



2020
SUSTAINABILITY
REPORT

Superior Plus is in the business of delivering essential fuels and specialty chemicals to customers. We are committed to taking action to reduce our environmental impacts and continue to create enduring and sustainable value for our customers, shareholders, employees and communities.

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Message from the President and CEO



Luc Desjardins
President and Chief Executive Officer

Our customers, communities, shareholders and employees have increased their focus on sustainability issues. At Superior Plus, we want to take a leadership position and live up to these increasing expectations that our stakeholders have of us. We have the same expectation of ourselves. We are committed to taking care of our people and keeping them safe, supporting the communities where we operate and minimizing our impact on the environment.

As an important step in our sustainability journey, we are pleased to share our inaugural 2020 Sustainability Report. In this report, we share what we are doing to manage key sustainability issues and how we are performing across our businesses. Our progress is due to the dedication of our team across Energy Distribution and Specialty Chemicals.

The world faced major challenges in 2020 with the COVID-19 pandemic and increasing social and economic issues. With challenges, there are also opportunities and Superior Plus is striving to do our part. We are guided by our values of keeping each other and our communities safe and engaging our employees and customers.

Responding to the pandemic

The COVID-19 pandemic has been a challenge to many industries, including our own. I am proud of our response to ensure our employees are safe and to maintain our ability to deliver propane and other fuels to our customers without disruption. We supplied our frontline staff with personal protection equipment so that Energy Distribution employees could safely serve our residential and commercial customers and our Specialty Chemicals employees could continue to provide chemicals to make essential products. We quickly moved to remote working for all positions that could be effectively transitioned, helped our call centre staff set up at home and placed a ban on non-essential travel to limit the spread of the virus. In response to the anticipated impact from COVID-19 on revenue, we implemented cost-saving initiatives to maintain our financial strength.

Steps towards Zero Harm

Our Zero Harm ambition is to be an injury- and incident-free workplace. Safety is the responsibility of each and every employee and we all strive for Zero Harm every day. We have built a strong safety culture focused on people, systems and processes, and have set annual health and safety targets to drive improved performance. In 2020, we had zero fatalities and out-performed our targets for total recordable injury rate (TRIR), and days away restricted duty or was transferred incident (DART) rate. In addition, one of our ERCO plants achieved 20 years without a recordable injury, an amazing record that we are very proud of.

Making it easier for our customers to do business with us

Listening and being responsive helps us create a positive customer experience. We introduced new technologies such as Call Back Assist to allow customers to request a call back instead of waiting on the line and Proactive Outreach Manager where automated messages are sent to notify customers of appointments and other important information. Our innovative digital customer platform saw increased utilization in 2020 with a 27% increase in customers dealing with us online and through our industry-leading smartphone application. The digital tools, combined with the customer focus of our frontline team, led to an increase in Superior Propane's net promoter score to 64, the highest in our history.

Building relationships with Indigenous peoples

Indigenous peoples are our customers, partners and team members in the communities where we operate. Building and maintaining authentic and trusting relations is essential to our business. Superior Plus' Indigenous Relations Policy, introduced in 2020, provides a framework for working with Indigenous peoples in Canada. Education is foundational to building positive relationships; in Canada, approximately 600 of our staff members completed a three-part Indigenous awareness training module and it is a requirement for all new Superior Propane employees.

Giving back to communities

The success and the well-being of the communities where we operate go hand in hand. We continue to support a number of non-profit, charitable and other organizations across our four focus areas: community development; inclusion and diversity; health and wellness; and youth.

Promoting diversity and inclusion

Diversity is the coming together of different backgrounds, perspectives and experiences and makes us stronger and more innovative. In 2015, Superior Plus introduced a Corporate Diversity Policy, which helps us drive a more diverse and inclusive culture and workplace. Superior Plus has established a target to have at least 30% representation of women on our board by 2023. I am personally committed to increasing the representation of women, Indigenous peoples, visible minorities and persons with disabilities across our businesses.

Reducing impacts on the environment

Superior Plus is in the business of delivering essential fuels and specialty chemicals to customers. Propane is a versatile and reliable fuel that can be used to heat homes, commercial buildings and facilities, power vehicles and home appliances and for other business and commercial applications. Propane is non-toxic, virtually odourless and burns more cleanly and produces significantly less greenhouse gas (GHG) emissions than gasoline, diesel

and heating oil. As we look to the future in the fight against climate change, propane will play an increasingly important role displacing more carbon-intensive fuels to power rural and remote communities. To reduce our own environmental impacts, our businesses also implemented key technologies to reduce our GHG emissions. Our emissions increased between 2019 and 2020, primarily due to acquisition activity and the associated 10% increase in our U.S. fleet. As a company focusing on growth, we are conscious of the impact on the environment and we aim to drive continual improvements in this area. We will also use this report as a baseline for establishing our future environmental goals.

On February 18, 2021, we announced that we entered into an agreement to sell our Specialty Chemicals business and the sale was completed on April 9, 2021. I want to recognize and thank our team at Specialty Chemicals for their tremendous work over the years, especially in our Health & Safety and other sustainability initiatives. In this inaugural report, we have included the performance of both our Energy Distribution and Specialty Chemicals business.

We are committed to taking further action to reduce our environmental impacts and continue to create enduring and sustainable value for our customers, shareholders, employees and communities. In reflecting on this report, Superior Plus has made some good progress, and we recognize that there is still much to do. Going forward we will focus on continuous improvement, enhancing our sustainability transparency and engaging with our stakeholders to understand the issues that matter most to them.

I would like to thank you for the interest you have shown in Superior Plus and am delighted to present our inaugural Sustainability Report.

Sincerely,



Luc Desjardins
President and CEO

About Superior Plus

Headquartered in Toronto, Ontario, Superior Plus Corp. (TSX:SPB) operates two separate businesses: Energy Distribution and Specialty Chemicals. We distribute and market propane and distillates, in both Canada and the United States, and supply sodium chlorate, chlor-alkali (potassium hydroxide) and sodium chlorite in North America and internationally.

On February 18, 2021, we announced that we entered into a definitive agreement to sell our Specialty Chemicals business. The sale was completed on April 9, 2021 and represents the completion of Superior's transformation into a pure-play energy distribution company.⁽¹⁾

Values

Our Values are the operating philosophies and principles that guide our organization's collective conduct with each other, our employees, customers, and partners.

Safety: We make safety and wellness our top priority. We work to meet safety standards and regulations to protect our employees, customers, and the communities we serve.

Customer Focus: Our customers are the reason we are here. We continually strive to provide exceptional services and build positive relationships with both internal and external customers.

People-centred: People are our assets. We will provide an environment that helps our employees to be their best.

Performance: We operate with passion and discipline in order to be the best performing company in our industry. We value performance that is professional, innovative, and provides exceptional service both internally and externally.

We make safety and wellness our top priority. We work to meet safety standards and regulations to protect our employees, customers, and the communities we serve.



⁽¹⁾ Forward-looking statements for Specialty Chemicals are based on the objectives set while under Superior Plus' control but are subject to change.

U.S. Energy Distribution^[2]



Canadian Energy Distribution^[3]



Energy Distribution

Our Energy Distribution business provides distribution and retail marketing of liquid fuels including propane and heating oil, and wholesale portfolio management services. Propane is a versatile fuel used to heat homes, commercial buildings and facilities, power vehicles and home appliances and is also a remote heating and power source for communities and infrastructure building projects. Propane burns cleaner and emits fewer GHGs than heating oil, gasoline and other common fuels. We serve approximately 590,000 customers in the United States and 190,000 customers in Canada. In 2020, our U.S. Propane and Canadian Propane businesses each contributed approximately 50% of the revenues of our Energy Distribution segment.

- **U.S. Propane** distributes propane gas and liquid fuels like heating oil in the Northeast, Atlantic, Southeast, and Midwest regions, along with California, in the United States. It also installs, maintains and repairs propane and heating oil equipment. Our U.S. Propane business is operated by Superior Plus Energy Services and uses Superior Plus Propane as well as approximately 50 other trade names.

- **Canadian Propane** includes Superior Propane and Superior Gas Liquids. It is the leading propane distributor in Canada and provides propane-consuming equipment and related services such as the rental of tanks and cylinders, supply, installation and repair of equipment and warranty and preventative maintenance programs for installed equipment. **Canadian Propane**, through Superior Gas Liquids, is also a leading wholesale propane marketer and provides transportation, storage, risk management, supply and logistics services to Superior's North American platform and other small- and medium-sized propane retailers and customers in Canada and the United States.

Top 5

retail propane distributor in Canada and United States^[4]

Number 1

retail propane distributor in Canada^[4]

Top 10

retail propane distributor in the United States^[5]

^[2] Excluding satellite locations.

^[3] Excluding satellite locations. Includes Superior Gas Liquids' locations in California and Nevada which fall under the Canadian Propane Distribution segment.

^[4] Based on management estimates.

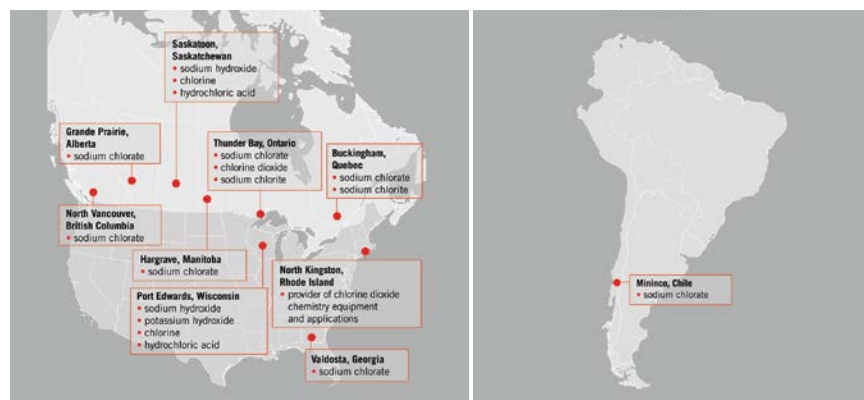
^[5] Based on LP Gas Top Propane Retailer Ranking as of February 14, 2020.

Specialty Chemicals' Geographic Footprint

North America

South America

Production facilities located at 9 sites across North America and one facility in Chile



Specialty Chemicals

The Specialty Chemicals business is operated under the trade name ERCO Worldwide. Specialty Chemicals has operated for over 100 years and is focused on the production and supply of sodium chlorate, chlor-alkali products and sodium chlorite. Specialty Chemicals has 10 production facilities (6 in Canada, 3 in the U.S. and 1 in Chile) and is one of North America's largest producers and suppliers of chemicals used mostly in the pulp and paper, water treatment and oil and gas industries. Sodium chlorate is mainly used to make chlorine dioxide for the bleaching of wood pulp, while

sodium chlorite is mainly used in water treatment. Specialty Chemicals also designs and licenses large-scale, proprietary chlorine dioxide generators and related technology, which have been installed in pulp and paper mills worldwide for the elemental chlorine-free bleaching of paper. Specialty Chemicals serves many key customer segments including pulp and paper, food, energy, agriculture, water treatment, airport de-icing, fertilizers and specialty chemicals. In 2020, approximately 59% of our revenues came from the U.S., 23% from Canada and 18% outside of North America.

Our Economic Impact

Our businesses are committed to the long-term, sustainable growth of our operations and are proud of the positive economic contributions we make to our investors, employees and the communities where we operate. Through the challenges of 2020, we worked to demonstrate resiliency and executed on cost-saving initiatives in response to the challenging market conditions. With the sale of the Specialty Chemicals business, we have positioned ourselves as a pure-play Energy Distribution business and will continue

to build shareholder value through corporate development activities.

Through salaries and wages, community investment, regional procurement contracts and job creation, we are able to make significant economic contributions to the communities where we operate. In 2020, we generated approximately \$2.4 billion in revenues, paid \$494.8 million in salaries, wages and benefits, \$11.1 million in income taxes and supported over 4,400 employees.

Specialty Chemicals' proprietary chlorine dioxide generators and related technology are installed in the majority of the world's pulp and paper mills.

\$2.4B

2020 Annual Revenue

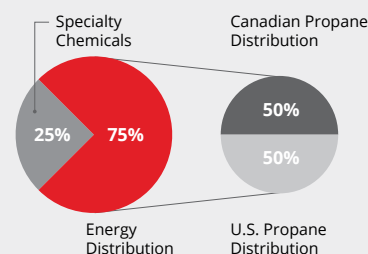
\$495.9M

2020 Adjusted EBITDA

\$494.8M

2020 Salaries, Wages & Benefits

2020 revenue by reportable segment



Performance at a Glance

Performance Indicator		2019	2020
About Superior Plus	Total sales volume for Energy Distribution (millions of L)	3,714	3,191
	Total sales volume for Specialty Chemicals (thousands of MT)	825	739
	Revenue (\$M)	2,852.9	2,394.3
	Employee wages and benefits (\$M)	503.6	494.8
Board Diversity	Women on the Board of Directors (%)	22	20
Stakeholder and Indigenous Relations	Superior Propane Net Promoter Score ^[6]	56	64
	U.S. Propane Net Promoter Score ^[6]	55	60
	Indigenous awareness training (# of employees) ^[7]	Not applicable	600
Workforce	Total workforce (#)	4,261	4,443
	Total voluntary turnover rate (%)	13.2	12.0
	Women in executive officer positions (%)	23	27
	Women in corporate and functional leadership positions (%)	36	40
Health and Safety	Fatalities (#)	0	0
	Total recordable injury rate ^[8]	4.43	3.55
	Transportation incident rate ^[9]	5.92	5.93
Asset Integrity and Process Safety	Total reportable releases for Energy Distribution (#) ^[10]	31	20
	Adverse environmental events for Specialty Chemicals (#) ^[11]	1	0
Greenhouse Gas Emissions	Total GHG emissions (tCO ₂ e) ^[12]	60,377	60,828
	GHG emissions intensity per sales volume (tCO ₂ e/millions of L)	16.26	19.06
Community Investment	Total investments (\$)	210,000	400,000

^[6] Net Promoter or Net Promoter Score is the percentage of customers rating their likelihood to recommend a company or product to others as 9 or 10, minus the percentage rating this at 6 or below on a scale from 0 to 10. Scores range from -100 (if every customer is a Detractor) to 100 (if every customer is a Promoter).

^[7] Indigenous awareness training was undertaken by Superior Propane employees.

^[8] Total recordable injury rate (TRIR) is the rate of occurrence of recordable injuries based on a worksite of 100 employees over a one-year period.
TRIR = Number of recordable injuries x 200,000 ÷ the number of hours worked in the period.

^[9] Transportation incident rate (TIR) is the rate of occurrence of preventable motor vehicle incidents (PMVI) based on number of miles driven over a reporting period.
TIR = Total PMVI x 1 Million ÷ Miles Driven in the Period. This metric applies to Energy Distribution.

^[10] It excludes spills that are the customer's responsibility, and incidents not reported to any government agencies by meeting non-reportable criteria.

^[11] A release with adverse environmental impact.

^[12] Includes Scope 1 GHG emissions for Energy Distribution only.

Our Approach to Sustainability

Over the last several years, Superior Plus has been working on strengthening its approach to sustainability to effectively guide our business. Our approach has been influenced by expectations from our stakeholders, such as investors, employees and communities, and our value of continuous improvement. We are proud to be more transparent with our stakeholders about our sustainability journey with the release of Superior Plus' inaugural Sustainability Report.

To effectively manage sustainability-related risks and opportunities, Superior Plus has established a strong governance and management structure with key accountabilities and responsibilities, as well as sustainability policies and management systems. The company strives for excellence in its operations and performance and takes into account industry standards, leading practices and legal, regulatory and operational considerations.

Governance

Superior Plus is committed to high standards of corporate governance and our corporate governance practices are designed to ensure we:

- Operate in a safe, reliable and environmentally responsible way.
- Meet our obligations to all regulatory bodies, business partners, customers, stakeholders, rights-holders, employees and shareholders.
- Manage our businesses effectively in the best interest of all stakeholders and rights-holders.

Superior's Board of Directors (the "Board") collaborates with management to oversee strategy and create policies, and approves significant actions, as well as oversees management decisions, reviews the adequacy of our systems and internal controls and monitors the implementation of our policies.

Superior Plus has established Board oversight of sustainability matters through its four standing board committees, as well as mandates and policies. The **Governance and Nominating (CG&N) Committee** reviews and assesses Superior Plus' on-going commitment to sustainability, including our general approach, communications with employees, investors, and other stakeholder or rights-holder groups of the company with respect to sustainability, as well as monitoring developments relating to sustainability issues.

The **Health, Safety and Environment (HS&E) Board Committee** assists the Board in fulfilling its oversight responsibilities in relation to the effective development, monitoring and implementation of systems, programs and initiatives for the management of HS&E risk. This includes Superior Plus' compliance with applicable laws, regulations and its own policies, practices and programs with respect to HS&E.

The **Human Resources and Compensation Committee** has oversight responsibility related to general human resources policies and procedures, talent management and succession as well as compensation policies.

The **Audit Committee** has an important role related to exercising oversight with respect to the implementation and effectiveness of the company's enterprise risk management system, including steps that management has taken to mitigate sustainability-related and other risks.

We focus this report on the company's key material sustainability issues:

Stakeholder and Indigenous relations

Workforce diversity and inclusion

Health and safety

Asset integrity and process safety

Greenhouse gas (GHG) emissions

Community investment



Management

Across our Energy Distribution and Specialty Chemicals businesses there are also structures in place to support effective sustainability management. A Divisional HS&E Committee exists to ensure coordination across the different businesses, reporting quarterly to the Board HS&E Committee. Specialty Chemicals also established a Sustainability Committee in 2020, consisting of the President, Responsible Care® Coordinator, Senior Director, HS&E and other senior leaders. This Committee considers future opportunities to drive sustainability performance, and weighs the sustainability options of different decisions, such as capital investments.

The Senior Vice President and Chief Legal Officer, Superior Plus has executive responsibility for sustainability corporate-wide; and works closely with Divisional Leadership who have responsibility in their operating companies. Other leaders across the company have core responsibilities for specific sustainability issues and are identified under the material issue sections of this report. Superior Plus has put in place sustainability-related compensation incentives for certain key positions (i.e., HS&E performance targets included as part of operational excellence objectives in the short-term incentive plan) to drive improved performance and ensure the company meets its desired objectives.

See Superior Plus' website for additional information found in the following documents:

- [Governance and Nominating Committee Mandate](#)
- [Health, Safety and Environment Committee Mandate](#)
- [Human Resources and Compensation Committee Mandate](#)
- [Audit Committee Mandate](#)
- [Anti-Corruption Policy](#)
- [Code of Business Conduct and Ethics](#)
- [Communication and Disclosure Policy and Practices](#)
- [Health, Safety and Environment Policy](#)
- [Insider Trading Policy](#)
- [Competition Compliance Policy](#)
- [Privacy Policy](#)
- [Whistleblower Policy](#)
- [Board Diversity Policy](#)
- [Indigenous Relations Policy](#)
- [Crisis Preparedness and Communication Policy](#)
- [Human Rights Policy](#)
- [Corporate Social Responsibility Policy](#)
- [Majority Voting Policy](#)

Board Diversity

In 2019, Superior Plus revised the **Board Diversity Policy** to specifically include representatives of "designated groups", as defined in the amendments made to the *Employment Equity Act* (Canada), which includes women, Aboriginal peoples, people with disabilities and members of visible minorities. The Board recognizes that diversity among its directors will **enhance decision-making** with the benefit of different perspectives. Currently, the focus has been on improving gender diversity. The CG&N Committee monitors the implementation of this Policy and reports to the Board on progress in achieving the objective of attaining at least 30% female Board members within 3-5 years from the establishment of this objective in August 2018. In 2020, the Board had **20% female representation**.



Sustainability Policies and Management Systems

Superior Plus, and its operating companies, have a number of relevant sustainability-related policies such as [Code of Business Conduct and Ethics](#), [HS&E](#), [Corporate Social Responsibility \(CSR\)](#), and others (see sidebar). Our Code of Business Conduct and Ethics (Code) for example, reinforces our principles and values and guides behaviour to avoid conflicts of interest, deal fairly with our shareholders, employees, customers, suppliers and competitors; protect the health and safety of our employees, customers and communities in which we operate; conduct activities in an environmentally responsible manner and comply with laws, rules and regulations to name a few. The Code applies to all directors, officers, employees and independent contractors and reports of non-compliance with the Code or other corporate policies are reported in accordance with our [Whistleblower Policy](#) for which the Board Audit Committee has oversight responsibility.

Superior Plus' policies go through an annual review cycle and external legal advice is sought as needed to reflect changes in law and how corporate policies may need to be updated.

Sustainability is integrated into corporate-wide management systems and processes that support implementation such as Superior Plus' Enterprise Risk Management (ERM). ERM provides a consistent approach to identifying and managing risk across the company, allowing for more effective decision-making and allocation of resources. The businesses monitor current and evolving operational and other risks, such as regulatory and reputational risks. Business opportunities and risks

at the corporate and business levels are also integrated into a two-day strategic planning session held every year with the Board and executive management, and we will continue to work at effectively integrating sustainability into all our business processes.

Superior Plus has been enhancing the HS&E management system to support continuous improvement and set consistent expectations for performance and standardized reporting across the organization. For example, reporting to the Board HS&E Committee has been strengthened by reporting on specific leading safety indicators such as leadership facetime, HS&E training, job hazard identification, safety, environmental releases and incident near misses. The company also has in place asset integrity and process safety management programs. More information on these and other issue-specific policies and management systems can be found in the specific material issue sections of this report.

We are continuing to evolve our approach to sustainability and have found that given our diverse businesses, across multiple jurisdictions, as well as our many recent acquisitions, harmonizing our approach and systems is important, but does take time. As an example, we have faced some challenges with data consistency and sustainability-related reporting system standardization between our Canadian and U.S. operations, but this is something Superior Plus is actively working to improve across the organization. With our target of further growth, this will continue to be an area where we will need to maintain a focus and invest in our systems for improved reporting.

ERCO and Responsible Care®

As an example of how Superior Plus takes into account industry standards and leading practices across its businesses, ERCO is committed to the Responsible Care® Ethic and Principles for Sustainability and the Responsible Care® Codes. [Responsible Care®](#) is a leading standard in the chemicals industry globally that guide companies to ensure they operate in a safe and responsible way, ensure the stewardship and security of their products during their entire life cycle, and are accountable to those who live near their facilities, or in communities along transportation corridors. As part of Responsible Care®, ERCO allows independent experts and members of the public to verify that they are living up to the standards set by Responsible Care®.



Stakeholder and Indigenous Relations

Our Approach

We believe in building genuine relationships with customers, communities, Indigenous peoples and shareholders. We strive to communicate honestly, listen, be available and responsive, and receive feedback to learn and improve how we operate.

Customers

We deliver essential fuel to our customers to help them heat their homes and power their businesses. We aim to provide this safely and on time and meet customer expectations – we call it the ‘Superior Way.’ We consider ourselves a logistics company, as much as a energy distribution company. Canadian Propane has taken a centralized approach, and consolidated customer service in our four customer service centres across the country. Our management operating system and related training facilitates a standardized approach to customer service and has helped the company to greatly improve the value we deliver to our customers. We have digitized our operations and offer tank sensors and customer portals for customers to access real-time information and simplified communication, making it easy to do business with Superior. Software and supporting tools are also used to help manage and measure customer information and targets. Canadian Propane has embraced customer feedback to continue to improve our service and value provided. Customer Net Promoter Score and customer feedback is surveyed daily – when any of our customers raise concerns, it is assigned to employees for follow up and closure. Additionally, we seek feedback from customers through the customer web portal and mobile app we developed, direct texts and social media. We also offer our customers a variety of pricing payment programs as propane supply prices can fluctuate throughout the

year; we offer variable and fixed pricing plans and equal and standard payment plans to give our customers more choice and flexibility.

Communities

Our approach to engaging with the communities where we live and work is collaborative and transparent. We aim to keep them informed and to work with them to address any concerns and identify community investment opportunities that can create shared value for our businesses and the communities where we operate. In Canada, Superior’s coast-to-coast-to-coast delivery network, serviced through 160 market and storage yards, means we have a presence in many of the communities we serve. At U.S. Propane, we have 232 terminals, bulk plants and secondary offices. And at Specialty Chemicals, as part of our commitment to Responsible Care®, our plants effectively engage with stakeholders through Local Community Advisory Panels and this is tested in the Program’s external third-party verification process, where every three years a team consisting of industry experts and a community representative verifies each facility’s implementation of the Responsible Care® principles and codes using a common protocol. Specialty Chemicals’ facilities also have a Community Outreach procedure/plan to ensure effective risk communication at each location.

Building Relationships and Partnerships with Indigenous Peoples and Businesses

Superior Plus is a long-standing, trusted energy partner of Indigenous peoples and businesses. In fact, Canadian Propane has relationships with more than one-third of the Indigenous communities across Canada. We recognize the unique and defining features of Indigenous culture, history and associated titles and rights.

We strive to be the preferred energy service provider for Indigenous communities and businesses by developing meaningful and mutually beneficial relationships, contributing to community and cultural initiatives, supporting programs for education, training, mentoring and employment, and applying a collaborative, consultative and transparent communication approach.

In early 2020, Superior Propane developed its first Indigenous Relations Policy. The policy helps guide the company’s operations and sets commitments to attract and retain qualified employees and contractors from Indigenous communities to assist in meeting our workforce needs. Building on the leadership demonstrated by Superior Propane, we then adopted a corporate Indigenous Relations Policy. We also launched an online training module created for all staff and new employees to help build awareness of Indigenous history, cultures and traditions. Our customer-facing team has received additional Indigenous awareness training and takes the time to understand the local context in order to effectively serve our Indigenous customers and build partnerships in our communities.

Shareholders

We want to operate in a responsible manner that aligns with our shareholders’ expectations. Over the years, the number of environmental, social and governance-related questions has been increasing. We meet with shareholders and analysts to listen to their interests and concerns and reflect on what we can do differently. We also conduct biannually an anonymous perception survey to gather feedback. This inaugural report is intended to provide shareholders and analysts with better access to sustainability data and information related to our material issues.

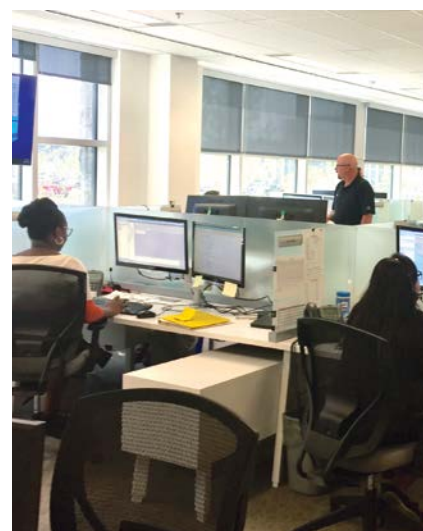
The following table provides an overview of how we engage formally and informally with stakeholders and rights-holders.

Key groups	How we engage
Customers	Customer contact centres Customer web portal and mobile app Net promoter score survey Customer satisfaction survey Sales relationships superiorpropane.com , superiorpluspropane.com , superiorgasliquids.com and ercoworldwide.com
Communities	Meetings and email Local Community Advisory Panels Open houses Community events and investment initiatives Local business associations superiorpropane.com , superiorpluspropane.com , superiorgasliquids.com and ercoworldwide.com
Indigenous peoples	Direct engagements Community events Advanced Business Match (ABM) forums Canadian Council for Aboriginal Business (CCAB) events
Shareholders	Meetings and email Marketing roadshows Biannual perception study Quarterly earnings conference call Investor conferences Investor day Annual general meeting superiorplus.com

Our management operating system and related training facilitates a standardized approach to customer service and has helped the company to greatly improve the value we deliver to our customers.

Kwadacha Nation (Fort Ware, BC)

For over 25 years, Superior Propane has been a propane supplier for this remote First Nations community located northwest of Prince George. We installed a propane system to help the Kwadacha Nation with their hydroponic greenhouse project. The greenhouse creates self-sustainability by producing a variety of greens, cucumbers, peppers, and tomatoes for their community. On one visit, a Superior representative was welcomed by the former Chief into the community.



Our Performance

Customer Initiatives

In 2020, Canadian Propane revitalized some of its customer-related tools to make it easier for customers to do business with us. We introduced key technological upgrades:

- **Call Back Assist:** We implemented new technology that allows customers to request a call back at their time in a queue or at a scheduled time in the future.
- **Proactive Outreach Manager:** Customers receive an automated message (phone call, email or text) in Canada to notify them of appointments, changes or important information.

Superior also expanded our digital options for customers through an enhanced web portal, smartphone app and digital sensor offerings. The digital sensors help improve fill rates by predicting propane use over time and notify customers when the tanks are low.

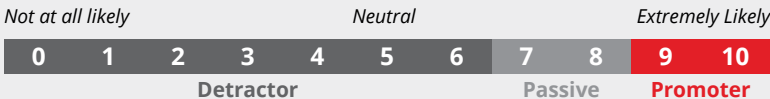
Supporting our customers during the pandemic

We continued to operate with normal delivery schedules as an essential service. To ensure the continuity of service and customer support, we communicated our COVID-19 protocols. We shifted, where possible, to remote working to help reduce the spread of COVID-19. We also implemented virtual contact centre management tools to support our customer representatives to work efficiently and effectively from home.

“Whether it’s staffing or food matters, we know our members have more important tasks to juggle than monitoring and ordering propane. They need the convenience and reliability that comes with Superior Propane’s SMART* Tank™ monitoring technology and industry-first mobile app, which make it easy for our members to manage their propane needs and stay focused on their business of creating great customer experiences.”^[13]

Christopher Barry
Director of Membership at Restaurants Canada

Net Promoter Scores (NPS) helps us understand how our customers perceive us and whether they are likely to recommend our company to friends and family. NPS can be as low as -100 and can be as high as 100. Superior Propane and U.S Propane are proud to have improved their Net Promoter Score in 2020 to 64 and 60, respectively.



% Promoters – % Detractors = NPS (Net Promoter Score)

Community Initiatives

Across our businesses we regularly have meetings and discussions with local community organizations, legislators and regulators to understand issues of concern and coordinate mutually beneficial solutions. For information on community engagements related to emergency preparedness, please refer to the Asset Integrity and Process Safety section of this report. For information on our investments in communities, please refer to that section of this report.

Indigenous Initiatives

In 2020, Canadian Propane’s senior leadership team and customer-facing staff were part of the first wave of participants to complete full day Indigenous awareness training. This training covers topics such as: why it is essential to acknowledge the territory and history of Indigenous peoples of Canada, including the impact of treaties, residential schools, the

Indian Act, land management, multi-generational trauma, Indigenous rights and title, cultural, ceremonial and spiritual traditions and reconciliation. We also invited Indigenous leaders to share their experiences with our staff as part of the training. The course was well received and Superior Propane has now launched an on-line Indigenous module that is mandatory on an ongoing basis for all our current and future staff. Currently, 3% of Superior Propane’s staff across Canada self-identify as Indigenous, and we are working with Human Resources across the business segments to grow Indigenous employment at Superior Plus (currently at 1.3% across all companies).

600

employees received Indigenous awareness training^[14]

Supporting Indigenous communities is also important to us. We are a national sponsor for the Outland Youth Employment Program (OYEP) that runs summer camps across Canada that help Indigenous youth prepare to enter the workforce and assists with career planning. In 2020, we also introduced a new national bursary program partnering with **Indspire** to provide 12 bursaries to assist Indigenous students across Canada in attending post-secondary education. These kinds of initiatives will help to build the future workforce.

Canadian Propane is committed to building strong relationships with Indigenous communities, through supplying propane, working with community Indigenous businesses, as well as through exploring partnerships and joint venture opportunities. For example, Superior Propane has partnered with Ross River Dena First Nation in Yukon Territory, Canada, as well as Kwadacha Nation in Fort Ware, British Columbia, Canada to support development projects.

Canadian Propane is a national sponsor of the Advanced Business Match (ABM) Program, which brings Indigenous and non-Indigenous companies together to explore common ground to enhance Indigenous businesses. Through some of the relationships made at ABM events, Superior is supporting the incubation of new Indigenous businesses. In addition, Superior is committed to working with the Canadian Council for Aboriginal Business (CCAB) to enhance its Indigenous supplier network. With the help of the CCAB, our goal is to strengthen our connections with Indigenous businesses and support economic development.

Canadian Council for
**ABORIGINAL
BUSINESS**



Shareholder Recognition

In 2020, we continued to engage with our shareholders on topics that matter to them including environmental, social and governance issues. This year we were recognized by *IR Magazine* – a publication recognized for providing quality insight and a global perspective about investor relations – as a finalist for top investor relations within the utilities sector. We were also ranked in the top 50 of investor relations programs in Canada.

Looking Ahead

We continue to invest in innovation and improving our integrated customer management operating system and related training to staff for Superior's Energy Distribution business. As we have grown and acquired new businesses, we need to integrate their processes. This is an opportunity for us, especially in the United States, where we want to standardize the number of customer-related systems and processes that we have in place to align with the Canadian operations. This will not only improve the value we deliver to our customers, but also increase efficiencies and improve the value we can deliver to shareholders.

Education is the starting point for building stronger relations with Indigenous peoples and businesses. New staff will receive Indigenous awareness training and we will continue to have everyday conversations in order to breakdown past education and personal biases

and support real reconciliation. We will continue to work with our Human Resources team to increase the number of Indigenous employees. We will examine how to better track and monitor Indigenous contracts and procurement and hope to be able to report on these opportunities that support Indigenous communities in future sustainability reports. Furthermore, a strategic initiative of Superior Propane is to start tracking and reporting on the amount of diesel used for power generation that we are reducing across Canada by replacing it with propane power generation, which has fewer GHG emissions. We believe that being able to more accurately account for this will contribute to providing a more complete picture of how Superior is supporting the reduction of GHG emissions.

We will be seeking input from our shareholders through a perception study to gather investment community feedback on topics that matter to us and our shareholders.

^[13] <https://www.globenewswire.com/news-release/2020/01/23/1974417/0/en/Restaurants-Canada-partners-with-Canada-s-largest-propane-supplier.html#:~:text=Superior%20Propane%20is%20Canada's%20largest,customer%20in%20over%2010%2C000%20communities>

^[14] Indigenous awareness training was focused on Canadian employees.

Our Employees

Our Approach

We are a people-centred company. The passion and dedication of our employees is crucial to our success as we strive to be the best in our industry. We seek out individuals who reflect our core principles – those who prioritize safety, show respect, demonstrate exceptional customer service and are entrepreneurial in spirit. We pride ourselves in providing a workplace focused on safety and the well-being of our employees.

Our company operates in many different markets and communities and reflective of this, we have a very nimble approach to human resources management. Each division has the mandate and flexibility to respond to specific business needs and local market characteristics. More specifically, the Vice President of Human Resources for Superior Plus is responsible for the overall talent strategy and priorities of the company, in collaboration with the senior management team and guided by the Human Resources and Compensation Committee of the Board. The divisional Vice Presidents of Human Resources oversee and implement talent attraction, development and management strategies, unique to the operating context of each business.

Our Policies and Systems

We have in place several policies and systems that support the management and success of our workforce. In 2020, we completed the full launch of our new **workforce management system**. This system provides us with the human resource information required to make key decisions that support the business. In addition, it allows us to confidentially collect and track key employee and diversity indicators in real-time, providing us with a baseline year to measure our progress toward our employee population reflecting the communities that we serve.

Our **Human Rights Policy** reflects our commitment to the principles of respect for human rights, diversity, inclusion, freedom of association, collective bargaining, and a safe, harassment-free and healthy environment. It is an important and foundational component of our human resources management approach.

At Superior Plus we believe that building a diverse and inclusive workforce is important to our success and also reflective of our people-centred approach. We believe our commitment to diversity and inclusion strengthens our decision-making, fosters better results and the outcomes that we can achieve as a business. It also strengthens the value we bring to the communities where we live, work and operate.

Stemming from previous corporate initiatives, in 2015 we formally launched and implemented our **Corporate Diversity Policy** across our operations. The policy helps us continue to drive a culture and a workplace that is free from discrimination and that removes barriers to ensure fair employee advancement and recruitment. To us diversity means having a qualified workforce reflective of various

cultures, generations, genders, sexual orientation, religions, status and ethnic groups and abilities. It is also about recruiting, promoting and engaging people of different backgrounds and ways of thinking while providing them with an environment where they can thrive as individuals with each of their distinctive profiles and skills.

Helping Our Employees Thrive

We work hard to create an environment where our people can do their best. To support the attraction, retention and growth of our employees, we provide a range of training and learning opportunities. Central to our value of continuous improvement, we implement 360 employee feedback processes across all levels of our business and administer employee engagement and satisfaction surveys. Our employees are on the frontlines of our people-centred business and we encourage them to build meaningful and positive relationships that are customer focused. We believe in rewarding hard work and pay for performance. As a result, our compensation systems are designed so all employees have some sort of variable compensation to encourage this corporate priority.

Employee Wellness During the Pandemic

As it was for many other businesses, the COVID-19 pandemic was the largest challenge of 2020. Our highest priority was to protect the health and wellness of our employees, customers, business partners and their families by limiting the risks they could face. We worked hard to develop and put in place the right working protocols, protective equipment and policies in order to maintain operations in a safe manner. With the evolving understanding of the pandemic, having clear and frequent communications with employees was essential as we worked to be a responsible corporate citizen to limit the spread of the virus in the communities we serve. For example, we encouraged flexibility for employee work schedules wherever possible and worked hard to support them in their individual family and home situations. We were able to successfully transition over 90% of our office-based staff (or 25% of our total workforce) to a remote working platform during the first two weeks of the pandemic. This allowed our employees to remain safe, balance the needs of their family and reduce the risk of virus transmission in the community.

Our Performance

Our workforce is made up of 4,443 employees, with 3,842 supporting our Energy Distribution business, 566 supporting our Specialty Chemicals business and 35 employees at our corporate Head Office. In 2020, our voluntary turnover rate across all businesses and divisions for permanent employees was 12%. Through the pandemic we focused on clear communication with our employees and implemented some new online tools which provided direct and agile engagement. This open communication kept employees connected and contributed to improving our employee turnover rate in 2020. We respect the freedom of association of our employees and 10% of our Energy Distribution employees and 25% of our Specialty Chemicals employees are unionized.

We continued to integrate and communicate our Corporate Diversity Policy through various training and onboarding initiatives. This training included building knowledge of inclusion, hidden biases at work and respecting differences. For example, at our Canadian operations, in 2020, we developed and deployed a new employee orientation module specifically on cultural awareness and Indigenous worldviews. At our U.S. operations we initiated the

development of training modules on diversity and inclusion, for full roll out in 2021. Beyond these training initiatives, we added a diversity lens across our various management processes and functions in 2020. This included integrating diversity considerations into senior and management leadership reviews and succession planning, developing internal diversity metrics, updating our employee engagement surveys, introducing new data management capabilities, improving visibility and access to internal opportunities for designated groups and establishing a Diversity Committee at U.S. Propane.

Women currently represent 26% of our total workforce, and 40% of our corporate and functional leadership positions. 27% of our executive leadership positions are held by women. With the roll out of our new workforce management system in 2020, we are now able to confidentially collect information across all designated groups. This data is self-reported, provides an important baseline of our performance and will inform future decision-making, programming and reporting. In 2020, approximately half of our employees elected to self-identify within a designated group. Of those that responded, 7% identified as visible minorities, 0.4% as persons with disabilities, 1.3% as Indigenous and 5.4% as veterans.

Looking Ahead

In 2021, we will continue to expand our programming and initiatives related to diversity, inclusion, wellness, training and development. We expect that for the majority of 2021, these efforts will happen with the backdrop of the COVID-19 pandemic. We are focused on maintaining the health and well-being of our employees through these unprecedented times. This will be especially important as the company continues to grow as we acquire new businesses.

We will also move ahead with some key diversity initiatives. For our Canadian Propane business, this includes developing our plan to attract, train and retain local and Indigenous employees. For our U.S. operations, the newly established Corporate Diversity Committee will become more formalized and support the launch of further diversity and inclusion programs.

Finally, as we continue our focus on diversity and inclusion, we will develop key performance indicators to track and measure our progress.

Performance Indicator	2019	2020
Total workforce (#)	4,261	4,443
Full-time employee voluntary turnover rate (%)	13.2	12.0



Health and Safety

Our Approach

Our goal is Zero Harm – to be an injury and incident-free workplace. We are committed to delivering our products and services responsibly and safely, preventing harm to our employees, customers, contractors, communities and the environment. We are dedicated to the continuous improvement of our health and safety performance in all of our operations, and are led by our **Health, Safety and Environment (HS&E) Policy**.



Awards received by Specialty Chemicals for its safe railcar operations include:

- CP Safe Shipper Award
- NS Thoroughbred Chemical Safety Award
- BNSF Product Stewardship Award
- CN Safe Handling Award
- UP Pinnacle Award.

Safety is Everyone's Responsibility

At Superior Plus, we all play an important role in keeping ourselves and each other safe. Our HS&E Committee of the Board provides oversight of the effective development, monitoring and implementation of systems, programs and initiatives for the management of health and safety risks. A Divisional HS&E Committee exists to ensure coordination across the different businesses and reports quarterly to the Board HS&E Committee. All leaders are expected to act as safety role models and create a work climate that motivates employees to think and work safely. Additionally, our Senior Leadership is accountable for establishing systems to support our health and safety goals while managers and supervisors are expected to communicate and ensure compliance of health and safety policies, procedures, plans and that employees have the right training to do their job safely. We have a Health & Safety (H&S) department that helps drive Superior Plus' commitment of continuous improvement by developing, implementing and maintaining policies and procedures, providing strategic leadership, conducting regular safety audits and facility inspections, and staying informed of all federal, state/provincial and local regulations.

Health and Safety Management Systems

Each of our businesses has systems, processes and guidelines to manage health and safety that reflect their operating context. The HS&E Program for Energy Distribution includes a policy, codes of practice, periodic self-audits, employee training, as well as quarterly and annual reporting. Specialty Chemicals follows the chemical industry's Responsible Care® Program, adhering to strong standards in the handling, production, transportation and disposal of chemical products and waste substances. Specialty

Chemicals' facilities also undergo regular internal and external audits to ensure compliance with regulations, standards, company policies and procedures. For all divisions, any incidents are assessed to identify root causes, and necessary improvements made based on the assessment.

Building a Safety Culture

We believe safety-related attitudes and behaviours are shaped largely by our organization's safety culture and H&S management systems. Over the last several years, we have been working diligently to build a Zero Harm safety culture. We engage in and track operations-based, systems-based and behaviour-based H&S practices. Practices across our divisions include:

- Regular Leadership-led safety engagements with staff such as morning safety huddles at the start of the day
- Regularly recurring H&S meetings
- Monitoring, reporting and trending safety incidents and near misses for learning purposes
- Training and encouraging our team to recognize and intervene when we see unsafe practices

Most importantly, we want our team to feel safe and have the courage to recognize, report and take action when they identify a safety issue. We also distribute an anonymous safety perception survey to our employees to better understand safety challenges and their perspectives.

Contractor Safety

To ensure the safety of contractors, each of our businesses have processes that reflect their operating context. For Energy Distribution, contractors are required to follow the same safety protocols as employees. Specialty Chemicals has an HS&E contractor management process that includes pre-qualification, certification and follow-up on performance.

Our Performance

In 2020, we had zero fatalities and recorded a decrease in two of our key health and safety performance measures – total recordable injury rate (TRIR)^[15] decreased by 20% to 3.55 and days away restricted duty or was transferred incident (DART)^[16] rate decreased by 19% to 2.32. Our third measure, transportation incident rate (TIR)^[17] remained steady from 2019.

We set annual targets for TRIR, DART rate and TIR. These targets are set to be increasingly stringent based on the performance of the previous three years. In 2020, we exceeded our targets for both TRIR and DART rate.

Unfortunately, we did not achieve our TIR target. At Superior Plus, TIR is the number of Preventable Motor Incidents per one million miles driven (PMVI), which encompasses both preventable on-road and off-road motor incidents. The vast majority of PMVI's are minor off-road incidents such as backing into a fence post or damage to lawns or driveways. It is important to note that we use a more stringent definition of PMVI (by including off-road motor incidents) that many of our peers do not. While our total number of PMVIs

decreased 11.4% in 2020, our TIR remained steady because the total miles driven over the reporting period also decreased.

Overall, our health and safety performance improved this year. We believe that our efforts of building our safety culture have helped us reduce incidents and become a safer organization, which was also echoed by the results of our employee safety perception survey. This year, the survey covered our Superior Gas Liquids and Specialty Chemicals employees and looked at five key areas of the safety management system: company safety culture, organizational safety leadership, employee safety involvement, safety training and development and physical working conditions. Generally, the survey results were positive and employees perceived safety to be a high priority with over 98% of employees feeling safe doing their jobs.

20 years

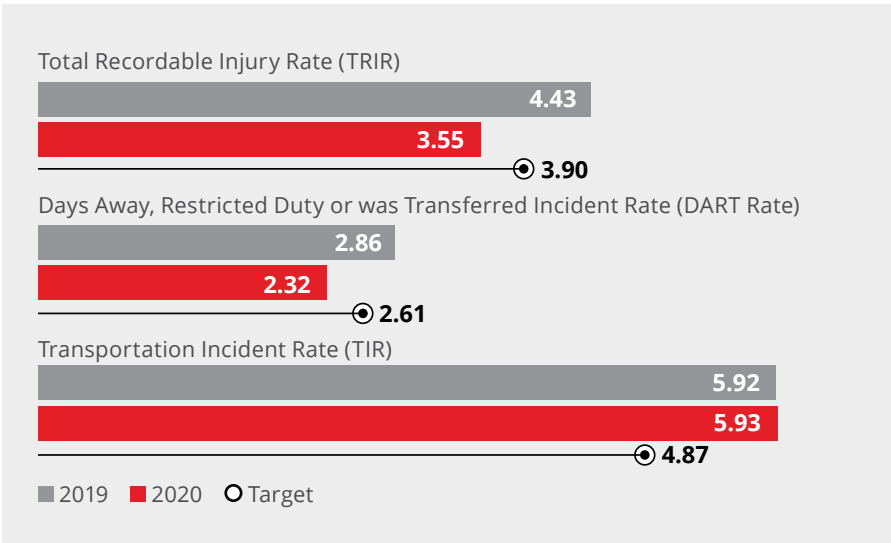
without a recordable injury at the ERCO plant

Looking Ahead

Our focus remains to enhance our Zero Harm safety culture so that it is deeply embedded across all of our businesses. We continue to work to understand our risks and build controls to manage them, define practices to support Zero Harm and engage our employees in this journey. Through these efforts, we want to reduce and continue to make progressive improvements to our TRIR, DART rate and TIR for each of our businesses.

Some of our future initiatives include:

- **Energy Distribution:** We will be standardizing our Energy Distribution's HS&E systems across our newly acquired businesses and continuing to promote employee engagement. Additionally, Superior Propane will be investing in additional fleet safety tools to monitor safe driving behaviours and reduce emissions, and Superior Plus Propane will be expanding the Contractor Safety Program.
- **Specialty Chemicals:** We will continue to roll out the Safety Standards for Life Awareness Program to increase awareness of the safety standards across the organization and continue to identify and address barriers to achieving a world-class safety culture.



^[15] The rate of occurrence of recordable injuries based on a worksite of 100 employees over a 1-year period. Superior Plus uses the OSHA definition for a recordable injury across all our sites as the definition is different in various jurisdictions.

^[16] An incident where an injured employee required days away, restricted duty or was transferred to another position to recover from their workplace injury.

^[17] TIR = Total PMVI x 1 Million ÷ Miles Driven in the Period. This metric applies to Energy Distribution only.

Asset Integrity and Process Safety

Our Approach

Asset integrity and process safety is about making sure our facilities are well designed, maintained and that processes are continuously improved to prevent harm to people and the environment. It is a big part of how we keep our employees and communities safe. Funding to design and maintain our infrastructure is overseen by our Executive Vice President and Chief Financial Officer on an annual basis and reviewed quarterly. Each of our businesses then makes decisions on capital purchases including equipment so that our facilities operate safely. Many of our businesses also have Capital Committees where expenditures are submitted and reviewed for pre-approval every month. Additionally, each of our businesses is responsible for complying with regulations for jurisdictions in which they operate and this is the responsibility of our HS&E and Regulatory teams.

Asset Integrity and Process Safety Management Systems

Superior Plus has preventative asset management plans in place and we take a proactive approach by evaluating equipment before it needs to be replaced to ensure operational integrity of our assets. This is a big part of our success and how we keep our employees and communities safe.

The company has developed and maintains a comprehensive, tiered approach for its Process Safety Management (PSM) system, that blends different regulatory or standards

requirements, as well as leading practices. For example, the Canadian Standards Association (CSA) develops standards for the Canadian propane industry. Process safety is managed through a management of change process, and includes such items as hazard analysis, incident investigation, training, inspection and corporate PSM audits every five years.

Emergency Preparedness and Response

Each of our businesses has site-specific emergency preparedness and response plans and procedures and is equipped with the necessary resources to handle releases. Our plans and procedures are compliant with local regulatory requirements and consistent with the principles outlined in the **HS&E Policy** and **Crisis Preparedness and Communication Policy**. We are part of several associations and programs that help us stay abreast of regulatory and safety requirements, learn about best practices, and respond to incidents. Superior Propane is a Canadian Propane Association (CPA) member (and a member of the Board of Directors), a national association for the Canadian propane industry and is an Operating Committee member and participant of the Emergency Response Assistance Canada (ERAC), an organization designated to respond to industry emergencies. Similarly, Superior Plus is part of the National Propane Gas Association (NPGA) in the U.S., as well as National Fire Protection Association (NFPA).

ERCO is a member of the Chemistry Industry Association of Canada (CIAC), American Chemistry Association (ACC), and Asociacion Gremial de Industriales Quimicos de Chile (ASIQUM) in Chile. Also, as part of the Responsible Care® Program, ERCO participates in committees related to response capabilities such as Transportation Community Awareness Concerning Emergency Response (TransCAER), which involves a consortium of companies that assist communities to prepare for and respond to spills. Specialty Chemicals is also a part of CHLOREP, the Chlorine Institute's mutual aid program aimed at providing rapid and effective response to chlorine emergencies in the U.S. and Canada.

Superior is involved in first-responder training programs and local emergency planning committees to help raise awareness of potential hazards and coordinate emergency response planning between companies and local authorities, and address concerns the community might have about operations and products. Each Superior facility maintains communication and engages with the local stakeholders such as the fire department, and all businesses and residences within the identified hazard radius of such facility.

At Specialty Chemicals and Canadian Propane, emergency response manuals are updated annually, with a major review every five years, and plans are tested annually, including with every employee, using different scenarios.

Our Performance

A reportable release is an event that contravenes regulatory limits or standards and is reported to government officials and varies by jurisdiction.^[18] The releases for Canadian Propane decreased in 2020. If there is an accidental release, propane turns into a vapour and is non-toxic to the environment. It does not impact water or soil in the event it escapes into the environment. The reportable releases for U.S. Propane are related to distillates only and have decreased as a result of continued training and education on environmental protocols.

Energy Distribution

Reportable releases (#)	2019	2020
Canadian Propane	9	4
U.S. Propane	22	16

An adverse environmental event is a release with adverse environmental impact. This may include a release with the potential to cause a fire or an explosion, or environmental contamination over an extended area, or with the potential to impact the community. For Specialty Chemicals, there was one incident in 2019 related to the failure of a piece of equipment, which was immediately resolved upon discovery. No incidents with adverse environmental impact occurred in 2020.

Specialty Chemicals

	2019	2020
Adverse Environmental Events (#)	1	0



Looking Ahead

Superior Propane will continue to meet the CSA B51-14 code that applies to boiler, pressure vessel, and pressure piping, as it comes into effect across its jurisdictions. The code requires a mandatory inspection interval as well as the replacement of pressure relief valves for certain sized vessels or propane tanks.

Specialty Chemicals has developed a Major Hazard Risk Assessment for each of its operations, with recommendations for reducing the risks identified. Specialty Chemicals established a five-year plan to implement the recommendations and prioritized the plans based on the communities' risk. Specialty Chemicals will also be advancing its Alarm Rationalization Project, a six-year plan which started in 2017. This project aims to increase operators' situational awareness and ensure they are provided critical, prioritized information as needed to operate the plant safely. The completion of the plan is being staged across all of the manufacturing sites. Specialty Chemicals is also aiming to enhance its equipment maintenance program to prevent environmental incidents caused by equipment failure.

^[18] It excludes spills that are the customer's responsibility, and incidents not reported to any government agencies by meeting non-reportable criteria.

Greenhouse Gas Emissions

Our Approach

Climate change is one of the largest challenges facing the world and we are committed to being part of the solution. Propane is an efficient and versatile fuel that burns more cleanly and produces significantly less greenhouse gas (GHG) emissions than gasoline, diesel and heating oil. Propane produces 98% less particulate matter than diesel and contains virtually no sulphur – a contributor to acid rain. If there is an accidental release, propane turns into a vapour and is non-toxic to the environment. It does not impact water or soil in the event it escapes into the environment. Propane can play an important role in reducing GHG emissions as a cost-effective alternative fuel that can be used to heat and power homes and businesses in many areas, including rural and remote communities.

Providing cleaner products to the market is just one part of the equation. We must also look at our own operational contributions to GHG emissions. This inaugural Sustainability Report is an important first step, one that has given us the opportunity to collect and disclose our GHG emissions. Establishing this baseline of our GHG performance provides us with the important foundation for setting future goals and objectives.

We currently have in place various technologies and initiatives focused on reducing our own operational GHG emissions.^[19]

These include:

- **Dual fuel system:** Approximately 14% of Superior Propane's fleet, including bulk trucks and service vehicles, run on a dual-fuel system – either propane diesel or propane gasoline. When these systems consume propane there is a reduction in as much as 11% of GHG emissions per vehicle as compared to when the vehicle is fuelled with gasoline^[20] and there is a reduction in harmful substances (i.e., benzene, particulate matter) released to the atmosphere.
- **Nitrogen purge system:** Superior Gas Liquids terminals in California use a nitrogen purge system to prevent any propane from being released into the atmosphere through the truck and railcar loading process.
- **Fleet "Certified Clean Idle":** All of our vehicles operating in California comply with California's idling regulations and low emission regulations.
- **Onboard driver-feedback system:** U.S. Propane utilizes Vnomics, an onboard driver-feedback system that encourages drivers to operate their trucks as efficiently as possible to reduce fuel consumption and GHG emissions.
- **Green building initiatives:** Our corporate office participates in the building management's green initiatives such as reducing energy consumption.
- **Digital tools, including tank sensors and delivery software:** These are used to increase delivery efficiency, which reduces kilometres driven to deliver the same amount of volume.

Climate change is one of the largest challenges facing the world and we are committed to being part of the solution.



Our Performance

Energy Distribution

For our Energy Distribution business, we emitted 60,828 metric tonnes of carbon dioxide equivalent (tCO₂e) in 2020, a 1% increase from 2019. During the same period, our U.S. fleet increased by 10% as the result of five acquisitions.

In 2020, our emissions intensity per sales volume increased by 17% to 19.06 tCO₂e/millions of L. Volumes for Energy Distribution were lower due to warmer weather and impact from COVID-19 on commercial and wholesale customer demand. This decrease was partially offset by the increase in volume due to acquisition activity in the U.S. GHG emissions in Canada decreased due to route efficiencies and the lower demand but the emissions in the U.S. increased due to the impact from the acquired businesses. It is anticipated that GHG emission intensity in the U.S. will decrease as acquisitions are fully integrated and routing efficiencies can be implemented.

	2019	2020
Total sales volume (millions of L)	3,714	3,191
Total Scope 1 GHG emissions (tCO ₂ e)	60,377	60,828
GHG emissions intensity per sales volume (tCO ₂ e/millions of L)	16.26	19.06

Looking Ahead

As we continue our environmental journey, we will examine how we can reduce GHG emissions across our businesses. For our Energy Distribution business, the global demand for natural gas and crude oil impacts propane supply since it is the by-product of natural gas processing and oil refining. Our Energy Distribution business distributes propane and does not produce it. We will examine opportunities to reduce our energy use and improve our energy efficiency at our facilities and during deliveries. We will continue to investigate opportunities with respect to renewable propane.



^[19] Specialty Chemicals GHG data was not available at the time of publication of this report.

^[20] According to the Propane Education & Research Council.

Community Investment

Our Approach

We strive to be a socially responsible organization. We believe in giving back to the communities where we live and work and support organizations that are meaningful to our employees. Our approach to community investment is collaborative and transparent. We work with communities to identify and integrate community investment considerations into our decision-making. Our goal is to create shared value for our businesses and the communities where we operate. Our Executive Vice President and Chief Financial Officer oversees our community investments and each of our divisions manages its own community initiatives and investments.

Our **Corporate Social Responsibility Policy** outlines our commitment to act responsibly and provides a framework for how we approach community investment across our four focus areas:



Community development:

Initiatives and organizations that support broader social and economic development in a community



Inclusion and diversity:

Initiatives and organizations that work to enhance diversity or to improve conditions for groups that are underrepresented



Health and wellness:

Initiatives and organizations that fund health research, health infrastructure or enhance access to health services



Youth:

Initiatives and organizations that enhance physical conditions, educational opportunities or the general health and well-being of children

Superior's Pink Truck Program

One of our most noticeable charitable initiatives is our Pink Truck Program in support of breast cancer and the Canadian Cancer Society in Canada, and the Breast Cancer Research Foundation in the U.S. Through this initiative, some Superior propane or heating oil delivery trucks are painted pink. Affectionately known as "Pinky", these unique trucks deliver propane and heating oil to Superior customers and Superior makes a donation. Not only do the pink trucks help raise awareness of breast care, but Superior's annual contribution supports investments in research and care for people facing breast cancer.



Our Performance

This year we were able to continue supporting a number of non-profit, charitable and other organizations across our four focus areas. In 2020, our community investments from our Energy Distribution and Specialty Chemicals businesses totalled \$400,000. Being a responsible, visible and active corporate citizen and helping communities is important to our employees. Our employees also participate in many of our corporate-wide and divisional initiatives. In 2020, although there was limited in-person volunteering due to COVID-19, we were able to give back through the following ways:

- Princess Margaret Weekend to Conquer Cancer: Since 2016, we have participated in this annual walk or run event that supports Princess Margaret Hospital, one of the top five cancer research centres in the world. We organize fundraising initiatives to encourage donations and employees' participation and in 2020, our corporate team finished in 10th place for funds raised.
- Specialty Chemicals was selected by United Way Greater Toronto as a "United Way Local Leader" for its employees going above and beyond, giving back to their communities by donating during an online campaign as well as raising funds through a virtual auction.
- Sponsoring a post secondary student: As part our operations in Chile, every year, Specialty Chemicals helps a student attend a post secondary institute by covering their tuition.
- Engineering Leaders of Tomorrow: Specialty Chemicals sponsors this program which hosts workshops on issues including race and gender equity, and helps students transition into the workplace. It also sponsors fourth-year chemical engineering design teams by giving them real world design problems and supporting their learning throughout the semester.
- Women's Dress for Success Business Clothing Drive: Our employees in Calgary donated ten bags of women's business attire.
- Donations in lieu of a holiday party: With the restrictions of in-person gatherings, we donated \$57,000 to the Canadian Mental Health Association and local food banks instead of holding holiday parties for staff.



The Princess Margaret
Cancer Foundation UHN



	2019	2020
Total investments (\$)	210,000	400,000

Community Investment in 2020 across our four pillars



Looking Ahead

We will continue to work closely with the communities in which we operate to develop mutually beneficial relationships. We will continue to work with organizations that are aligned with our four focus areas. With the business acquisitions in the United States, we want to ensure that we give back to communities and will examine how we manage our community investments.



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