

February 23, 2022

Chesapeake Utilities Corporation

INDEPENDENT VERIFICATION OPINION STATEMENT AT THE LIMITED ASSURANCE LEVEL FOR CALENDAR YEAR 2019 AND 2020 GREENHOUSE GAS EMISSIONS DATA

SCOPE OF ENGAGEMENT

HXE Partners (HXE) was contracted by **Chesapeake Utilities Corporation (Chesapeake)** to provide independent, third-party verification of Chesapeake's Greenhouse Gas (GHG) Emissions data, for the calendar years (CY) 2019 and 2020, with responsibility for providing a **limited level of assurance** regarding their accuracy and completeness, in accordance with the **ISO 14064-Part 3** verification standard.

GHG emissions boundaries covered by the verification:

- Operational Control
- CY2019 and CY2020

The scope of our review included Chesapeake emissions sources encompassing:

- **Scope 1** emission sources: stationary, mobile, and fugitive emissions
- **Scope 2** emission sources: purchased electricity

Chesapeake is responsible for collecting, analyzing, and presenting data sources provided to HXE, as well as for maintaining effective internal controls over the systems from which the data sources. Data sources have ultimately been approved by and remains the responsibility of Chesapeake.

The verification assessment, conducted in accordance with ISO-14064-Part 3: *Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements* included verification of Chesapeake's reporting methodologies for the greenhouse gas emissions data in accordance with:

- The World Resources Institute / World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (Revised Edition)* (Scope 1 and 2)

VERIFICATION PROCESS AND DOCUMENT REVIEW

As part of this assurance engagement, HXE conducted the following verification activities:

- Conducting an overarching strategic/risk analysis
- Generating and developing a verification plan and a data and information sampling plan
- Audit of samples of reported data and documentation
- Interviewing relevant employees at Chesapeake responsible for managing GHG emissions and environmental data and records
- Verifying GHG emissions calculations at an aggregated level for CY 2019 and 2020
- Reviewing Chesapeake's data management systems, from data handling to internal verification procedures, to confirm that there were no significant errors, omissions, or misstatements in provided data sources
- Conducting materiality review of findings

HXE provided a “Verification Findings Review” report to Chesapeake which details the specific review tasks completed and which areas were flagged for clarification or improvement. Chesapeake has addressed all requests for clarification and has completed all necessary corrective actions. The following data has been verified:

Table 1. Summary of Chesapeake’s GHG Emissions Data for Calendar Year (CY) 2019:

Scope of GHG Emissions	mtCO ₂ e
Scope 1 GHG emissions	270,328
Scope 2 GHG emissions (location-based)	9,768

Table 2. Summary of Chesapeake’s GHG Emissions Data for Calendar Year (CY) 2020:

Scope of GHG Emissions	mtCO ₂ e
Scope 1 GHG emissions	266,679
Scope 2 GHG emissions (location-based)	4,540

This verification used a materiality threshold of ±5% for total errors in each of the above metrics.

ASSURANCE FINDING

Based on these review processes and procedures, nothing has come to HXE’s attention that would cause us to believe that Chesapeake has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 and Table 2 above

The opinion expressed is formed based on a **limited level of assurance** and at the materiality of the professional judgement of the verifier. Note the extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Signed,



On behalf of HXE Partners LLC

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