



Heartland

 interpipeline

Petrochemical
Complex

+ Impact Report 2021
Telling the Story of Deliberate Sustainability

heartland
polymers



It began with an idea; an idea for the future of Canada's petrochemical industry and for Alberta's economy. Drawing on Inter Pipeline's two decades of industry experience, this idea has moved from the drafting table to the field and we are now poised to enter the final stages of construction on the Heartland Petrochemical Complex (HPC). Quite simply, this project is a game-changer. The first of its kind in Canada, HPC will produce a variety of top-quality polypropylene to a market that has increasingly demanded more supply of this essential product.

Bold action in any area invites both admiration and a level of uncertainty. Throughout the build of HPC, the energy industry has experienced the ongoing effects of a weakened economic landscape and a global pandemic. However, as a company, Inter Pipeline has never been satisfied with the status quo; our story has been one of constant reinvention and self-improvement. This holds true in each of our business segments, and it is equally true in the arena of sustainable practice. We will

pursue thoughtful, sustainable operations in each area of our company and won't be satisfied with anything less than excellence. We are also proud to bring our line of polypropylene products to market under the new brand Heartland Polymers. This brand reflects the best of our roots and the great promise of our future.

Inter Pipeline has always been recognized as a responsible operator of our assets. Part of our ongoing success has been the recognition that good stewardship and good business decisions do not compete against each other but are necessary to support and drive one another. We have thrived because we are a company committed to quality, safety and service, and our new Heartland Petrochemical Complex stands as a symbol of all three of these ideals. Heartland represents Canada's further emergence into this important industry, and the next corporate evolution of Inter Pipeline itself. We have created history with this project, and this is only the beginning of our journey.



**CHRISTIAN
BAYLE,**
President & CEO
Inter Pipeline

Heartland Polymers and the Heartland Petrochemical Complex will provide a much-needed source for a product that our world demands. We know that the petrochemical industry faces questions about responsible operation, sustainable practices and environmental commitment. At Inter Pipeline, our corporate philosophy has always been that good environmental practice is a basic tenet of our business. Our actions across the pillars of Environment, Social and Governance (ESG) demonstrate our commitment to the safety of our people, the development of thriving communities, diversity and inclusion in our workforce and the protection of our environment – while creating good jobs and driving new investment opportunities.

In our excitement over the construction of this landmark Canadian project, we have never lost sight that we will be setting the new industry standard for sustainable manufacturing and processing practices.

My team takes this responsibility seriously, and I am committed to ensuring that Heartland Polymers becomes a byword synonymous with safe operations, quality product and ongoing environmental mindfulness. I believe this project represents the very best qualities of the diverse and passionate people at Inter Pipeline who helped build it and bring it to life.

As our global presence increases in new and meaningful ways, so will our ability to invest in the efforts of industry associations and strategic partners working in alignment to prove that better is possible. These developments are ongoing, as is the learning process for all participants in this industry, and we will remain focused on continual improvement in all aspects of our business, especially as it pertains to our core values across ESG. We look forward to being an active leader in shaping the future of our industry.



JAMES J. MADRO,
Senior Vice-President,
Petrochemicals

As head of the ESG team, I am always glad to have the opportunity to share information with our stakeholder groups about the Heartland Petrochemical Complex and our ongoing sustainability initiatives. Featuring some of the most sustainably advanced processing equipment available, HPC sets a new standard for GHG emissions and reducing our carbon footprint. I am pleased to share the positive impacts from HPC to the people and communities we serve.

For more than twenty years, we have built an industry reputation as a sustainable operator with a safety program second to none in the energy sector. We have always been proud of the work our company has done, and our focus on safety and responsibility as we conduct business. Creating new opportunities for people, business and communities, Heartland Polymers is more than the next evolution of Inter Pipeline – it’s an example of how our industry can operate in a more sustainable and responsible manner.

A large part of this responsibility is ours, as we enter the field of petrochemicals, but we are not doing this in isolation. From the start of the project, we have been proactive in reaching out to the research and scientific community for their input into plastic study, and how Heartland Polymers fits within the

circular economy. Through our partnership and sponsoring of programs like Plastics Research in Action (PRIA) with the Northern Alberta Institute of Technology (NAIT), and its accompanying \$10-million grant, we have demonstrated our commitment to asking the right questions from the research community.

PRIA is just one example of the many external organizations that we have aligned with as we continue to advance our sustainability journey. We are proud of our ongoing relationships and partnerships with organizations who share and support a vision for a better, more sustainable low-carbon future. Our list of partnerships can be found on pages 37-40 of this report.

Our vision statement speaks to our desire to be Canada’s most respected and innovative energy infrastructure company. This same passion for excellence and the ambition to make it happen informs and drives our ESG platform.

We will be publishing our next corporate sustainability report this fall, and you can find more information about HPC’s history and progress to date on our website. Thank you for taking the time to read our 2021 Heartland + Impact Report.



JEREMY ROBERGE,
Vice-President Finance &
Investor Relations



We're at the heart of innovation.

Our business is deeply integrated and aligned to the concept of a circular economy that places the highest value on reducing waste and protecting our environment, while delivering economic benefits to our communities, employees and shareholders.

Owner – Operator

Provides infrastructure and commercial framework for reliable supply of locally-sourced propane feedstock, business partnerships, human and financial resources, access to global transportation, financial and commodity markets.

2017 Project Milestone: Announced final investment decision to construct North America's first integrated propane dehydrogenation (PDH) and polypropylene (PP) complex.

Manufacturing and Production

Integrated facility produces polypropylene and connection to low-carbon rail transport delivers the product across North America and to international ports.

2018 Project Milestone: Construction begins on North America's first integrated PDH/PP facility located in Strathcona County, Alberta, Canada.



Products and Services

Heartland Polymers is the brand representing Inter Pipeline's petrochemical business unit, including all branded products, product lines, sales and marketing support, customer service and shipping.

2021 Project Milestone: Inter Pipeline announces the launch of Heartland Polymers, the brand representing the company's investment and entry into the polypropylene market.

2022 Project Milestone: Production begins with delivery of Canadian-made polypropylene to world markets.

About This Report

Our Heartland + Impact Report aims to provide a diverse audience with a snapshot of the significant benefits being delivered as HPC moves toward an in-service date of early 2022. This report explores the economic benefits, deliberate sustainability initiatives and social/community opportunities delivered to date.

Our story is only just beginning, and we are committed to frequent updates with our stakeholders.



Inter Pipeline acknowledges that HPC is located on Treaty 6 territory, and respects the histories, languages and cultures of First Nations, Métis (Region 4), Inuit and all First Peoples of Canada, whose presence continues to enrich our vibrant community.

About Heartland Petrochemical Complex

Heartland Petrochemical Complex, located in Strathcona County, northeast of Edmonton, Alberta, represents Inter Pipeline's single largest step-out growth project in its 20-plus year history. North America's first integrated propane dehydrogenation (PDH) and polypropylene (PP) complex will help meet growing global demand for PP – demand that is expected to increase considerably over the coming years. This multi-billion dollar project will materially diversify and strengthen Inter Pipeline's existing large-scale natural gas liquids (NGL) processing business, while creating an attractive new market for propane feedstock, creating thousands of jobs and driving a new era of investment and deliberate sustainability in Canada.

Construction of the complex began in 2018 and is well underway. This monumental task has proceeded with careful planning and with an unrelenting focus on workforce safety given the COVID-19 pandemic.

Operations are expected to begin early 2022.



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Inter pipeline

Ashley Marr,
Director of Business Readiness, Inter Pipeline

Inter pipeline

THIS REPORT IS DEDICATED TO THE PEOPLE

who helped build the Heartland Petrochemical Complex through the challenges of a global pandemic – your passion and integrity form the very foundation of this monumental project.



01

Heartland
Petrochemical
Complex

Building our future
starts here.

A new way of imagining our future starts here.

Heartland Petrochemical Complex signals a bold and bright new era for 'Made in Canada' economic diversification, deliberate sustainability and responsible resource development. When HPC becomes fully operational, it will be North America's first integrated propane dehydrogenation and polypropylene production facility.

HPC leverages our abundant local propane supply to meet a global supply-demand gap, create jobs and drive investment, all while leading an exciting new era of sustainability in recyclable plastics. We believe better is possible, and we will demonstrate in this report how we have already made an impact.

The right idea at the right time, in the right place.

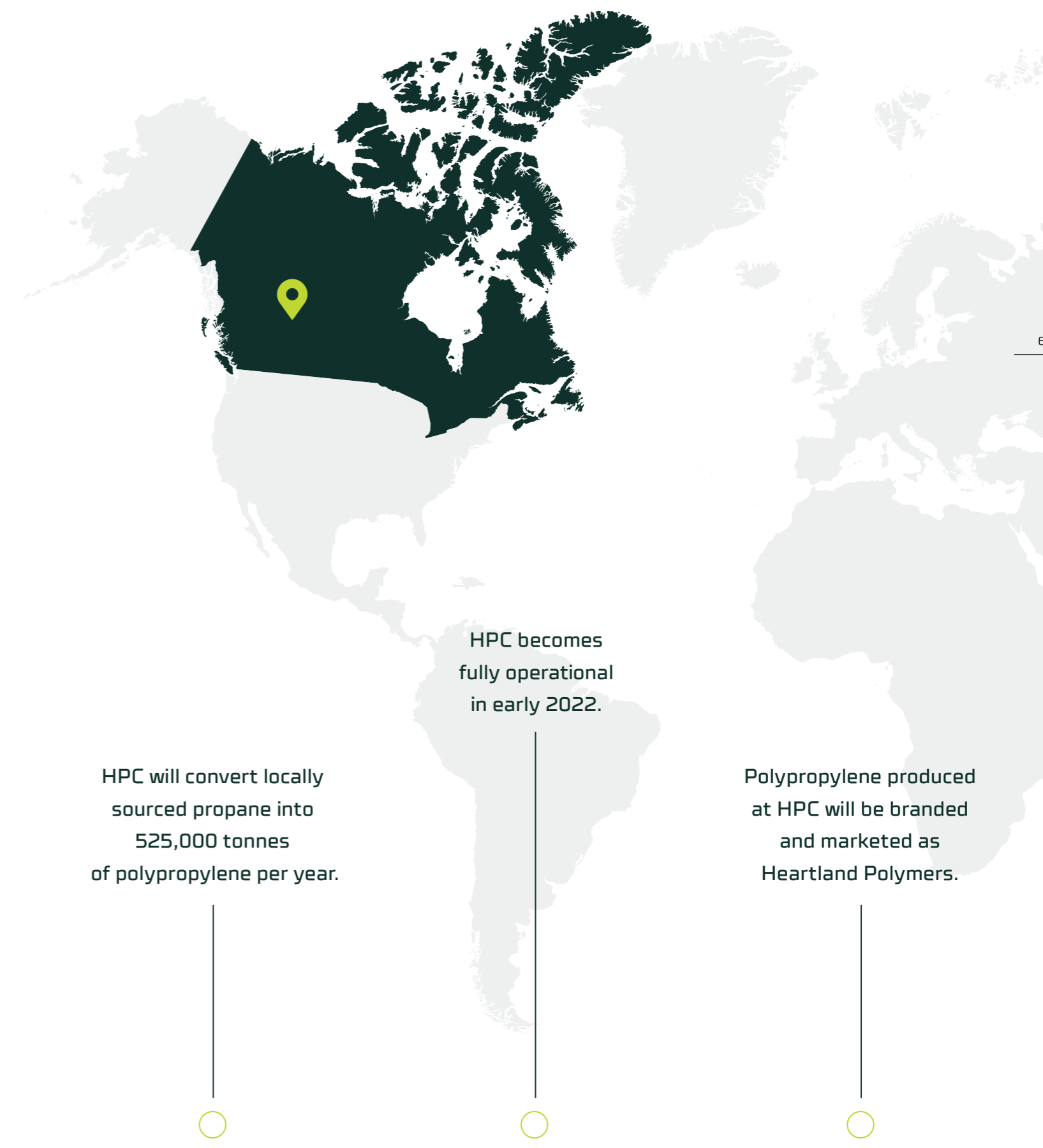
HPC will use leading technologies to convert locally sourced, low-cost propane into 525,000 tonnes of polypropylene per year.

Polypropylene is a high value, recyclable plastic that global manufacturers transform into a myriad of products that keep our lives moving forward – from equipment that protects our healthcare workers, to packaging that keeps our food more secure, to the parts required to make our vehicles lighter and safer.

The idea is big... The opportunity is even bigger.

Polypropylene is the world's single most-utilized polymer, accounting for ~30 per cent of global demand for all plastics – global demand that is forecast for robust growth, driving up the value of the commodity. The Heartland story writes a new chapter in forward-thinking industrial evolution at a pivotal moment in Alberta's history as a resource-driven engine for the country. And we stand ready to deliver on this generational opportunity with the Heartland Polymers brand.

As you will explore throughout this report, we have the world-class facility, the cutting-edge technologies and the processes and highly skilled workforce required to optimize, operate and deliver at a global scale. Our prime geographic location means production and transport is less susceptible to natural disasters that can significantly impact logistics and supply. HPC is connected to rail transport for reliable, low-carbon delivery across North America to international ports. With a growing global market, deliberate sustainability built in from the ground up and the visionary leadership in place, Heartland has all the right ingredients for a bright future.



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We definitely have an entrepreneurial spirit at Inter Pipeline, but it's tempered by a high degree of discipline.

We study, we analyze, we understand the risks, but if the rewards justify the risk, we are willing to take bold steps.”

Christian Bayle, President & CEO, Inter Pipeline





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Our strong safety culture has helped HPC reach an important world-class milestone of 13 million hours of work without a lost-time incident, celebrated in June 2021.

Our people: Safety first.

We know that trust is earned every day and through every action, not only with our customers and stakeholders, but with the people who form our company. Inter Pipeline is a people-centred company, and we place the highest value on developing long-term relationships with our workers, our customers and the stakeholders who make up our industry. We will be accountable to our employees and industry partners through pro-active, two-way communication and problem-solving.

Everything starts with safety. Our priority is ensuring that each of our employees return safely to their families when their working day is completed. This philosophy is embodied in our motto: "Home Safe Every Day." These are four simple words that speak to the core of who we are as a company, and for what we strive for in workplace safety.

But this is more than just a motto, or something you'll see posted around the complex. "Home Safe Every Day" is a commitment between Inter Pipeline and our workers. It means every task and process will have a strong safety framework built around it, supported by a team dedicated to our EH&S Policy, values and commitments and tenants of operations. Every operations-based company has its own approach to safety, and ours is direct and organic. Worker safety and well-being is part of the blueprint of who we are and what we do.

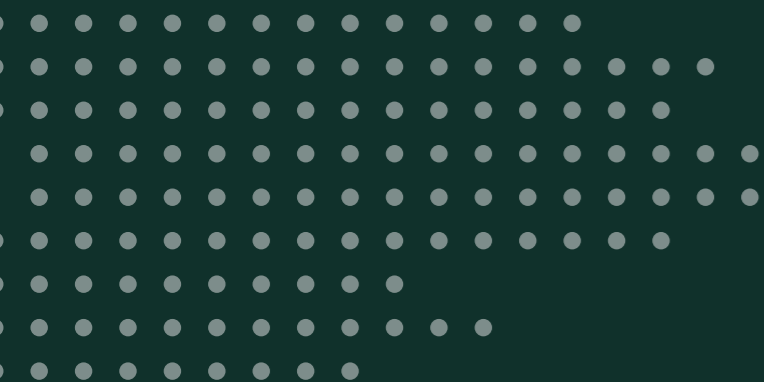
Heartland is also focused on continual improvement – better is possible – in terms of safety training and professional development for our workforce ensuring our brightest minds have the opportunity to step forward and grow. We're a better company because of it.





I am intensely appreciative for all the additional work at site that kept our more than 2,000 daily workforce safe, and for the ongoing excellent work that is performed at the HPC site each day. The Heartland Petrochemical Complex reflects some of the very best work that we have done and shows our commitment to the highest standards of sustainable building and technology."

Bernard Perron, Senior Vice-President Petrochemical Development, Inter Pipeline





The Benefits of a Circular Economy

Heartland represents the philosophy of circular economy in action, a model of production and consumption that places sustainability at its centre. Throughout this report we demonstrate how we are using our resources in new and smarter ways to produce a product that is fully recyclable and in growing demand. Along the way, we're creating good jobs and driving local benefits, demonstrating our commitment to reducing waste and increasing sustainability, and helping communities grow and thrive through a renewal of economic investment. We believe better is possible in everything we do, and we're proving it every day.





02

Our Approach

Strong governance
and building a
Community of Practice.

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Our dedication to a Community of Practice creates deeper alignment across teams and maximizes our ability to continually strive to do better across every area of the business. We're learning from each other and we're learning from topical experts. The excitement, passion and energy in this group is infectious.”

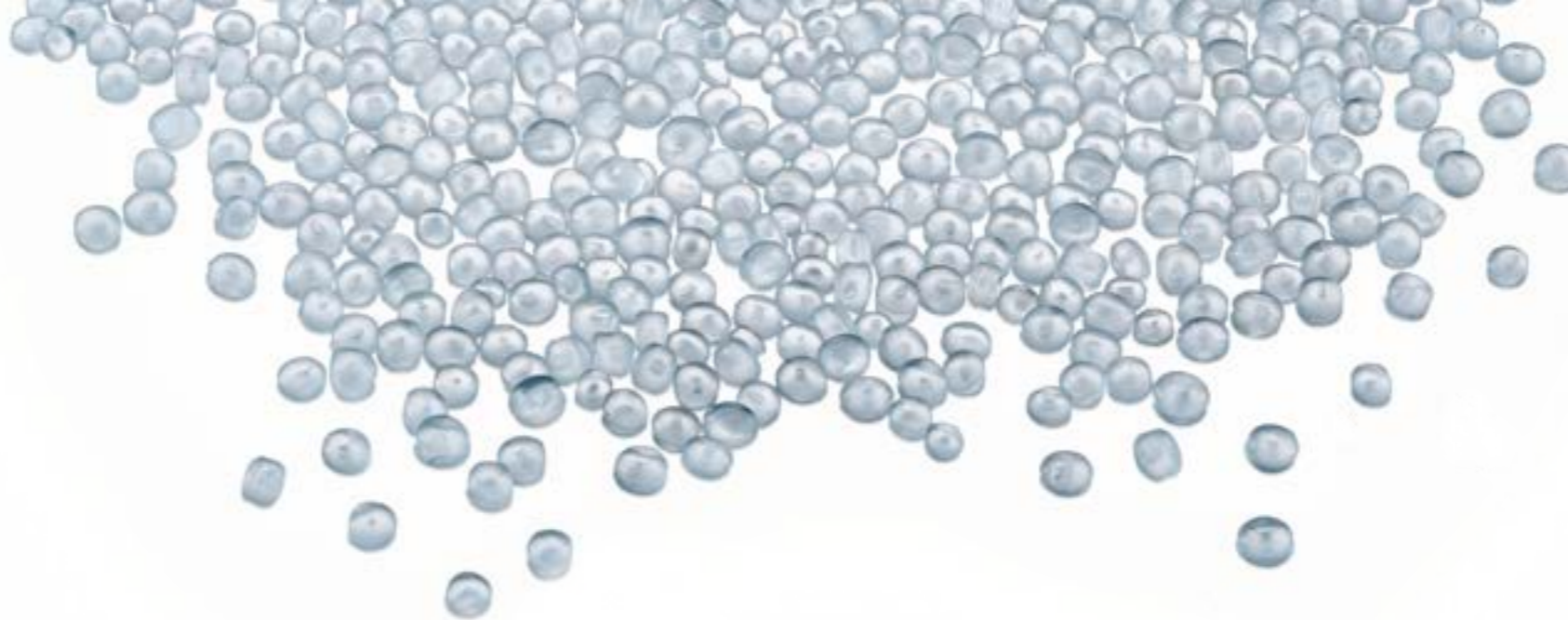
Audra Papp, Manager of Environment & Sustainability, Inter Pipeline

A robotic arm is shown welding a car chassis in a factory. The arm is white with blue accents and is positioned over the car's frame. Sparks are visible from the welding process. The background shows a large industrial facility with a high ceiling and structural beams.

03

Heartland Polymers

Discover the
Heartland difference.



Introducing Heartland Polymers.

Heartland Polymers is the new brand representing Inter Pipeline's petrochemical business unit, including all branded polymer products, product lines, sales and marketing support, customer service and logistics.

Our brand colours are inspired by the earth itself – natural elements like clay, soil and the vast Alberta prairie sky. As our name itself speaks to the personal nature of our operations, and the pride we feel for our roots, our logo is grounded in the idea of connection.

We not only imagine the building blocks for the future, we place them together in innovative, strong and thoughtful ways. To allude to that connection, the “t” in heart and “l” in land create an “H”, illustrating how Heartland brings elements together in new ways to create innovative and surprising results.

We're excited to bring our polymer products to market under the Heartland Polymers brand.



heartland polymers

The spirit of innovation informs everything we do.

Technology enables us to solve tomorrow's problems by transforming bold ideas into products that shape our lives – responsibly. From production to logistics to sustainability, we are relentless in our pursuit of excellence on behalf of our industry, our community and our optimistic vision of the future.



What is polypropylene?

Polypropylene, known as PP, is one of the most widely used polymers in the world. It is heat-resistant; it is resistant to leaching; it is highly durable and offers high flexural strength for diverse manufacturing. The Heartland Polymers polypropylene produced at HPC is high quality, easily transported and fully recyclable. The future is unlimited in terms of the possible applications of sustainably produced PP. It is used to produce medical PPE, parts for vehicles, consumer food packaging, textiles, furniture, composite building supplies and more. Heartland Polymers PP will help manufacturers meet growing demand as consumers seek products with increased sustainability.

How it's made – journey from pellet to product.

Inter Pipeline has specialized extraction facilities in northern Alberta to remove liquids from offgas produced during bitumen upgrading processes. The liquids from offgas, which contain a blend of propane, butane, propylene, ethane-ethylene and other hydrocarbons are then transported by pipeline to Inter Pipeline's Redwater Fractionation Plant, where propane is separated.

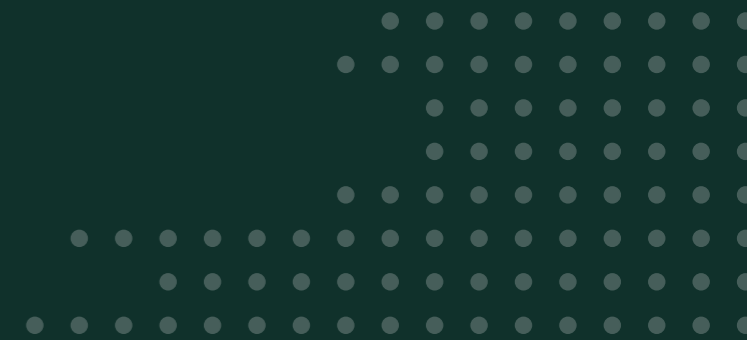
The HPC complex, PDH and PP processing facilities work together to convert the propane to polypropylene pellets.



Making polypropylene is so efficient, it only takes 12 kg of propane to produce 10 kg of PP.



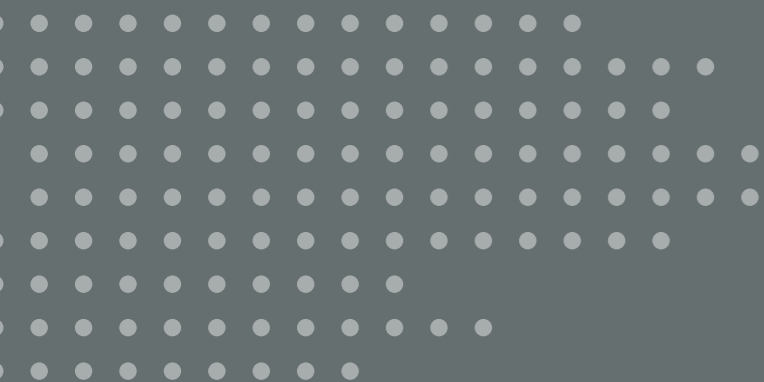
THE FUTURE IS UNLIMITED FOR APPLICATIONS OF SUSTAINABLY PRODUCED POLYPROPYLENE.



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We're bringing bold thinking and 'Made in Alberta' solutions to leverage our abundant propane resources in new and smarter ways to meet a growing global supply-demand gap. Our entire team should be proud of bringing this generational idea to life.”

David Chappell, Senior Vice-President Petrochemical Development, Inter Pipeline





04

Our
Environment
Deliberate sustainability
in action.



We believe better is possible. And we'll prove it.



Sustainability requires more than words. Industry leadership requires vision that leads to action with measurable results. Our customers, investors and community stakeholders expect transparency and performance that continues to demonstrate our commitment to increased sustainability in all of our activities and operations. That's why our approach to environmental sustainability is deliberate and holistic – in fact, “believing better is possible” was at the very heart of the Heartland idea before any plans were put on paper or ground was broken.

Deliberate sustainability starts long before the facility is built and up and running. All contractors working on-site during the build phase followed the guidelines of an *Environmental Protection Plan* developed specifically for HPC and overseen by our full-time environmental inspection team. Also of note, more than 75 per cent of waste created during construction is being successfully recycled. But that's just one example of what is possible when teams are aligned to a purpose.

Setting a new global GHG emission standard.

HPC will produce polypropylene that is projected to have a GHG emissions footprint 65 percent lower than the global average and 35 per cent lower compared to average North American PP facilities, according to an IHS Markit report commissioned by Inter Pipeline.

A lifecycle assessment of GHG emissions produced at HPC conducted by AFARA in 2020 found that by converting 22,000 barrels per day of propane from a combustion fuel into a plastic product, HPC represents a ~44 per cent net reduction in GHG emissions over 25 years of operations and a net reduction in GHG emissions of 0.9-1.0 million tonnes of CO₂ e/year. This is equivalent to removing roughly 217,000 passenger vehicles from our roads each year or all the GHG emissions that Inter Pipeline produced from its Canadian operations in 2019.

Propane feedstock used at HPC will be sourced from Inter Pipeline's upstream oilsands offgas facilities. The extraction facility is designed to assist oilsands customers in reducing their emissions by approximately 336,000 tonnes per year.

Heartland Polymers polypropylene is a fully recyclable plastic and can be recycled into a variety of products, including garden furniture, composite lumber and home storage containers.



Downstream sustainability – recycling the products that shape our lives.

Heartland Polymers polypropylene is a fully recyclable plastic, and due to its versatility, it can be transformed into many products that support and advance our way of life. Polypropylene can be recycled into products like battery cases, paint cans, home storage containers, flowerpots, garden furniture, crates and composite lumber, just to name a few products.

Smarter processing technology equals smarter sustainability.

Sustainability was at the forefront during the research, analysis and selection of PDH and PP processing technologies. Our engineering team selected the following processing technologies based on overall efficiency and high environmental performance:

UOP Oleflex™ for PDH processing – a leading on-purpose Polymer Grade Propylene (PGP) production technology, delivering low energy usage, low environmental footprint, low NOx emissions, low water make-up rate and wastewater production.

Grace UNIPOL™ for PP processing – minimal equipment, reduced footprint, mild operating conditions, dry product (no solvents), no catalyst separation or waste.

Energy efficiency: Low carbon on-site co-generation.

The addition of an on-site Central Utility Block (CUB) co-generation facility owned by partner Fengate and built and operated by Inter Pipeline will have an operational footprint that reduces GHG emissions by more than nine per cent compared to an average CUB. The CUB will use waste-heat and excess energy from plant operations to generate electricity, with excess power being sold back to the grid. The CUB also features an air-cooling system resulting in lower process wastewater generation.

Using the hydrogen produced in the PDH operations as fuel in the rest of the Heartland Petrochemical Complex will reduce our carbon footprint by as much as 130,000 tonnes annually.





Land, water and air.



Rail is four times more fuel efficient than trucking, and one train can keep more than 300 trucks off public roads and produce 75 per cent less greenhouse gas emissions.

As a good neighbour, protecting our land and water starts close to home by ensuring HPC and its operations take all available measures to mitigate impacts to the surrounding area. HPC aligned its water use and discharge strategy with the targets outlined in the *Water Management Framework for the Industrial Heartland and Capital Region*.

Process design and engineering accounted for all applicable provincial and federal regulations when it comes to air emissions limits, water and land use.

The PDH and PP plants use air cooling systems and glycol cooling to reduce water consumption. Our PDH plant's A-Frame Condenser Technology reduces fresh-water make-up requirements by a factor of 19 times – a reduction of almost 1.5 million cubic metres of make-up water per year.

A *Surface Water Management Plan* was developed to control and contain surface water runoff within the HPC site to ensure local areas are not impacted. All runoff water from the HPC site is collected in runoff ponds, tested and will only be discharged after meeting strictly regulated water quality limits. The PP process wastewater is treated using best available technology – deep bed filtration and granular activated carbon treatment as the most suitable technology to remove the polypropylene fibres to the highest extent and reduce chemical oxygen demand to a level suitable for discharge.

Air assessment models were completed for all facilities (PDH, PP, CUB and rail) to ensure air emissions are within the limits of the *Alberta Ambient Air Quality Objectives*.

HPC is subject to the *Regional Noise Management Plan* developed by Northeast Capital Industrial Association. A noise impact assessment was completed to assess noise emissions from the complex and to ensure it is within acceptable limits.

Soil and groundwater sampling was conducted in the summer of 2020, and the results will be used over time to ensure our operations at HPC are not causing negative impacts to the soil and/or groundwater on the site and surrounding areas.

We will continue to work with regulatory agencies and local stakeholders to ensure we meet, and where possible exceed, the requirements for land and water protection.

Our team is passionately committed to monitoring operational activities with diligence and focus on improvement measures to ensure the continued mitigation of impacts to local land, air and water.

Wildlife and habitat.

Our team is implementing a *Habitat and Wildlife Enhancement Plan* on the HPC site and surrounding lands. This plan is focused on optimizing the potential of natural areas in and around the facility location. For example, the landscaping within the parking lot of the administration area is being enhanced by planting native species rather than ornamental, which will add to the biodiversity of the landscape. By using this space to enhance the quality of habitat, HPC is turning an otherwise unutilized space into a biodiversity contributor. This is in line with a current initiative of the Canadian Wildlife Foundation's 'Grow it, don't mow it!' campaign.

Natural areas within the HPC site have also been seeded with pollinator-friendly seed mix to increase plant/animal biodiversity and promote pollination of nearby crops. Our site also avoids the use of herbicides where possible by practicing alternative vegetation management practices such as mowing, hand-picking and grading.

Our environment team is exploring the installation of bird and bat boxes along the perimeter of the site with the hope of encouraging nesting within appropriate habitat and outside of our facility fence line. The team has actively managed the many wildlife species that have come to visit the construction site over the past three years.

We have also established a tree protection zone between HPC and the North Saskatchewan River where the existing tree line and riparian area will be protected for the life of the facility, helping to keep important wildlife habitat intact along the river.



Natural areas within the HPC site have been seeded with pollinator-friendly plants to increase biodiversity and promote pollination of nearby crops.



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Sustainability is one of the most important things to us when we bring a project like this forward.

Sustainability needs to be considered at every turn, through the business model, through the design, how we build the facility, how we commission it and how we run it.”

Tim Ogryzlo, Director of Engineering - Heartland Petrochemical Complex, Inter Pipeline

KEY INITIATIVES

Ready to Lead

We are committed to delivering actionable solutions that position our industry for continued growth – responsibly. We will step up and lead by example as we reimagine our shared future and promote a circular economy.

We believe recyclable products can help our society move forward in new and more sustainable ways. We believe anything is possible if we work together, but it starts with industry leadership and lasting collaboration with diverse stakeholders.

HPC is committed to the following organizations and initiatives:

PLASTICS RESEARCH IN ACTION (PRIA)

In November 2019, Inter Pipeline announced a \$10 million, 10-year partnership with the Northern Alberta Institute of Technology (NAIT) titled Plastics Research in Action (PRIA). The goal of PRIA is to draw on NAIT's applied research expertise in the area of process engineering, process automation and environmental sustainability to explore plastic waste reduction opportunities in Alberta. Some of the early projects associated with the partnership include:

- An assessment of the microplastics present in the North Saskatchewan River, starting upstream of Edmonton and ending downstream in Alberta's Industrial Heartland.
- A study to develop technologies for the detection of potential microplastics residue in the treated process water effluent at HPC.
- A project in partnership with Sturgeon County, Strathcona County and Green Mantra to explore the feasibility of using recycled plastics in asphalt in Alberta.

RESPONSIBLE CARE™

As a member of the Chemistry Industry Association of Canada, Inter Pipeline actively participates in its Responsible Care™ program. By participating in Responsible Care™, Inter Pipeline commits to its Responsible Care™ Ethics and Principles for Sustainability and the Responsible Care™ codes. This covers all aspects of Inter Pipeline's petrochemical business and product lifecycle and leads to safer and more sustainable products and processes. Once operational, HPC will be subject to internal assessments and verifications.

PLASTICS ALLIANCE OF ALBERTA

Inter Pipeline is a founding member of the Plastics Alliance of Alberta, a partnership between industry, academia and the Government of Alberta. The alliance will work to ensure that Alberta's plastics sector produces best-in-class products that can be re-used and recycled, generate no waste or emissions and restore ecosystems. The group is chaired by NAIT Industry Solutions and co-chaired by the Recycling Council of Alberta.

CANADIAN COUNCIL OF MINISTERS OF THE ENVIRONMENT (CCME) STRATEGY ON ZERO PLASTIC WASTE

Inter Pipeline is an active participant in stakeholder consultations around the CCME's Strategy on Zero Plastic Waste. From the CCME:

"Plastic waste and marine litter have emerged alongside climate change as a global environmental priority. In November 2018 environment ministers agreed to work collectively toward a common goal of zero plastic waste. To this end, they approved in principle a strategy on zero plastic waste, which outlines a vision to keep all plastics in the economy and out of the environment. The strategy outlines areas where changes are needed across the plastic lifecycle, from design to collection, clean-up and value recovery, and underscores the economic and business opportunities resulting from long-lasting and durable plastics.

In June 2019 environment ministers approved the Canada-wide Action Plan on Zero Plastic Waste: Phase 1 to implement the Canada-wide Strategy for Zero Plastic Waste that lays out concrete measures to keep plastics in the economy and out of the environment."

OPERATION CLEAN SWEEP (OCS)

As a member of CIAC, Inter Pipeline is committed to Operation Clean Sweep (OCS). OCS is a product stewardship program created by the American Chemistry Council that has since been adopted globally. The goal of OCS is for its members to commit to zero plastic pellet loss as part of their operations practices. Some of the measures implemented on site to support OCS include: all pellet storage bins will be covered, using paved areas instead of gravel when possible, handling plastic pellets inside buildings as much as possible and using filters and skimmers on runoff ponds.

ALLIANCE TO END PLASTIC WASTE

In 2021, Inter Pipeline was accepted as one of the first Canadian members of the Alliance to End Plastic Waste, a global partnership of plastics producers committed to eliminating plastic waste in the environment.

Formed in 2019, the Alliance consists of more than 50 member companies and supporters representing global companies and organizations from across the plastic value chain. The Alliance partners with government, environmental and non-governmental organizations around the world to address the challenge of ending plastic waste in the environment. Through programs and partnerships, the Alliance focuses on solutions in four strategic areas: infrastructure, innovation, education and engagement, and environmental clean-up.

"We are extremely excited for Inter Pipeline to join the Alliance. They have already shown a clear commitment to dealing with plastic waste, as seen through their efforts in PRIA. We look forward to incorporating their expertise into our projects."

Jacob Duer, President & CEO, Alliance to End Plastic Waste

An aerial photograph of an industrial construction site, likely a refinery or chemical plant. The scene is dominated by a large yellow crane in the center, with its long jib extending towards the left. To the right, a red crane is partially visible. The ground is a complex network of pipes, walkways, and structural steel. In the background, a tall, thin tower stands against a sky filled with soft, white clouds. The overall atmosphere is one of active industrial development.

05

Economic Benefits

A generational opportunity
to shape our future.

Heartland is making history, strengthening the Alberta and Canadian economies while leading a bold new era in sustainable resource development.

Construction at the HPC site began in 2018. A mega project of this size and scale requires access to a large pool of skilled labour, technical specialists, industrial builders, suppliers and service providers and safety and environmental specialists. Under the challenges of a global pandemic, it became even more crucial to rely on local employees and businesses for contracting and procurement of services. Our local-first approach to construction resulted in superior service and quality, material-based savings, and decreased risk of damage or loss to products during shipping.

This build is among the most sophisticated industrial complexes in the country, featuring leading processing technologies, connections to rail transport, co-gen facilities, water management systems and environmental and energy efficiency plans.

Leveraging our local propane resources.

Our approach brings a significant value proposition for Alberta's propane producers to supply feedstock to HPC. Inter Pipeline's objective is to secure a minimum of 70 per cent of HPC's polypropylene production capacity under long-term, take-or-pay agreements – a commercial framework that will make Heartland unique in the world for an integrated polypropylene facility.

These agreements are structured to provide a stable source of cash flow to Inter Pipeline regardless of changes to commodity prices.

Attracting advanced manufacturing.

As a result of our abundant local propane supply and co-generation facility, analysts predict that the Heartland Polymers polypropylene pellets will be among the lowest cash-cost PP in the world. The availability of high-quality and low-cost PP would allow for the substitution from a variety of other plastic products currently in use by manufacturers in western Canada. For example, local manufacturers who are currently compelled to use polyethylene or polystyrene because it is more economically available in western Canada would now have the opportunity to consider a versatile, affordable PP that is being produced with deliberate sustainability by a Canadian company deeply invested in the growth and diversification of the province.

The establishment of HPC also creates a compelling case for new Canadian manufacturing development in Alberta to take advantage of reduced shipping costs, time and border delays.

KEY ECONOMIC IMPACTS INCLUDE:



16,000 direct and indirect jobs during construction



Over **150** Alberta businesses and **180** Canadian businesses have been contracted to work on HPC since its inception



Once operational, Heartland will support **300** direct jobs and over **1,000** indirect jobs



75 per cent of project spend remained with Alberta businesses



\$200 million in direct provincial revenue during construction and **\$50 million** in direct provincial revenue per year once operational – including **\$23 million** per year in direct municipal taxes

*Based on internal Inter Pipeline cost projections in addition to an independent economic impact study conducted by former University of Calgary economist Ronald Schlenker, which was prepared using a Statistics Canada Input-Output model.

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This is an opportunity for us to be involved in an exciting project that’s changing the dynamics in Alberta from the ground up.”

Tyler Gabert, President, Willowridge Construction



06

People and Communities

We believe anything
is possible, together.

People and local communities are the very heart of our story. Without them, there is no Heartland story to tell.

It is a story about inspiration and bold thinking, leadership that moves people forward especially during tough times, and communities who welcome the opportunity to grow and thrive in new ways – to be part of a ‘Made in Canada’ success story for generations.

From concept to construction, Inter Pipeline placed the highest importance on delivering a project that would make people proud to be part of, to work for, and to do business with. We committed to ongoing communication with citizens and community stakeholders before construction began to ensure questions and concerns were addressed in a prompt and appropriate manner.

A local-first philosophy informed every aspect of our approach, from concept to construction. And that approach will guide us every day moving forward.

Stakeholder engagement.

Engagement has been, and will continue to be, a priority with all identified stakeholders to ensure project updates are distributed to all interested parties and all questions and concerns are promptly addressed. Inter Pipeline is committed to maintaining and documenting the public engagement process throughout the life of the project. Inter Pipeline recognizes that consultation is an ongoing process.

To date our team has participated in or hosted over 20 local public community events in the last eight years in preparation for and during construction of this mega-project. We established a dedicated community phone line, website and email address to ensure specific HPC questions or concerns are promptly addressed.

We have provided regular project status updates through letters or newspaper notification and community information sessions to all stakeholders engaged to date and all other parties that expressed interest in the project. We notify local municipalities of any activities that could have a potential impact on the communities to ensure effective communication and awareness and provide a prompt response to any concerns that local councils or communities might have with the project.

Through our dedicated HPC website we regularly keep our stakeholders informed on construction progress, major milestones and any activities that require public awareness. The website provides contact information and the opportunity for ongoing public dialogue.

Stakeholder engagement training is in place for all Inter Pipeline employees and contractors and to date 90 per cent of our employees have successfully taken this training.



Women Building Futures.

We believe diversity makes us better in everything we do. That’s why we invested \$580,000 over three years to support Women Building Futures (WBF) to increase and support gender diversity in every area of the business. The program empowers women to pursue careers in industrial trades by providing pre-apprenticeship training to women in Alberta’s Heartland region. We’re proud of the impact this program has had on the organization and its graduates.

21 WBF Alumni are actively working on the HPC site.

Financial support in the form of student awards is provided for dozens of women in order for them to manage living expenses, books and materials, and other items such as work boots, safety gear and the tools required to pursue a new career. In addition, five women were awarded the Inter Pipeline – Journey Woman Start Scholarship, covering the full tuition of the program and four women will be offered practicums after they complete their power engineering training.

Recent graduates of the WBF program were provided with ongoing support and resources, including connections to local contractors like Willowridge Construction.



Tatyana Tsoy , WBF graduate



Taylor Enders , WBF graduate

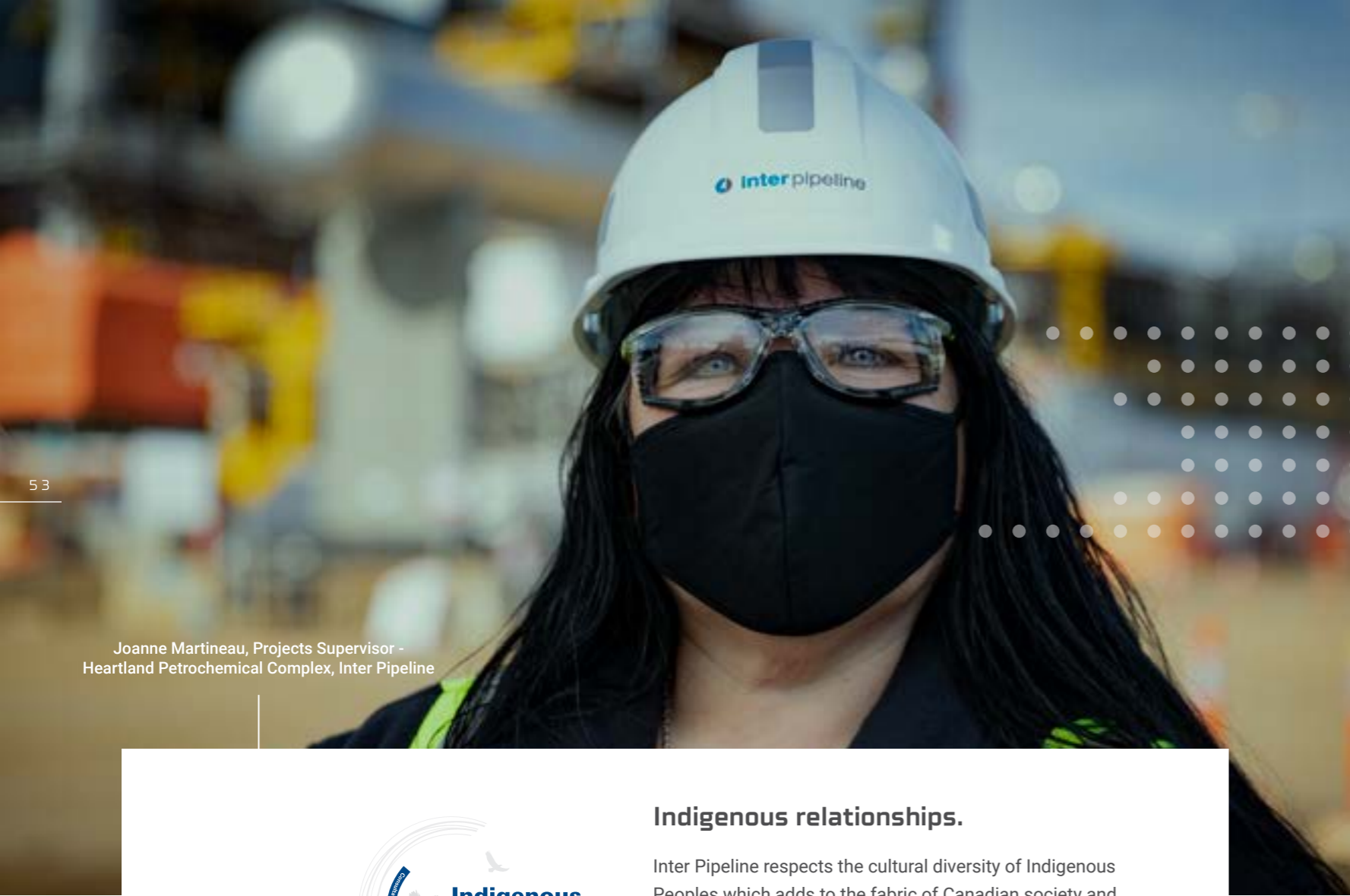
“



The team at Women Building Futures is really supportive. They teach you everything you need to know to work in the field.

Being on this project means everything to me because I built it... One day I'll drive by with my kids and tell them I helped build this plant.”

Taylor Enders, Kiewit Construction, WBF graduate



Joanne Martineau, Projects Supervisor -
Heartland Petrochemical Complex, Inter Pipeline



Indigenous relationships.

Inter Pipeline respects the cultural diversity of Indigenous Peoples which adds to the fabric of Canadian society and recognizes the traditional territories and unique legal rights Indigenous People hold in Canada. We are committed to meaningful relationships with Indigenous communities to ensure the safety, environmental, economic or social impacts from our business are addressed in a timely, effective and respectful manner.

Indigenous awareness

- + At Inter Pipeline, we aim to create an inclusive and welcoming environment by developing and providing educational opportunities for Inter Pipeline employees to help foster and enhance their understanding and awareness of Indigenous history, traditions, cultures and perspectives.
- + The support and active participation of Inter Pipeline personnel at local Indigenous cultural events is essential to building and maintaining positive, strong and lasting relationships with Indigenous communities.

Consultation

- + Consultation with Indigenous communities is conducted in a respectful and transparent manner in order to determine how to avoid, minimize or mitigate potential impacts to Aboriginal and Treaty Rights in the areas of our operations.
- + For HPC specifically, regulated provincial and federal consultation was completed without issue, meaning there were no regulatory delays due to consultation. All questions and concerns were addressed directly with communities.

Economic opportunities

- + We provide skills training and education through such initiatives as our Discovery Awards program (high school bursaries) and our commitments to organizations like [Skills Canada Alberta](#), [Women Building Futures](#) and the [National Indigenous Economic Education Foundation](#).
- + We provide economic and community development opportunities to Indigenous organizations, communities and charities based on community needs and available resources.
- + Inter Pipeline has been a funding and volunteer partner in support of Indigenous Peoples Day Celebration in the Edmonton area since 2015.
- + Inter Pipeline is proud to support Skills Canada Alberta with a commitment to provide 12 on-reserve schools access to Try-a-Trade Takeway program in 2021 along with another 10 Heartland community schools in collaboration with four other industry partners.

Business opportunities

To share in the economic prosperity of our projects and operations, Inter Pipeline proactively engages with communities to form relationships with Indigenous businesses and contractors.

- + Throughout the construction of HPC, Inter Pipeline has utilized several Indigenous business partnerships to provide services ranging from fluid management, emergency and medical services, construction and electrical and instrumentation expertise. In addition, Inter Pipeline continues to explore and expand on the number of opportunities for Indigenous owned businesses to bid on and receive contracts for the construction and eventual operation of HPC.
- + To date over \$84 million in business opportunities were provided to Indigenous businesses for the construction of this project.
- + HPC contractors are strongly encouraged to create business partnerships and hire local Indigenous businesses and people to work on site, for example:
 - o Keiwit worked directly with local Indigenous communities to hire individuals to work on site.
 - o Pronghorn partnered with Carvel Electric, a Métis-owned company with 80 per cent Indigenous personnel.

“

We have never worked with a client who has been so engaged. The time and attention from HPC senior management to talk to our staff to provide safety training and offer their appreciation for the work we do means so much to everyone at Quest. We are grateful to Inter Pipeline and proud to be working on this project.”

Keith Hayduk, CEO, Quest Disposal and Recycling

Together we will do even greater things to build vibrant, prosperous communities.

Community-level support from our team.

Our team of dedicated workers at HPC not only live and work in the local communities, but they also believe in actively giving back. This is in addition to corporate-level programming support provided to local charities and non-profit groups. In fact, our team gets quite passionate (and competitive) about supporting local initiatives such as collecting recyclable drink containers in lunchrooms and using the funds to support local charities.

Giving back through our bottle and scrap metal recycling

The proceeds from our scrap metal recycling efforts at HPC have allowed us to hold \$280,000 in trust for a proposed multi-charity community space in Fort Saskatchewan that will house an extended hour daycare run by ABC Headstart. Our local contractor Quest donates in-kind the personnel and administration of the funds from the recycling of both the scrap metal and recyclable drink containers – a great example of community partnership.

From our bottle recycling program we have distributed over \$60,000 to local Alberta Industrial Heartland charities since 2019, including to date in 2021:

- + [Fort Saskatchewan Families First](#)
 - + [Fort Saskatchewan Boys and Girls Club](#)
- 2020
- + [Canadian Mental Health Society – Edmonton Region](#)
 - + [Kids Help Phone – Alberta Region](#)
 - + [Fort Saskatchewan Families First](#)
 - + [Fort Saskatchewan Boys and Girls Club](#)
- 2019
- + [Vegreville Food Bank and Sherwood Park Food Bank](#)
 - + [The Good Samaritan Society](#)



Investing in our communities with iCare.

More than \$2.8 million and 1,700 hours have been provided to local communities over five years, with employees involved in decision making through a local community investment committee.

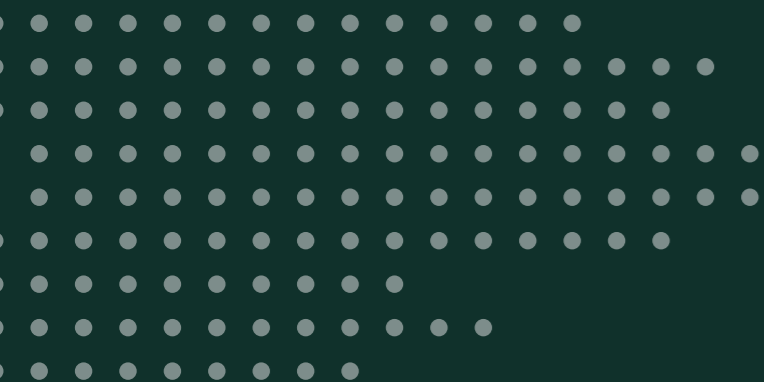
Our team is always thinking of new and innovative ways to give back to the local groups that support families, friends and neighbours – but the Heartland story is only just beginning. Some key partnerships include:

Kids Kottage	Kids Kottage is Edmonton and area’s only crisis prevention and intervention shelter for infants and children. Our commitment of over \$670,000 over eight years (2018-2025) will help Kids Kottage continue its Community Navigator program (\$50,000 per year) and provide additional funding for the 24-hour Crisis Line, food and building renovations.
The e4c Café and Takeaway	The e4c Café and Takeaway has been an Inter Pipeline iCare Legacy charity since 2016 and is located within the Edmonton City Hall complex, supporting vulnerable youth who are at risk to learn essential life skills. Inter Pipeline has committed over \$650,000 over eight years (2015-2022).
Fort Saskatchewan Families First Society Play Mobs	Since 2018 our team has partnered with the Fort Saskatchewan Families First Society to host various Play Mobs throughout the community with the support of the e4c Hallway Café catering and collaboration with Volleyball Canada and Alberta Junior Hockey League. Play Mobs were held throughout summer months as spontaneous gatherings for families to come together and share a meal at a local park. Fort Saskatchewan Families First Society serves families through early childhood development, parenting programs and family support.
Seasonal Giving	In 2019 and 2020 our HPC food bank challenge raised over 25,000 lbs of food for the Fort Saskatchewan Food Bank through friendly competition between facilities and also ‘adopted’ 13 families for Christmas giving campaigns.



Inter Pipeline has demonstrated their devotion to supporting children, families and communities. They are responsive and engaged corporate partners, always going the extra mile to support our community projects. They truly value the work of making communities more inclusive. We are grateful and proud to have such an invested partner.”

Christi McTaggart, Development & Stakeholder Relations Manager, ABC Headstart Society





Our story is just beginning. Let's build it together.

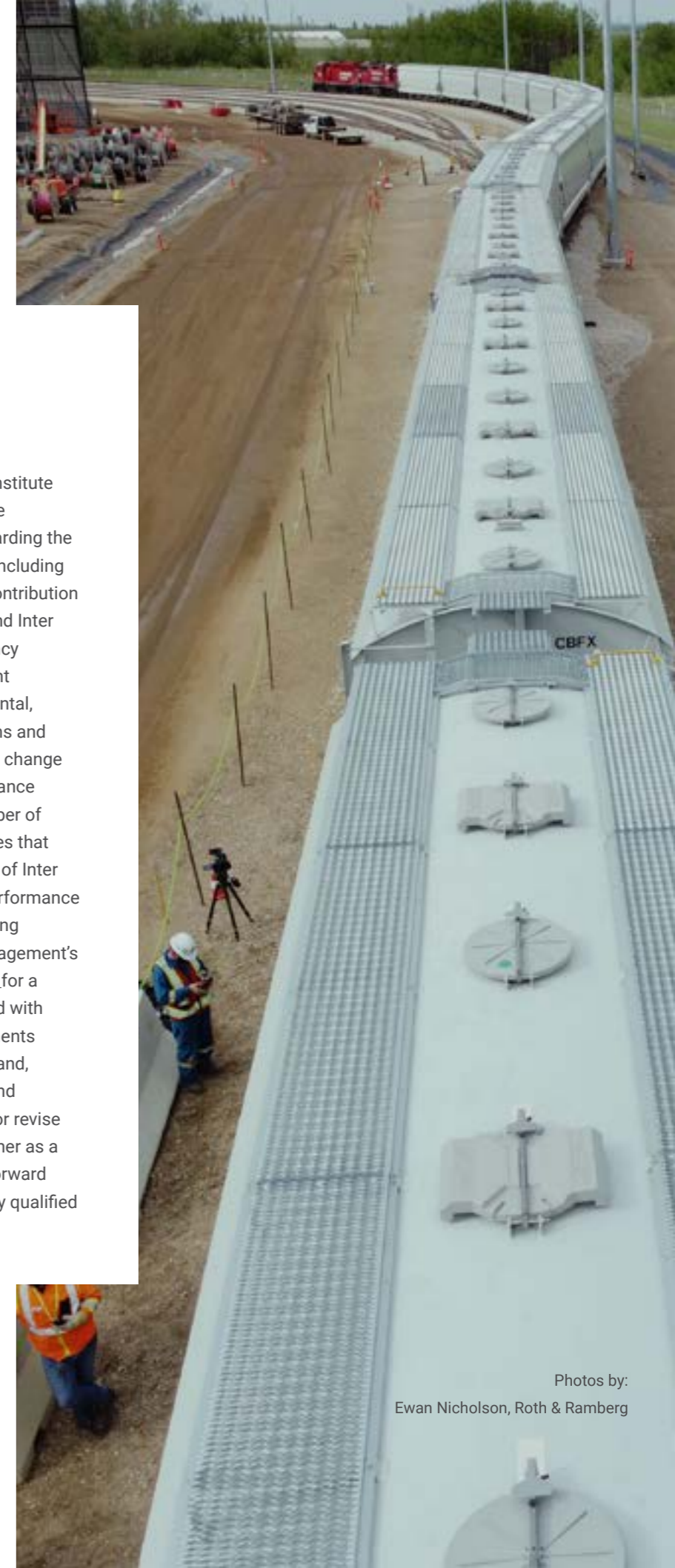
From concept to construction, we've made monumental progress with the Heartland Petrochemical Complex—despite the challenges of a global pandemic—but our story is just getting started. As we forge ahead to lead a new era of deliberate sustainability, we are dedicated to producing high-quality products with an unwavering commitment to our industry, our employees and the communities we serve. We are excited to begin operations and bring the proudly Canadian Heartland Polymers brand to the global market.

We believe in better.

From our people to our location, every aspect of Heartland Polymers is designed to provide excellent customer service.

Forward looking statement.

Certain information contained in this Impact Report may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding the HPC and expansion of the Central Alberta pipeline system (including the scheduled completion date, costs, benefits, economic contribution and GHG footprint of polypropylene produced at the HPC) and Inter Pipeline's plans to: reduce emissions; expand energy efficiency programs; reduce water use; seek opportunities to implement innovation or technology; continually improve the environmental, health and safety performance of Inter Pipeline, its operations and its contractors; and move forward with the identified climate change opportunities. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance or achievements of Inter Pipeline to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Please refer to Inter Pipeline's most recent Management's Discussion and Analysis available at www.interpipeline.com for a discussion of the material assumptions and risks associated with the forward-looking statements. The forward-looking statements contained herein are made as of the date of this document, and, except to the extent required by applicable securities laws and regulations, Inter Pipeline assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward looking statements contained in this document are expressly qualified by this cautionary note.



Photos by: Ewan Nicholson, Roth & Ramberg



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