

## **NISOURCE INC.**

# **2019 Key Performance Indicators Independent Verification Statement**

### **Introduction**

Trinity Consultants, Inc. ("Trinity") was contracted by NiSource Inc. ("NiSource") to verify its environmental key performance indicators ("KPIs") for its North America operations for the 2019 calendar year time period. NiSource is reporting its 2019 environmental KPIs as part of its responses to the 2019 Dow Jones Sustainability Index ("DJSI") Online Questionnaire. Pursuant to DJSI provisions, NiSource has the option to have this annual report independently verified by an accredited Verification Body ("VB"). The environmental performance index ("EPI") inventory compiled by NiSource and the EPI inventory verification performed by Trinity is a component of NiSource's long-term environmental sustainability management strategy.

NiSource has sole responsibility for the preparation of the data collection, analysis, compilation, and external report. Trinity's verification and assurance engagement are 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 is 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 DJSI or to any other party who may have access to this statement or the verification and assurance report.

### **Assurance Standard**

Trinity's work was conducted following our standard assurance methodology and approach for external verification of sustainability reports, in part based on the International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, suitably adapted.

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

The scope of work and tasks performed by Trinity as previously agreed with NiSource includes the following:

- ▶ Verification was carried out to a level of limited assurance
- ▶ The verification of greenhouse gas ("GHG") Scope 1 and Scope 2 emissions was conducted using World Business Council for Sustainable Development ("WBCSD") / World Resources Institute ("WRI") Greenhouse Gas Protocol
- ▶ Environmental performance indicators were verified for the period of January 1st to December 31st, 2019
- ▶ Environmental performance indicators for NiSource includes:
  - DJSI 2.3.1 – Direct Greenhouse Gas Emissions
    - ◆ Scope 1 GHG emissions
  - DJSI 2.3.2 – Indirect Greenhouse Gas Emissions
    - ◆ Scope 2 GHG emissions

### **HEADQUARTERS**

- DJSI 2.3.3 – Electricity Consumption
    - ◆ Non-renewable fuels purchased and consumed
    - ◆ Non-renewable electricity purchased
    - ◆ Steam/heating/cooling and other energy (non-renewable) purchased
    - ◆ Total renewable energy purchased or generated
    - ◆ Total non-renewable energy sold
    - ◆ Total non-renewable energy consumption
  - DJSI 2.3.4 – Water Consumption
    - ◆ Withdrawal: Total municipal water supplies (or from other water utilities)
    - ◆ Withdrawal: Fresh surface water (lakes, rivers, etc.)
    - ◆ Withdrawal: Fresh ground water
    - ◆ Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted
    - ◆ Total net freshwater consumption
  - DJSI 2.3.5 – Waste
    - ◆ Total waste generated
    - ◆ Total waste used/recycled/sold
    - ◆ Total waste disposed
  - DJSI 2.3.6 – NO<sub>x</sub> Emissions
    - ◆ Direct NO<sub>x</sub> emissions
  - DJSI 2.3.7 – SO<sub>x</sub> Emissions
    - ◆ Direct SO<sub>x</sub> emissions
  - DJSI 2.3.8 – Ash and Gypsum Waste
    - ◆ Ash and gypsum waste composted, reused, recycled, or removed
  - DJSI 2.3.9 – Direct Mercury Emissions
    - ◆ Direct mercury emissions
  - DJSI 2.3.10 – Dust Emissions
    - ◆ Direct dust emissions
  - DJSI 2.3.12 – Hazardous Waste
    - ◆ Hazardous waste generated
  - DJSI 2.3.13 – SF<sub>6</sub> Emissions
    - ◆ SF<sub>6</sub> emissions
- ▶ Verification and assurance activities were conducted from April 2020 through July 2020.

## 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 and 2, as well as other environmental KPIs for the calendar year 2019. The data report is reviewed against the criteria and standards (as applicable and relevant) stated below:

- ▶ World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard
- ▶ ISO14064-3:2019 – Greenhouse Gases Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas assertions.
- ▶ International Standard on Assurance Engagements (“ISAE”) 3000

Trinity applied a risk-based approach throughout the assurance engagement, concentrating on the areas that Trinity believes 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:

- ▶ Review documentation and interview relevant staff to understand and evaluate the processes and systems used to collect, compile, consolidate, analyze and report data for the specified environmental KPIs;
- ▶ Review suitability of calculations, and conversion and emission factors;
- ▶ Review the corporate consolidation of data for specified environmental KPIs, and compare it to data submitted from the individual facilities; and
- ▶ Select underlying facility source data on a sample basis (as applicable and relevant) and conduct a desktop review of these sample data to confirm specified site data for the NiSource facilities.

## Conclusions

NiSource’s environmental key performance indicators assertions for the calendar year 2019 are as follows:

- ▶ DJSI 2.3.1 – Direct Greenhouse Gas Emissions
  - Scope 1 GHG emissions of 10,202,077 metric tonnes CO<sub>2e</sub>
- ▶ DJSI 2.3.2 – Indirect Greenhouse Gas Emissions
  - Scope 2 GHG emissions of 42,003 metric tonnes CO<sub>2e</sub>
- ▶ DJSI 2.3.3 – Energy Consumption
  - Non-renewable fuels purchased and consumed of 30,852,039 MWh
  - Non-renewable electricity purchased of 63,850 MWh
  - Steam/heating/cooling and other energy (non-renewable) purchased of 0 MWh
  - Total renewable energy purchased or generated of 309,630 MWh
  - Total non-renewable energy sold of 10,271,711 MWh
  - Total non-renewable energy consumption of 20,644,178 MWh
- ▶ DJSI 2.3.4 – Water Consumption
  - Withdrawal: Total municipal water supplies (or from other water utilities) of 0.10639 million cubic meters
  - Withdrawal: Fresh surface water (lakes, rivers, etc.) of 48.36 million cubic meters
  - Withdrawal: Fresh ground water of 2.96 million cubic meters
  - Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted of 29.74 million cubic meters
  - Total net freshwater consumption of 21.68834 million cubic meters
- ▶ DJSI 2.3.5 – Waste
  - Total waste generated of 461,523.65 metric tonnes
  - Total waste used/recycled/sold of 299,286.26 metric tonnes
  - Total waste disposed of 162,237.39 metric tonnes
- ▶ DJSI 2.3.6 – NO<sub>x</sub> Emissions
  - Direct NO<sub>x</sub> emissions of 5,111.49 metric tonnes
- ▶ DJSI 2.3.7 – SO<sub>x</sub> Emissions
  - Direct SO<sub>x</sub> emissions of 1,506.53 metric tonnes
- ▶ DJSI 2.3.8 – Ash and Gypsum Waste
  - Ash and gypsum waste composted, reused, recycled, or removed of 67.27%
- ▶ DJSI 2.3.9 – Direct Mercury Emissions
  - Direct mercury emissions of 0.02450 metric tonnes
- ▶ DJSI 2.3.10 – Dust Emissions
  - Direct dust emissions of 168.20 metric tonnes
- ▶ DJSI 2.3.12 – Hazardous Waste

- Hazardous waste generated of 180.06 metric tonnes
- ▶ DJSI 2.3.13 – SF<sub>6</sub> Emissions
  - SF<sub>6</sub> emissions of 1.7968 metric tonnes

Based on verification activities performed, Trinity attests with a **limited assurance** that no discrepancies were identified that would indicate that the activity data, emissions calculations, and equations supporting the company's submitted environmental KPI assertions and/or environmental data report to DJSI are not represented fairly in accordance with WRI/WBCSD GHG Protocols.

## 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 weaknesses 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 is an independent professional services firm that specializes in environmental, health and safety, and sustainability compliance, risk, and performance management. We have developed and maintain a quality management system, certified to ISO 9001:2015. No member of the verification/assurance team has a business relationship with NiSource, its Managers, or Directors other than for verification of the subject sustainability data and reporting, or has had any involvement in writing the DJSI questionnaire response, data collection or validation, or the development or implementation of data systems. This verification has been conducted independently, and we believe that there has been no conflict of interest.

TRINITY CONSULTANTS



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