. (“NiSource”) to verify its greenhouse gas (“GHG”) emissions inventory for its North America operations for the 2018 calendar year time period. NiSource is reporting 2018 GHG emissions as part of its responses to the 2019 Carbon Disclosure Project (“CDP”) Investor Questionnaire. Pursuant to CDP provisions, NiSource has the option to have this annual report independently verified by an accredited Verification Body (“VB”). The GHG inventory compiled by NiSource and the GHG inventory verification performed by Trinity is a component of NiSource’s long-term GHG management strategy.

NiSource has sole responsibility for preparation of the data collection, analysis, compilation, and external report. Trinity’s verification and assurance engagement is based on the assumptions that the NiSource’s data and information are sufficient, accurate and complete. Trinity’s responsibility in performing the verification and assurance work is to the management of NiSource only and are solely for NiSource’s benefit in accordance with the terms of the contract. Our assurance statement, however, represents Trinity’s independent opinion and is intended to inform all stakeholders including NiSource. Trinity disclaims any liability or responsibility on Trinity’s work to CDP or to any other party who may have access to this statement or the verification report.

#### **Scope of Verification and Assurance**

The scope of work agreed with NiSource includes the following:

- Organizational boundaries for the GHG inventory are all North America sites operating under NiSource’s operational control;
- Verification was carried out to a limited level of assurance;
- Verification was conducted using the ISO 14064-3 Standard;
- The reporting of the GHG emissions were conducted using World Business Council for Sustainable Development (“WBCSD”) / World Resources Institute (“WRI”) Greenhouse Gas Protocol;
- GHG emissions were verified for the period of January 1st to December 31st, 2018;
- Emissions data verified includes Scope 1, Scope 2 and Scope 3 (Business travel and other indirect emissions); and
- Verification activities were conducted in April through July of 2019.

#### **Verification Methodology**

The objective of verification and assurance engagement by Trinity was to provide an independent and objective review of the emissions data report for North America enterprise-wide emissions for Scope 1, 2 and 3, for calendar year 2018. The emissions data report is reviewed against the criteria and standards stated below:

- World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard
- ISO14064-3:2006 – Greenhouse Gases Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas assertions.

Trinity applied a risk-based approach throughout the assurance engagement, concentrating on the areas that Trinity believe are at risk of materiality.

The following tasks and methodologies were applied during the verification of NiSource's GHG data, inventory, supporting documents, and management processes:

- Identify and review conformance with the accuracy level declared in the CDP information request response and the accuracy requirements using ISO 14064-3:2006 verification standards as appropriate;
- Review and verify emission estimates with the applicable GHG emission calculations/reporting protocols and principles such as WRI/WBCSD Greenhouse Gas Protocol;
- Review and verify GHG facility data for completeness and accuracy;
- Review a selection of data provided from a sampling of NiSource facilities (Michigan City, R.M. Schafer, Sugar Creek, and Bailly) which is consistent with the selected level of assurance;
- Review NiSource's data management systems for emission data, transactions, bookkeeping records, reports, and compliance documents;
- Evaluate and check materiality of any misstatement in actual data;
- Review, identify, and list all deficiencies and conformance gaps; and
- Provide NiSource with an official verification statement with a verification summary that includes the findings of the verification process and any improvements and corrective actions taken

## Conclusions

NiSource's GHG assertions by Scope 1, Scope 2, and Scope 3 categories for calendar year 2018 are as follows:

- Scope 1 emissions of 12,580,801 metric tonnes CO<sub>2</sub>e
- Scope 2 emissions of 43,669 metric tonnes CO<sub>2</sub>e
- Scope 3 emissions of 2,892,254 metric tonnes CO<sub>2</sub>e

Based on verification activities performed, Trinity attests with a limited assurance that the submitted GHG assertions and/or emissions data report to CDP are free of material misstatements for each category of emissions including Scope 1, Scope 2, and Scope 3 emissions (i.e., the estimated percent error/discrepancy is less than 5% of the verified total for each Scope emissions). Trinity's conclusions are based on the assumptions that the data and information provided by NiSource to Trinity are true and complete.

## Limitations

Trinity's work did not include visits or physical inspections of any of NiSource's operating facilities. Trinity's approach to this verification was not intended to detect all weakness in management controls. The verification was performed on corporate management controls on a sample basis as noted previously. Further, it should be noted that the reliability of environmental data may be subject to inherent uncertainties, based on the established methods used to measure or calculate the underlying information.

## Independence

Trinity was not involved in the preparation of any part of NiSource's data or report. This is Trinity's fourth year of providing verification service for NiSource.

TRINITY CONSULTANTS

A handwritten signature in cursive script that reads "Charles C. Lee".

Charles C. Lee, Ph.D.  
Principal Consultant  
California Air Resources Board Accredited Lead Verifier

July 26, 2019

Enclosures:      Attachment 1 – Verification Plan  
                         Attachment 2 – Sampling Plan  
                         Attachment 3 – Materiality Assessment Summary  
                         Attachment 4 – Log of Issues and Findings