

Sustainability Performance – 2022

Note that this document includes the information published on our <u>Sustainability</u> <u>Performance Tracking Platform</u> for the 2022 period. For more details, please refer to it.

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PROFILE

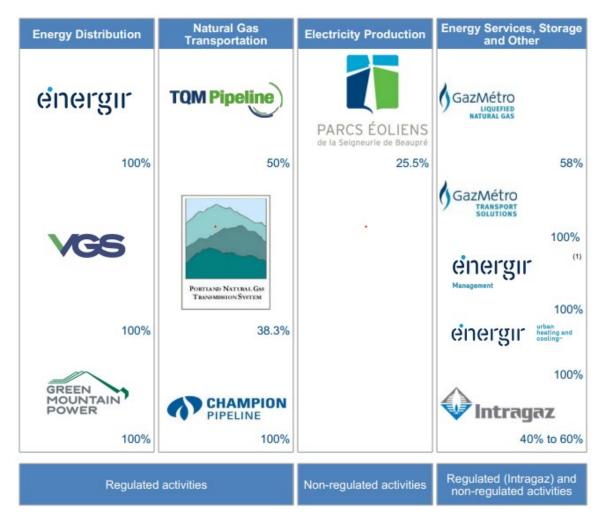
About Énergir

GRI 102-1 - Name of the organization

Énergir, L.P.

GRI 102-2 – Activities, brands, products and services

The data reflects the situation as of September 30, 2022.



GRI 102-3 – Location of headquarters

1717 Du Havre Street Montréal, QC H2K 2X3

GRI 102-4 – Operations location

Énergir, L.P.'s head office is in Montreal, Quebec. Through subsidiaries, Énergir, L.P. also has a presence in Ontario and the United States.

GRI 102-5 – Ownership and legal form

Énergir, L.P. is a limited partnership.

GRI 102-6 – Markets served

Consumption of standardized distributed natural gas volumes for fiscal year 2022 is up 2.6% compared to 2021. This increase was mainly observed in the commercial market because of the less restrictive COVID-19 health restrictions in the 2022 fiscal year. To a lesser extent, the industrial market also shows an increase in consumption, particularly in the energy production sector.

The increase in revenue for fiscal year 2022 is mainly due to a significant increase in the price of natural gas, which doubled from fiscal 2021, an increase in consumption due to cooler temperatures in fiscal 2022, and to a lesser extent, the overall rate increase of 15.6%.

	Resid	dential	Comn	nercial	Indu	strial
Category	Data	Percentage	Data	Percentage	Data	Percentage
Customers	145,100	68.6%	57,650	27.3%	8,616	+4.1%
Volumes	629.3 Mm ³	(\$10.1 million)	1,670.0 Mm ³	26.7%	3,951.0 Mm ³	63.2%
Total Revenue	\$363.5M	20.1%	\$770.1M	42.7%	\$672.6M	37.2%

GRI 102-7 – Scale of the organization

Énergir, L.P. had 1,620 employees as of September 30, 2022.

GRI 102-12 – External initiatives

Énergir, L.P. is active in various working groups related to the energy transition.

In fiscal year 2022, Énergir, L.P. participated in working groups on the topics of building and business and sat on the steering committee of the Montreal Climate Partnership (MCP), co-

chaired by the Foundation of Greater Montreal and the Trottier Family Foundation. The mission of the MCP is to mobilize economic, philanthropic, institutional and community forces to accelerate the decarbonization of Montreal and to strengthen its resilience.

Over the past fiscal year, Énergir, L.P. has partnered with stakeholders in the Montreal community and made commitments to reduce GHG emissions and adapt to climate change, in line with the objectives set out in the City's Climate Plan under the MCP. It also participated in the Climate Summit, organized by the MCP, during which the road map toward zero-emission buildings in Montreal by 2040 was announced. Energir, L.P. continues to work closely with the City of Montreal and Hydro-Québec to create winning conditions for this transition.

The Government of Quebec's Plan for a Green Economy (PGE), unveiled in November 2020, included a target to reduce GHG emissions from building heating by 50% by 2030. Quebec's two energy distributors and other actors were asked to work together to provide a dual-energy solution to meet this imperative.

Énergir, L.P. is one of the founding members of the *Espace québécois de concertation sur les pratiques d'approvisionnement responsable* (ECPAR), whose goal is to integrate sustainable development into supply chains and shape best practices in this area. Énergir, L.P. believes in the importance of responsible procurement and sustainability promoted by ECPAR and has adopted responsible procurement practices, namely in its calls for tender for the purchase of goods and services. Énergir also holds a seat on ECPAR's Board of Directors. Furthermore, Energir, L.P. is committed to increasing its procurement of goods and services from the social economy as part of *L'Économie sociale, j'achète!*, an initiative launched by the *Conseil d'économie sociale de l'île de Montréal* (CESIM).

Énergir, L.P. is a partner of SWITCH, the Alliance for a Green Economy in Quebec, whose objective is to institute innovative solutions to accelerate the transition to a Quebec economy that creates wealth and respects the environment. Énergir, L.P. also holds a position on this organization's Board of Directors.

Énergir. L.P. honours its commitment to diversity and inclusion by fostering dialogue, deepening reflection, and promoting openness to differences. As such, Énergir, L.P. has joined Pride at Work Canada, an organization that encourages employers to promote a corporate culture that recognizes LGBTQ2+ employees as an important part of a diverse and effective workforce.

GRI 102-13 – Membership associations

Name of affiliation

SWITCH Alliance American Gas Association (AGA) APCHQ Metropolitan Montreal Canadian Gas Association (CGA) Association des gestionnaires en sécurité incendie et civile du Québec (AGSIQ) Association industrielle de l'est de Montréal (AIEM) Association québécoise de la production d'énergie renouvelable (AQPER) Biogas Association Canadian Hydrogen and Fuel Cell Association (CHFCA) Canadian Natural Gas Vehicule Alliance (CNGVA) Canadian Club of Montreal Cercle des présidents du Québec Chambre de commerce et d'industrie de Québec (CCIQ) Chambre de commerce de l'est de Montréal Chambre of Commerce of Metropolitan Montreal (CCMM)

Chambre de commerce Haute-Yamaska Centre interuniversitaire de recherche en analyse des organisations (CIRANO) Conseil des entreprises en technologies environnementales du Québec (CETEQ) Conseil économique de Beauce Quebec Forest Industry Council (QFIC) Montreal Council on Foreign Relations (MCFR) Conseil du patronat du Québec (CPQ) Conseil patronal de l'environnement du Québec (CPEQ) Corporation des entreprises de traitement de l'air et du froid (CETAF) Corporation des maîtres mécaniciens en tuyauterie du Québec (CMMTQ) École nationale des pompiers du Québec Espace guébécois de concertation sur les pratiques d'approvisionnement responsable (ECPAR) Fédération des chambres de commerce du Québec (FCCQ) Canadian Tax Foundation Institute of Corporate Directors (ICD) Institute of Internal Auditors (IIA) Jeune chambre de commerce de Montréal (JCCM) Manufacturiers et exportateurs du Québec (MEQ) **RECO Québec** Réseau Action TI Régie du bâtiment du Québec (RBQ) Société des fabricants et des parcs industriels Sous-traitance industrielle Québec (STIQ)

GRI 102-18 – Sustainability governance

Oversight by the Board of Directors

The oversight of climate change risks and opportunities is provided by Énergir Inc.'s Board of Directors (hereinafter, the "Board") and Énergir Inc.'s management team (hereafter, "Management"). The Board oversees the management of Énergir, L.P.'s operations, primarily to ensure Énergir financial health and resilience in the short, medium, and long term. More specifically, it ensures that management adopts a strategic planning process and periodically implements a strategic plan that addresses business opportunities and risks, among other things. It also ensures that Énergir, L.P.'s strategy, including its strategic directions arising from climate change issues, is implemented. It identifies and monitors Énergir, L.P.'s principal risks, and ensures that appropriate management measures and systems are in place to address them. The Board is supported by its standing committees (as described in the Governance section of this report) that jointly oversee the effectiveness of Énergir, L.P.'s strategies and performance with respect to risks and opportunities related to climate change.

Management oversight

Énergir, L.P.'s President and Chief Executive Officer directs the operations of Énergir, L.P., supported by a Management Committee in which all sectors of the company are represented. He is ultimately responsible for strategic planning and ensures that the company's orientations cover the risks and opportunities related to climate change. Under his leadership, the Management Committee developed Vision 2030-2050 to guide Énergir, L.P.'s development for the 2030-2050 period. The plan's commitments will be reviewed regularly to adapt them to new and emerging trends and to ensure that they remain relevant. The Management Committee has established a framework to identify, assess and manage the various risks inherent to the industry in which Énergir, L.P. operates, including those related to climate change. Énergir, L.P. has adopted an internal governance structure that promotes sound management of climate issues in establishing its goals, strategies and actions across the organization. This way, the offices of several vice-presidents as well as the finance division

can provide support to the Management Committee in its reporting to the Board and the various committees. They are supported in turn by their respective teams, the Sustainable Development Strategy Committee, and employees from different sectors of the company.

During the 2022 fiscal year, Énergir, L.P., completed its process of integrating ESG topics into its strategic planning. As a result, the governance structure pertaining to climate change risks and opportunities, as well as ESG and sustainability aspects, will need to change to reflect this integration in the corporate strategy.

Sustainable Development Strategy Committee

The objective of the Sustainable Development Strategy Committee (SDSC) is to continue to advance and align the sustainable development approach with the corporate strategy:

- 1- Increase internal knowledge at Énergir, L.P. of the environmental, social and governance impacts of the natural gas value chain.
- 2- Advise the responsible teams on the evaluation and implementation of the actions identified in the strategic plan.
- 3- Monitor sustainable development performance.
- 4- Foster knowledge sharing and collaboration within Énergir, L.P. and its subsidiaries to bring ESG culture to life within the company.
- 5- Support the various teams in the sound management of priority ESG issues.

Various work teams were mobilized during fiscal year 2022, including the Climate Resiliency Report Steering Committee, the GHG Reduction Strategy Committee and the ESG Approach Reflection Committee. The aim of these committees is to develop a better understanding of ESG issues at Énergir, L.P.



GRI 102-18 – Governance structure

Énergir, L.P's governance structure can be found in Énergir, L.P's Climate Resiliency Report for the fiscal year ended September 30, 2022, available on Énergir, L.P's <u>website</u>.

GRI 102-45 – Entities included in the consolidated financial statements

More details on the entities included in the consolidated financial statements can be found in

Énergir Inc.'s MD&A as well as its quarterly and consolidated annual financial statements for the fiscal year ending September 30, 2022, available at www.sedar.com, under the Énergir Inc. profile.

ESG approach

During fiscal year 2022, Énergir, L.P. actively undertook an approach to integrate environmental, social and governance (ESG) considerations into its culture and business model.

In the context of this process, Énergir, L.P., is committed to:

- i) Becoming a North American leader in ESG integration,
- ii) To ultimately accelerate a just energy transition to combat climate change while actively contributing to a better quality of life in the community in which it operates.

This commitment will be fulfilled in accordance with Énergir, L.P.'s organizational values, mission, and ambitions. More specifically, as part of its strategic planning, Énergir, L.P. has identified its ESG ambitions as follows:

- To be a proactive leader in the fight against climate change.
- To provide an inclusive and safe work environment for all of its employees, communities and partners.
- To manage risks in an effective and efficient manner that promotes resilience and adaptation to change.

The ESG approach is based on conversations with stakeholders. In fiscal year 2021, Énergir, L.P. consulted with its internal and external stakeholders on which ESG factors it should prioritize. For more information on the most recent stakeholder consultation, see the Stakeholder Consultation section in the left-hand menu.

As a result of this consultation, five priority ESG topics were selected to become the basis of Énergir, L.P.'s ESG approach. These topics are considered to have a significant impact on Énergir, L.P. and its operations.

Énergir ESG priority topics¹ are:

Environment:

1- Increasing energy efficiency efforts and the proportion of renewable energy in its networks

Social:

- 2- Promoting the prevention of physical and psychological risks in the workplace
- 3- Ensuring a distinctive employee experience that promotes the principles of diversity, equity, and inclusion
- 4- Making a positive impact on the community

¹ Énergir has categorized the ESG priority topics by dominant ESG factor, recognizing, however, that these ESG priority topics may have cross-cutting considerations across all ESG factors.

Governance:

5- Ensuring Énergir, L.P.'s physical and technical (IT/OT) robustness and resilience

In fiscal year 2022, Énergir, L.P. completed the integration of its ESG priority topics into its strategic plan. In addition, ambitious goals, targets, and action plans were established for each ESG priority topic to help Énergir become an industry leader in North America.

This commitment, applicable to Énergir in the context of its natural gas distribution activity in Quebec, will be achieved in accordance with the values, mission, and vision of Énergir and its subsidiaries. Moreover, the ESG priority topics have been integrated into the strategic plan common to Énergir and all its subsidiaries, and their performance will be monitored through a common reporting system.

Énergir, L.P. will continue to implement the concrete actions of its ESG approach over the next fiscal year, guided by its ESG roadmap designed to cover the next five years.

About this report

GRI 102-49 – Changes in reporting

- Addition of indicator GRI 305-3 Other indirect (Scope 3) GHG emissions employees: Results of accounting for GHGs related to employee travel.
- Renaming of GRI 305-3 to: Other indirect (Scope 3) GHG emissions
- Changes to indicators GRI 416-2, GRI 417-3 and GRI 419-1: word "fine" changed to "monetary sanction".
- Addition of a quantitative indicator to complement the "Social Support Help Program (SSHP)" indicator.
- Addition of the qualitative indicator "ESG approach".
- Removal of quantitative indicator GRI 102-7 (to avoid redundancy with indicator GRI 305-4)
- Renaming of the Energy Change in consumption by sector indicator to: Natural gas consumption avoided through energy efficiency (m³).

GRI 102-50 – Reporting period

The period covered is fiscal year 2022 (October 1, 2021, to September 30, 2022), except for the energy and GHG emissions indicators, which cover the calendar year (January 1 to December 31, 2021).

GRI 102-51 – Date of most recent report

Énergir, L.P.'s most recent full sustainability report was published on June 4, 2018.

Énergir, L.P. publishes all its sustainability performance indicators annually on its sustainability performance tracking platform. The previous performance indicators update was completed in February 2022.

GRI 102-52 – Reporting cycle

Énergir, L.P. updates the performance indicators each year as part of its sustainability approach.

Since 2013, Énergir, L.P. has published three sustainability reports based on the Global Reporting Initiative (GRI) guidelines. These were published in 2013, 2015 and 2017.

Since 2020, Énergir has published a report on climate resiliency under the TCFD framework. This report identifies climate risks and opportunities in Énergir business model, about governance, strategy, risk management, and corporate targets and indicators, and is available on our internal site at energir.com/sd.

GRI 102-53 – Contact point

Sustainable Development team

dd@energir.com 514 598-3449

Follow us on

Twitter:@Énergir_Facebook:@EnergirQcLinkedIn:@EnergirInstagram:https://www.instagram.com/energir

For more information, visit energir.com/sd.

GRI 102-56 - External assurance

The performance indicators presented in the Sustainability Report have not undergone an external audit, unless otherwise stated.¹ Nonetheless, Énergir's Internal Audit Department reviews annually a sample of the indicators selected according to criterias defined by this Department with a view to validating the integrity of the information in this Sustainability Report. Énergir's Internal Audit Department conducts its audits committed to respect of the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and commits to respect its Code of Ethics. During this work, Énergir's Internal Audit Department did not find any significant gaps leading it to believe that the information in the Sustainability Report is inaccurate.

The performance indicators were also revised and approved by all the internal authorities accountable for sustainable development and information disclosure at Énergir, including the Disclosure Committee and the Management Committee.

The information presented in the Sustainability Report was provided with a concern for the validity, integrity, and accuracy of the data, which stem from internal management systems, such as the environmental management system.

Sustainable Development Goals

Commitment to the Sustainable Development Goals (SDGs)

Adopted by Canada and 192 other countries in 2015 at the United Nations Sustainable Development Summit in New York, The UN's Sustainable Development Goals program is

¹ Data pertaining to greenhouse gas emissions and certain atmospheric contaminants that were reported under the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere are verified via an external audit.

intended to be a universal framework to guide the actions of all sustainable development stakeholders in business, government, and civil society in the same direction.

Énergir, L.P. intends to actively participate in this international effort. In 2020, the analysis of its value chain revealed a potential to contribute to nine SDGs. Participating in the achievement of these goals presents an opportunity for Énergir, L.P. to pursue its actions and commitment to local communities, and to support the achievement of global goals.

In 2022, Énergir contribution to the SDGs resulted in the integration of environmental, social and governance (ESG) considerations into its culture and business model. Thus, Énergir participation in achieving the SDGs is aligned with the ESG priorities identified by its stakeholders.

To learn more about the stakeholder consultation on Énergir, L.P.'s ESG priorities conducted for fiscal year 2021, see indicators GRI 102-40, 42, 43, 44 and 47.

For more information on our approach to integrating the SDGs, see the section below.

Approach to integrating the SDGs

The analysis of Énergir, L.P.'s contribution to the UN Sustainable Development Goals is based on the interconnectedness of its strategic planning and its environmental, social, and economic impacts. Énergir, L.P.'s approach considers both the relevance of the SDGs in its operations and the significance of Énergir issues, not only to its stakeholders but also throughout its value chain. The positive contribution, as well as the negative impacts of Énergir activities, are considered in its approach.

This contribution is deployed on three levels and demonstrates a concrete contribution to nine SDGs:

Contribution	Approach	SDGs
Related to Énergir strategic sustainability issues	Maximize the company's contribution	7-13-12
Related to the impacts of Énergir activities	Reduce negative impacts and increase socio-	3-4-5-8-15-16
	economic benefits	
Indirectly related to Énergir activities	Do-no-harm actions	1-2-6-9-10-11-14-17

For fiscal year 2022, Énergir, L.P contribution to the SDGs resulted in the integration of environmental, social and governance (ESG) considerations into its culture and business model. Thus, Énergir, L.P participation in achieving the SDGs is aligned with the ESG priorities identified by its stakeholders.

To learn more about the stakeholder consultation on Énergir, L.P.'s ESG priorities conducted in fiscal year 2021, see indicators GRI 102-40, 42, 43, 44 and 47.

Legal compliance and business ethics

GRI 102-16 – Values, principles, standards and norms of behaviour

Code of Ethics

Énergir, L.P.'s Code of Ethics was reviewed and approved by the Board of Directors in September 2020.

To ensure awareness of, and compliance with, its Code of Ethics, Énergir, L.P. relied on the following means:

The "Ethics in Action" online training that all new staff must take within 120 days of starting work at Énergir, L.P. is part of the new employee orientation program and can also be accessed by anyone for reference purposes.

As of September 30, 2022, 2,402 people had completed this training since it was posted online in April 2015. The mechanism for ensuring completion of training includes an automated reminder and as well as a manual follow-up to the reminder.

Starting in May 2021, an annual and mandatory commitment reminder was implemented to raise awareness of specific ethical behaviours. The purpose of this reminder is to ensure that each staff member develops a culture of ethical conduct and commits to complying with the Code of Ethics. For the fiscal year 2022, the annual engagement reminder was conducted through an ethics survey that was sent to all staff members, to which 1,080 Énergir, L.P. employees responded.

The Ethics page, which contains all the tools and information needed to learn about ethical commitments and appropriate behaviours, was created on the new Énergir, L.P.'s intranet platform in 2019.

A process to certify management's internal controls is in place and coordinated by the Internal Audit Department, in compliance with regulation 52-109 respecting *Certification of Disclosure in Issuers' Annual and Interim Filings.*

An electronic signature process has been implemented for all new consultants hired for parttime or full-time contracts and who meet certain criteria to confirm that they have read Énergir, L.P.'s Code of Ethics and the pamphlet on its rules of conduct.

Performance management integrates behavioural expectations related to the company's values, culture, and Code of Ethics into its performance review.

Furthermore, Énergir, L.P.'s Code of Ethics encourages anyone to submit any concerns or complaints about the company so that they may be reported to Énergir, L.P. and investigated as soon as possible. Énergir, L.P. offers the opportunity to submit a concern or complaint anonymously and at no cost through ClearView Connects, a service that is available 24/7. The Code of Ethics complaint process is further detailed in the Policy on Reporting and Handling Public and Employee Complaints.

ClearView Connects is a service of Syntrio Inc., an autonomous communications consulting corporation that offers anonymous and confidential feedback systems. Their secure feedback systems are designed to protect the identity of those who use the service. ClearView Connects forwards complaints and concerns to an analysis team that performs a preliminary review of the information. Generally, the analysis team seeks the cooperation of human resources when misconduct involves an Energir, L.P. employee. When a complaint involves a member of senior management, the analysis team notifies Energir, L.P.'s President and CEO and the Chair of the committee responsible for ethics. As part of its investigation, the analysis team

may consult Énergir, L.P.'s external auditors or any other type of external consulting service.

Distributor Code of Conduct

Online training on the Distributor Code of Conduct governing transactions between the distributor and its related parties, as well as transactions between the regulated activity and the distributor's unregulated activities, must be completed by employees who work directly with a related party or carry out unregulated activities in the course of their work. All managers have taken the training. On August 4, 2022, the Board of Directors approved the Rules of Conduct for Énergir, L.P. as a natural gas distributor and promoter of renewable natural gas production projects, which are appended to the Distributor's Code of Conduct.

Supplier Code of Conduct

Énergir, L.P.'s General Conditions for the Purchase of Goods and Services incorporate the Supplier Code of Conduct. Each supplier who registers on Énergir, L.P.'s Supplier Management site must consult the Code of Conduct and agree to its terms and conditions.

Cybersecurity

In 2022, the cyber security program continued, and the annual cybersecurity awareness program was completed. This program includes other awareness tools such as trainings, phishing tests, and CASA publications. The third-party risk management program was also implemented.

The Personal Information Protection Policy

The Personal Information Protection Policy, under the responsibility of Énergir, L.P.'s Personal Information Protection Officer, was amended by the Management Board.

In summary, indicator GRI-10216 – Values, principles, standards, and norms of behaviour shows that Énergir, L.P. is committed to maintaining an ethical culture through various means. In the form of a report, an annual review of ethics achievements during the period from July 1 to June 30 and the maintenance of the measures put in place is presented to the Governance, Ethics and Environment Committee (a standing committee of the Énergir, Inc. Board of Directors).

Investment projects above the threshold requiring authorization from the Régie de l'énergie

The amounts for investment projects approved by the *Régie de l'énergie du Québec* depend on the number and size of projects to extend the network and to relocate pipelines, as well as on real estate investments and IT needs (Property and Information Technology category). These amounts can vary significantly from one year to the next.

Legal compliance and business ethics – Investment projects above the threshold requiring authorization from the Régie de l'énergie				
Investment projects category	Investment (M\$)			
Network and ministère des Transports	45.7			
Property and Information Technology	0.0			
Total	45.7			

In the Network and *Ministère des transports* category, four projects were approved for \$45.7 million in fiscal year 2022. Of this amount: \$31.4 million is allocated to the replacement of gasifiers at the LSR plant; \$5.9 million to the assessment of the interchangeability of hydrogen in the network; \$4.3 million to the decommissioning and reconstruction of a pressure reducing station in Montreal East; and \$4.1 million to relocate a pipeline in Rouyn-Noranda.

In the Property and Information Technology category, no projects were submitted to the Régie de l'énergie du Québec.

Number of regulatory affairs outside Quebec for which Énergir is an intervenor

Legal compliance and business ethics – Number of regulatory affairs outside Québec for which Énergir is an intervenor						
2019 2020 2021 2022						
Canada Energy Regulator	2.0	2.0	0.0	0.0		
Ontario Energy Board	2.0	0.0	0.0	0.0		
Total	4.0	2.0	0.0	0.0		

Énergir, L.P. intervenes when it is needed in other cases regarding transport services to defend and protect its customers' interests, and to ensure that transportation rates charged by carriers are fair and reasonable.

Énergir, L.P. did not register as an intervenor in regulatory case outside Quebec during the 2022 fiscal year, although she participated in the discussions regarding the rate agreement between TQM Pipeline and the various stakeholders on its network for the period from 2022 to 2023.

GRI 307-1 – Non-compliance with environmental laws and regulations

Legal compliance and business ethics – GRI 307-1 - Non-compliance with environmental laws and regulations						
Types of Notice			Consequences of a Notice			
	Notice of non-compliance	Notice of violation	Number of fines	Fine (\$)	Non-pecuniary penalty	
2020	1	-	0	0	0	
2021	-	0	1	2,500	0	
2022	0	0	0	0	С	

<u>Civil claims or criminal proceedings related to public safety issues that</u> resulted in a conviction or out-of-court settlement

Legal compliance and business ethics – Legal compliance – Civil claims or criminal proceedings related to public safety issues that resulted in a conviction or out-of-court settlement				
	2020	2021	2022	
Amicable settlement	0	2	0	
Conviction	0	0	0	

<u>GRI 416-2 – Incidents of non-compliance concerning the health and safety</u> <u>impacts of products and services</u>

Legal compliance and business ethics – GRI 416-2 - Incidents of non- compliance concerning the health and safety impacts of products and services						
Types of Notice			Consequences of a Notice			
	Notice of non-compliance	Notice of violation	Number of fines	Fine (\$)	Non-pecuniary penalty	
2020	1	1	1	3,096	с	
2021	0	0	0	0	C	
2022	0	0	0	0	C	

<u>GRI 417-3 – Incidents of non-compliance concerning marketing</u> <u>communications</u>

		e and business ethic ance concerning mar			n-	
	Types of Notice)	Consequences of a Notice			
	Notice of non-compliance	Notice of violation	Number of fines	Fine (\$)	Non-pecuniary penalty	
2020	0	0	0	0	C	
2021	0	0	0	0	C	
2022	0	0	0	0	C	

<u>GRI 419-1 – Non-compliance with laws and regulations in the social and economic area</u>

Stakeholder consultation

		nd business ethics – (regulations in the so		-	rith laws		
	Types of Notice Consequences of a Notice						
	Notice of non-compliance	Notice of violation	Number of fines	Fine (\$)	Non-pecuniary penalty		
2020	0	0	0	0	0		
2021	0	0	0	0	0		
2022	0	0	0	0	0		

GRI 102-44 – List of stakeholders

Unlike 2021, during which Énergir, L.P carried out an exhaustive stakeholder's consultation, such an exercise was not carried out during the 2022 fiscal year. However, Énergir remains in continuous conversation with its stakeholders. For 2022 the development of an approach relating to the ESG topics ("Environmental", "Social" and "Economic") factors that have been identified during the last consultation exercise, has been the main focus.

For more information on the latest stakeholder consultation, select fiscal year 2021 from the drop-down menu at the top left of this text.

GRI 102-44 – Identifying stakeholders and approch

Unlike 2021, during which Énergir, L.P carried out an exhaustive stakeholder's consultation, such an exercise was not carried out during the 2022 fiscal year. However, Énergir remains in continuous conversation with its stakeholders. For 2022 the development of an approach relating to the ESG topics ("Environmental", "Social" and "Economic") factors that have been identified during the last consultation exercise, has been the main focus.

For more information on the latest stakeholder consultation, select fiscal year 2021 from the drop-down menu at the top left of this text.

GRI 102-44 - Key topics and concerns raised

In fiscal year 2021, Énergir, L.P. consulted its internal and external stakeholders on which environmental, social and governance (ESG) aspects it should prioritize. The responses obtained served as the basis of Énergir, L.P.'s ESG approach developed in fiscal year 2022.

In addition, the topics identified as priorities during this consultation were incorporated into Énergir, L.P.'s strategic plan.

For more information on the most recent stakeholder consultation, select fiscal year 2021 from the drop-down menu in the top left corner of this text.

GRI 102-47 – List of material topics

In disclosing its extra-financial performance, Énergir L.P. centres its approach on the expectations of its stakeholders. The company therefore frequently consults the community on

which ESG issues it should prioritize.

This consultation exercise with the stakeholders was not undertaken in fiscal year 2022, however. While Énergir, L.P. remains in continuous conversation with its stakeholders, this past year has been devoted primarily on developing an approach for the ESG factors ("environmental", "social" and "economic") identified during the last consultation exercise.

For more information on the most recent stakeholder consultation, select fiscal year 2021 from the drop-down menu in the top left corner of this text.

ECONOMY

Purchasing practices

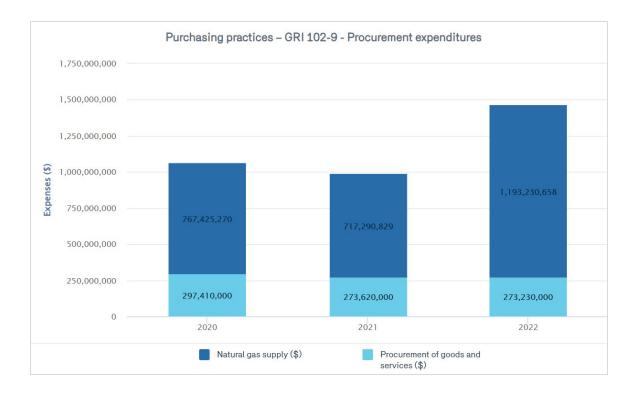
GRI 102-9 – Supply price

On average, natural gas supply prices are up sharply in 2022 compared to 2021 due to the global economic and geopolitical environment. Further information can be found in Énergir Inc.'s Annual MD&A for the fiscal year ended September 30, 2022, available at www.sedar.com.



GRI 102-9 – Procurement expenditures

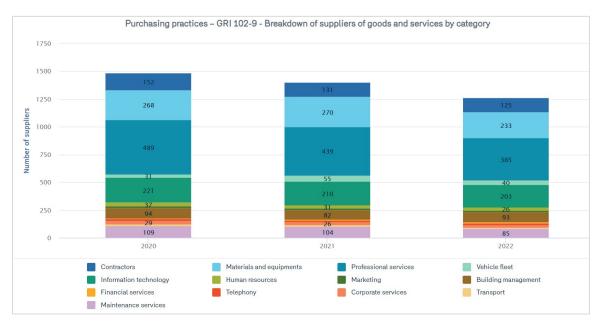
The increase in natural gas procurement is mainly due to the significant increase in the supply price in 2022 combined with larger CATS emission allowance purchases. Total spending is like last year.



GRI 102-9 – Breakdown of suppliers of goods or services by category

Énergir, L.P. does not consider a decrease or increase of approximately 200 suppliers between 2021 and 2022 in categories such as professional services and IT to be significant.

The downward trend is due to the refinement of the year-over-year spend analysis methodology, which makes it possible to eliminate transactional accounting errors.



GRI 102-9 – Overview of the natural gas supply

Increase of 11.8 PJ; small and medium flow customers - mainly in the commercial and small industrial sectors - consumed more (+11.2 PJ) due to the strength of the Quebec economy, which resumed it's continuous growth during the 2022 fiscal year. Large corporate customers also benefited from this post-Covid economic recovery (+0.5 PJ), but to a lesser extent than small and medium flow businesses.

				2020	2021	202
al volume distributed (PJ)				222.1	226.3	238
	Percentage of total volume distr	Percentage of total volume distributed				41
	Volume distributed as network g	91.1	84.5	98		
			Percentage of network gas	36.5	38.0	29
		Volumes (PJ)	Volumes (PJ)	33.3	32.1	29
		Empress	Number of suppliers	10	12	
			Percentage of total volume distributed	15.0	14.2	1:
		distributed	Percentage of network gas	61.9	61.8	6
	Breakdown of purchases by		Volumes (PJ)	56.3	52.2	6
Notice to a second to the French			Number of suppliers	28	26	
Natural gas supplied by Energir (network gas)			Percentage of total volume distributed	25.4	23.1	2
	point		Percentage of network gas	1.4	0.0	
			Volumes (PJ)	1.3	0.0	
		Parkway	Number of suppliers	5	0	
			Percentage of total volume distributed	0.6	0.0	
			Percentage of network gas	0.2	0.2	
		Energir	Volumes (PJ)	0.2	0.2	
		territory	Number of suppliers	2	3	
			Percentage of total volume distributed	0.1	0.1	

Purchasing practices – GRI 102-9 - Overview of natural gas supply

	Number of clients			3,501	3,758	3,441
	Percentage of total volume distrib	outed		59.0	62.7	58.7
	Volume distributed as direct purc	131.0	141.8	139.8		
			Percentage of direct purchase volume (%)	0.0	0.0	0.0
	Direct purchase with transport by Energir	Empress	Volume (PJ)	0.0	0.0	0.0
			Number of clients	0	0	0
			Percentage of total volume distributed	0.0	0.0	0.0
Natural gas purchased by customers (direct purchases)		Dawn	Percentage of direct purchase volume (%)	98.4	98.4	95.4
			Volume (PJ)	128.9	139.6	133.3
			Number of clients	3,492	3,756	3,439
			Percentage of total volume distributed	58.0	61.7	56.0
			Percentage of direct purchase volume (%)	1.6	1.6	4.6
	Direct purchase with transport	Energir	Volume (PJ)	2.1	2.2	6.5
	by customer	territory	Number of clients	9	2	2
			Percentage of total volume distributed	1.0	1.0	2.7

<u>GRI 204-1 – Proportion of spending on local suppliers of goods and</u> <u>services</u>

For the purposes of compiling this indicator, only the top 100 suppliers are considered.

Purchasing p	oractices – G	RI 204-1 - Proportion of goods and services		iers of				
2020 2021 2022								
Number of suppliers	Local	71	72	69				
	Total	100	100	100				
Expenses	Local	196,687,048 \$	175,146,151 \$	170,244,704 \$				
LXPEII365	Total	244,996,423 \$	220,244,714 \$	219,327,488 \$				

GRI 204-1 – Proportion of spending on local natural gas suppliers

With 92% of local purchases coming from RNG, the increase in RNG purchases increases the relative weight of RNG on total volume despite the increase in total volume.

The increase in the proportion of RNG purchases over total purchases is explained by the increase in the relative weight of the cost of RNG purchases on the higher cost of RNG molecules compared tot traditional natural gas.

Purchasing practices – GRI 204-1 - Proportion of spending on local natural gas suppliers									
		2020 2021 2022							
Gas volume (PJ)	Local	0.2	0.2	0.3					
Gas volume (F3)	Total	222.1	226.3	238.1					
Expenses	Local	1,772,837 \$	1,904,508 \$	5,193,650 \$					
LAPENSES	Total	767,425,270 \$	717,290,829 \$	1,193,230,658 \$					

Economic performance

<u>GRI 102-7 – Summary of the consolidated annual financial performance –</u> <u>Rationale for change</u>

Information on Énergir Inc.'s summary of the consolidated annual financial performance can be found in Énergir Inc.'s Annual MD&A for the fiscal year ended September 30, 2022, available at www.sedar.com.

GRI 201-1 – Direct economic value generated and distributed

The changes in direct economic value generated and distributed in fiscal year 2022 were driven by the growth in regulated activities in the Energy Distribution sector (primarily due to Quebec distribution and Green Mountain Power rate case parameters) as well as the increase in volumes transported by PNGTS and volumes delivered by Gaz Métro LNG, inc.

				Canada		United States			Consolidated			
		2020	2021	2022	2020	2021	2022	2020	2021	2022		
Direct economic value generated (income)	Products	1,390,068	1,369,644	1,868,707	1,195,029	1,064,595	1,176,497	2,585,097	2,434,239	3,045,204		
	Distributions received from entities	22,630	19,333	16,332	116,967	112,038	129,354	139,597	131,371	145,686		
	Subtotal	1,412,698	1,388,977	1,885,039	1,311,996	1,176,633	1,305,851	2,724,694	2,565,610	3,190,890		
	Operating costs	744,821	683,056	1,086,069	764,214	674,050	772,240	1,509,035	1,357,106	1,858,309		
	Employee compensation and benefits	175,782	195,495	193,985	98,617	82,999	87,924	274,399	278,494	281,909		
Economic value distributed	Government remittances	73,731	48,459	38,885	98,211	105,341	108,147	171,942	153,800	147,032		
	Community investments	2,214	2,371	2,499	1,062	1,739	1,136	3,276	4,110	3,635		
	Subtotal	996,548	929,381	1,321,438	962,104	864,129	969,447	1,958,652	1,793,510	2,290,885		
	d direct lue generated ents to capital	416,150	459,596	563,601	349,892	312,504	336,404	766,042	772,100	900,005		
Payments to	capital providers	-	-	-	-	-	-	411,521	323,587	382,110		
Non-allocate economic val		-	-	-	-	-	-	354,521	448,513	517,895		

Economic performance – GRI 201-1 - Direct economic value generated and distributed

Amounts presented in thousands of dollars.

<u>GRI 201-2 – Financial implications and other risks and opportunities due</u> to climate change

Énergir, L.P. is actively involved in the fight against climate change. Accordingly, a climate governance framework has been implemented.

In February 2022, Énergir, L.P. released its second Climate Resiliency Report, developed in accordance with the recommendations set by the Task Force on Climate-Related Financial Disclosures (TCFD). This report presents, for fiscal year 2021, Énergir, L.P.'s unique climate risks and opportunities, as well as its strategy, governance, and risk management activities. It also assesses the resilience of the company's business model.

The report also provides information on the resilience of two Vermont-based subsidiaries of Énergir, Inc.: Vermont Gas, which distributes natural gas, and Green Mountain Power, which generates and distributes electricity.

Énergir, L.P.'s Climate Resiliency Report can be found on Énergir, L.P.'s Sustainability Performance Tracking Platform and on its website.

Énergir, L.P. plans to publish its third Climate Resiliency Report for fiscal year 2022 in Q1-2023.

Research and development

Research and development highlights

Énergir, L.P. is constantly concerned with optimizing customers' use of natural gas and managing its natural gas network more effectively.

To this end, Énergir, L.P. is a member of the Natural Gas Technologies Centre (NGTC).

Founded in 1992, the NGTC is a non-profit organization whose mission is to support, in partnership with a diverse clientele, the development of technologies that contribute to intelligent use of energy. The NGTC's activities include technology development, energy performance assessment, technology transfer and monitoring in the thermal energy sector, including traditional natural gas, renewable energy combined with natural gas and renewable natural gas production.

In 2022, collaboration between Énergir, L.P. and the NGTC made it possible to keep working to optimize the responsible positioning of natural gas in the housing, construction, industrial, transportation and alternative energy sectors, chiefly through:

- 1. Research on decarbonization technologies for industrial customers.
- 2. The continuation and addition of pilot projects to test hybrid energy solutions (electricity-natural gas) in a context of energy source complementarity.
- 3. The continuation of pilot projects aimed at evaluating the performance of natural gas heat pumps that can yield returns greater than 100% for the commercial market.
- 4. The conduction of tests on the effects of the injection of hydrogen into the gas network on natural gas appliances.
- 5. Work on different technologies for second-generation RNG production.

Other projects aim to optimize the use of Énergir, L.P.'s gas network, mainly in the areas of network integrity, the safety of maintenance activities, environmental protection and cost reduction. For example, the NGTC continued work on the development of a high-flow purge burner and began benchmarking against another commercially available burner. The NGTC also continued laboratory testing of distribution network components in the presence of a defined percentage of hydrogen at different pressures and is analyzing the average heating value associated with RNG injection. There are also other projects underway related to the evaluation of products available on the market and their compatibility with Énergir, L.P.'s tools. For example, an analysis of various drones used to detect leaks is underway and a bypass valve to isolate the gas meter without compromising the gas supply has been tested.

ENVIRONNEMENT

Natural gas and the energy transition

Gas network extension

There were no major gas network expansions in 2022, i.e., no projects over \$4M requiring approval by the Régie or subsidized by the Quebec government.

Natural gas and the energy transition – Natural gas as a fuel for the transport industry

In the heavy-duty transport sector, natural gas is a proven, readily available solution. Trucks running on liquefied natural gas (LNG) or compressed natural gas (CNG) emit up to 25% fewer GHG emissions than those powered by diesel. Using natural gas for the transportation of goods also eliminates up to 90% of air pollutant emissions that are known to cause various health problems¹. According to a CIRAIG study on the life cycle of natural gas, compressed natural gas can reduce emissions at the combustion stage by an average of 16% compared to diesel².

In the road transportation sector, according to a study by the Chair in Energy Sector Management at HEC Montréal³, the electrification of light-duty vehicles is rapidly becoming essential for freight transportation. Medium- and heavy-duty vehicles, on the other hand, require a mix of technology and energy approaches. The natural gas/electric hybridization of vehicles would therefore have a role to play in helping to reduce GHG emissions in transportation.

The potential for the use of natural gas and renewable natural gas in the heavy-duty road transportation sector is expected to increase with the introduction of new regulations such as the *Clean Fuels Regulations* (CFR) and the increase in the price of a tonne of CO2 over the next few years.

In fiscal 2022, Énergir, L.P. counted more than 32 companies operating vehicles powered by natural gas. Énergir, L.P., along with its subsidiaries Gaz Métro LNG and Gaz Métro Transport Solutions is responsible for marketing LNG and CNG as a fuel alternative to petroleum products.

The 11 public and 19 private natural gas refuelling stations in Quebec and the 900 natural gaspowered vehicles have made it possible to reduce GHG emissions approximately by 11,250 t Co2e in fiscal year 2022⁴.

Natural gas for off-network regions and as a marine fuel

GM LNG, GM LNG, a subsidiary of Énergir, L.P., structures the supply and marketing of LNG

3 https://energie.hec.ca/wp-content/uploads/2020/09/Rapport-d%C3%A9tude_2020-4_Pedinotti-Castelle.pdf 4 The GHG emission reduction calculations are based on reference data from Transition énergétique

¹ https://www.cummins.com/engines/natural-gas

²

https://www.energir.com/~/media/Files/Corporatif/Dev%20durable/CIRAIG_Energir_rapport_final_pour_publi cation%20-%202020-07-16.pdf?la=fr

produced at its LSR Plant to meet the needs of industries in remote areas not served by the gas network and to serve as a marine fuel alternative to petroleum products.

LNG sales in fiscal 2022 totalled 53.8 million cubic metres of natural gas. Two customers in the marine sector and three customers in the industrial sector contributed to a GHG emissions reduction of 44,500 tonnes.

On September 29, 2020, GM LNG subsidiary, Énergir, L.P. entered into an LNG supply agreement with Sept-Îles's Aluminerie Alouette, which has replaced fuel oil with natural gas for its anode baking furnaces. The project was commissioned in January 2022. Once completed, it could result in a reduction in GHG emissions from combustion of approximately15,000 tonnes.

On December 11, 2020, GM LNG entered into an LNG supply agreement with Nordic Kraft, located in Lebel-sur-Quévillon, for its lime kiln to replace heavy fuel oil. The commissioning of the project, originally scheduled for mid-2022, was delayed to late December 2022. Once completed, it could result in a reduction in GHG emissions from combustion of approximately15,000 tonnes.

Renewable natural gas injected into the natural gas network

Énergir, L.P. believes the reclamation of residual materials to be a viable solution for meeting Quebec's energy needs and contributing to the reduction of GHG emissions and the economic development of the province's various regions. The strategic ambitions of greening the gas network also align with the Government of Quebec's objectives published in the Plan for a Green Economy 2030 (PGE). The Government has also amended the regulation concerning the minimum content of renewable natural gas distributed by the gas network, increasing it from 5% in 2025 to 10% in 2030. This amendment will come into force on January 1, 2023.

For fiscal year 2022, RNG injected and delivered to Énergir, L.P.'s customers resulted in a GHG emissions reduction of 51,390 tonnes CO2e, thanks to the 27,363,909 m3 of RNG distributed¹. Several new RNG production projects will be added to Énergir, L.P.'s supplies in the coming months and years, subject to the approval by the Régie de l'énergie. As of September 30, 2022, Énergir, L.P. entered into contracts with various suppliers under which they will have to deliver to Energir, L.P. 142.3 million cubic meters of RNG before 2024. This volume is therefore higher than the regularly target set at 2% for 2024. Also, Énergir, L.P still has a proposal in front of Régie de l'énergie that should refine its RNG supply and marketing strategy.

Énergir, L.P. also actively collaborates with the Government of Quebec to promote the development of the renewable gas industry. The Ministry of Energy and Natural Resources has enhanced its RNG production support program and, in 2022 alone, 13 RNG projects received grants to conduct feasibility studies or begin construction of production plants. These regulations and financial assistance measures should help cement this form of renewable energy as a useful tool in the energy transition.

Energy

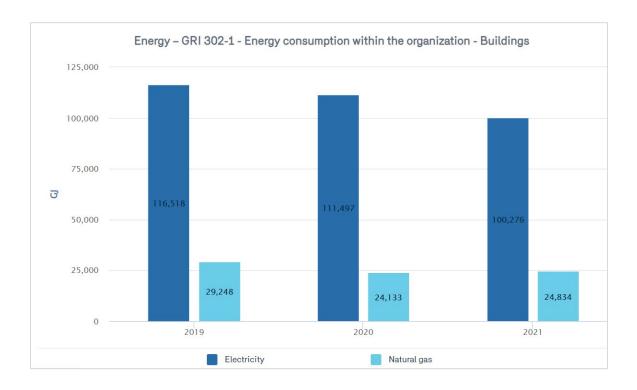
GRI 302-1 – Energy consumption within the organization – Buildings

Natural gas: There was a slight increase in consumption because of the partial resumption activities in business offices post COVID-19, particularly at the École de technologie gazière

¹ The GHG reduction calculations are based on reference data from Transition énergétique Québec https://transitionenergetique.gouv.qc.ca/fileadmin/medias/pdf/FacteursEmission.pdf

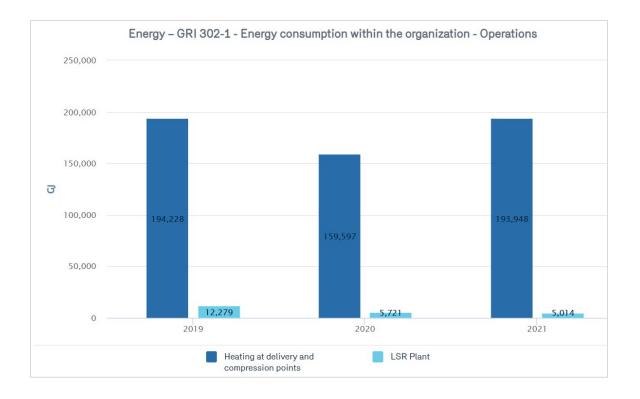
and the Montreal East business office.

Electricity: There was an overall reduction in electricity consumption, mainly due to a decrease in consumption at the LSR Plant. This is despite the increase in consumption at Head Office and business offices caused by the resumption of activities post COVID-19.



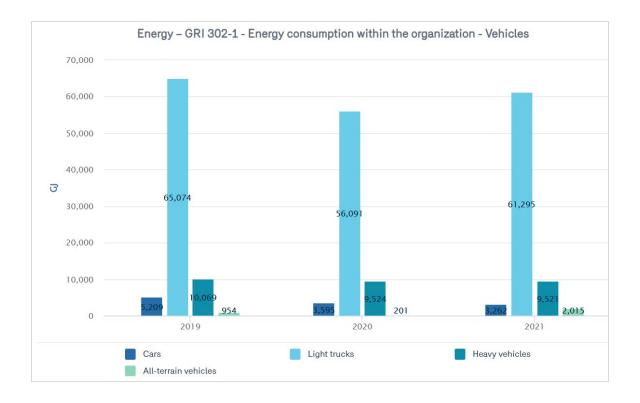
GRI 302-1 – Energy consumption within the organization – Operations

The increase in consumption is due to increased use of the natural gas compressor in Saint-Maurice (natural gas turbine).

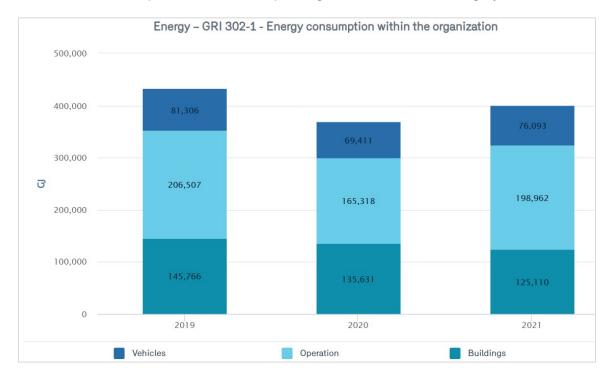


GRI 302-1 – Energy consumption within the organization – Vehicles

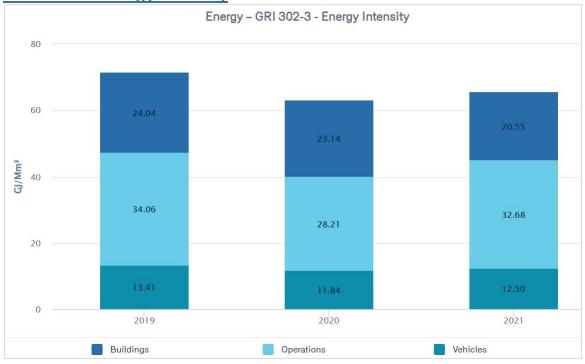
The change in vehicle energy consumption is due to a return to a more normal level of activity following the COVID-19 pandemic.



GRI 302-1 – Energy consumption within the organization

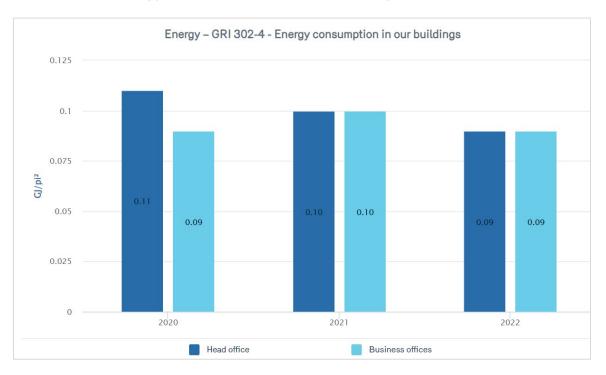


The variations are explained in the corresponding indicators for each category.



GRI 302-3 – Energy intensity

GRI 302-4 – Energy consumption in our buildings



Since January 2022, all of Énergir's buildings (Head Office and business offices) use renewable natural gas. Thus, the energy used by our buildings is 100% renewable.

Head Office energy consumption

Énergir, L.P. ended the 2022 fiscal year with 0.09 GJ/ft2/year. Down 10% from last fiscal year (0.10 GJ/ft2/yr)

Business office energy consumption

Énergir, L.P. ended the 2022 fiscal year with 0.09 GJ/ft2/year. Down 10% from last fiscal year (0.10 GJ/ft2/yr)

Natural gas at Head Office (1717 rue du Havre in Montreal)

Natural gas consumption in fiscal year 2022 decreased by approximately 11% from compared to, from 435,000 m3 to approximately 390,000 m3 (consumption for September was estimated as the information is not yet available). This variance can be broken down as follows:

- 12,600 m3 reduction attributable to the optimization of condensing boiler use in the main building.
- 77,000 m3 reduction attributable to the shutdown of the natural gas boiler as part of a replacement project.
- 45,000 m3 increase due to radiant heating installed in an unheated warehouse to prevent water from freezing in the hydro-excavation truck.

Natural gas in business offices

Consumption increased by about 3%, mainly due to the Sherbrooke business office, which is not owned by Énergir, L.P. and where, with an increase of 5,000 m3, consumption nearly doubled. The reason for this is unknown and will be investigated in the coming fiscal year.

Electricity at Head Office (1717 rue du Havre in Montreal)

Electricity consumption decreased by about 10% from the previous fiscal year due to the replacement of several lighting fixtures with LED fixtures (NTS, mechanic garage, Head Office 1st floor).

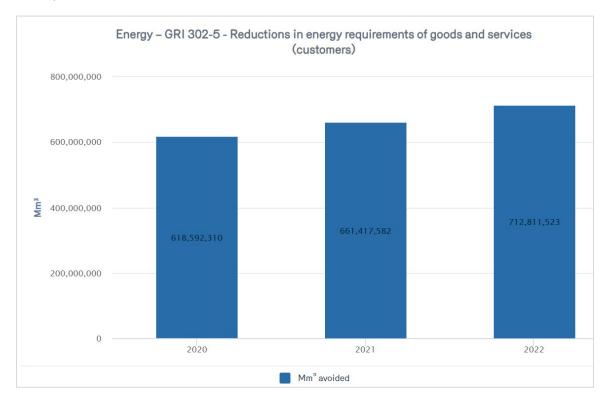
Electricity in business offices

Consumption in business offices is down about 10% from last fiscal year. This is due in part to the recommissioning of some business offices, as well as the replacement of lighting fixtures with LEDs.

<u>GRI 302-5 – Reductions in energy requirements of goods and services</u> (customers)

Énergir, L.P.'s energy efficiency programs have achieved a record 51.4 million cubic metres of natural gas savings. This result for fiscal year 2022 is largely attributable to major projects with large industrial and institutional customers, which generated substantial savings of 28 million cubic metres, or 58% of the annual target. Furthermore, the Efficient Construction and Renovation program exceeded the net savings forecast by 283% with 9.7 million cubic metres of natural gas saved.

The result for 2022 was made possible by a total of \$32.5 million in financial assistance to customers, with which they were able to complete 3,289 energy efficiency projects.



This represents an annual reduction in GHG emissions of 98,728 tonnes.

Natural gas consumption avoided through energy efficiency (m3)

The first customers to sign up for the 2022 dual-energy rate will contribute to the reduction in natural gas consumption during the next heating period in the winter of 2022-23.

Energy – Natural gas consumption avoided thanks to energy efficiency (in m3)										
			2021			2022				
	Buildings	Industrial	Total	Buildings	Industrial	Tota				
Total GHG	2,189,032,494.0	3,904,330,537.0	6,093,363,031.0	2,299,330,244.0	3,951,006,311.0	6,250,336,555.0				
Including GNR consumed	5,057,302.0	51,428.0	5,108,730.0	8,464,379.0	18,899,537.0	27,363,916.0				
Consumption avoided thanks to energy efficiency	22,038,921.0	20,790,099.0	42,829,020.0	20,263,953.0	31,129,988.0	51,393,941.0				
Consumption avoided thanks to dual energy	0.0	0.0	0.0	0.0	0.0	0.0				

Biodiversity

<u>GRI 304-1 – Rights-of-way in protected areas and areas of high</u> biodiversity value

Environmental characterization studies are conducted each fiscal year on Énergir, L.P.'s rights-of-way, i.e., strips of land where natural gas pipelines are buried. This indicator generally only covers transmission rights-of-way and those related to major projects (i.e., for fiscal 2022, construction projects requiring an investment of \$4 million or more).

In fiscal 2022, 328.9 hectares were characterized, bringing the total to 2,126.2 hectares characterized since fiscal 2012, when this indicator was implemented. These environmental characterizations revealed that, for fiscal 2022, 132.1 hectares of Énergir, L.P.'s rights-of-way were in protected areas or areas of high biodiversity value.

A few characterizations were carried out during fiscal year 2022 as part of planning for major projects, including the New Renewable Natural Gas (RNG) Pipeline Project linking the Sainte-Sophie landfill site to the TQM Pipeline network, the extension of the natural gas network to Ange-Gardien, the extension of the natural gas network in the Bécancour industrial park and port facilities, the diversion of Glencore's Noranda 3 mine tailings site in Rouyn-Noranda, as well as a significant number of excavations for transmission line inspections.

This is a partial indicator, as the identification and assessment of impacts is done for specific projects only and thus the information is not available for all operational sites.

GRI 304-4 – Number of sensitive species in Énergir rights-of-way

Environmental characterization studies are conducted every year on Énergir, L.P.'s rights-ofway, i.e., strips of land where natural gas pipelines are buried. This indicator generally only covers transmission rights-of-way and those related to major projects.

In fiscal 2022, 328.9 hectares were characterized, bringing the total to 2,126.2 hectares characterized since fiscal 2012, when this indicator was implemented. These biological inventories revealed that, in fiscal 2022, twelve sensitive species were potentially present within Énergir, L.P.'s rights-of-way for transmission lines.

A few characterizations were carried out during fiscal year 2022 as part of planning for major projects, including the New Renewable Natural Gas (RNG) Pipeline Project linking the Sainte-Sophie landfill site to the TQM Pipeline network, the extension of the natural gas network to Ange-Gardien, the extension of the natural gas network in the Bécancour industrial park and port facilities, the diversion of Glencore's Noranda 3 mine tailings site in Rouyn-Noranda, as well as a significant number of excavations for transmission line inspections.

This is a partial indicator, as the identification and assessment of impacts is done for specific projects only and thus the information is not available for all operational sites.

The knowledge obtained from the characterization studies about the location of sensitive species and areas of high biodiversity value makes it possible to take the presence of these species into account when planning and carrying out work. Consequently, work can be planned to avoid sensitive periods in the reproductive cycle of various species, including several types of fish and birds. Work methods can also be adapted, particularly to avoid affecting certain species such as the wood turtle. The worksite perimeter may also be adapted or limited to avoid trampling ostrich ferns (fiddleheads) or black maple trees.

Emissions

GRI 305-1 – Direct (Scope 1) GHG emissions

The data is based on the calendar year.

Note that since fiscal year 2021, the calculation of GHG emissions is based on the global warming potential (GWP) of 25 for methane as required by the Regulation respecting mandatory reporting (RMR) instead of 21. The calculation of GHG emissions for 2020 and earlier years is based on the global warming potential of 21 for methane, while the 2021 and later data are based on GWP25.

The following explanations were based on the comparison between 2020 (PRP 21) and 2021 based on a GWP of 21 for comparison purposes.

Emission point	2021 emissions	2021 emissions	Change from
	(tonnes CO2e)	(tonnes CO2e)	previous year
	GWP $CH_4 = 25$	GWP $CH_4 = 21$	GWP $CH_4 = 21$
Venting (purges)	9,511	7,990	-2,792
Fugitive emissions	27,057	22,732	-537
Damage by third	10,478	8,801	+1,586
parties			
Flaring	298	291	+140
Combustion	9,884	9,848	+1,639
Total	57,227	49,662	+36

The main variations can be explained as follows:

IMPORTANT: It is now required to use a global warming potential factor (GWP) of 25 for methane (CH₄) and 298 for nitrous oxide (N₂O)

Venting (purges) – Emissions reduction of 2,792 tonnes

Reduction of GHG emissions by 3,700 tonnes attributable to the LSR plant's liquefied natural gas (LNG) reservoirs. By 2020, significant GHG emissions occurred during a scheduled shutdown as part of the new evaporative gas compressor project.

Increase in GHG emissions by 840 tonnes due to higher emissions during compressor station venting.

Fugitive emissions – Emissions reduction of 537 tonnes

Decrease in GHG emissions of 1,100 tonnes as a result of newly implemented leak detection and measurement campaigns at compressor stations.

Normal and expected increase in GHG emissions of 590 tonnes due to the annual addition of equipment to the network (delivery stations, pressure reduction stations, connections, etc.).

Damage by third parties – Emissions increase of 1,586 tonnes

Increase in the number of incidents of damage by third parties combined with an increase in the volume of natural gas emitted per incident. This is after 2020, which was marked by the COVID-19 pandemic.

Combustion – Emissions increase of 1,639 tonnes

Increase in GHG emissions of nearly 1,800 tonnes due to the increased use of the C3 compressor at the Saint-Maurice station (natural gas turbine).

Reduced GHG emissions of approximately 130 tonnes due to lower heating requirements at delivery stations and the LSR Plant.

Emissions – GRI 305-1 - Direct (Scope 1) GHG emissions		
	2021	
Combustion (delivery points and LSR Plant, excludes administrative offices)	9,883.8	
Purges	9,510.8	
Fugitive leaks	27,056.9	
Flares	297.9	
Damage by third parties (atmospheric emissions)	10,477.7	
Total direct GHG emissions (tons of CO_2 eq.)	57,227.1	

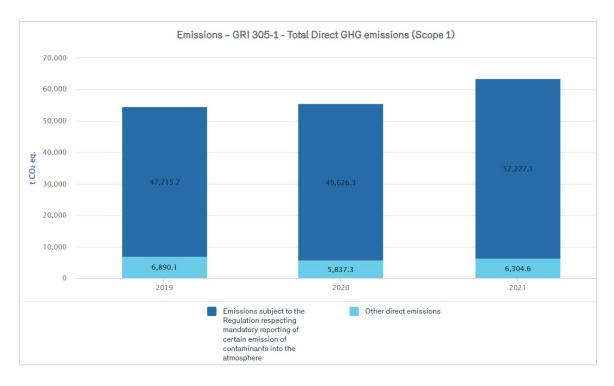
GRI 305-1 – Other direct emissions (Scope 1)

The data is based on the calendar year.

Emissions – GRI 305-1 - Other Direct Emissions (Scope 1)					
	2019	2020	2021		
Vehicle fleet combustion	5,447.8	4,647.2	5,080.1		
Buildings combustion	1,442.3	1,190.1	1,224.5		
Total	6,890.1	5,837.3	6,304.6		

GRI 305-1 – Total direct GHG emissions (Scope 1)

The data is based on the calendar year.



GRI 305-1 & GRI305-2 - Total direct and indirect GHG emissions (tons of CO₂ eq.)

Emissions – GRI 305-1 & GRI 305-2 - Total direct and indirect GHG emissions (tons of $\rm CO_2$ eq.)				
	2019	2020	2021	
Emissions subject to the Regulation respecting mandatory reporting of certain emission of contaminants into the atmosphere (Scope 1)	47,715.7	49,626.3	57,227.1	
Other direct emissions (Scope 1)	6,890.1	5,837.3	6,304.6	
Indirect emissions (Scope 2)	16.2	15.5	17.1	
Total	54,622.0	55,479.1	63,548.8	

In calendar year 2021, Énergir, L.P.'s GHG emissions totalled 63,548,8 tonnes of CO2 eq.,(8) which represents a 21.1% reduction compared to 1990 levels. Énergir, L.P.'s goal is to reduce its GHG emissions in keeping with Quebec's target, which is 37.5% below 1990 levels by 2030. Compared to 2020 emissions, this is an increase of 8,070 tonnes of CO2 eq. This increase is due mainly to the fact that in calendar year 2021, the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere required a global warming potential of 25 to be used for methane emissions instead of a global warming potential of 21. This amendment had the effect of increasing the GHG emissions emitted into the atmosphere for the same quantity of natural gas. Had a global warming potential of 25 been used to calculate Énergir, L.P.'s GHG emissions for calendar year 2020, those emissions would have been 63,372 tonnes of CO2 eq. This therefore represents a 0.3% increase in Énergir, L.P.'s GHG emissions.

GRI 305-2 – Indirect GHG emissions (Scope 2)

The change in indirect GHG emissions is explained by the reduction in natural gas consumption mainly at the LSR Plant and the increase at Head Office and business offices due to the resumption of post-COVID-19 pandemic activities.

Part of the increase in emissions related to Énergir, L.P. electricity consumption is due to the increase in Hydro-Québec's emissions factor in 2022 from 0.5 kg CO2e/MWh to 0.6 kg CO2e/MWh.

The data is based on the calendar year.

Emissions – GRI 305-2 - Energy indirect (Scope 2) GHG emissions				
	2019	2020	2021	
Electricity consumption (t éq. CO ₂)	16.2	15.5	17.1	
Total indirect GHG emissions (tons of CO ₂ eq.)	16.2	15.5	17.1	

GRI 305-3 – Other indirect GHG emissions (Scope 3)

The decrease in GHG emissions subject to the CATS is due to an increase in the number of emitters subject to the CATS or those who voluntarily adhere to the CATS (for whom the volume of natural gas distributed is not accounted for) and an increase in the volume of renewable natural gas delivered, despite an increase in the amount of natural gas distributed to customers due to the rebound in post-COVID-19 economic activity.

Most GHG emissions covered by the CATS fall under the "use of sold products" category as per Scope 3 of the GHG Protocol.

The indicator GRI 305-3 – Other indirect greenhouse gas emissions (Scope 3) shows the annual GHG emissions attributable to the use of fuels distributed to customers for consumption in Quebec. It excludes fuels used by emitters for facilities subject to CATS regulations and emitters that voluntarily adhere to CATS regulations and that are required to cover their own GHG emissions under these regulations. Emissions from emitters subject to the CATS, on a voluntary or mandatory basis, are therefore excluded from this indicator.

The data is based on the calendar year.

Emissions – GRI 305-3 Other indirect (Scope 3) GHG emissions - clients				
2019 2020				
GHG emissions subject to SPEDE (t $\rm CO_2$ eq)	6,763,842.0	5,974,983.0	5,941,450.0	

GRI 305-3 – Other indirect greenhouse gas emissions (Scope 3)

As part of its approach to sustainable development, Énergir, L.P. is interested in the GHG emissions of its employees (scope 3). In fiscal year 2022, 993 employees responded to a survey on their commuting habits to account for the related GHG emissions. The data was collected to compare the commuting habits of employees prior to the COVID-19 pandemic (November 2019) and during the mandatory telework period for most staff (November 2021), to forecast GHG emissions during the transition to hybrid work mode.

GHG emissions related to work-related travel were also assessed. It should be noted that vehicles in Énergir fleet are already accounted for in Scope 1 GHG emissions.

The information collected will be the subject of an action plan in fiscal year 2023 to help employees reduce these emissions.

GRI 305-4 – GHG emissions intensity

The emissions intensity calculation shows the amount of GHGs emitted for every million cubic metres of natural gas distributed.

The data is based on the calendar year.

Emissions – GRI 305-4 - Greenhouse gas (GHG) emissions intensity				
2019 2020 2				
Volume of natural gas delivered (Mm ³)	6,063.0	5,861.2	6,088.9	
GHG emission intensity (tons of $CO_2 eq./Mm^3$)	9.01	9.47	10.44	
Variation in intensity of emissions compared with 1990 (%)	-32.0	-28.6	-21.2	

GRI 305-5 – Reduction of greenhouse gas (GHG) emissions

In the 2020 calendar year, Énergir, L.P.'s GHG emissions totalled 63,549 t CO2e (53,071 CO2e when excluding damage by third parties), a 21.9% reduction from 1990 levels. Énergir, L.P. aims to reduce its GHG emissions according to Quebec's target of 37.5% below 1990 levels by 2030.

GHG emissions increased by 8,070 t CO2e during fiscal year 2020. This increase is mainly because, since the 2021 calendar year, under the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere*, a global warming potential of 25 must be used for methane emissions, rather than the global warming potential of 21 used previously. This change increases GHG emissions for the same amount of natural gas emitted to the atmosphere. Indeed, if a global warming potential of 25 had been used to calculate Énergir, L.P.'s 2020 GHG emissions, these emissions would have totalled 63,372 t CO2e. Thus, this represents an increase in Énergir, L.P.'s GHG emissions of 0.3% from 2020.

In addition, as part of its performance improvement incentive mechanism, the Régie de l'énergie du Québec has approved an annual GHG emissions reduction target of 250 t CO2e through internal projects and the purchase of RNG for internal use. During fiscal year 2022, boiler replacement projects in substations delivery, the deployment of a new approach for locating some of its underground infrastructures by sending a location report on sketches to requesters, as well as improving the energy efficiency of some of its buildings enabled Énergir, L.P to reduce 265.9 tonnes of CO2 eq of GHG emissions.

Énergir, L.P., through the collaboration of various sectors of the company, continues its efforts to identify and implement opportunities to reduce GHG emissions.

<u>GRI 305-7 – Nitrous oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions</u>

These emissions are solely dependent on the volume of gas burned. The increase is thus due to a larger volume of gas burned, mainly from gas turbines.

Emissions – GRI 305-7 - Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions					
	2019	2020	2021		
Carbon monoxide (CO)	6.365	5.549	5.685		
Sulphur dioxide (SO ₂)	0.047	0.037	0.046		
Nitrogen oxides, expressed as NO ₂ (NOx)	8.751	6.992	8.444		
Volatile organic compounds (VOC)	0.433	0.369	0.395		
Total particles (TPM)	0.021	0.017	0.020		
Total particles with a diameter equal to or less than 10 microns (PM10)	0.021	0.017	0.020		
Total particles with a diameter equal to or less than 2,5 microns (PM_{z^*s})	0.021	0.017	0.020		
Total emissions (tonnes)	15.617	12.964	14.590		

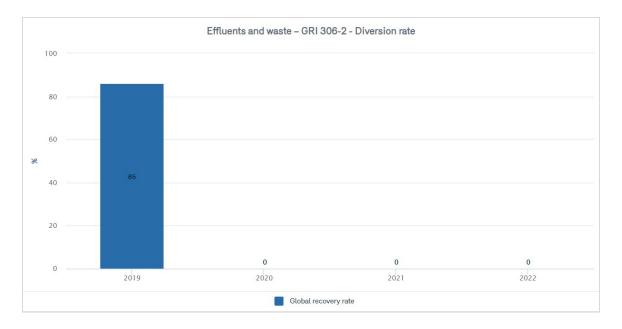
Evolution of GHGs by sector (T. eq. GHG)

Emissions – Evolution of GHGs by sector (T. eq. GHG)						
	2021 Buildings Industrial Total					2022
				Buildings	Industrial	Total
Total GHG *	4,195,472.0	7,500,121.0	11,695,593.0	4,400,846.0	7,553,785.0	11,954,631.0
GHG avoided by GNR	9,659.0	98.0	9,757.0	16,167.0	36,098.0	52,265.0
GHG avoided by energy efficiency	42,337.0	39,938.0	82,275.0	38,927.0	59,801.0	98,728.0
GHGs avoided by dual energy	0.0	0.0	0.0	0.0	0.0	0.0
* pour la consommation de gaz naturel et de GNR						

Effluents and waste

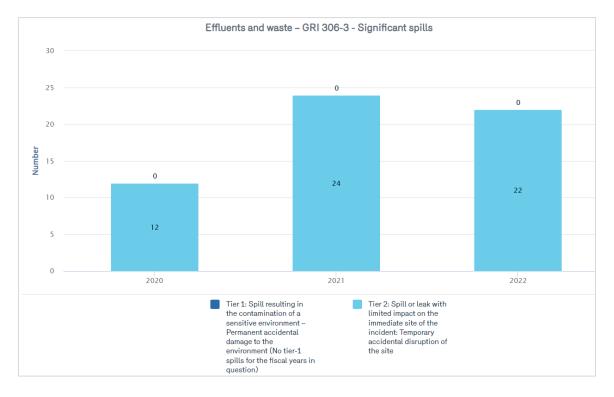
GRI 306-2 – Diversion rate

A specialized firm conducts a waste characterization study at Énergir, L.P.'s head office every five years, the most recent of which was conducted in May 2019. There were thus no waste characterization studies conducted in fiscal year 2022. The next characterization study will take place in fiscal year 2023.



GRI 306-3 – Significant spills

The number of spills is stable, decreasing slightly during fiscal year 2022 compared to fiscal year 2021.



Printed materials reported to Éco Entreprises Québec

Print output increased by 4% in fiscal year 2022 (16,832 kg in 2020 compared to 17,507 kg in 2021). This slight increase comes from the real estate appraisal and land surveying services as well as the Public Affairs/Marketing teams, particularly following the dispatch of 60,000 new client kits. The distribution has been reduced in 2020 and despite the increase in 2021, quantities remain below the those distributed in 2019.

Effluents and waste – Print materials report to Éco Entreprises Québec				
		2020	2021	2022
	Print materials declared (kg)	18,018	16,832	17,507

Water

GRI 303-1 – Water withdrawal by source

Water consumption in the three Head Office buildings increased by 25.4% from fiscal year 2021, from 5,436 m3 to 6,815 m3.

Main building

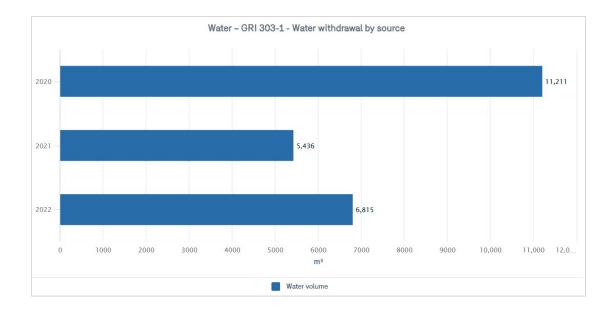
600-m3 increase in water consumption due to increased use of sanitary equipment due to higher occupancy of office space compared to fiscal year 2021.

Bercy building

Water consumption unchanged from fiscal year 2021, which is due to the occupancy rate, remaining the same in fiscal year 2021 and fiscal year 2022.

Fleet building and NTS

800-m3 in water consumption due to the acquisition of a hydro-excavation truck that consumes high amounts of water.



SOCIAL

Social acceptability

Some impact and stakeholder relations management mechanisms

Project to double the pipeline between Saint-Flavien and Lévis

Background

To further optimize and secure our gas supplies, Énergir will install a second natural gas pipeline parallel to the one between the Intragaz storage site in Saint-Flavien and the delivery station in Lévis (Saint-Nicolas sector), via Saint-Apollinaire.

Currently, the flow rate for extracting natural gas from the storage site in Saint-Flavien is limited by Énergir, L.P.'s. pipeline. Thus, the doubling of the pipeline will allow for faster natural gas extraction within a specified time frame to meet demand during periods of extreme cold (peak energy) and reduce Énergir, L.P.'s reliance on natural gas transportation providers, which is the most expensive supply tool during peak energy periods.

This new infrastructure will not increase the amount of natural gas in the Énergir, L.P. network. Énergir, L.P.'s Vision 2030-2050 calls for less volume overall but also to provide more volume at times when it is most valuable, i.e., during peak energy periods. Énergir, L.P.'s infrastructure must be able to support this Vision. It must thus be adapted to the new energy offer.

The work will take place from fall 2022 to spring 2023 in the following order:

- September 2022: Survey
- October to November 2022: Drilling
- November to December 2022: Deforestation
- December 2022 to April 2023: Pipe installation
- April 2023 to September 2023: Substation work, commissioning of the new pipe and restoration of the land

This infrastructure optimization project will see the installation of the future natural gas pipeline in the majority of the existing easement right-of-way. Energir, L.P. holds rights to the right-of-way for this easement, including the possibility of installing a second natural gas line. The project route totals 23.6 km. The majority of the work will be done on 23 km located within the existing right-of-way and only 0.6 km of new easement adjacent to the existing easement will be required. Temporary work areas on both sides of the permanent easement will be required for the installation of the second pipeline.

The project also includes:

- The installation of a metering station on the existing intragaz site in Saint-Flavien;
- The installation of a motorized block valve at the mid-point;
- The installation of a launching and receiving trap at each end of the future natural gas pipeline at existing sites;
- The relocation of the trap.

Measures

In order to properly inform the citizens affected by the project route and to maintain dialogue with the municipalities the pipeline will run through, several communication initiatives were put in place before the work began, and others are also planned during construction.

More specifically, the project route will cross 197 lots (easements) belonging to about 125 different owners, and three municipalities, namely Saint-Flavien, Saint-Apollinaire and Lévis.

In the winter of 2021, in order to demonstrate its transparency and the consistency of projects related to Vision 2030-2050, Énergir, L.P. presented the project to the MRNF before it was even submitted to the Régie de l'énergie du Québec.

In the spring of 2021, more than a year before the work was scheduled to begin, meetings were held with the Union des producteurs agricoles (UPA) of Lévis, Chaudières-Appalaches and Lotbinière-Nord as well as with municipal branches and councils, the local MP, the Conseil régional de l'environnement Chaudière-Appalaches and certain local interest groups to discuss the major stages of the project, the timetable and the main impacts to be expected. General information on natural gas and Énergir, L.P.'s activities was also presented.

In the summer of 2021, sessions to present the project and explain the compensation method were held specifically for owners of the lots that the pipeline will cross. To promote these virtual sessions, invitation letters were sent to the owners in question. More specifically, there were two project presentation sessions: the first was held on June 15, 2021, for UPA members in the presence of the UPA and the second on June 16, 2021, for non-members. 18 participants attended on June 15 and 20 attended on June 16, for a total of 38 homeowners met. Following these sessions, all owners were also met by a representative of the Groupe Conseil UDA1, whose mandate is to establish relationships with the transferring owners, to obtain a request for access to their land in order to carry out inventories to allow proper planning of the project (wildlife, agricultural and forest environments, surveying, geotechnical surveys). At these meetings, a brochure explaining the project was distributed to the owners as well as a leaflet on the compensation method for the anticipated impacts on each property. Once the authorizations were obtained, the inventories were carried out. The Groupe Conseil UDA representative met with each owner again to present them with a compensation agreement tailored to their specific situation.

In the fall of 2021, Énergir, L.P. also met with some representatives of the Grand Conseil de la Nation Waban-Aki to present the project to them and to hear their requests or concerns. They took the time to check the areas targeted by the installation of the second line and noted no issues of destruction of archaeological sites and very little risk of unearthing artifacts. Therefore, it was agreed that an archaeological potential study was not required for this route and that in the event of an chance discovery, Énergir, L.P. would notify them.

In the summer of 2022, a follow-up was conducted with the municipalities concerned, the local MP and the Conseil régional de l'environnement Chaudière-Appalaches to explain the status of the project, to present the construction schedule and to inform them of the public information sessions that were held afterwards in person in Saint-Flavien and Saint-Apollinaire. Citizens of the three municipalities, including Lévis, were invited to these sessions through various media, including in the newspaper Le Peuple Lotbinière, in Le Journal de Lévis and on the Facebook pages of the municipalities of Saint-Apollinaire and Saint-Flavien. The 125 transferring owners also received an invitation letter in the mail. In total, about 15 people attended the sessions, mainly transferring property owners who had a few questions related to their case or requests in anticipation of the construction work. The tone of the meetings was

¹ Groupe Conseil UDA is made up of a multidisciplinary team that can, within the framework of applications for permits and authorizations, carry out interventions requiring expertise in the area s of environment, agriculture and forestry.

cordial.

Subsequently, in September 2022, notices of work were mailed to 125 homeowners informing them of the more detailed work schedule.

In order to ensure that the citizens and transferring owners are able to stay informed about the project and the work underway, a web page was launched in August 2022: energir.com/saint-flavien-levis. The schedule is updated on the page when necessary to allow citizens to stay informed of the progress of the work. Additional notices will also be distributed as needed during the construction period.

Finally, a follow-up mechanism has been implemented to compile comments, concerns and complaints throughout the construction period and to ensure diligent follow-up. Work has only just begun, but as of October 7, 2022, no complaints have been filed.

Natural gas line diversion work on the Highway 440 West/Highway 15 North ramp

Background

Since the spring of 2022, the Ministère des Transports du Québec (MTQ) has undertaken preparatory work for the relocation of the ramp on Highway 440 West leading to Highway 15 North.

It is one of the busiest ramps in Quebec (about 5,500 vehicles use it during the morning rush hour and about 3,300 during the evening rush hour).

In order for the MTQ to begin its work, Énergir, L.P. had to relocate a natural gas line that was in conflict with the structure proposed by the department.

In order to carry out the relocation of its pipeline, Énergir, L.P. had to close the ramp on Highway 440 West leading to Highway 15 North as a safety measure.

Specifically, the following obstructions were required:

- Complete closure of exit 22 Highway 15/Montreal/Saint-Jérôme/Boul. Chomedey from Highway 440, westbound;
- Complete closure of the Highway 440 westbound service lanes between Bergman Street and Highway 15 (des Laurentides) and between the Boulevard Industriel onand off-ramps;
- Complete closure of the on-ramp from Boulevard Industriel northbound to the Highway 440 westbound service lanes.

Measures

Énergir, L.P. commissioned an outside firm to analyze traffic flow maintenance needs and to provide an alternate route plan for the complete closure of the Highway 440 West service lane between Bergman Street and Highway 15 North. The needs assessment also identified mitigation measures.

To minimize the impact on traffic, Énergir L.P. completed the work in one weekend. In collaboration with the MTQ, the work was carried out on July 30 and 31, 2022, as it was a weekend when road traffic was known to be lower due to the construction holiday.

Énergir, L.P. met with the City of Laval prior the work to present the project and obtain approval of the obstruction plan. In cooperation with the MTQ, a notice of work was drafted and distributed to the affected businesses. The same notice was sent to the City of Laval to be

posted on its website. In addition to the MTQ contact information, the notice included an Énergir, L.P. phone number that was created specifically for merchants and motorists to be able to reach the project team at any time, if needed.

To alert road users, variable message signs were installed approximately one week prior to the start of construction. In collaboration with the MTQ, Energir, L.P. ensured that the information was communicated to the radio hosts and placed on the MTQ's communication channels, including QC 511.

Traffic signs were in place for the duration of the work period. The work went very well; no traffic issues were noted and no calls were received. The obstruction was even removed late Sunday afternoon rather than Monday morning.

Complaints regarding Énergir's work

	2020	2021	2022
Complaints	5.0	5.0	6.0

Over the past ten years, construction-related complaints have decreased significantly, by almost 80%.

Employment

GRI 102-8 – Total workforce by job types and genders

Employment – GRI 102-8 - Total workforce by job types and genders (2022 To 2022)

		2022							
			Regular	Temporary			Grand total		
	Femmes	Hommes	TOTAL	Femmes	Hommes	TOTAL	Femmes	Hommes	TOTAL
Unionized jobs (CSN)	72	410	482	1	1	2	73	411	484
Unionized jobs (COPE – Office)	185	187	372	11	8	19	196	195	391
Unionized jobs (COPE – Representative category)	14	20	34	0	0	0	14	20	34
Specialized managers	208	201	409	19	13	32	227	214	441
Managers	86	138	224	1	4	5	87	142	229
Executives	12	18	30	0	0	0	12	18	30
Management Committee	3	8	11	0	0	0	3	8	11
Total	580	982	1,562	32	26	58	612	1,008	1,620

Employment - GRI 102-8 - Total workforce by job types and genders (%)

2022								
Regular		Temporary			Grand total			
Femmes	Hommes	TOTAL	Femmes	Hommes	TOTAL	Femmes	Hommes	TOTAL

The data reflects the situation as at September 30, 2022.

The Senior Management category includes one employee of Green Mountain Power who has also served as Chief Financial Officer for Énergir, L.P. since May 1, 2021.

GRI 102-41 – Salaried employees covered by a collective agreement

The data reflects the situation as at September 30, 2022.

Employment - GRI 102-41 - Salaried employees covered by a collective agreement

	Man	Woman	Total	Percentage of total personnel
CSN	411	73	484	30
COPE (Office)	195	196	391	24
COPE (representatives)	20	14	34	2
Total	626	283	909	56

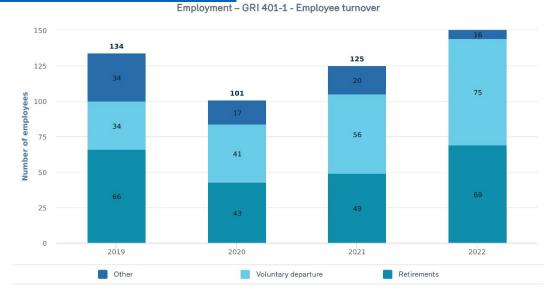
GRI 401-1 – Number of employees per year in Énergir's total workforce

Employment – GRI 401-1 - Number of new employees per year in Énergir's total workforce

		By age and gender					
	Total	< 30		30 to 50		> 50	
		Woman	Man	Woman	Man	Woman	Man
Embauches	193	32	34	48	64	8	7

The data reflects the situation as at September 30, 2022.

No significant differences were noted.

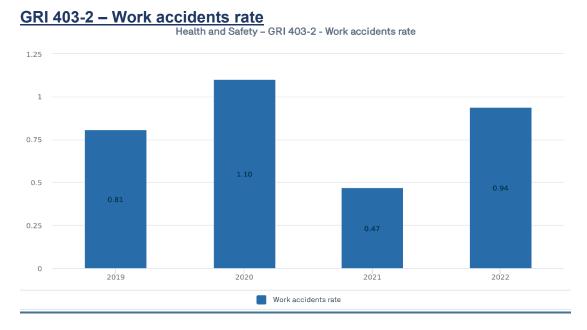


GRI 401-1 – Employee turnover

The data reflects the situation as at September 30, 2022.

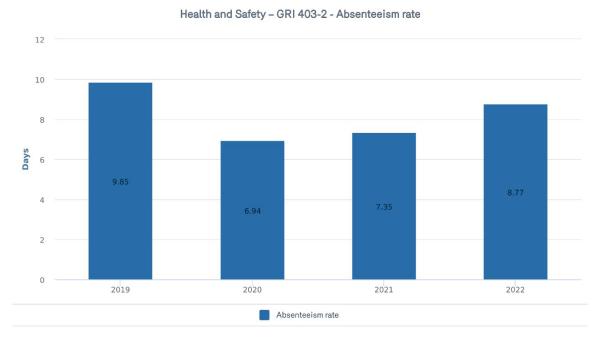
The increase is mainly due to an increase in the number of resignations, at rates similar to those observed in the labour market, combined with an increase in the number of retirements, which is a rebound from the slowdown in retirements in 2020 and 2021 due to the uncertainty related to the public health context.

The increase is also explained by the change in methodology: the calculation is now based on an average of the number of regular employees employed during the reference period and includes October 1.



Health and safety

The number of lost-time injuries between October 1, 2021, and September 30, 2022, is 12, compared to 6 for the same period last year. The lost-time injury frequency rate has therefore increased to 0.94, up from 0.47 last year.

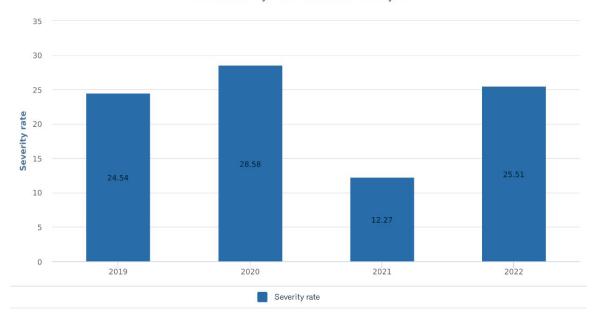


GRI 403-2 – Absenteeism rate

There was an increase in days lost in fiscal year 2022 from an average of 7.35 to 8.77 days per staff member, a return to pre-2020 trends.

There is a downward trend for psychological illnesses, which account for 52% of the days lost (66% in fiscal year 2021).

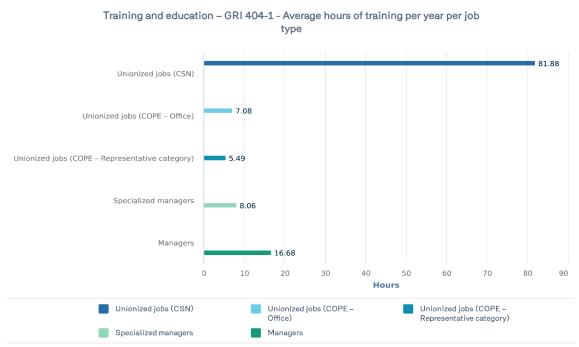
Work accident severity rate



Health and Safety - Work accidents severity rate

The number of days lost between October 1, 2021, and September 30, 2022, is 326, compared to 158 during fiscal year 2021. The severity rate also increased to 25.51 from 12.27 last fiscal year.

Training and education



GRI 404-1 – Average hours of training per year per job type

GRI 404-2 – Skills management and training programs

One of the keys to Énergir, L.P.'s success, lies in the skills and expertise of the specialized employees who operate and maintain the natural gas distribution network. To address the risk of labour shortages in some skilled trades, which could be caused by an upsurge in retirements and the general labour shortage, Énergir, L.P. has developed a succession plan to ensure the transfer of skills based on retirement projections. The plan is updated annually, enabling Énergir, L.P. to assess its vulnerability to this risk and to implement action plans that are also reviewed annually. In addition, Énergir, L.P. has an integrated talent management and technical coaching process and has implemented a manager development program in 2022 as part of its action plan to ensure a quality succession.

Succession program

The succession management program has three facets.

The first focuses on the pool of potential successors for managerial positions and the succession plan for members of the Management Committee. Successors are identified by the President and the Vice-Presidents, in collaboration with the Employees and Culture division, in order to create individual development plans and a follow-up process.

The second facet concerns the critical functions and involves developing action plans to prepare the necessary succession in the short and medium term. For example, to reduce the risk for the critical position of technician, Énergir, L.P. organized a cohort of 15 technicians in May 2022.

The third facet deals with talent management. Every year, the management teams in each sector meet to discuss development potential and the development areas for each staff member. This practice contributes to improving knowledge of talent within the company and internal mobility, as well as individuals' development and, by extension, their experience and engagement.

Development programs

Énergir, L.P. is committed to the development of its employees. To this end, the company offers numerous development programs and activities to meet the needs of employees in its various job groups. For managers, a variety of development strategies is used: depending on the priorities identified, Énergir, L.P. offers co-development, classroom and online training, potential assessment and coaching. The fiscal year 2022 was affected once again by the COVID-19 pandemic and although the majority of events were held virtually, the first all-managers meeting was held in person.

Several training courses are offered to professionals and unionized staff to meet their development needs throughout their career in the company (onboarding, continuous development, retirement planning). For example, during onboarding, workplace apprenticeship programs (programmes d'apprentissage en milieu de travail, or PAMT), a 100-day program, a management horizon program and/or a technical training program are offered to enable employees in certain specific positions to understand and master their duties as quickly as possible. Furthermore, "expert meetings" enable all Énergir, L.P. staff to familiarize themselves with the various sectors and types of expertise specific to the company, thereby facilitating their understanding of how the company works. Lastly, development efforts are deployed continuously, on renewable energies or new work tools that have been implemented over time, for example.

In order to enhance the value of expert leadership within the company, a new employment structure was rolled out in 2022 with a path for managers and a path for expert leaders. The goal of these new paths is to provide meaningful career and development opportunities for both profiles and to build on the strengths and skills of each individual.

Training programs

Énergir, L.P. Is certified for the quality of its contribution to the development of its workforce's skills, in compliance with the Regulation respecting the exemption applicable to a holder of a training initiative quality certificate. The quality certificate is intended to recognize companies that make an exceptional effort to structure their skills development activities in consultation with their employees. It also, among other things, exempts companies from having to annually declare training expenses to Revenu Québec.

End-of-career management program

Énergir, L.P. offers a retirement planning course to employees aged 50 and over. It covers the financial, psychosocial and legal aspects of retirement. Employees with more than 25 years of service with Énergir, L.P. can also join the "Club des 25", which organizes social activities for retired employees and those who are planning to retire to exchange ideas and socialize. Énergir, L.P.'s unionized employee association is another social group that maintains ties between the company and retired unionized employees and helps ease the transition to retirement. Furthermore, unionized employees belonging to CSN or COPE can opt for phased retirement under the terms of their collective agreements. This program is also available to senior staff under certain conditions.

GRI 404-3 – Percentage of employees who receive performance reviews

Training and education – GRI 404-3 - Percentage of employees who receive performance reviews

	Woman	Man	Total
Total number of employees	612	1,008	1,620
Total number of employees who receive performance reviews	309	364	673
Percentage of employees who receive performance reviews	50 %	36 %	42 %

Non-discrimination

GRI 406-1 – Incidents of discrimination

Énergir, L.P. makes every effort to promote the application of the principles of fairness and equity in employment. All discriminatory behaviour is prohibited in the workplace.

With the introduction of a new training module under the "Respect and Civility in the Workplace" directive, Énergir, L.P. has reiterated its commitment to maintaining a collaborative and respectful work environment.

In fiscal 2022, one complaint from staff led to a workplace investigation. Immediate action was taken to correct the situation.

Donations

Community investment – Total donations

Donations – Community investment - Total donations

	\$		
	2020	2021	2022
Profits before tax and excluding profits of U.S. subsidiaries	103,443,000	112,408,000	137,059,000
Real donation based on Imagine criteria	1,804,659	1,732,135	2,022,844
Percentage of profits before taxs and excluding profits of U.S. subsidiaries, donated	1.70	1.54	1.48

The percentage of net income for donations remains within normal ranges. The amount donated increased in fiscal year 2022 due to a change in the methodology used to account for donations made to the community.

Diversity and Equality

GRI 405-2 – Ratio of basic salary and remuneration of women to men

Énergir, L.P. Has chosen to address the GRI 405-2 – Ratio of basic salary and remuneration of women to men by job category indicator by breaking down staff by salary category and gender. The salary categories presented are established according to base salary only.

At Énergir, L.P., gender has no bearing on pay scales and hiring processes. Rather, salaries are determined based on position, experience and internal equity. Furthermore, to prevent any form of systemic discrimination, modified or new positions are formally analyzed by an evaluation committee. A detailed review is also conducted every five years to ensure that pay equity is maintained in accordance with applicable legislation.

<u>GRI 405-2 – Ratio of basic salary and remuneration of women to men</u> (COPE union-office)

Diversity and Equal Opportunity – GRI 405-2 - Ratio of basic salary and remuneration of women to men

Employee category	Women	Men	Total
1	0	1	1
2	0	0	0
3	0	4	4
4	19	3	22
5	60	45	105
6	80	66	146
7	37	76	113
Total	196	195	391

The data reflect the situation as at September 30, 2022.

<u>GRI 405-2 - Ratio of basic salary and remuneration of women to men by</u> <u>employee category, by significant locations of operation - CSN</u>

operation - CSN					
Employee category	Women	Men	Total		
1	4	3	7		
3	0	4	4		
4	55	190	245		
6	2	2	4		
7	3	10	13		
8	1	14	15		
9	0	1	1		
10	0	20	20		
11	0	8	8		
12	1	16	17		
13	3	63	66		
14	0	2	2		
16	1	22	23		
17	2	26	28		
19	1	25	26		
20	0	5	5		
Total	73	411	484		

Diversity and Equal Opportunity – GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - CSN

The data reflects the situation as at September 30, 2022.

GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - COPE (representatives)

Diversity and Equal Opportunity – GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - COPE (representatives)

Employee category	Women	Men	Total
1	14	20	34
Total	14	20	34

The data reflect the situation as at September 30, 2022.

GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - Specialized managers

Diversity and Equal Opportunity – GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - Specialized managers

Employee category	Women	Men	Total
A	14	8	22
В	36	5	41
c	93	79	172
D	79	114	193
E	2	8	10
F	3	0	3
Total	227	214	441

The data reflects the situation as at September 30, 2022.

<u>GRI 405-2 - Ratio of basic salary and remuneration of women to men by</u> <u>employee category, by significant locations of operation – Managers</u>

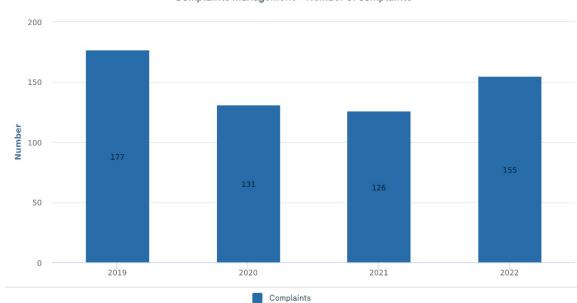
Diversity and Equal Opportunity – GRI 405-2 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation - Managers

Employee category	Women	Men	Total
c	25	55	80
D	21	35	56
E	31	35	66
F	10	17	27
Total	87	142	229

The data reflects the situation as at September 30, 2022.

Complaints Management

Number of Complaints



Complaints management - Number of complaints

During fiscal year 2022, Énergir, L.P. received 155 complaints, compared to 126 in fiscal year 2021, an increase of 29 complaints or 23%. The number of complaints had decreased significantly over the past two fiscal years due to the COVID-19 pandemic (telework, collection services freeze, overall decrease in activity). The number of complaints rose 23% in fiscal year 2022, however, due in part to the resumption of operations, but mostly as a result of the rate

increase. There were 21 complaints related to the rate increase (no complaints in previous years).

Complaints processing time and complaints resolution time compliance rates

	Number of complaints	Complaints processed within response times (%)	Complaints resolved within response times (%)s
2019	177	99.44	100.00
2020	131	100.00	100.00
2021	126	100.00	100.00
2022	155	100.00	100.00

Complaints management – Complaints processing time and complaints resolution time compliance rates

The status quo is unchanged from last fiscal year (100%).

Complaint processing refers to the establishment of initial contact with the complainant, whether or not they are a customer, to inform them that their complaint was received and to agree on the next steps toward resolution. The deadline of two business days starts the day after the complaint is received (target: 95%)

The complaint resolution time is the time from the date of receipt to the date the file is closed (target: 92%). This ranges from 2 to 60 days depending on the category of complaint.

All complaints staff called the complainants back within the prescribed 48-hour period after the complaint was registered and closed the file within the prescribed time frame.

The processing and resolution of complaints are done in compliance with deadlines.

This good performance demonstrates the level of commitment of the many Énergir, L.P. employees who are proactively involved in the handling and resolution of complaints.

Customer satisfaction

Customer satisfaction survey results

	2019	2020	2021	2022
Customer satisfaction - previous survey	94.3	-	-	-
Major industry market satisfaction	97.0	92.0	95.0	93.0

Customer satisfaction – Customer Satisfaction Survey Results

The satisfaction level of Énergir, L.P.'s large corporate customers is stable compared to last year's result (95%). This result is well above the threshold set by the Régie de l'énergie du Québec (80%).

Customer experience

Customer satisfaction – Customer Experience

	2020	2021	2022
Customer satisfaction - new survey	91.0	91.0	89.0

Customer satisfaction with Énergir, L.P. is stable compared to last year (91%). This result is above the threshold set by the Régie de l'énergie du Québec (85%).

Service accessibility

Financial assistance for energy efficiency for low-income households

	Number of energy efficiency projects	Low income households who benefited from financial aid	Number of community organizations who benefited from financial aid	Total financial aid paid to the participants (\$)	Total energy saved by the participants (m ³)
2019	8	57	5	15,903	12,866
2020	22	814	13	134,866	127,040
2021	26	1,257	45	276,625	214,595
2022	61	6,327	61	391,911	260,455

Service accessibility – Financial assistance for energy efficiency for low-income households

Énergir, L.P. offers additional financial assistance through its low-income households (LIH) support program to low-income households and social and community organizations that help underprivileged customers participating in one of the company's energy efficiency programs. This additional assistance is also available to private owners of buildings that have one or more units occupied by low-income households. In such cases, the financial assistance is distributed between the owner and the low-income tenants who live in the building where energy efficiency work is being done.

The additional funding provided to participants generally doubles the financial assistance they receive for their participation in any of Énergir, L.P.'s energy efficiency programs. This is in addition to benefiting from reduced energy bills.

Launched in July 2013, Énergir, L.P.'s program for low-income households saw a very significant increase in participation in 2022.

In fiscal 2022, a total of 6,329 low-income households benefited from the support program, a tenfold increase from the projected 610 participants. In fiscal year 2021, in contrast, Énergir, L.P. provided assistance to 1,263 low-income households. This represents a significant increase in participation.

Promotion of the residential supplement, both internally among representatives and externally, is another reason for this improved performance.

Social Support Help Program (SSHP)

	2022
Social Support Help Program (number of clients)	107

The Social Support Help Program is designed to improve the availability of financial assistance to low-income households having difficulty making payments.

Between October 1, 2020, and September 30, 2021, 107 clients expressed interest in the SSHP program.

Fiscal 2022 data will be available in the company's annual report submitted to the Régie de l'énergie du Québec at the end of December 2022.

Safety of the gas network

Preventive maintenance programs

Safety of the gas network – Preventive maintenance programs

	2019	2020	2021	2022
Number of completed activities	68,700.0	48,270.0	69,003.0	67,143.0
Preventive activities completion rate in relation to activities forecast at the start of the year (in percent)	88.0	58.0	77.5	75.9

In fiscal year 2022, the program was fully completed with the exception of activities related to the inspection of indoor equipment as they require entry into clients' homes and restrictions due to the COVID-19 pandemic remained in effect for part of the year. This explains the slight decrease in the number of activities performed in fiscal year 2022.

Emergency response time compliance rate

Safety of the gas network – Emergency response time compliance rate

	Results (%)
2019	93.8
2020	94.5
2021	95.3
2022	94.4

Emergency coverage for the period of October 1, 2021, to September 30, 2022, was 94.4% out of a target 92%. This represents an increase of 0.9% over last fiscal year. Despite telework, traffic is often denser than before the COVID-19 pandemic, which may explain the difference.

Workplace

Organizational commitment

Énergir, L.P.'s employee engagement was measured by an express engagement survey in September 2022, a continuation of the 2020 and 2021 express engagement surveys. Given the continuity of the COVID-19 pandemic situation and the fact that five "Taking the pulse" surveys were conducted during fiscal year 2022, it was decided to measure staff engagement through leadership, engagement, overall health and ease of working. These results from the sixth survey have been incorporated into the calculation of the index on the company's integrated dashboard (IDB), which is the average of the percentages obtained in the previous "Taking the pulse" surveys.

Participation rates for the six "Taking the pulse" surveys in fiscal year 2022 hovered between 1,030 and 1,274, without any solicitation, which experts say defies the usual 50% drop in participation observed in recurring surveys. All of these surveys, carried out with all employees, provide an idea of the evolution of employees' state of mind and level of commitment to take targeted action, as well as the obstacles and annoyances they encounter in their daily lives. They also provide a space for employees to express themselves and make it possible to measure the impact of various initiatives. The results are used to help the company identify priority actions to be taken to support staff and managers in their daily life. With hundreds of comments per survey, it's clear that employees still consider the survey to be a relevant communication tool to stay connected to the company and share their views.

All surveys were administered by an external consultant to ensure confidentiality.

Leadership and engagement

In the September 2022 survey, a total of 1,143 employees responded to questions related to leadership and engagement, which remains within the average participation rate of the various surveys conducted. This is considered excellent and ensures representative results.

The global leadership index is the sum of the frequency, in %, of "Very Positive" or "Positive" responses to four questions. Although there was a slight decline, it reached 81%, which is in the optimum range, the highest on the engagement scale.

The employee engagement index, measuring employees' pride and confidence in Énergir, L.P.'s future, as well as their enjoyment of their work and their desire to give their best, decreased slightly to 74%, placing it in the acceleration range. Énergir's accelerating vision and transformation, the external environment influenced by the effects of the COVID-19 pandemic, the energy transition, inflation and the rapidly changing job market may play a role in the observed decline. While it should be monitored, the engagement index remains high by market standards.

Overall health and ease of working

The annual average for overall health of employees and ease of working were 75% and 67%, respectively. Following the results, various means were implemented over the past fiscal year to effectively address the challenges encountered, including: continuing to accommodate staff in the challenges related to work-life balance in the context of the COVID-19 pandemic; implementing a return to work in hybrid mode with a telework ratio of 9 out of 10 days for certain job categories; continuing to offer highly appreciated management calls; launching "Gagnez à poser vos questions" sessions for Énergir, L.P. Leaders to answer questions from staff; prioritizing projects with a strong focus on workload reduction; initiating flexible measures for executives and managers to improve health and wellness; significant investments and support services to maintain the psychological and physical health of employees; optimizing work spaces at Head Office to increase the vitality of the workplace, etc.

The various surveys and measures put in place allow the company to be proactive in the priorities to be targeted in order to take care of its employees, to support the transformation and to remain agile in order to assess impacts and adapt on an ongoing basis.

2022 Global Engagement Index

The Global Engagement Index, consisting of Leadership, Engagement, Average Overall Health and Ease of Work results, stands at 74%, meeting our internal target. In a continuing pandemic environment, coupled with an accelerating transformation that is transparently communicated to staff, the overall index is considered satisfactory and demonstrates the amount of effort that must continue to be invested to sustain engagement.

Equal opportunity in the workplace

Women represent 38% of Énergir, L.P.'s workforce, and the percentage of women who want to work traditionally male-dominated jobs is on the rise, according to the Government of Quebec's official website. In 2011, Énergir, L.P. launched an equal opportunity employment program that has had a positive impact. The company has ramped up efforts to recruit more women, particularly for traditionally male-dominated and for positions such as Procurement Technician and Operations Technician. In these positions, women currently make up about 21% of the workforce; the goal is to maintain a threshold of at least 20% over the next few years. To achieve this goal, Énergir, L.P. has implemented various talent acquisition strategies and has organized social media recruitment campaigns. The company is also working with various organizations in Montreal and in the surrounding regions to increase its appeal to women working in traditionally male-dominated environments.

Policy regarding diversity

Énergir, L.P. is aligned with best practices in governance. The company thus seeks competent and qualified candidates and is committed to promoting diversity on its Board of Directors.

The Board of Directors of Énergir Inc. considers it essential to include gender, age, and cultural representation of the communities in which Énergir, L.P. operates. Énergir, L.P. has made it its mission to reflect the community in which it operates, and in which its customers live and work. With this in mind, the Board believes that a wide range of candidates with varied experience and perspectives can only positively influence the direction of the Board of Director and, by extension, the sound management of the company.

With this in mind, on November 26, 2015, Énergir Inc. adopted the Policy regarding diversity on the Board of Directors, in which Énergir Inc. has set (i) the goal of achieve gender parity on its Board of Directors and (ii) the target that at least 30% of its directors must be women.

Énergir, L.P. also believes diversity to be critically important among senior management. The company has thus set a goal to move toward parity in senior management, which includes President and CEO, Vice-Presidents and Executive Directors. In order to achieve this goal, management has implemented a diversity program that includes internal and external processes to increase diversity and inclusion as well as the number of women holding senior management positions at Énergir, L.P.

Énergir, L.P. has already taken action with a diversity, equity and inclusion (DEI) approach. In 2022, all activities in the action plan were successfully completed. For example, the DEI Policy was reviewed, a DEI strategic map was drafted and a global diversity portrait was completed. In addition, an external firm conducted a study to compare Énergir, L.P.'s practices to best practices and conduct a gap analysis. Thus, the actions of 2022 combined with the results of the DEI maturity framework allowed the company to reaffirm its DEI intentions, update its objectives and improve its strategies.

Cautionary note on forward-looking statements

This sustainability report may contain forward-looking information within the meaning of applicable securities laws. This forward-looking information may reflect the intentions, plans, expectations and opinions of Énergir Inc. management. (hereinafter, "Management") which may relate to, among other things, sustainability issues and guestions as well as ESG factors that apply to the business environment of Énergir Inc. and Énergir, L.P., and certain risks and opportunities for the activities of Énergir Inc. and Énergir, L.P. related to, among other things: climate change and its impact on the conduct of their activities; Énergir, L.P.'s Vision 2030-2050 (as referenced in this report); the energy transition; the renewable natural gas industry; environmental management; and the social acceptability of its operations. These issues, questions and risks and opportunities may impact the future growth, operating results, performance, and future prospects or opportunities of Énergir Inc. or Énergir L.P. Such forward-looking information is based on information currently available to Senior Management and assumptions about future events. Forward-looking information involves known and unknown risks and uncertainties as well as other factors beyond the control of Senior Management. A number of factors could cause the actual results of Energir Inc. and Energir L.P. to differ significantly from the current expectations as expressed in the forward-looking information.

For an overview of certain risk factors, the reader is referred to Énergir Inc.'s Management Discussion and Analysis Report for the year ended September 30, 2022, and subsequent quarterly MD&A Reports that address or may address the evolution of these risks. These reports are available on www.sedar.com under the Énergir Inc. profile.

Although forward-looking information may be based on what Senior Management considers to be reasonable assumptions, Senior Management cannot guarantee to investors that the actual results will be consistent with those in this forward-looking information. Such forward-looking information is presented as at the date of this Sustainability Report and Senior Management is not obligated to update or revise it to reflect new developments or circumstances, unless required by applicable securities laws. Readers are cautioned not to rely unduly on this forward-looking information.

Glossary

Units of measure and general terms

- Bcf Billion cubic feet
- CASA Énergir, L.P.'s intranet
- SSHP Social Support Help Program
- CO Carbon monoxide
- CO2 Carbon dioxide
- VOC Volatile organic compounds

COVID-19 Coronavirus disease 2019

CSA-Z662 Oil and gas pipeline systems

CSA-Z246 Security management system certification – Security management

for petroleum and natural gas industry systems

CSA-Z662 Safety and loss management system certification

QDA Quebec distribution activity

DEI Diversity, equity and inclusion

Énergir EDA All interconnection points between Énergir, L.P.'s system and TCPL/TQM systems located in TCPL's Eastern Delivery Area (EDA)

e Equivalent

ESG Environmental, social and governance

GHG Greenhouse gases

GJ Gigajoule

LNG Liquefied natural gas

RNG Renewable natural gas

LRH Low-rental housing

ISO 9001 Quality management system certification

ISO 14001 Environmental management system certification

LGBTQ2+ Lesbian, gay, bisexual, transgender, queer or questioning, two-spirited, and other gender or sexual orientation identities

LIH low-income household

m3 Cubic metre

NOx Nitrogen oxide

SDG Sustainable development goals

NPO Non-profit organization

ECCP Electrification and Climate Change Plan

PGE Plan for a Green Economy

EEP Energy Efficiency Plan

sq. ft. Square foot

PJ Petajoule

PM Particles per million

in. Inch

RMR Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere

HR-CGHuman Resources and Corporate Governance Committee

SAP Management and maintenance systems software

AMP Administrative monetary penalty

Scope 1 Sum of direct emissions induced by the combustion of fossil fuels from resources owned or controlled by the company

Scope 2 Sum of indirect emissions induced by the purchase or production of electricity

Scope 3 Broadest scope for calculating greenhouse gas emissions

EMS ISO 14001: Certified environmental management system: 2008

IMS integrated management system

SO2 Sulphur dioxide

SOx Sulphur oxide

CATS Cap-and-trade system

OHS Occupational health and safety

OSH-Env. occupational health and safety and environment

IDB Integrated dashboard

TCFD Task Force on Climate-related Financial Disclosure

t Tonne

TPM Million total particulate matter

Organizations and entities

CGA Canadian Gas Association

CESIM Conseil d'économie sociale de l'île de Montréal

SCC Standards Council of Canada

CNESST Commission des normes, de l'équité, de la santé et de la sécurité du travail

CSA Canadian Standards Association

CSN Confédération des syndicats nationaux

NGTC Natural Gas Technologies Centre

ECPAR Espace québécois de concertation sur les pratiques d'approvisionnement responsable

Enbridge Enbridge Gas Inc.

ETG École de technologie gazière

FTQ Fédération des travailleurs et travailleuses du Québec

GM LNG Gaz Metro Liquefied Natural Gas

GRI Global Reporting Initiative

ISO International Organization for Standardization

MAMOT Ministry of Municipal Affairs and Land Occupancy

MELCC Ministry of the Environment and the Fight Against Climate Change

RCM Regional County Municipality

MTQ Ministère des Transports du Québec

IMO International Maritime Organization

UN United Nations

SÉMECS Société d'énergie mixte de l'est de la couronne sud

COPE Canadian Office and Professional Employees Union

SWITCH The Alliance for a Green Economy in Quebec

TCPL TransCanada PipeLines Limited

TQM Trans Québec & Maritimes Pipeline Inc.

UPA Union des producteurs agricoles

LSR Plant Natural Gas Liquefaction, Storage and Regasification Plant

Acknowledgements

Énergir, L.P. would like to thank the external stakeholders who contributed to the sustainable development accountability process by being generous with their ideas and suggestions to help the company improve its practices.

Énergir, L.P. would also like to thank the employees involved in its approach to sustainability, the Sustainable Development Strategy Committee, and the Disclosure Committee for their commitment and involvement in this project. Their collective efforts contributed greatly to the success of the approach.