



**Independent limited assurance report on selected subject  
matter areas presented within the IGM Financial Inc.'s  
Report on 2021 Greenhouse Gas Emissions**

Prepared in accordance with:

International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410')

This report is intended solely for use by IGM Financial Inc., and is not intended and should not be used for any other purpose.



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**Independent practitioner’s limited assurance report on selected subject matter areas presented in IGM Financial Inc.’s Report on 2021 Greenhouse Gas Emissions and the IGM Financial 2021 Sustainability Report**

**To the Directors and Management of IGM Financial Inc.**

We have undertaken a limited assurance engagement of the selected indicators included in Schedule 1 and presented in the Report on 2021 Greenhouse Gas Emissions of IGM Financial Inc. (IGM) (the “subject matter”) for the year ended December 31, 2021, and the IGM Financial 2021 Sustainability Report.

**Management’s responsibility**

Management is responsible for preparation of the subject matter in accordance with the methodology established in the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Financial Control Methodology* (the applicable criteria) as explained in IGM Financial Inc.’s Report on 2021 Greenhouse Gas Emissions, included in Section II. Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the subject matter in accordance with the applicable criteria are likely to arise.



The extent of our procedures included but was not limited to inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, in performing the procedures listed above we:

- Obtained, through inquiries, an understanding of IGM's control environment and information systems relevant to GHG emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Conducted analytical reviews and trend analysis of reported data for selected key performance measures;
- Evaluated whether IGM's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate IGM's estimates;
- Reconciled the data back to underlying records for a limited sample of items for the selected subject matter;
- Checked the mathematical accuracy of the calculation related to the GHG emissions variations on the comparative periods January 1, 2020 to December 31, 2020 and January 1, 2013 to December 31, 2013 reported in the subject matter. This did not imply any assurance procedures on GHG emissions for the periods January 1, 2020 to December 31, 2020 and January 1, 2013 to December 31, 2013; and
- Reviewed the selected subject matter disclosure in the appendices to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### **Our independence and quality control**

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

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that IGM's subject matter information for the year ended December 31, 2021, is not prepared, in all material respects, in accordance with the applicable criteria.

**Purpose of statement and restriction on distribution and use of our report**

The subject matter has been prepared in accordance with the applicable criteria, in order to assist Management and the Board of Directors in reporting the total GHG emissions. As a result, our report may not be suitable for another purpose. Our report is intended solely for IGM. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

We acknowledge the disclosure of our report, in full only, by IGM at its discretion, to Carbon Disclosure Project (CDP). We make no representations or warranties of any kind to CDP or any other third party in respect of this report.

Our report should not be distributed to parties other than IGM or CDP.

*PricewaterhouseCoopers LLP<sup>1</sup>*

Partnership of Chartered Professional Accountants

Montréal, Quebec  
May 19, 2022

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<sup>1</sup> CPA auditor, public accountancy permit No. T146079



## Schedule 1

### Selected subject matter areas presented in the Report on 2021 Greenhouse Gas Emissions of IGM Financial Inc. and the IGM Financial 2021 Sustainability Report

Our limited assurance engagement was performed on the following indicators for the year ended December 31, 2021:

Indicator	Approach	2021 Tonnes of CO <sub>2</sub> e	Mathematical accuracy of the variance	
			2021 vs 2020	2021 vs 2013
Scope 1 before Renewable Natural Gas Certificates (natural gas, backup fuel, refrigerants, and jet fuel)	Location-based	480	-45%	-79%
Scope 1 taking into account the Renewable Natural Gas Certificates (natural gas, backup fuel, refrigerants, and jet fuel)	Market-based	34	-86%	-99%
Scope 2 Electricity	Location-based	4	-15%	-82%
Scope 2 Emissions	Market-based	4	121%	-81%
Scope 3 Business Travel		82	-80%	-97%

We were not engaged to report on comparative figures for the prior years, and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in the table above.

The organizational boundaries and the applicable criteria for the determination of these metrics have been disclosed in the Report on 2021 Greenhouse Gas Emissions, which is included in Section II.



## **SECTION II: REPORT ON 2021 GREENHOUSE GAS EMISSIONS**

## Report on 2021 Greenhouse Gas Emissions

### Boundary Selection

For the information presented in this report for the calendar year ending December 31, 2021 with respect to our Scope 1, 2, and 3 greenhouse gas emissions, management used the financial control consolidation approach as defined in the GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. The application of this boundary definition resulted in the inclusion of owned facilities and owned aircraft in Scope 1 and 2 emissions and business travel in Scope 3 emissions for the purposes of determining IGM Financial Inc.'s carbon footprint.

### Data Collection Methodology

Data for utilities consumption for the owned facility was gathered from utility invoices. Electricity consumption was in kilowatt hours (kWh) and natural gas consumption was in cubic meters (m<sup>3</sup>). Data for jet fuel consumption and miles flown through the operation of the owned aircraft was provided by our management company in an Excel spreadsheet format and was checked against the monthly travel reports received for the period under review. Data for Scope 3 business travel was provided by our air travel management companies and from ground travel expense reimbursement reports.

Scope 1 and 2 emissions, location-based and market-based, were calculated taking into consideration the GHG Protocol and the CDP Climate Change Reporting Guidance.

### GHG Emissions Summary

Emissions by scope in tonnes CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)	Approach	2021 (tCO <sub>2</sub> e)	2020 (tCO <sub>2</sub> e)	2013 Base Year (tCO <sub>2</sub> e)	Variance 2021 to 2020	Variance 2021 to Base Year
Scope 1 before Renewable Natural Gas Certificates (natural gas, backup fuel, refrigerants, and jet fuel)	Location -based	480	878	2,304	-45%	-79%
Scope 1 taking into account the Renewable Natural Gas Certificates (natural gas, backup fuel, refrigerants, and jet fuel) <sup>1</sup>	Market - based	34	241	2,313	-86%	-99%
Scope 2 Electricity <sup>2</sup>	Location -based	4	5	22	-15%	-82%
	Market - based	4	2	22	121%	-81%
Scope 3 Business Travel		82	401	2,664	-80%	-97%

<sup>1</sup>Scope 1 market-based emissions in 2021 were reduced by 454 tCO<sub>2</sub>e due to the purchase of Bullfrog Power renewable natural gas certificates. The emissions factor associated with the combustion of this renewable natural gas effectively removes the CO<sub>2</sub>e emissions that otherwise would have been present with conventional natural gas, thereby reducing our natural gas emissions.

<sup>2</sup> Scope 2 market-based emissions in 2021 increased by 2 tCO<sub>2</sub>e due to the fact that the Manitoba Hydro electricity generation emissions factor for 2021 is higher than last year's because Manitoba Hydro needed to rely on their gas generating units heavily last February during a period where the regional grid was strained. Also, water was lower in 2021 so there was less hydroelectric production. This does not represent an increase in electricity usage.



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See Appendix A for the emissions factors used to calculate the stated 2021 CO<sub>2</sub>e emissions.

Dated this 19<sup>th</sup> day of May, 2022  
 Luke Gould  
 Executive Vice-President and Chief Financial Officer  
 IGM Financial Inc.

**Appendix A: 2021 Emissions Factors**

Emissions Source	Unit	Value	Source
<b>Electricity (Market-Based)</b>	tCO <sub>2</sub> e/kWh	0.00000114	Manitoba Hydro's Greenhouse Gas Emissions Factors PDF ( <a href="https://www.hydro.mb.ca/environment/pdf/ghg-emission-factors.pdf">https://www.hydro.mb.ca/environment/pdf/ghg-emission-factors.pdf</a> )
<b>Electricity (Location-Based)</b>	tCO <sub>2</sub> e/kWh	0.0000011	Environment and Climate Change Canada. National Inventory Report 1990–2020: Greenhouse Gas Sources and Sinks in Canada Part 3. (Ottawa: Environment and Climate Change Canada, 2022.), 62-74
<b>Natural Gas (Market-Based)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0.001960	Manitoba Hydro, <a href="https://www.hydro.mb.ca/environment/greenhouse_gas/">https://www.hydro.mb.ca/environment/greenhouse_gas/</a>
<b>Natural Gas (Location-Based)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0.001926	Environment and Climate Change Canada. National Inventory Report 1990–2020: Greenhouse Gas Sources and Sinks in Canada Part 2. (Ottawa: Environment and Climate Change Canada, 2022.), 254-255
<b>Renewable natural gas certificates (Natural Gas Market-Based)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0 <sup>1</sup>	<a href="https://www.bullfrogpower.com/wp-content/uploads/2020/09/GNG-Methodology-Document-2020.pdf">https://www.bullfrogpower.com/wp-content/uploads/2020/09/GNG-Methodology-Document-2020.pdf</a>  <i><sup>1</sup>Bullfrog Green Natural Gas has traceable amounts of Methane and Nitrous Oxide resulting in an emission factor of 0.000002 tCO<sub>2</sub>e/m<sup>3</sup>. Due to these GHG emissions de minimus materiality, Bullfrog Green Natural Gas emissions have been taken as net zero. This approach will be re-assessed next year in case the materiality changes.</i>
<b>Refrigerants</b>	tCO <sub>2</sub> e/tonne	1,810	Department of Energy and Climate Change, UK Government GHG Conversion Factors for Company Reporting, <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021</a>



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<b>Corporate Jet</b>	tCO <sub>2</sub> e/l	0.002582	Environment and Climate Change Canada. National Inventory Report 1990–2020: Greenhouse Gas Sources and Sinks in Canada Part 2. (Ottawa: Environment and Climate Change Canada, 2022.), 262
<b>Reimbursed mileage</b>	tCO <sub>2</sub> e/mile	0.00033	Emissions Factors for Greenhouse Gas Inventories (April 2022): <a href="https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf">https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf</a>
<b>Corporate Air Travel</b>			
<i>Short Haul</i>	tCO <sub>2</sub> e/mile	0.00021	Emissions Factors for Greenhouse Gas Inventories (April 2022): <a href="https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf">https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf</a>
<i>Medium Haul</i>	tCO <sub>2</sub> e/mile	0.00013	
<i>Long Haul</i>	tCO <sub>2</sub> e/mile	0.00016	