PEYTO
Exploration & Development Corp.

2021 ESG Report

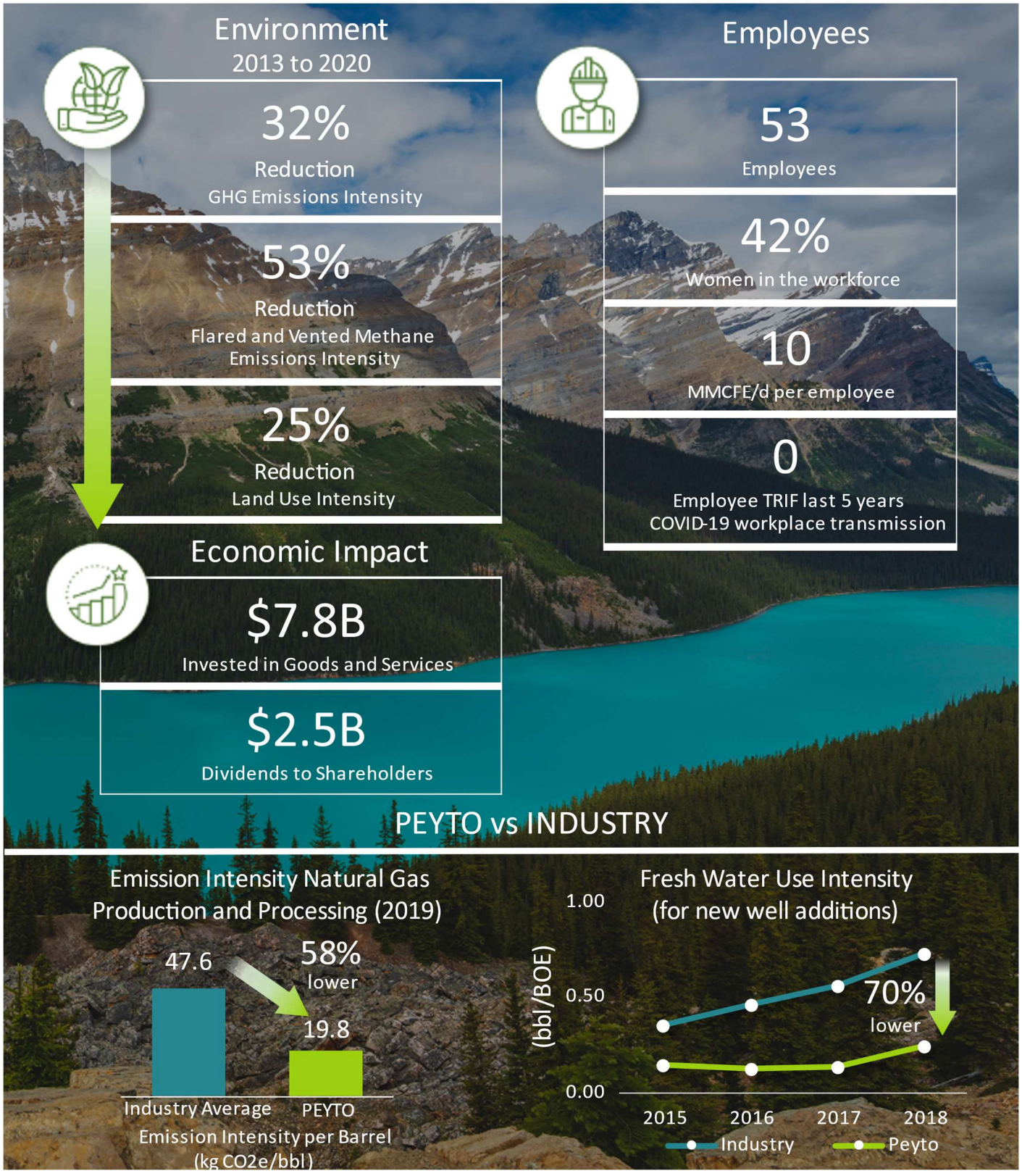
Sustainable Energy through Operational Excellence

ENVIRONMENT
SOCIAL
GOVERNANCE

JULY 2021

TABLE OF CONTENTS

HIGHLIGHTS


Environment
2013 to 2020
32%
Reduction
GHG Emissions Intensity
53%
Reduction
Flared and Vented Methane
Emissions Intensity
25%
Reduction
Land Use Intensity
Employees
53
Employees
42%
Women in the workforce
10
MMCFE/d per employee
0
Employee TRIF last 5 years
COVID-19 workplace transmission
Economic Impact
$7.8B
Invested in Goods and Services
$2.5B
Dividends to Shareholders
PEYTO vs INDUSTRY
Emission Intensity Natural Gas
Production and Processing (2019)
47.6
58%
lower
19.8
Industry Average
PEYTO
Emission Intensity per Barrel
(kg CO2e/bbl)
Fresh Water Use Intensity
(for new well additions)
1.00
0.50
0.00
(bbl/BOE)
70%
lower
2015
2016
2017
2018
Industry
Peyto

MESSAGE TO OUR STAKEHOLDERS

MESSAGE TO OUR STAKEHOLDERS

"Sustainable Energy through Operational Excellence"

2020 was an extremely turbulent year. The Covid-19 pandemic, which created a severe reduction in energy demand, along with the continuation of the OPEC-led commodity price war, which added supply pressures, and the increased challenge of a Global energy transition, all weighed heavily on the Canadian energy industry. Throughout this turbulence, Peyto maintained its focus and was able to execute on a strategy of developing Sustainable Energy through Operational Excellence. This theme encompasses all our core values around financial, environmental, and social sustainability.

"Throughout Peyto's 22-year history we have maintained our focus and delivered on our core values of cost control, efficiency and profitability while continuing to develop our resources in a sustainable manner. We define this as ***Operational Excellence****".*

Peyto has been formally reporting on Sustainability initiatives since 2016 but tracking sustainability metrics long before. Over the past year, we have continued to build on our commitments to environment, social and governance (ESG) matters. Governance of ESG starts right at the top and the creation of the Board of Directors ESG Committee solidifies that commitment.

Our Chief Operating Officer, designated as the "responsible executive", leads a multidisciplinary ESG working group to steward Peyto's long term sustainability and integrate it into all aspects of our business. This is consistent with recommendations put forward by the Task Force on Climate-related Financial Disclosure (TCFD) which specifically focuses on governance, strategy, and risk management. We believe that the governance and leadership that we have put in place at Peyto will

Peyto's Approach to Operational Excellence

translate into continuous ESG improvements going forward.

To better report on our ESG initiatives throughout 2020, we are pleased to share this our first comprehensive ESG report. This report expands upon our previous annual sustainability reports and focuses on the results of a materiality assessment and gap analysis conducted to identify key ESG factors and their alignment with the Sustainability Accounting Standards Board (SASB) guidance. From this, we developed an ESG platform that outlines performance and measurable ESG goals and targets.

Our performance in 2020, as measured against our 2019 reported sustainability goals, continued to show improvement. Flared and vented methane emission intensity dropped 15% from 2019, which translates into a 46% reduction since 2016. To date, Peyto has completed over 2,000 projects that reduce methane emissions and improve our energy efficiency. These projects have resulted in total annual methane emission reductions of 148,000 tonnes CO_2e or the equivalent of taking 32,000 cars off the road per year.

Peyto is also making progress on all our other ESG and sustainability metrics. We continue to refine our water management strategies, with a focus on increasing our recycle rates and reducing non-saline water make-up volumes and we are in the process of refreshing our Health and Safety manual, including recertifying our Certificate of Recognition (COR).

Peyto has always been proud of the strength and engagement of our team - they truly are the key to our success. Their commitment to Operational Excellence is exemplified by the fact that we produced almost 10 MMcfe/day per employee through 2020. As I have often exclaimed, we have the highest “Gas to Ass” ratio in the industry!

As we turn the corner on the pandemic and start to return to a “new normal”, we have a renewed sense of optimism and are confident that the global demand for the type of energy we produce will strengthen and that natural gas will play a significant role in that recovery. The progress we have made in integrating ESG into our business only increases my confidence that Peyto is extremely well positioned to help deliver on a sustainable future.

Sincerely,

Darren Gee
President and Chief Executive Officer

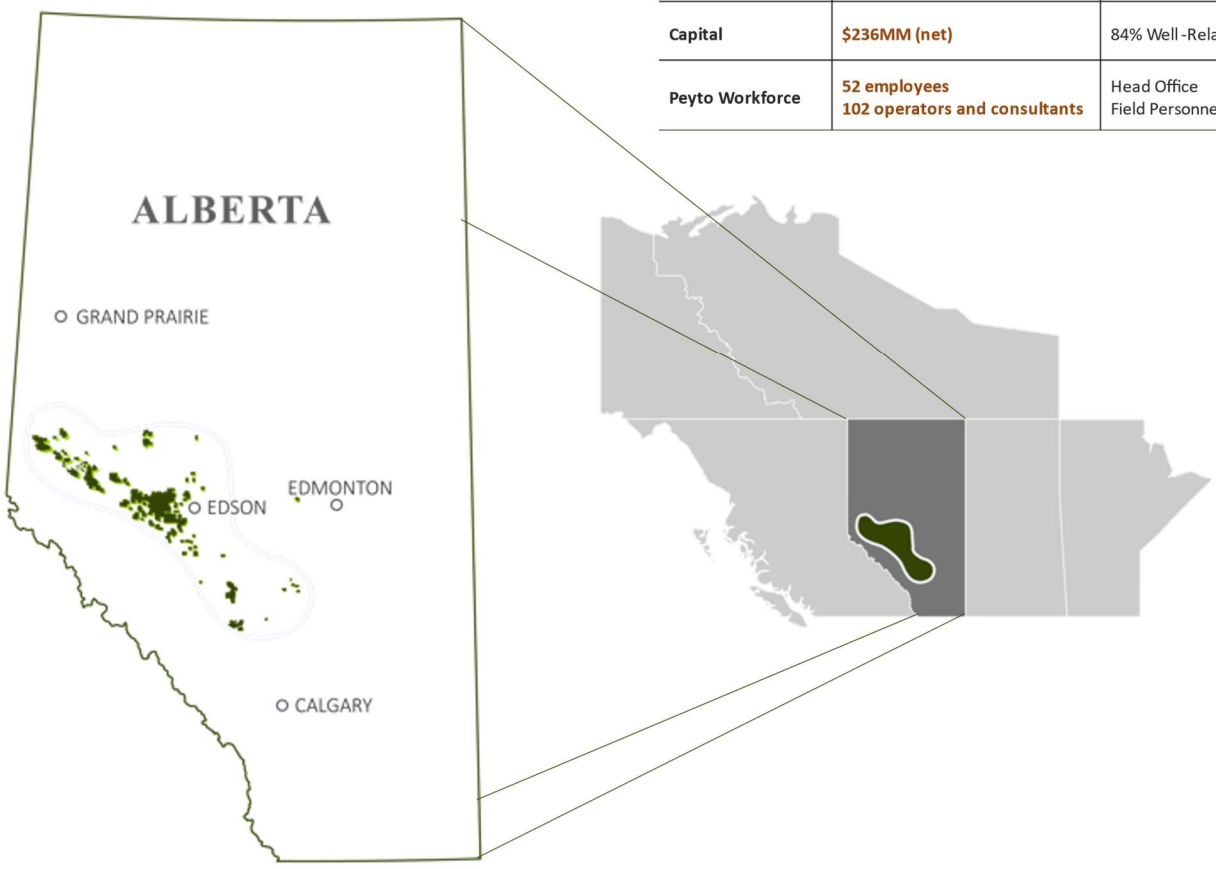
ABOUT

PEYTO EXPLORATION & DEVELOPMENT CORP.

Peyto Exploration & Development Corp. (Peyto) is a Calgary – based public company focused on the responsible development and production of natural gas and natural gas liquids from Canada's Western Canadian Sedimentary Basin. The Company was founded in 1998 with a strategy to maximize value through sustainable low-cost development and Operational Excellence. Peyto is the 5th largest Canadian natural gas producer which provides supply to both Canadian and US markets. Peyto is publicly traded on the Toronto Stock Exchange (TSX: PEY).

GENERAL		
Returns Focused	**15% ROCE** **26% ROE**	Average over 22 years
Own and Control	**1726 operated wells** **10 gas processing plants**	99% Operated by Peyto
Low Cost	**$1.01/MCFE** **$1.06/MCFE**	2020 Total Cash Costs 2020 PDP F&D Costs
Long Life Reserves	**1.65 TCFE** **9 years** **(based on Q4 production)**	PDP Reserves Reserve Life Index

2020 HIGHLIGHTS		
Production	**85,934 boe/d (gross)** **79,577 boe/d (net)**	14% Liquids
New Wells	**64 (gross)** **61 (net)**	95% Working Interest
Capital	**$236MM (net)**	84% Well-Related
Peyto Workforce	**52 employees** **102 operators and consultants**	Head Office Field Personnel



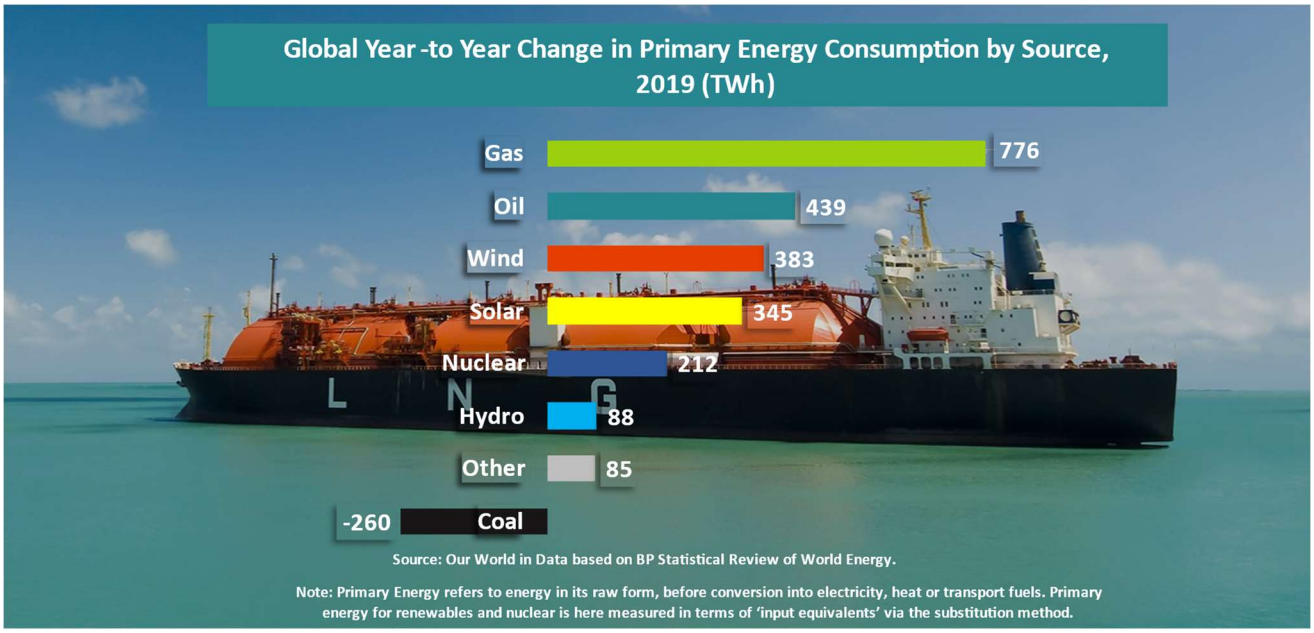
THE ENERGY TRANSITION

THE ENERGY INDUSTRY IS CONSTANTLY CHANGING

Peyto is committed to participating in the global energy transition to cleaner, more sustainable fuels. At the same time, Peyto recognizes the incredible contribution oil and natural gas has had on human civilization by increasing life expectancy, lifting people out of poverty, and advancing economies around the world.

NATURAL GAS IS EXPECTED TO PLAY A MAJOR ROLE

Natural gas has become the fastest growing fuel as it provides an affordable, reliable, and scalable way to increase global energy supply while at the same time reducing emissions. Natural gas can be used in residential, commercial, industrial, and transportation sectors. Advancement and growth in the Liquified Natural Gas (LNG) industry has improved the availability of natural gas for both developed and industrializing nations around the world.



PEYTO'S STRATEGIC PRIORITIES

DELIVER LOW-COST SUSTAINABLE PRODUCTION AND STRONG SHAREHOLDER RETURNS

Peyto continues to be successful targeting sweet, liquids-rich natural gas production from Alberta's Deep Basin. Peyto's lands allow for development of multiple zones from the same surface location. This minimizes the surface footprint and lowers the capital cost. The following table outlines Peyto's strategic priorities in supporting ESG.

Corporate Strength

- Concentrated resource play
- Long reserve life assets
- Returns focused strategy
- Track record of success
- Continued profitable growth

Operational Excellence

- Own and control assets
- Focus on value creation and return
- Technically strong workforce
- Superior HSE compliance

Capital Efficiency

- Lowest cost producer
- Structurally efficient resulting in reduced capital costs
- Supports strong free cash flow generation
- Low decline production

Sustainable Energy Future

- Continued environmental leadership
- Minimal land disturbance
- Low emissions
- Water management
- Commitment to ESG reporting and disclosure
- Continuous innovation improves environmental impact

Nosehill Gas Plant, Alberta

APPROACH TO ESG

At Peyto, ESG leadership is everyone's responsibility and an integral part of our commitment to Operational Excellence. The Board and leadership team direct the Company's ESG strategies, monitor progress and performance through the Board's ESG Committee and the Reserves, Health, Safety and Environment Committee. This report focuses on key ESG topics relevant to Peyto and its stakeholders.

Peyto is committed to providing transparency around our ESG performance. The Company has been actively tracking sustainability metrics since 2013 and publishing those results in an annual sustainability report since 2016.

ESG MATERIALITY

In preparing this report, Peyto identified a list of material ESG focus areas using the Sustainable Accounting Standards Board's (SASB) Oil & Gas – Exploration & Production Sustainability Accounting Standard and the Task Force for Climate Related Financial Disclosure (TCFD) as guidance. Materiality is defined as:

"Any issue that could likely impact the financial condition or operating performance of the Company and, therefore would be a relevant indicator for investors."

As part of our commitment to operational excellence, Peyto is concentrating its efforts on material ESG focus areas that have the potential to be financially impactful.

The ESG metrics disclosed in this report were identified during a benchmarking and gap analysis process and will be used to monitor performance going forward. Peyto will also continue to monitor changing market conditions and new ESG issues that could impact Peyto's future performance.

Galloway Gas Plant, Alberta

Material ESG Focus Areas

GOVERNANCE

- Board Oversight
- Leadership Accountabilities
- Policy and Culture

HEALTH, SAFETY and ENVIRONMENT

- Safety Culture
- Emergency Preparedness
- Pollution, Emissions and Climate
- Water Management
- Biodiversity and Reclamation

SOCIAL

- Diversity and Inclusion
- Stakeholder Engagement
- Indigenous Collaboration
- Corporate Policy Development

CORPORATE

- ESG Targets and Strategy
- Materiality
- Transparency and Disclosure
- Culture

PEYTO SUSTAINABILITY COMMITMENTS

Governance

Topic	Commitment	ESG Focus Area	ESG Metric
Risk Management (Economic, HSE, Market Access, Staffing, Security)	• Enhance collaboration among critical functions within the Company to best assess risk and opportunities • Review risk policies with BOD on annual basis	• Corporate governance • Code of business conduct and ethics • Transparency • HSE	• Board independence • Board make-up and skills • Meeting attendance • Risk matrix

Health, Safety and Environment

Topic	Commitment	ESG Focus Area	ESG Metric
Climate Change and Energy Efficiency	• **NEW TARGET:** By 2023, reduce vented and flared methane emission intensity by 75% from 2016 levels	• Climate change • GHG emission reduction • Energy efficiency	• Emissions management
Environmental Improvements	• **NEW TARGET:** Achieve 80% recycling of flowback water during fracturing operations to reduce make-up water • Continue to reduce our land footprint intensity by using existing wellsites/roads/other Peyto infrastructure to develop our resources • Re-use modular equipment on new Peyto developments • **NEW TARGET:** Proactively abandon and reclaim wellsites and/or facilities by investing a minimum of $1MM per year over next 3 years	Environmental stewardship: • Water • Waste • Responsible resource use • Biodiversity	• Water • Waste management • Biodiversity/reclamation
Health and Safety	• Focus on thorough incident investigation for causation and follow-up on corrective actions to prevent recurrence. • Monitor industry safety incidents and incorporate learnings within company • **NEW TARGET:** Reduce the 3 year weighted average Total Recordable Incident Frequency year over year and annual rate below 1.0	• Health & Safety • Wellness	• Injuries, high potential incidents • HSE training compliance • Incident rates - TRIF

Social

Topic	Commitment	ESG Focus Area	ESG Metric
Diversity and Inclusion	• Provide a diverse, equitable and inclusive environment that upholds our core values of collaboration and respect and provides all employees opportunities for growth and development	• Diversity and Inclusion • Board leadership	• Gender diversity throughout organization • Board diversity
Workforce	• Commit to an engaged workforce that feels valued with the right support and resources to be successful • Support employee development, training, and succession	• Employee value proposition	• Training hours, • Development program • Turnover rates • Employee feedback surveys
Supply Chain Management	• Develop a sustainable supply chain by working collaboratively with our diverse mix of local and global suppliers • Continually evaluate new supplier entrants for technological, work process and cost advances	• Supply chain • Sustainability	• Spend with small and diverse suppliers • Local and regional spend %
Community Relationships	• Enhance the social value of communities in which we live and work through effective engagement and social investment	• Local communities	• Community investment
Indigenous Relationships	• Engage with Indigenous communities to help ensure they understand the potential impacts of our operations so we can identify ways to mitigate any potential impacts and find mutual benefits	• Indigenous engagement	• Indigenous consultation

ABOUT THIS REPORT

The report is designed to inform Peyto's key stakeholders, including employees, shareholders, Investors, and the communities we operate in of Peyto's ongoing commitment to Operational Excellence and ESG. Peyto believes that quantification and tracking of key economic, energy efficiency, emissions and land disturbance metrics is vital to achieving long term sustainability. The goals and targets within this report are meant to guide corporate sustainability initiatives in order to drive continuous improvement of energy efficiency.

Currently there are multiple methodologies that apply to all Oil & Gas companies with respect to calculating GHG emissions and sustainability metrics. This report was prepared using guidance provided by:

- American Petroleum Institute (API) 2009 Compendium
- Sustainability Accounting Standards Board (SASB) Guidelines for Oil & Gas – Exploration & Production
- Alberta Energy Regulator (AER) Manual 015, Estimating Methane Emissions 2019
- Alberta Energy Regulator (AER) Directive 060, Upstream Petroleum Industry Flaring, Incinerating, and Venting
- Task Force for Climate Related Financial Disclosure (TCFD) recommendations

When comparing GHG emissions in this report to other similar publications the reader must understand that the values may not be comparable with similar information reported by other companies because of the different quantification approaches and calculation methodologies. For example, the 2020 revisions to AER's Directive 60 that required operators to differentiate between vented and combusted fuel gas at wellsites, has always been included in Peyto's past emissions calculations. In the spirit of transparency Peyto has always endeavored to report all Scope 1, 2 and 3 emissions. As time passes, it is expected the varied methodologies will converge into set standards for the future.

Peyto's GHG emissions inventory was compiled with an intent to account for all emissions sources from the wellsite to the sales point. The emissions values listed in this report cover facilities where Peyto is the operator. These values also contain emissions associated with non-Peyto owned volumes processed at our facilities.

During 2020, Peyto operated and processed 98.5% of its production. This extremely high level of operatorship allows the Company to take full control over energy efficiency of its operations and limit the exposure to third party carbon levy costs that are often passed through by midstream operators. When comparing emission values in this report to other publications care should be taken to account for third party processed volumes which may not be included in a company's stated emissions inventory.

Peyto has reviewed the values in this report to ensure the information is accurate. Peyto will continue to enhance our sustainability reporting systems and implement new GHG quantification methodologies as they become industry standard. From time-to-time Peyto may adjust the methodologies used to calculate emissions. In these instances, the change will be implemented on "go forward" basis. Currently Peyto does not externally assure the metrics published in this report.

GOVERNANCE

Peyto's Board of Directors (the Board) is responsible for stewarding the Corporation and providing oversight and governance to the Leadership team. This includes guiding the Corporation's strategic planning, HSE, risk management, corporate communications and ESG. The Board is also responsible for selection of executive leadership and ensuring that management's decision-making aligns with corporate strategic goals and objectives.

Peyto's Board consists of seven directors of which five are independent. The positions of lead director and the Board chair are independent and separate from the role of CEO. Each independent board member is evaluated annually for competencies to ensure a comprehensive and diverse skill set.

The Board has policies in place that outline the criteria for selecting new board members, and to ensure that any conflicts of interest are identified. The Board's compensation and nominating committee is responsible for evaluating board and board member performance.

Peyto's Board meets quarterly and has established four committees that oversee the execution and adherence to our corporate policies and the different components of our business (see above). Membership of all committees consists of independent directors.

To support Peyto's commitment to Operational Excellence, the Board has established an ESG committee. This Committee's mandate is to provide oversight of the policies and strategies, communications, and engagement on ESG and sustainability matters to ensure that, as a responsible corporate citizen, all Peyto's obligations and objectives are met.

Corporate Policies Related to ESG:

- Board Diversity Policy
- Code of Business Conduct and Ethics
- Diversity and Inclusion
- Whistleblower
- Health, Safety and Environment
- Biodiversity and Reclamation
- Human Rights and Freedom of Association
- Community and Indigenous Engagement
- Board Renewal Policy

Board Composition

- 7 Board members
- 5 Independent members
- 14% Female members
- Average Board tenure –11 years

RISKS AND OPPORTUNITIES

Risk Management and maintaining an ongoing risk/opportunities matrix are led by Peyto's Board and Management team. This function is also included as a key part of the mandate for the ESG committee. The following table provides an overview of potential ESG risks and opportunities.

Risks	Potential Impact	Mitigation
Legislation/Policy Changes	Peyto's operations are impacted by Alberta provincial and federal government legislation. Any changes to legislation or policy could have a material impact on our operations and financial performance.	• Continue to engage with industry partners, government, regulators, and other stakeholders to understand and influence effects of potential changes • Participate in industry advocacy groups
Material HSE Incident	Peyto's business inherently involves operational and natural hazards that have the potential to harm the employees, service providers, the public, environment, and equipment.	• HSE management system in place, including frequently updated emergency and incident response plans and training • Peyto has a strong corporate HSE culture • Preventive maintenance programs are in place including routine audits and integrity inspections
Social License	Increased scrutiny and requirements from stakeholders to maintain public acceptance and support to operate. Perception of energy production and impacts on the environment could reduce access to capital.	• Comprehensive ESG disclosure to demonstrate commitment to sustainability • Continued advocacy for sustainable energy development • Meaningful engagement with local communities including Indigenous stakeholders
Market Access	Economic success is one of the cornerstones of Peyto's corporate goals. Success is contingent on effective market access which drives commodity prices.	• Continue to explore opportunities that provide new market access • Continue a clear diversification strategy that includes hedging and access to local and export markets • Publicly advocate and enable the development of future energy infrastructure in Canada
Attracting/Retaining Key Staff	Staff are a critical component of Peyto's success. The loss of essential staff would negatively affect our operations.	• Continue to promote a corporate culture based on inclusion and diversity • Be competitive with respect to compensation. Peyto has short-term and long-term financial incentive plans designed to reward employees and other key contributors for successful deployment of our business plans • Peyto seeks to hire qualified staff that are aligned with our core value of operational excellence • Development and succession planning • Conduct annual employee surveys for feedback

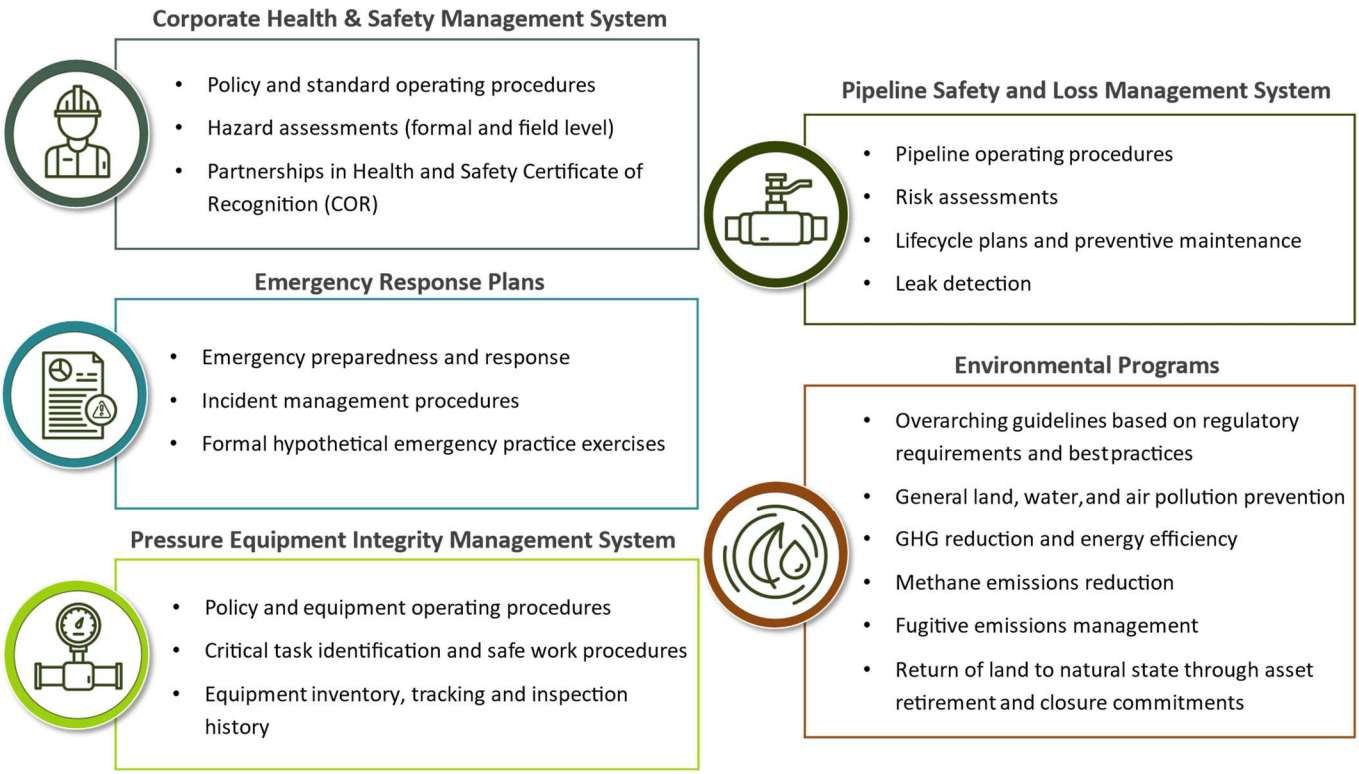
Risks	Potential Impact	Mitigation
Security	Security falls into two categories • Cyber security • Operations security Any cyber intrusion or failure of our electronic systems, or physical interference in operations could severely impact operations and create safety concerns for both employees and the public.	• Peyto has established an IT steering committee to provide direction around IT strategies and spending and to ensure IT best practices, including policy development, user training and security and disaster recovery plans. The steering committee is chaired by the CFO and reports to the Board of Directors on an annual basis • Access to control networks for critical infrastructure are limited to senior field operations personnel • Mandatory check in policy in place for all visitors/contractors at gas plants
Conflict of Interest/Unethical Business Conduct	Unethical business conduct would lead to a loss of reputation for the Company, loss of access to capital, possible prosecution, and undermine the integrity of the workplace.	• Peyto has a Code of Business Conduct and Ethics which is acknowledged annually by all staff • Peyto publishes a report annually in accordance with The Extractive Sector Transparency Act (ESTMA) which discloses cash payments made to governments (including Indigenous governments) available on the website at www.peyto.com. • The Company has a Whistleblower Policy that allows for confidential reporting direct to the Board of Directors

Peyto multi-well pad drilling operation, Edson AB

HEALTH, SAFETY AND ENVIRONMENT

PEYTO'S APPROACH

Peyto is committed to sustainable energy development that is rooted in the principle of operational excellence throughout the full life cycle of operations. A process of 'plan, do, check, act' fosters continuous improvement that drives sustainability and profitability in all areas of Peyto's business. Peyto has the following systems in place to achieve this.



HEALTH AND SAFETY

Health and Safety is recognized across the oil and gas industry as a critical ESG component. Peyto's corporate Health & Safety Management System is based on the principle of "*internal responsibility*". At Peyto, everyone is a worker first, and each employee, and every contractor, is charged with the responsibility of carrying out Peyto business without compromise to the safety of themselves, those around them, and the equipment they use.

Through 2020, Peyto ensured no workplace transmission of COVID-19

Peyto's culture is ingrained in the conviction that competent workers, fit for duty, with adequate training, skills and experience are entrusted to exhibit sound decision-making and to use common sense. Peyto's high employee and contractor retention is a testament to the culture. Additionally, the intelligent design and the ongoing maintenance of the Company's equipment and facilities has ensured equipment runs safely and reliably, delivering strong business and safety performance.

The safety culture is strengthened and propagated throughout the organization through a multi-faceted, active, and ongoing plan that involves regular inspections, education, emergency practice drills and information dissemination to all personnel working within the organization. These two focuses – personnel safety and equipment maintenance - protect not only Peyto employees and contractors but also the public at large, the natural surroundings, and tangible assets.

Operators at the Swanson Gas Plant conducting an inspection

HSE PERFORMANCE SUMMARY

During 2020, Peyto executed the most cost-efficient capital program in its history while managing through the impact of the COVID-19 pandemic and minimizing safety incidents. Operating safely during the global pandemic to protect the health and safety of workers continues to be top priority for Peyto.

New Sustainability Goal

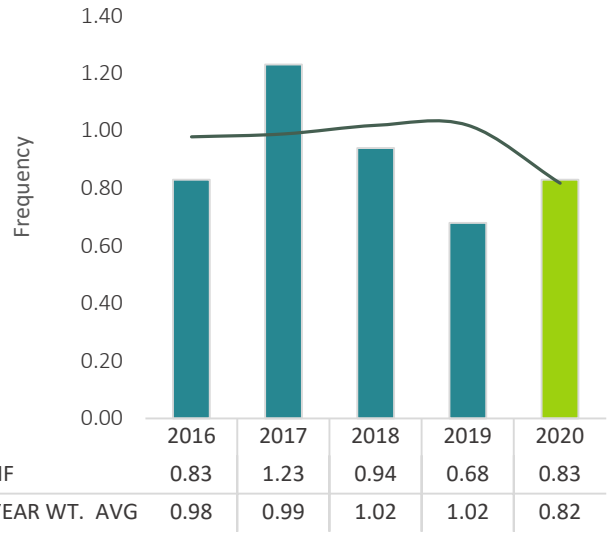
Reduce the trailing three-year average TRIF each year

In previous annual sustainability reports, Peyto identified a health and safety goal to reduce total recordable incident frequency (TRIF) below 1.00. While the target for safety incidents is always zero, Peyto's high level of activity makes it impractical to expect no incidents. However, Peyto strives for continuous improvement and therefore sets a new goal to reduce the three-year trailing average TRIF each year. This approach focuses on continuous long-term improvement by smoothing out anomalous single year results.

Peyto's Employee TRIF has been 0 over the last 5 years.

Since recordable incidents often fluctuate with activity level, incidents are normalized to measure an incident frequency which allows year-over-year comparisons across companies and industries. Incident frequency is measured by calculating the number of incidents annually for every 200,000 hours worked per year. Peyto includes both employee and contractor hours in its calculation of TRIF to include all incidents that occur during Peyto's operations. However, Peyto's Employee only TRIF has been 0 over the last 5 years.

Total Recordable Incident Frequency (Employees and Contractors)



	2016	2017	2018	2019	2020
TRIF	0.83	1.23	0.94	0.68	0.83
3 YEAR WT. AVG	0.98	0.99	1.02	1.02	0.82

During 2020, Peyto's TRIF was 0.83, achieving the goal of less 1.00. The trailing three-year weighted average for 2020 was 0.82, down from the trailing three-year weighted average of 1.02 in 2019. Thorough incident investigation of causation, and corrective actions that target the worker, the supervisor and management all contribute to overall corporate learning and improvement. Peyto is proud of its safety record in an industry whose work is inherently hazardous due the nature of the products and the harsh outdoor working conditions. Peyto not only learns from its own incidents, but also monitors government data, trends, and industry incidents to improve its overall health and safety performance.

CERTIFICATE OF RECOGNITION (COR)

Peyto has proudly maintained a Certificate of Recognition or 'COR' program since 2015 in accordance with standards set by Alberta Occupational Health and Safety. To maintain good standing, Peyto's health and safety management system is audited every 3 years and action plans are developed annually. 2021 is a recertification year and the Company is working to refresh its Corporate Health and Safety Manual in accordance with the same 3-year schedule.

HIGHLIGHTS
Total Recordable Incident Frequency of 0.83 (below target of 1.0).
Through 2020, Peyto managed to ensure zero workplace transmission of COVID-19.

2021 TARGETS
Continue to maintain a TRIF below 1.00.
Target continuous reduction of the trailing 3 year weighted average TRIF each year.

Typical Peyto multi-well pad measurement buildings equipped with solar panels, integrated water tanks, remote monitoring, and emergency shutdown equipment designed to minimize footprint while providing safe, reliable operations

ENVIRONMENT

Peyto's approach to environmental management is based on a robust framework that stresses efficiency and a reduction in overall environmental impact in support of the Company's commitment to Operational Excellence. This approach provides Peyto the opportunity to incorporate both financial and environmental sustainability into its business strategy and exemplifies the true meaning of sustainable development for Peyto.

Environmental Compliance Programs
Fugitive Emissions Management Program
Methane Reduction and Retrofit Compliance Plan
Multi Sector Air Pollutants Regulation
Dehydrator (Benzene) Emissions Regulations

Environmental activities at Peyto are managed through various environmental compliance programs. These provide the structure and corporate oversight to guide our daily operations activities around emissions, water management, waste minimization, biodiversity, and reclamation. This is achieved while maintaining a focus on continuous improvement that drives our ESG performance.

GHG EMISSIONS

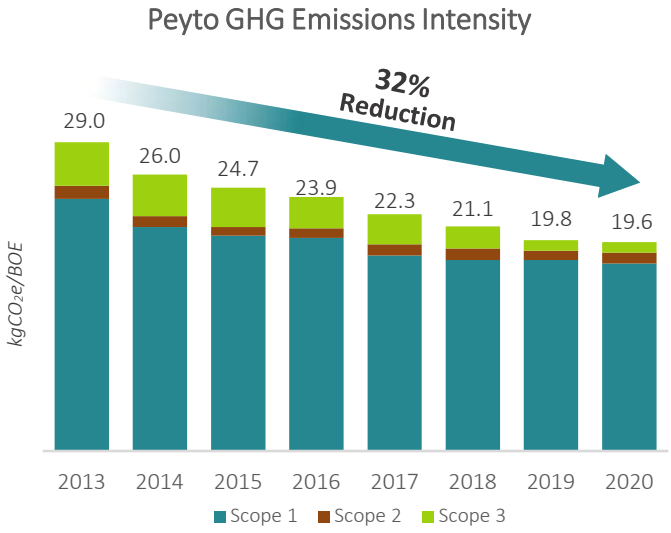
Managing GHG emissions has become a major regulatory, operational, and reputational measure for all organizations. Federal and Provincial climate policies are becoming more stringent which requires companies to develop operational strategies that are climate resilient. Peyto understands the current trajectory of climate change regulation around GHG emissions management, and the scrutiny that energy producers are under to make significant reductions in GHG emissions. At Peyto, energy efficiency is a core part of our operating philosophy, every molecule that is conserved is sold to generate additional revenue.

The very nature of Peyto's geographically concentrated assets and stacked reservoirs allows for more efficient development and logically requires less emissions to develop.

Peyto uses solar panels combined with battery storage to power electrical instrumentation and pumps to reduce Methane emissions

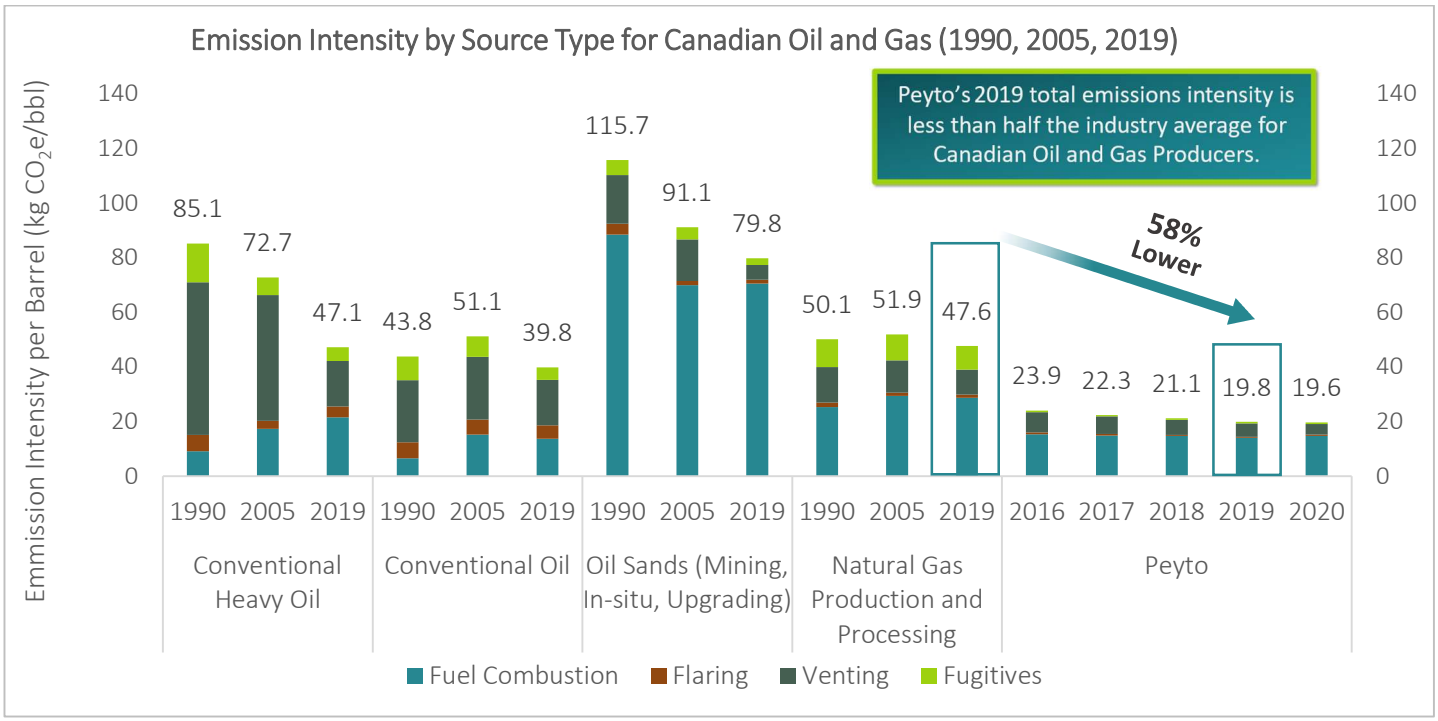
EMISSIONS INTENSITY

Peyto has one of the lowest emissions intensities per barrel of production in the Canadian Oil and Gas sector. During 2020, the Company's overall emissions intensity (scope 1, 2, 3) continued to fall, now down 32% from 2013 levels.



Electric chemical injection pump – zero emissions

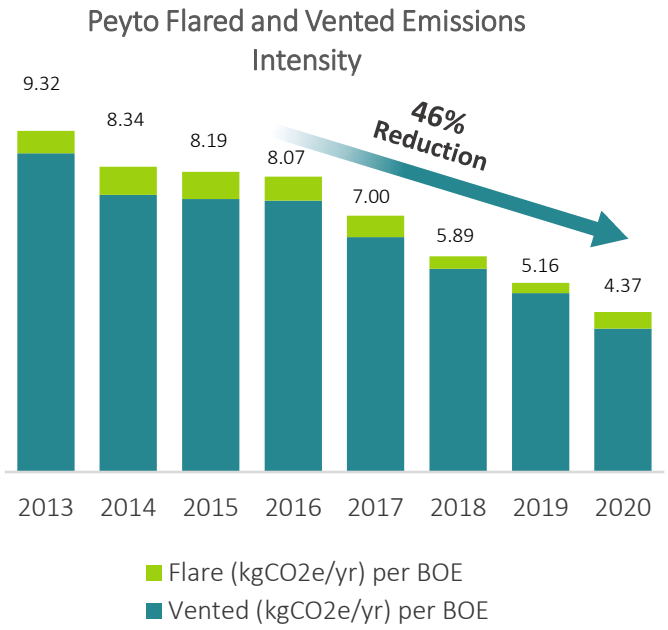
Zero emissions instrumentation



Source:
NIR Greenhouse Gas Sources and Sinks in Canada, 2021 Edition, Part 1, Figure 2-25 (https://unfccc.int/documents/271493NIR).

Peyto continues to concentrate on reducing the emissions intensity of its operations and as part of the continued focus on Operational Excellence. The Company is specifically targeting reducing the methane component of GHG emissions as it provides the best opportunity to make real change.

During 2016, Peyto set a goal to reduce vented and flared methane emissions intensity from its operations by 50% in 5 years. Since that time Peyto achieved a 46% reduction. The Company is confident that it will meet or exceed the goal of 50% in 2021, therefore, Peyto is setting a new target of 75% reduction in vented and flared methane emissions intensity from 2016 levels by 2023.



New Sustainability Goal

Reduce vented and flared methane emissions intensity by **75%** from 2016 levels by 2023

EMISSIONS REDUCTION INITIATIVES

To support our emissions reductions efforts, Peyto continues to implement significant operational improvements designed to specifically reduce our methane emissions profile. To date the Company has implemented over 2,000 individual methane emissions abatement projects. All these projects have provided incremental returns to the Company by conserving the gas we sell and preserving profit margin. These reduction initiatives include:

Initiative	Description	Benefit
Modular Design	Modular design of our processing facilities and well sites allow for higher utilization of in-service equipment and efficient redeployment of underutilized equipment.	Savings of capital costs and reduction in overall GHG emissions 
Wellsite Design	Since 2016, Peyto has been equipping new wells with zero emissions chemical pumps. Peyto's new wellsite design relies on electric level controllers, pressure controllers, and chemical pumps.	• Eliminates continuous venting of instrumentation fuel gas 
Solar Panels	Installation of solar panels at well sites to generate electricity to power measurement and communication equipment. To date, Peyto has installed 3,325 solar panels (1.3 sqm/panel) which has eliminated the need to burn fuel gas.	• Equivalent to providing the annual electrical needs for 118 houses 
Methane Emissions	Ongoing methane emission abatement projects including: • conversions to ultra-low bleed level controllers • pressure controller retrofits • conversions of pneumatic chemical pumps to solar powered, zero emission pumps • Methane emissions collection bottles to use as heater fuel	• Resulted in 148,000 tonnes CO_2e reduction in annual methane emissions or the equivalent to taking 32,000 cars off the road 
Flaring	In 2020, Peyto eliminated 72,184 tonnes CO_2e associated with flaring during completion operations by producing initial test gas into pre-built pipelines to our gas plants	• Equivalent to removing 15,700 cars off the road 
Carbon Emission Offset Generation	Peyto generates offset credits through chemical pump retrofits and low bleed equipment installations.	• To date, 80,000 Offset Credits have been generated 
Alberta Power Generation	Peyto believes that there are significant CO_2 emissions reductions and air quality benefits derived from the coal to natural gas transition of electricity generating facilities. In 2018, Peyto committed to directly supply 60,000 GJ/d for 15 years to the Cascade Power Plant starting in 2023. The Edson area based Cascade project is a 900 MW combined cycle, high efficiency, natural gas-fired power generation facility. This project helps to replace coal-fired power in Alberta, and thus reduce Canada's greenhouse gas emissions.	• Savings of approximately 25,000 tonnes CO_2e/year in direct connect gas transportation fuel 
World LNG Supply	Peyto is a partner in the Rockies LNG Partnership that looks to supply 1.5 to 2.0 BCF/d of natural gas to Pacific Rim countries as a cleaner fuel alternative for heating and power generation requirements.	• Estimated 24 Million tonnes of CO_2e/year in emission reductions (to offset current coal generated power in Asia) 

Peyto continues to comply with all applicable regulatory requirements relating to emission reporting and reduction in the jurisdictions in which the Company operates.

In addition to its active Emissions Reduction Initiatives, Peyto continues to explore and test emerging technologies that could be adopted and further reduce the Company's emissions. These include:

- In-pipe turbine power generator (to be trialed in Q2/Q3 2021)
- Geothermal energy sources
- Waste heat recovery and utilization primarily on Peyto's fleet of 69 compressors (115,000 hp)
- Carbon capture, utilization, and storage (CCUS)
- Gas plant solar power with battery storage

HIGHLIGHTS

Peyto has reduced flared and vented methane emissions intensity by 46% from 2016 levels and is on track to achieve its original target of 50% reduction during 2021.

Peyto has completed over 2,000 individual methane emissions abatement projects.

2021 TARGETS

To reduce Peyto's vented and flared methane emissions intensity to 25% of 2016 baseline levels by 2023.

WATER MANAGEMENT

Peyto considers the reduction of freshwater use one of the foundational elements of proper environmental stewardship. The Company's focus on Operational Excellence identifies water management as both a financial cost and environmental benefit. Hydraulic fracturing is a technique that injects high-pressure fluids and sand to fracture the reservoir rock and connect the natural pores in the formation. This process is designed to create a pathway for hydrocarbons to flow more freely from the rock formation. Horizontal directional drilling with multiple stage fracturing decreases the overall number of wells needed to develop a resource which significantly reduces surface disturbance.

New Sustainability Goal

Decrease non-saline make-up water used in hydraulic fracturing operations and increase frac flowback water recycling to 80%

For the past 22 years, Peyto has been focused on unlocking natural gas and natural gas liquids from Cretaceous aged sandstone reservoirs in Alberta's Deep Basin. Hydraulic fracturing techniques used to free the hydrocarbons from these tight sand plays require relatively lower water volumes when compared to the tighter shale or

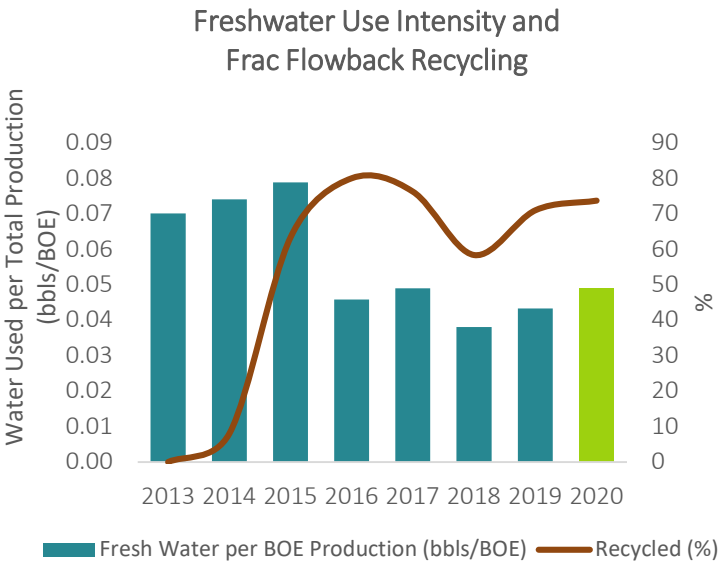
siltstone formations such as the Montney and Duvernay plays being developed in Western Canada or shale plays in the United States. As a result, Peyto uses far less water to extract hydrocarbons than the industry average.

At Peyto, every hydraulic fracturing operation carries its own unique attributes with respect to water management. When evaluating a well pad fracturing plan, Peyto considers not only the regulatory requirements but also the cost and environmental impact associated with all available sourcing options. These sourcing options may include ground water, surface water, or recycled flowback water. In most situations, a variety of potential sources are combined into a customized strategy unique to each given well or pad.

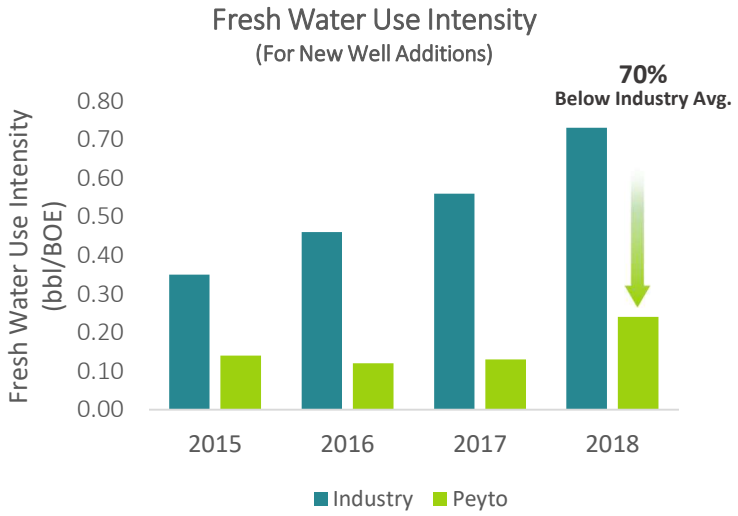
When surface water is used, it is important to note that Peyto's operations lie entirely within low to medium baseline water stress areas as defined by the World Resources Institute (WRI) water risk atlas, Aqueduct, 2019. The Baseline Water Stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Peyto does not extract any fresh water for its operations from the high stress regions in Alberta as classified by the WRI.

During 2020, Peyto established a sustainability goal to continue to decrease the non-saline make-up water component used in its hydraulic fracturing activities and to increase the recycling of frac flowback water to 80%. Peyto's ongoing success of reducing historical fresh water use per unit of company production while increasing flowback recycling is illustrated in the chart.

Both Industry and corporate non-saline water use intensities for Alberta wells are available on the AER's website and are calculated by dividing the amount of fresh make-up water used in the fracture stimulation over the first 12 months of production for new wells. Over the last 4 years of data available, Peyto has used an average of 70% less water than the rest of the industry to add new production.



Peyto uses 70% less non-saline make-up water per BOE of production added than the industry.



Note: 2019 data is available but not included since all wells and production not complete.
Source: AER (https://www.aer.ca/protecting-what-matters/holding-industry-accountable/industry-performance/water-use-performance/hydraulic-fracturing-water-use##summary)

HIGHLIGHTS

Recycled 74% of flowback water in 2020 and continue to maintain significantly lower overall fresh water use relative to industry in our fracturing operations.

2021 TARGETS

To decrease non-saline make-up water used in hydraulic fracturing operations and target a minimum flowback water recycling ratio of 80%.

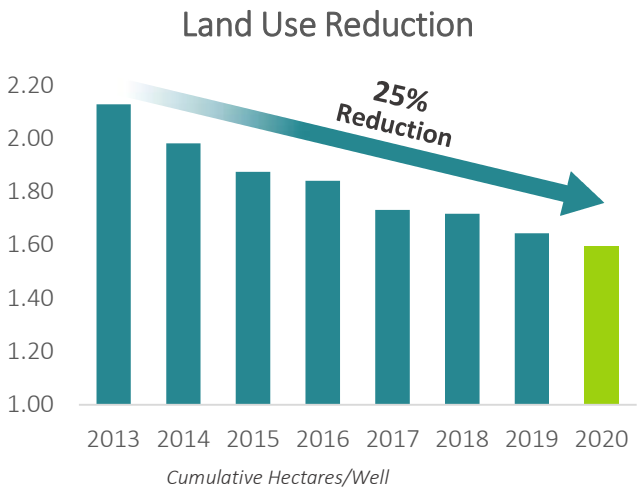
BIODIVERSITY AND RECLAMATION

Optimizing land use and minimizing disturbance are integral to Peyto's resource development strategies. The Company's goal is to plan, build, operate and reclaim our facilities with a focus on footprint minimization and timely reclamation. This approach aligns with Peyto's objectives of profitability while minimizing impact on the environment.

LAND MANAGMENT

Peyto constructs well pads and compact, modular facilities that are "right- sized" and expandable with our resource development and production growth. This ensures minimal land use per unit of energy produced while simultaneously minimizing capital requirements. Since 2012, Peyto has utilized multi-well pad drilling to minimize overall land use. As a result, wellsite footprints have been minimized based on an area per well basis. In 2020, the cumulative land used for all of Peyto's roads and leases dropped to 1.6 ha/well, down 25% since tracking began in 2013.

Peyto's operational efficiency has resulted in using only 45% of regulator's standard wellsite footprint.



For each development project Peyto undertakes, a portion of the cost to acquire the surface disposition (lease, road, pipeline, or facility site) goes to the designated Forest Management Agreement (FMA) holder and the Government of Alberta for reforestation of lands. The FMA holder then uses these amounts collected to manage reforestation on Crown land. Effectively, for every tree Peyto cuts down, a replacement tree is or will be planted by the FMA holder. Peyto has contributed an estimated $1.3 million dollars towards reforestation over the last 22 years.

When Peyto does harvest a tree for road, pipeline or lease construction, any merchantable timber that is salvaged is transported to the FMA holder's mill. Peyto works closely with FMA holders and the Government of Alberta to manage Peyto's impact on the Crown land.

FACILITY AND PIPELINE INTEGRITY PROGRAM

Peyto had zero reportable spills in 2020

Peyto's facility and pipeline assets are managed under integrity programs under the umbrella of the Health and Safety Management System, specifically:

- Pipeline Safety and Loss Management Process; and
- Pressure Equipment Integrity Management System (PEIMS).

The Integrity program utilizes a combination of routine inspections, equipment, and technology to prevent a loss of product or damage to the environment. Technologies include supervisory control and data acquisition (SCADA) systems, automated gauges, pressure alarms, and emergency shutdown controls and valves which will alert the operations team and immediately shut down equipment to eliminate or minimize the potential for environmental impact if an incident occurs.

Peyto continues to include Integrity Management as a key focus within the Company's corporate risk profile and mitigates this risk through employee awareness, routine inspections and preventive maintenance of equipment and control systems.

WATERCOURSE CROSSING PROGRAM

Peyto is a contributing member of Alberta Environmental Protection's Watercourse Crossing Program (WCP). The program identifies and rectifies water way obstructions that inhibit fish movement through the many tributaries to local watersheds. As an industry member, Peyto actively inspects and remediates crossings in the areas we operate to ensure proper watercourse function. Active participation in this program supports Peyto's commitment to water management and biodiversity stewardship.

Example of watercourse crossing management in the Edson area

REGULATORY MANAGEMENT

Peyto continually monitors changing regulations as part of the corporate risk matrix. Regulatory risk is managed internally through both the Health and Safety Management System, Environmental Program and the following external initiatives.

- Direct interactions with regulators and peer companies
- Bulletins and updates from the Government of Alberta, the Alberta Energy Regulator (AER) and the Canadian Energy Regulator (CER)
- Active participation in industry associations. During 2020, Peyto was an active member of the following associations:

Explorers and Developers Association (EPAC)

Sustaining Alberta's Energy Network (SAEN)

Energy Mutual Aid Co-op (EMAC)

Western Canadian Spill Services (WCSS)

Emergency Response Assistance Canada (ERAC)

Canadian Propane Association (CPA)

Energy Safety Canada

Canadian Association of Petroleum Producers (CAPP)

ABANDONMENT AND RECLAMATION MANAGEMENT

The AER Liability Management Rating (LMR) program provides the oversight that Alberta uses to govern conventional upstream wells, facilities, and pipelines. The liability assessment is a measure of deemed assets divided by liabilities. It is designed to assess a licensee's ability to address suspension, abandonment, remediation, and reclamation liabilities.

Over 90% of Peyto's operated wells are producing and 98% of the assets were developed in-house.

LMR ratings for each producer are calculated by the AER on a regular frequency which defines Alberta's perception of a companies related financial health with respect to their outstanding abandonment and reclamation liability. The AER uses an LMR of greater than 2.0 as the benchmark of corporate viability. Peyto's LMR was 5.7 at the end of 2020.

In July 2020, the Alberta government announced plans to improve the liability management framework which will include, an improved system to assess operators' capabilities, establishing spending targets for operators, and expanding the role of the Orphan Well Association to clean-up orphaned wells, pipelines, and facilities. This new framework has not been fully defined

at the time of this report; however, Peyto expects to be able to fully comply with any requirements based on very limited liabilities and supports the orderly abandonment and reclamation of oil and gas developments in the province.

Peyto asset base is unique in that 98% was developed by the Company over the last 22 years. Peyto operates 1,726 gross wells with over 90% of which are still producing today. This ratio of producing to non-producing wells is among the highest of Canadian producers. Despite the few non-producing wells, Peyto has taken a proactive approach to abandon wells and reclaim surface sites having spent $1 million over the last 3 years on projects leading to and including abandonment and reclamation. During 2020, Peyto received 2 reclamation certificates for previously reclaimed wellsites. Peyto will continue to reduce abandonment liabilities spending an average of $1 million per year over the next 3 years to abandon and/or reclaim wells and facilities. This will equate to the abandonment of approximately 10 wells per year or 6% of Peyto's total inactive well count each year.

New Sustainability Goal

Peyto is budgeting an average of $1MM per year over the next 3 years towards abandonment and reclamation activities

Peyto's future liabilities represent only 1% of the estimated future value from developed reserves.

At the end of 2020, Peyto predicts the cost of future abandonment and reclamation liability (all wells, sites, & facilities) will be approximately $44 million (discounted at 5%) which represents only 1% of Peyto's total $3.27 billion of forecast future value from the developed reserves (on the same discount rate).

Reforested Wellsite, Alberta

WASTE MANAGEMENT

Peyto's waste management includes handling and disposal of drilling waste, oilfield/plant waste and municipal waste. All waste generated is either recycled or disposed of at a permitted waste disposal facility. Peyto's waste management strategy requires that all waste be properly manifested and recorded to ensure compliance with all Transportation of Dangerous Goods (TDG) and provincial regulatory requirements.

HIGHLIGHTS

- Peyto's operational efficiency has resulted in a 25% reduction of the area required per well drilled and use of only 45% on the land otherwise allowed by the regulator.
- Peyto's annual regulatory inspection score was 84%, above the Provincial average of 80%.
- Peyto has a very clean asset based almost entirely developed by the company with over 90% of operated wells still producing.
- Peyto's outstanding liability stands at $44 million (discounted at 5%) which represents only 1% of the total $3.27 billion of forecast future value of the developed reserves on the same discount rate.

2021 TARGETS

Peyto has committed an average of $ 1 million per year over the next 3 years to address abandonment and reclamation activities.

SOCIAL

Peyto's strives to be a company that creates a culture of inclusion, diversity and collaboration for our employees and the communities we operate in.

PEOPLE AT PEYTO

Peyto recognizes that people are one of its most important assets and is committed to fostering a diverse and inclusive culture across the organization. The Board and leadership are committed to ensuring all employees are positively engaged in supporting the business and are valued for their contribution. This is evidenced by Peyto's high employee retention metrics. This dedicated team produces over 10 MMSCFE/D per employee, which is the highest productivity ratio of any oil and gas company in Canada.

Peyto's focus on employee engagement and diversity starts at recruitment and is embedded into our policies and procedures. Peyto knows that the best ideas and contributions come from having people of different backgrounds, perspectives, experiences, and skills across all disciplines. The collaboration and multi-disciplinary team participation amongst employees provides both superior business outcomes and high employee satisfaction.

Peyto is also committed to maintaining a workplace that respects human rights in accordance with its Human Rights and Freedom of Association Policy. The Company continuously strives to improve its contracting practices and has adopted company-wide principles that are applied when selecting third-party, independent contractors.

To ensure safety of staff, suppliers, and business partners, Peyto also has a comprehensive whistle-blower policy in place that outlines a safe avenue to report any concerns or issues. No whistleblower reports were received in 2020.

2020 Key Figures

52
Total Employees

42%
Women in the workforce

9 Years
Average tenure of field operators

<3/year
Average employee turnover since 2016

Employee Impact

10 MMSCFE/D
Per Employee

HIGHLIGHTS

- Peyto developed policies that address Diversity and Inclusion and Human Rights and Freedom of Association.
- Peyto produces 10MMSCFE/D per employee, the highest productivity ratio of any oil and gas company in Canada.
- 42% of Peyto's staff are women.
- No whistleblower reports were received in 2020 .

2021 TARGETS

- Continue educating and raising awareness of Peyto's Diversity and Inclusion, and Human Rights and Freedom of Association policies, and their requirements with all employees and contractors.

COMMUNITY AND INDIGENOUS ENGAGEMENT

COMMUNITIES

Peyto understands it has a social responsibility to be an active member of the communities in which the Company operates. As part of the focus on operational excellence, Peyto strives to engage with the communities, understand current community issues and concerns, and work to incorporate stakeholder input into its business.

Peyto also understands that being an active member means contributing economically to the community. Peyto approaches community investment from a holistic and scalable perspective, with a focus on primarily supporting the community and local businesses through its annual capital programs. These programs benefit local suppliers and vendors, create jobs and generate tax revenue for regional municipalities.

As a Company and as individuals, Peyto also contributes to charitable and volunteer organizations such as STARS Air Ambulance and participates in volunteer initiatives which benefit local causes.

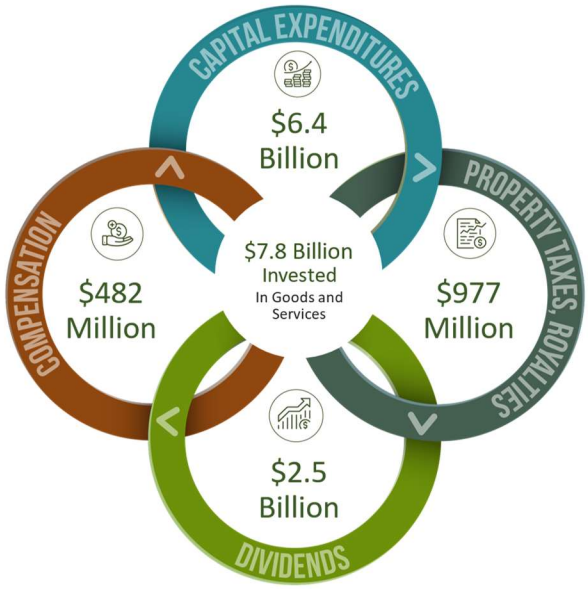
Communities we operate in:
Edson
Hinton
Grande Cache
Drayton Valley
Rocky Mountain House
Calgary

STARS Air Operation Centre Facility Visit

Gold Sponsor, Edson Bike Skills Park, Alberta

Peyto's Economic Impact

(net, cumulative contribution to the end of 2020)



INDIGENOUS ENGAGEMENT

Peyto recognizes the unique connection that all Indigenous partners hold with the land. The Company seeks to build lasting and mutually beneficial relationships in the areas in which Peyto operates. To ensure this, Peyto engages with Indigenous communities to share information about its activities and listen to genuine concerns in a respectful and comprehensive manner.

Indigenous consultation is a part of Peyto's corporate success which is highlighted in the Company's policy on Community and Indigenous Engagement. Peyto consults in a respectful and timely manner that recognizes traditional culture and knowledge but also the processes outlined by the Alberta government's Aboriginal Consultation Office (ACO).

Peyto also recognizes the opportunity to support Indigenous communities through its annual capital programs by utilizing competitive local Indigenous businesses. Additionally, Peyto offers local direct employment opportunities to career-orientated Indigenous people who seek a living in the natural gas industry.

Indigenous Communities in Peyto's Operating Areas:
Alexis Nakota Sioux Nation
Aseniwuche Winewak Nation
Enoch Cree Nation
East Prairie Metis Settlement
Kehiwin Cree Nation
Montana First Nation
O'Chiese First Nation
Paul First Nation
Sunchild First Nation
Whitefish Lake Indian Reserve #128

HIGHLIGHTS

- Peyto continues to provide significant economic benefits for Alberta and the communities we operate in.
- $7.8 Billion in goods and services spent in Peyto's operating areas
- $977 Million in property taxes and royalties

2021 TARGETS

- Continue to be an active, engaged partner in the communities that Peyto operates in.
- Continue to use Peyto's scalable approach to community investment and focus on supporting local and Indigenous businesses where possible.

PEYTO 2020 PERFORMANCE DATA

	Units	2016	2017	2018	2019	2020
Corporate Governance						
Production (Gross Operated)						
Sales Gas [(1)]	MMcf/d	575.4	597.1	530.1	451.7	442.1
Liquids [(1)]	bbl/d	7,922	9,684	10,092	11,469	12,252
BOED (6:1) [(1)]		103,814	109,195	98,450	86,748	85,934
Energy Equiv. Volume Basis	m^3OE/yr	6,231,764	6,654,892	5,925,454	5,182,908	5,148,552
(CAPP Factors)	BOE/yr	39,196,547	41,857,942	37,269,918	32,599,457	32,383,365
Economic Benefits						
Capital expenditures	$ (gross)/yr	503,000,000	538,000,000	242,000,000	231,000,000	244,000,000
Taxes, Royalties, rentals, fees and levis	$ (gross)/yr	49,000,000	61,000,000	53,000,000	42,000,000	38,000,000
Operating Expenses	$ (gross)/yr	115,000,000	123,000,000	118,000,000	114,000,000	107,000,000
Employee Compensation (salaries and performance awards)	$ (gross)/yr	35,000,000	24,000,000	22,000,000	10,000,000	7,500,000
Dividends	$ (gross)/yr	215,000,000	218,000,000	119,000,000	40,000,000	15,000,000
Total Annual Economic Benefits	**$ (gross)/yr**	**917,000,000**	**964,000,000**	**554,000,000**	**437,000,000**	**411,500,000**
Reserves Valuation						
Proven Producing [mboe]	MBOE	248,127	274,551	273,921	266,637	274,556
Total Proven [mboe]	MBOE	404,382	451,274	516,326	527,318	536,522
Proven + Probable [mboe]	**MBOE**	**654,751**	**721,697**	**802,809**	**814,748**	**834,403**
Proven and probable reserves in or near Indigenous land	%	0	0	0	0	0

Notes:
1. SasB -EM-EP-000.a

		Units	2016	2017	2018	2019	2020
GHG Emissions							
Total Scope 1 (direct) emissions[2][3]		tCO_2e/yr	784,719	769,825	669,612	585,498	570,738
Total Scope 2 (indirect) emissions[2][3]		tCO_2e/yr	35,485	44,123	39,633	28,289	32,929
Total Scope 3 (indirect) emissions [2][3]		tCO_2e/yr	116,312	117,680	77,857	32,193	32,572
Total Emissions		**tCO_2e/yr**	**936,517**	**931,628**	**787,102**	**645,980**	**636,239**
Vented Emissions[4]		tCO_2e/yr	290,575	268,530	206,785	159,110	126,812
Flared Emissions		tCO_2e/yr	25,546	24,311	12,564	9,144	14,735
Methane Emissions[2]		tCO_2e/yr	378,275	355,191	289,840	236,297	204,115
Emissions Intensity							
Scope 1 (direct) Intensity[2]	All Direct Emissions from drilling and production activities.	tCO_2e/BOE	0.0200	0.0184	0.0180	0.0180	0.0176
Scope 2 (indirect) Intensity[2]	Indirect Emissions from purchased electricity	tCO_2e/BOE	0.0009	0.0011	0.0011	0.0009	0.0010
Scope 3 (indirect) Intensity[2]	All Other Indirect Emissions from activities occurring from sources that they do not own or control	tCO_2e/BOE	0.0030	0.0028	0.0021	0.0010	0.0010
Total GHG Emissions Intensity		**tCO_2e/BOE**	**0.0239**	**0.0223**	**0.0211**	**0.0198**	**0.0196**
Emissions Intensity per GJ produced[2][3]		tCO_2e/GJ	0.0037	0.0035	0.0033	0.0031	0.0031
Vented + Flared Emissions Intensity (Energy Equiv Basis)		$kgCO_2e/m3OE$	8.07	7.00	5.89	5.16	4.37
Methane Emissions intensity (Energy Equiv Basis)[4]		$tCO_2e/m3OE$	0.0607	0.0534	0.0489	0.0456	0.0396

Notes:

2. SasB -EM-EP-110a.2
3. SasB-EM-EP-110a.3
4. SasB-EM-EP-110a.1

		Units	2016	2017	2018	2019	2020
Energy Efficiency							
Energy Produced (excl consumption)		GJ	256,441,783	267,057,732	238,604,922	208,264,121	205,906,898
Energy Consumed (gas)		GJ	8,191,965	8,702,603	7,825,698	7,257,794	7,515,868
Energy Efficiency (gas)		% of GJ Prod+Cons	3.10	3.16	3.18	3.37	3.52
Energy Efficiency/unit production (gas)		GJ/produced m^3OE	1.31	1.31	1.32	1.40	1.46
Air Quality (Criteria air contaminants (CAC)							
NOx [4]		tonnes/yr	1,198	1,428	1,416	1,143	1,220
Volatile Organic Compounds (VOC's)		tonnes/yr	355	344	386	328	328
Particulate Matter (PM^{10})		tonnes/yr	3	4	3	2	3
SO2 [2]		tonnes/yr	no SO2 emissions	no SO2 emissions	no SO2 emissions	no SO2 emissions	no SO2 emissions
Water Management							
Total Non-saline make-up water[5]		m3	275,549	309,884	217,049	217,552	244,524
	As a % of total of water use	% of frac water	67	72	84	81	82
Non-saline withdrawals from high stress regions		%	not tracked	not tracked	not tracked	not tracked	0
Frac Water Used[5]		m3	409,087	427,868	259,546	268,397	297,811
Number Wells Frac'd[5]		Number	130	139	66	58	68
Frac Water Used per Well[5]		m3	3,147	3,078	3,933	4,628	4,380
Frac Flowback Water Volumes[6]	Produced	m3	150,331	154,748	72,572	66,258	71,706
	Recycled	m3	120,306	117,944	42,343	46,992	52,860
		%	80	76	58	71	74
	Disposed	m3	30,025	36,804	30,229	19,266	18,846
Well/Plant Water Production	Produced[7]	m3	213,716	303,210	331,062	278,503	274,695
	Recycled[8]	m3	13,232	40	154	1,490	427
		%	6	0	0	1	0
	Disposed[8]	m3	200,484	303,170	330,908	277,013	274,268

Notes:
5. SasB-EM-EP 140a.1
6. SasB-EM-EP 140a.2
7. SasB-EM-EP 140a.3
8. SasB-EM-EP 140a.4

		Units	2016	2017	2018	2019	2020
Biodiversity							
Land Use Intensity[9][10]							
	New wells	ha/well	0.77	1.09	0.55	0.91	0.99
	Cumulative wells	ha/well	1.71	1.64	1.59	1.57	1.54
	Land Use Intensity	boed per ha (6:1)	44.06	43.47	38.60	33.41	32.30
Well Management[9][10]							
	Operated Producing Wells (gross)	Number	1,253	1,419	1,461	1,492	1,567
	Directive 13 Type 6 Inactive Wells	Number	27	32	24	17	31
	Gross Operated Non Producing Wells	Number	102	76	114	150	128
Total Operated Wells (gross)[9][10]		**Number**	**1382**	**1527**	**1599**	**1659**	**1726**
	Operated Wells Spud in Year (gross)	Number	128	142	70	51	64

Notes:
9. SasB-EM-EP 160a.2
10. SasB-EM-EP 160a.3

		Units	2016	2017	2018	2019	2020
Environmental Liabilities							
Reportable Spills[9]		Number	3	2	3	2	0
Wellsite Inspections		Number	48	10	23	19	20
	High risk deficiencies	Number	0	0	0	0	0
Facility Inspections		Number	10	5	1	20	16
	High risk deficiencies	Number	0	1	0	0	1
Rig Inspections		Number	8	7	7	7	7
	High risk deficiencies	Number	0	1	0	1	1
Abandonment and Reclamation							
Abandonment Requirements		Number	0	0	0	0	0
Wellsite reclamation Certificates obtained		Number	2	0	6	0	2
Total area reclaimed		ha	3.37	0	8.96	0	4.67

Notes:
9. SasB-EM-EP 160a.2

		Units	2016	2017	2018	2019	2020
Health and Safety							
Fatalities[11]		Number	0	0	0	0	0
	Employee	Number	0	0	0	0	0
	Contractor/ Consultant	Number	0	0	0	0	0
Recordable Incidents[11]							
	Employee	Number	0	0	0	0	0
	Contractor/ Consultant	Number	11	18	7	5	7
	Total Hours	Number	2,647,242	2,931,513	1,485,653	1,462,235	1,683,795
Total recordable injury frequency (TRIF)[11]							
	Employee	Rate	0	0	0	0	0
	Total Employee/ Contractor	Rate	0.83	1.23	0.94	0.68	0.83

Notes:
11. SasB- EM-EP 320a.1

		Units	2016	2017	2018	2019	2020
Social							
Community and Indigenous Engagement							
Total Community Investment[12]		$	100,000	25,000	25,000	50,000	50,000
Indigenous business spend[12]	Annually	$	713,029	955,348	179,596	133,390	82,430
Employee Information(FTE/Contractors)							
Head Office Employees		Number	49	52	54	52	52
Voluntary Turnovers		Number	2	1	2	5	3
Employees per 1,000 boed		Number	0.47	0.48	0.55	0.60	0.61
Production per Employee		boed/person	2,118.65	2,099.90	1,823.14	1,668.23	1,652.57
Gender Diversity (FTE)							
Women in Workforce		%	41	37	37	38	42
Women in supervisory/Management		%	10	9	9	10	10
Women on Board of Directors		%	0	0	0	14	14
Governance							
Number Whistleblower Reports		Number	0	0	0	0	0
Number Whistleblower Reports Outstanding		Number	0	0	0	0	0

Notes:
12. SasB- EM-EP 210a.2

		Units	2016	2017	2018	2019	2020
Government Payments							
Federal							
	Payroll Tax	$	7,670,153	14,463,834	10,094,697	9,932,609	2,666,708
Provincial							
	Payroll Tax	$	incl in Federal	incl in Federal	incl in Federal	incl in Federal	incl in Federal
	Crown Royalties (net) (net of GCA)	$	23,781,621	29,096,261	23,515,481	10,673,088	18,022,662
	Crown Mineral Lease Purchases	$	1,207,375	10,328,032	3,286,697	2,696,997	99,269
	AER Fees	$	4,474,895	5,587,926	6,538,180	6,133,709	3,151,755
	Orphan Well Levy	$	242,248	212,419	374,318	606,329	792,966
	Surface Rentals	$	928,581	814,265	767,103	810,874	682,226
	Mineral Rentals	$	736,160	622,652	609,408	692,465	820,032
	SGER Carbon Tax	$	111,825	154,620	313,980	229,280	0
	Business Tax	$	48,435	26,970	16,909	2,404	2,183
	Total Province	$	31,531,141	46,843,145	35,422,077	21,845,146	5,449,162
Municipal							
	Property Tax	$	8,869,511	9,058,214	10,020,264	9,309,727	10,401,117
	Road Use (net of refund)	$	0	37,125	37,125	37,125	0
	Well Drilling and Equipment Tax	$	2,090,066	1,885,817	898,860	829,925	919,036
	Total Municipal	$	10,959,577	10,981,156	10,956,249	10,176,777	11,320,153
Total (w/ Payroll)		**$**	**42,490,718**	**57,824,301**	**46,378,326**	**32,021,923**	**16,769,315**

Footnotes:

The emissions data contained within this data table and report were compiled by Peyto with support from third party consultants. Peyto looks to API 2009 Compendium, SASB Guidelines and AER Manual 015 to ensure that values reported agree with widely utilized standards. From time-to-time Peyto may adjust the methodologies used to calculate emissions. In these instances, the change will be implemented on “go forward” basis. Currently Peyto does not externally assure the report.

APPENDICES

ESG REPORTING FRAMEWORKS

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD)

Item	Description	Report Location (pgs)
Governance	Describe the board's oversight of climate-related risks and opportunities	9-11, 13-15
	Describe management's role in assessing and managing climate-related risks and opportunities	6-7, 9-11,13-15
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	9-11, 14-15
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	9-11, 14-15
	Describe the organization's processes for managing climate-related risks	9-11, 14-15
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management strategy	9-11, 13-15
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	10-11, 20-24
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	20-24, 34
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	9-11, 20-24

SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB)

Corporate Information	Description	Report Location
EM-EP-000.A	Provide Production volumes of (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	33-38
EM-EP-000.B	List Number of offshore sites	33-38
EM-EP-000.C	List Number of onshore sites	33-38
Governance		
EM-EP-420a.3	Amount invested in renewable energy; revenue generated by renewable energy sales	33-38
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	4-5
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not Applicable
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	4-5, 13-15
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	13-15, 28
EM-EP-110a.1	Provide Global Scope 1 emissions, % methane, % covered by emissions-limiting regulations	33-38
EM-EP-110a.2	Provide Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	33-38

EM-EP-110a.3	Provide a discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	10-11, 20-24, 33-38
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	33-38
EM-EP-120a.1	Provide Air emissions data for the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})	33-38
EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	33-38
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content	33-38
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	33-38
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline Water	Not Applicable
Environmental Management		
EM-EP-160a.1	Describe the Company's environmental management system	16, 20-29
EM-EP-160a.1	Describe environmental management policies and practices for active sites	20-29
EM-EP-160a.2	Provide the number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	27, 33-38
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	33-38
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	33-38
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	33-38
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	31-32
EM-EP-320a.1	(1) Total recordable incident frequency (TRIF), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	17-19, 33-38

EM-EP-320a.2	Discuss Safety management systems and their integration into Company culture	17-19
EM-EP-510a.1	Reserves in 20-lowest countries on Transparency International's Corruption Perception Index	Not Applicable
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	11, 31-32
EM-EP-210b.2	Number and duration of non-technical delays	Not Applicable
EM-EP-540a.1	Process Safety Event rates for Loss of Primary Containment of greater consequence (Tier 1)	17-19, 27
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	14-15, 16-19

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