

Bridging to a **low carbon** future



About This Report

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Welcome to Superior Plus's 2021 Sustainability Report. This report represents our continued commitment to providing greater transparency on our sustainability performance. This report was guided by the Sustainability Accounting Standards Board (SASB) Gas Utilities and Distributors Standard and the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Reporting Period and Boundaries

This report focuses on performance and activities from January 1 to December 31, 2021, with the focus on our Energy Distribution business and its segments ("U.S. Propane" and "Canadian Propane"). Canadian Propane includes Superior Gas Liquids ("SGL"), which manages the propane supply and primary distribution functions, risk management, and pricing for both the Canadian retail business (Superior Propane), as well as for wholesale customers located in Canada and the U.S. It includes performance data of the acquisitions that occurred in 2021 (with some exceptions), and excludes performance data related to the Speciality Chemicals business that was sold in April 2021.¹ Performance data from 2020 has been restated to exclude the Specialty Chemical business. Other data exclusions are noted throughout the report.

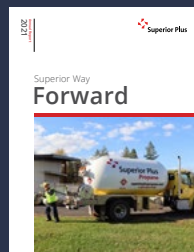
Financial Information

All financial information is reported in Canadian dollars unless otherwise stated.

Forward-Looking and Non-GAAP Information

This Sustainability Report contains forward-looking information and non-generally accepted accounting principles (non-GAAP) financial measures, and should be read together with the cautionary note regarding forward-looking statements and non-GAAP financial measures section of this report.

Related Publications



2021 Annual Report



2021 Annual Information Form



2022 Notice of Meeting and Management Information Circular

¹ In 2021, Superior announced and completed the acquisitions of seven companies operating under the following tradenames: Holden Oil, Miller Propane, Highlands Propane, Freeman Gas and Electric Co., Williams Energy Group, Hopkins Propane, Mountain Energy Gas and Southern Propane. In this report, health, safety and reportable releases related to Freeman Gas, Mountain Energy Gas and Southern Propane were excluded while Superior works to harmonize management systems.



If you would like to provide feedback or have questions, we invite you to contact us at:
investor-relations@superiorplus.com.

Message from the President and CEO



Luc Desjardins
President and Chief Executive Officer

Dear Stakeholders,

Superior has been on a path of transformation, growth and continued focus on our sustainability performance. On April 9, 2021, Superior completed the sale of its Specialty Chemical business, completing our transition into a pure-play energy distribution business. Through our operating segments, U.S. Propane Distribution ("U.S. Propane") and Canadian Propane Distribution ("Canadian Propane"), our focus is to deliver propane and other liquid fuels to residential, commercial and wholesale customers looking for low-cost mobile energy solutions and alternative and cleaner energy.

Expanding our diversity and inclusion programming

Superior is continuing to strengthen an equitable, diverse and inclusive culture. We implemented our diversity and inclusion initiatives across the organization, including providing mandatory training on diversity, bias and improving our ability to identify and handle discrimination incidents. We have also focused on developing leadership programs, mentorship programs and networking initiatives for designated groups such as women and visible minorities. The consideration of diversity is embedded in our human resources recruitment and retention practices to help women and other designated groups grow within our organization. During the 2021 talent review process, 23% of high-potential promotable candidates reviewed were women.

Our health and safety performance

We are focused on our zero-harm safety culture where our employees can operate safely and efficiently. In 2021, we experienced an increase in incidents, primarily in early 2021, and regrettably did not meet our health and safety targets for the year. We had zero fatalities, and our Total Recordable Injury Rate (TRIR) was 4.49, Transportation Incident Rate (TIR) was 6.57 and Days Away, Restricted Duty or Transferred Incident Rate (DART) was 3.76, all modestly higher than the previous year. The ongoing restrictions related to the pandemic have impeded our ability to have face-to-face engagement with our field employees, which has impacted our performance. We are taking targeted actions such as revitalizing the driver safety program, adopting a formal root cause investigation methodology to better understand the nature of our incidents and enhancing our hazard identification and assessment tools to improve our performance. Although there is room for improvement, I am thankful to our managers and employees for their focus on the safety of our employees, customers, and communities and continued efforts to strengthen our safety culture.



Superior is continuing to build a more equitable, diverse and inclusive culture. We increased our diversity and inclusion initiatives across the organization, including providing mandatory training on diversity, biases and identifying and handling discrimination.

Supporting our employees

We continued to support our employees through the pandemic, maintaining their salaries when they were required to quarantine or isolate and offered paid time off for vaccinations, which enabled us to reduce the risk of employee-to-employee transmission. We also surveyed employees and integrated their feedback when we implemented a return to work hybrid work model. In 2021, to address the increasing competitive labour market, we reallocated resources to focus on recruitment, engagement, communications, training, and onboarding to support employee retention. In Canada, we will roll out an enhanced and improved health benefits program that honours individuality to better support our employees.

Managing greenhouse gas emissions

Guided by the Task Force on Climate-related Financial Disclosures (TCFD), this year we are providing information on how we are aligning with the TCFD's recommendations. It is a journey and we are committed to providing more climate-related information and improving our management practices and disclosures. In 2021, we experienced an increase in our absolute Scope 1 emissions to 65,855 tonnes of carbon dioxide (tCO₂), primarily attributed to our U.S. acquisitions. Our Scope 1 emissions intensity was 22.25 tCO₂, an increase of 0.72%. It is also our first year tracking our indirect energy consumed and related Scope 2 emissions at our Toronto, Valley Forge and Rochester corporate offices where some of our employees work. We will evaluate how we can reasonably include more locations in our next report.

Being a part of the climate change solution

Superior is an energy distribution company that primarily delivers propane to our customers. Propane is a versatile, cleaner-burning fuel that emits fewer greenhouse gases (GHGs) than gasoline, heating oil and diesel and plays a vital role in the path to a low carbon future. Our acquisitions of companies are focused on propane distribution and marketing, including renewable propane, provide a platform for growth for our company and an opportunity to provide greater and cleaner energy choices for our customers. We are also expanding our focus on other energy sources such as hydrogen. In May 2022, we entered into an agreement with Charbone Corporation, to distribute green hydrogen to our existing and new commercial and industrial customers. We have also established an Alternative Fuels group which is focused on identifying new opportunities to expand into the alternative and low carbon fuels space.

We are pleased to release our second annual sustainability report to provide further information on our company's goals and performance on sustainability. We have received positive feedback on our company's transparency, and we strive to continue to provide information that is of interest to our stakeholders. We know we have more to do as we continue to grow and integrate sustainability into everything that we do. Thank you for your interest in our company. We look forward to hearing from you.

Luc Desjardins
President and Chief Executive Officer

2021 Performance Highlights

Growth and Diversification



- Completed **7** acquisitions in the Northeast, Southeast, and upper Midwest U.S., as well as Ontario and Québec
- Announced acquisition of Kamps Propane, a California based propane distribution for US\$240 million²
- Worked on a partnership with Charbone Corporation to **expand into green hydrogen distribution**³

Governance and Management



- **8** out of 9 Directors are independent⁴
- **22.2%** females on the Board of Directors with a target of 30% before the 2023 annual general meeting of shareholders⁴
- Introduced an environmental, social and governance (ESG) goal as one of non-financial metrics included in the short-term incentive plan to **link ESG performance to executive compensation**

Health and Safety



- **Zero** fatalities
- Total Recordable Injury Rate (TRIR) of **4.49**
- Transportation Incident Rate (TIR) of **6.57**
- Days Away, Restricted Duty or Transferred Incident Rate (DART) of **3.76**

Diversity and Inclusion



- **28%** females in our workforce
- **29%** visible minorities in executive officer positions

Environment



- Total Scope 1 and 2 GHG emissions of **65,972** tonnes of carbon dioxide (tCO₂)
- Scope 1 GHG emissions was **65,855** tCO₂
- Scope 1 GHG intensity per propane delivered of **22.25** tCO₂ per millions of litres
- Scope 2 GHG emissions of **117.28** tCO₂ of our Toronto, Valley Forge and Rochester offices
- Switched **1,330** customer homes from heating oil to propane

Economic Impact



- Over **\$2.3 billion** in economic value generated, **\$357.9 million** paid in employee wages and benefits, and **\$0.5 million** in community investments

² The Kamps Propane, Inc., Kiva Energy, Inc. High Country Propane, Inc., Pick Up Propane, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services (collectively, "Kamps Propane") acquisition was completed on March 23, 2022.

³ We entered into an agreement with Charbone Corporation on May 5, 2022.

⁴ Following the May 10, 2022 Annual General Meeting, Randy Findlay retired from our Board in accordance with our mandatory retirement policy for directors.

About Superior Plus

Superior Plus Corp. (TSX: SPB) is a leading North American energy distribution company. Superior is incorporated under the *Canada Business Corporations Act* and headquartered in Toronto, Ontario. Across our two business segments, U.S. Propane and Canadian Propane Distribution, we have approximately 4,125 employees. We buy and sell propane, heating oil and other liquid fuels and related products and distribute these products to our residential, commercial and wholesale customers.

On February 18, 2021, we announced that we entered into a definitive agreement to sell 100% of our interest in 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.

What are propane and heating oil?

Propane is an attractive energy source because it is cleaner, versatile and efficient. It is extracted primarily from natural gas during production and processing but may also be extracted from crude oil during the refining process. Propane gas can be compressed at low pressures into liquid form. When the pressure is reduced, the liquid propane becomes a gas that is ignited and burned to create energy for many different uses. Propane is colourless and odourless, so an odorant is added to propane to make it detectable if there is a leak or release. Studies have found that propane can emit up to 26% fewer GHGs than gasoline in vehicles, 38% fewer GHGs than heating oil in furnaces and half the carbon dioxide (CO₂) emissions of a charcoal barbecue.⁵ Propane can be used for a range of applications:

- Home and water heating and powering home appliances
- Business and commercial applications such as heating buildings and powering farm and industrial equipment
- As an alternative fuel to power light-, medium- and heavy-duty vehicles.

Heating oil is a low viscosity, combustible, liquid petroleum product produced at crude oil refineries that is mostly used for space heating. Typically, it has two types of customers: residential and commercial.

Residential – Residential demand is very seasonal and highest in the northeastern U.S., where 21% of households use heating oil for space heating.

Commercial – Commercial customers from agriculture, construction, commercial heating and manufacturing use heating oil for farming, fleets and other enterprises.

⁵ Source: Canadian Propane Association website.

Our Values



- **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.



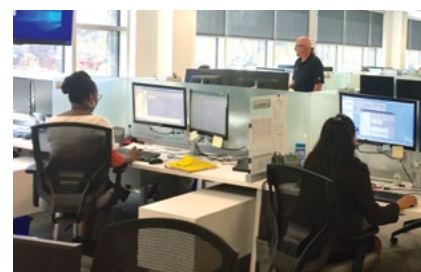
- **Customer Focus:** Our customers are the reason we are here. We continually strive to provide exceptional services and build positive relationships with both internal and external customers.



- **People-centred:** People are our assets. We provide a respectful and fair environment that helps our employees to be their best and realize their full potential.



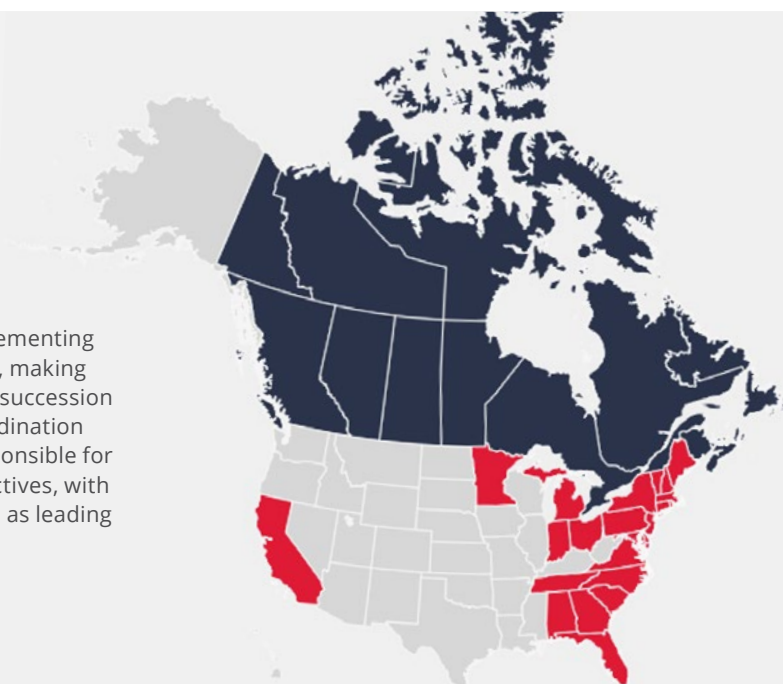
- **Performance:** We operate with passion and discipline in order to be the best performing company in our industry. We value performance that is professional, innovative, and provides exceptional service both internally and externally.



Map of Superior's operations⁶

Head Office

Superior's head office is responsible for implementing our organization's strategy, allocating capital, making acquisitions and divestitures, managing risk, succession planning and supporting alignment and coordination across the operating segments. It is also responsible for leading our sustainability priorities and objectives, with support from the operating segments as well as leading a culture that is aligned with our values.



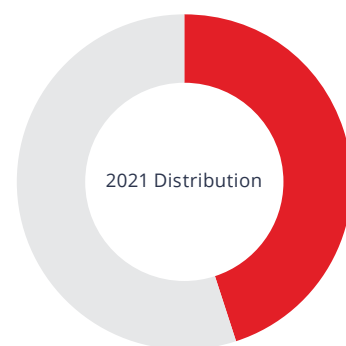
Operations

U.S. Propane

U.S. Propane buys, sells and distributes propane and other liquid fuels such as heating oil in the Northeast, Atlantic, Southeast and Midwest regions, along with California, in the U.S., and has a head office in Valley Forge, Pennsylvania. U.S. Propane is the fourth largest retail propane distributor in the U.S. and uses Superior Plus Propane as well as approximately 50 other trade names. U.S. Propane serves approximately 700,000 retail and wholesale customers, including residential, agricultural and construction companies, municipalities and schools. To support the logistics and transport of our products, U.S. Propane has an industry-leading operating infrastructure that uses third-party propane supply points strategically located across key markets and 313 bulk plants.



2021 EBITDA by segment⁷



55% U.S. Propane Distribution
45% Canadian Propane Distribution

Canadian Propane

Canadian Propane is Canada's largest national propane retailer and represents approximately 38% of the market share of the Canadian retail propane industry.⁸ Canadian Propane buys, sells and distributes propane and other liquid fuels and related products in Canada. This operating segment includes both SGL and Superior Propane, which uses eight other trade names. SGL is 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 U.S. Canadian Propane serves approximately 190,000 retail and wholesale customer delivery locations, including residential, commercial and industrial customers. To support the logistics and transport of our products, Canadian Propane has three customer experience centres that support customer interactions from initial contact through to service and delivery coordination, and a customer care centre that manages billing, credit and collection services.



⁶ <http://www.superiorplus.com/wp-content/uploads/2022/03/SPB-March-2022-Investor-Update-vF.pdf>

⁷ Based on 2021 EBITDA from Operations excluding Speciality Chemicals segment. EBITDA from Operations is a Non-GAAP Financial Measure. Refer to page 44 of this document for more information on Non-GAAP financial measures.

⁸ Based on management estimates and third-party data.

Growing and diversifying our business

We continue to grow our Energy Distribution business, completing seven acquisitions in 2021 in the Northeast, Southeast, and upper Midwest U.S., as well as Ontario and Québec in Canada. Our acquisitions support our ambition of creating value for stakeholders by generating stable cash flows, providing sustainable returns to shareholders, and playing a role in the climate change challenge.



What is hydrogen?

Hydrogen is the most common element in our universe. Under normal or standard conditions, hydrogen is a colourless and odourless gas. When consumed in a fuel cell, hydrogen only produces water and electricity, and can be used for a variety of applications such as to fuel vehicles and heat homes.

Green hydrogen is produced using electrolysis powered by renewable energy and therefore has no associated emissions.

In July 2021, we also announced an agreement to purchase Kamps Propane, Inc., High Country Propane, Inc., Pick Up Propane, Inc., Kiva Energy, Inc., Competitive Capital, Inc. and Propane Construction and Meter Services (collectively, "Kamps"), a California-based propane distribution company for U.S.\$240 million, and the transaction closed on March 23, 2022. This acquisition allows us to leverage Kamps' innovations and experience operating in states with stringent environmental regulations, support our customers with their emission reductions and significantly expand U.S. Propane's service area and scale in California. In May 2022, we signed an agreement with Charbone Corporation, a Montreal environmental energy pioneer to distribute green hydrogen, a new alternative clean energy solution. Green hydrogen, supported by renewable energies, will be produced by Charbone and be distributed by Superior to our commercial and industrial customers, including mining, power generation, transportation and industrial energy users. Our joint goal is to make hydrogen fuel an affordable and convenient energy option for companies looking to reduce their GHG emissions, utilize green sources of energy and achieve sustainability goals across multiple industries. Our initial plan is to market hydrogen in Québec with opportunities to expand further across Canada and to the U.S.

This is just one example of our developing strategy to leverage our customer base, as well as our existing infrastructure and expertise in mobile distribution, to provide alternative energy solutions to our customers looking to reduce their carbon footprint. We are increasingly looking at the role of alternative fuels, examining our strengths to capitalize on these new opportunities, and bolster the resilience of our business. As a result, in 2021, Superior formed an Alternative Fuels group to provide dedicated resources to examine these opportunities. We believe we will retain and gain new customers transitioning from heating oil, diesel and gasoline and wanting cleaner burning and renewable fuels.





Economic Impact

We are committed to being a good corporate citizen, providing sustainable benefits for our employees, communities and local economies. We generate economic value by providing our employees with competitive wages and benefits, contributing to local economies through contracts and purchases of goods and services and taxes paid, providing shareholders with dividends, and supporting community investments where we live and operate. Superior's total economic contribution in 2021 was over \$2.3 billion.

2021 Economic Contribution by Country (C\$ millions)

Millions of Canadian Dollars	Economic Value Generated	Economic Value Distributed						Economic Value Retained
	Revenues	Operating Costs ⁹	Employee Wages and Benefits	Payments to Providers of Capital ¹⁰	Payments to Governments ¹¹	Community Investments	Total	
Canada	859.3	620.6	135.2	235.0	6.4	0.1	997.3	(138.0)
United States	1,533.3	1,014.7	222.7	6.4	6.4	0.4	1,250.6	282.7
Other	–	0.5	–	0.0	2.4	–	2.9	(2.9)
Total	2,392.6	1,635.8	357.9	241.4	15.2	0.5	2,250.8	141.8

⁹ Operating costs include payments made outside the organization for materials, product components, facilities, and services purchased. It excludes restructuring and transactions costs.

¹⁰ Payments to providers of capital include interest payment for bank loans and lease obligations and dividends paid.

¹¹ Payments to government only pertain to corporate taxes.

Our Approach to Sustainability



Just as we grow and diversify our business through new acquisitions and alternative fuels, Superior has been evolving its approach to managing sustainability. Our approach is influenced by the expectations of our stakeholders, such as investors, employees, customers and communities, and our value of continuous improvement.



Corporate Governance

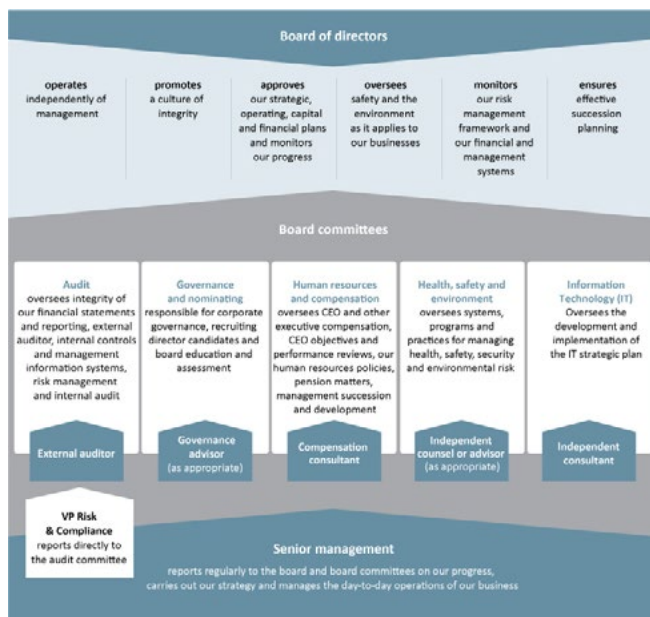
Superior is committed to high standards of corporate governance and has established governance practices that ensure we:

- operate in a safe, reliable and environmentally responsible way
- meet our obligations to all regulatory bodies, business partners, customers, stakeholders, employees and investors
- manage our businesses effectively in the best interest of all stakeholders.

The Board of Directors (the Board) is responsible for overseeing the affairs of the company, with a view of creating sustainable value and profitable growth while managing strategic, financial, operational, human capital, compliance and reputational risks. The Board collaborates with management to oversee strategy, reviews and approves policies, and approves significant actions. The Board also oversees management decisions, reviews the adequacy of our systems and internal controls and monitors the implementation of our policies. There are four standing committees of the Board, and in 2021 an ad-hoc Information Technology (IT) Committee was also created.

Board Committees

The **Governance and Nominating Committee** reviews and assesses Superior's on-going commitment to sustainability, including our general approach, communications with employees, investors, and other stakeholder or rightsholder groups of the company with respect to sustainability, as well as monitoring developments related to sustainability issues. The Governance and Nominating Committee monitors compliance with the Code of Business Conduct and Ethics, as well as other policies. This year, members of the Governance and Nominating Committee met with the Canadian Coalition for Good Governance to continue to stay abreast of leading practices related to corporate governance. The Governance and Nominating Committee also reviews, and recommends to the Board as applicable, the Corporation's approach to reporting on sustainability matters, including emerging disclosure requirements and leading practices. The Governance and Nominating Committee reviews and approves this report before publication.



The **Health, Safety, and Environment (HS&E) Committee** assists the Board in fulfilling its oversight responsibilities in relation to the effective development, monitoring and implementation of systems, programs and practices for managing health, safety, security and environmental risk. This includes Superior's compliance with applicable laws, regulations and its own policies, practices and programs with respect to HS&E. In this role, the HS&E Committee receives and reviews HS&E report(s) at each regularly scheduled meeting, providing an update of current activities and an analysis of performance compared with past performance, annual plans and objectives and approves each division's annual HS&E targets. Together with the Governance and Nominating Committee, the HS&E Committee also reviews and recommends the Corporation's approach to reporting on sustainability matters. The HS&E Committee reviews this report before publication.

The **Human Resources and Compensation Committee** has oversight responsibility related to general human resources strategies, objectives, policies and procedures, talent management and succession as well as compensation policies. The Committee reviews and approves the annual objectives, including specific ESG objectives and compensation for the CEO and the CEO's direct reports. The Committee also reviews the organizational plan, which among other things includes key diversity and inclusion, culture and employee wellness initiatives.

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 assess and mitigate sustainability-related, climate change and other risks. The Audit Committee receives and reviews management's quarterly and annual enterprise risk management (ERM) report as part of this role.

The **IT Committee** oversees the development and implementation of the IT strategic program to achieve Superior's business objectives and growth strategy, maintain a secure technology environment and cyber security program, and improve operational efficiencies across the business. The IT Committee also receives quarterly updates on the execution of key projects tied to Superior's digitization and technology strategies that will increase our operational efficiencies and synergies across the business. Oversight responsibility of risks associated with technology, including risk assessment and risk management, remain with the Audit Committee of the Board.

Additional information on Superior's Board committees, including full mandates, are available on our website (www.superiorplus.com). Key activities completed in 2021 by all Board committees can be found in Superior Plus' **2022 Management Information Circular** under Committee Reports.

Board Diversity

Our **Board Diversity and Inclusion Policy** reflects our belief that a commitment to diversity and inclusion strengthens our decision-making, fosters better results and the outcomes that we can achieve as a business. Following our 2022 Annual General Meeting, we have 22.2% female representation on our Board, but our objective is to achieve at least 30% within 3-5 years of our 2018 commitment.¹² The Board Diversity and Inclusion Policy does provide that, when identifying candidates for appointment we will consider candidates on merit with regard to the benefits of diversity, in order to maintain an optimum mix of skills, knowledge, experience, education, age, ethnicity, geographic locations and representation of persons within the designated groups on the Board. The Governance and Nominating Committee monitors the implementation of this Policy and reports to the Board on progress in achieving the objective.

¹² On February 17, 2022 the Board approved the Governance and Nominating Committee's recommendation to meet the diversity target of 30% of board members that self-identify as female ahead of the 2023 annual general meeting.

Management

Management reports regularly to the Board and Board committees on our progress, carries out our strategy and manages the day-to-day operations of our business. Key roles and structures exist across the business to effectively manage our sustainability risks and opportunities. Superior Plus' Senior Vice President and Chief Legal Officer is the designated member of the Executive team with oversight and accountability for sustainability-related issues, including climate change. The Senior Vice President and Chief Legal Officer works closely with the Divisional Presidents and Senior Vice President at SGL, who have accountability within their divisions, including ensuring appropriate financial, human, and organization resources are in place to plan, implement, audit, review and improve HS&E policies, management systems, practices and performance for their division.

The Divisional HS&E Committee consists of Directors of Health & Safety from each business, as well as Superior Plus' Vice President of Human Resources, HS&E Executive Sponsor and Corporate Secretary. The Committee:

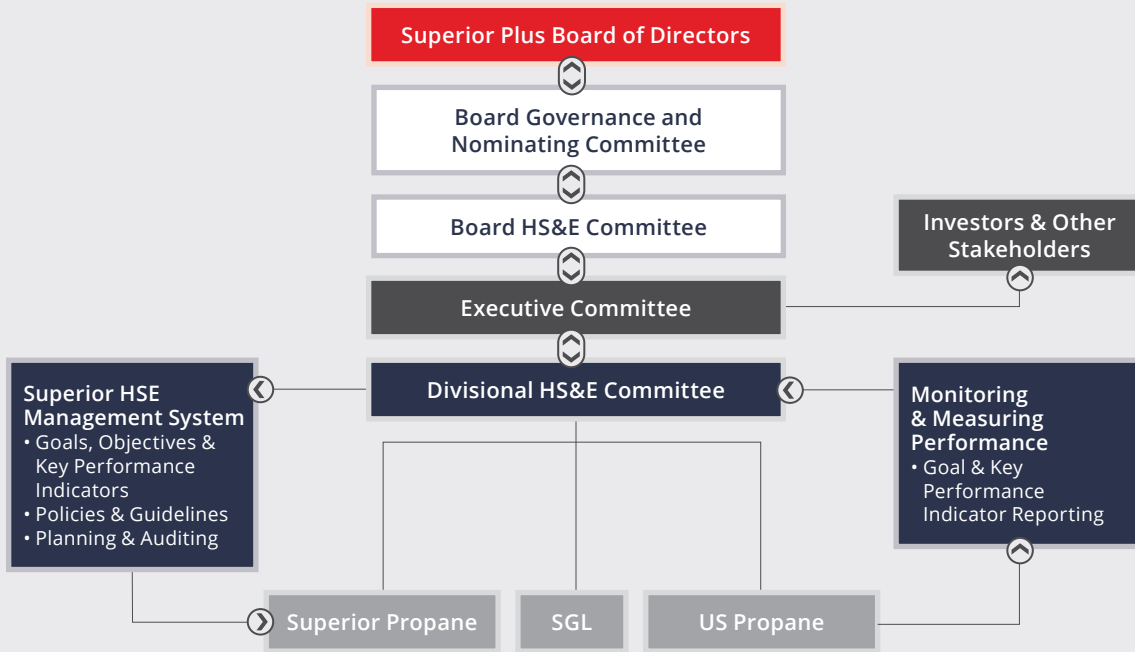
- serves as a formal HS&E network and platform to share information, resources and best practices across all of the businesses of Superior, with the goal of continuous improvement among all divisions
- identifies and monitors HS&E metrics and performance across Superior
- supports the monitoring and reporting needs and requests from the Board and the Board HS&E Committee (e.g. the Divisional HS&E Committee provides quarterly updates on activities to the Board HS&E Committee)
- identifies material HS&E risks and develops appropriate strategies and action plans to mitigate such risks
- develops and maintains, as well as fosters continuous improvement of the HS&E Management System for Superior.

In 2021, the Canadian HS&E team went through a structural redesign to ensure that the team could properly guide and support the organization as we develop and deliver on our zero-harm journey. As a result of the redesign, we hired new talent and promoted internal talent to the HS&E team in order to support our future plans and to enhance the overall effectiveness of the team. We have a strong team in place with good gender diversity, where two-thirds of the team are women.

Superior is creating a dedicated sustainability resource position at the corporate level to lead and develop a strategy to provide carbon-friendly and renewable portable energy for our customers. Additionally, in 2021, we established an Alternative Fuels group to advance the future of alternative and low carbon fuels and energy solutions. We also created a Director of Energy Transition and Partnerships position at Superior Propane to identify and develop opportunities in the low carbon energy segment.



Sustainability Governance and Management



Performance Links to Compensation

In 2021, the Human Resources and Compensation Committee retained Mercer to complete a competitive market analysis of Superior's executive compensation program. As a result of Mercer's review, changes were approved to the design and structure of the short-term incentive plan (STIP) to introduce non-financial measures such as ESG and strategic goals, to recognize the growing prevalence and importance of ESG for Superior, applicable on a company-wide basis.

The ESG objective for 2022 continues to be the achievement of targeted improvement in the HS&E metrics that have been established and measured in past years and includes two safety targets, as recommended by the HS&E Committee. As our sustainability strategy matures, objectives will be reviewed and approved to ensure that compensation is directly tied to supporting the overall strategy of the organization and other ESG objectives will be added over time as Superior's sustainability initiatives are implemented. Starting in 2022, safety targets apply to all corporate employees and all executives at the divisional level, are recommended by the HS&E Committee and approved by the Human Resources and Compensation Committee annually. Executives are also compensated for performance against their individual objectives, which are specifically designed for each executive and aligned with corporate strategy and objectives and their specific role. More information on our compensation approach can be found in our [2022 Management Information Circular](#) on our website.



The following breakdown includes the measures linked to achieving performance in STIP effective in 2022:

- 60% Financial¹³
- 10% ESG
- 10% Strategic
- 20% Individual

¹³ Adjusted EBITDA applicable to corporate offices and EBITDA from Operations for the divisions, or a combination of both for specific roles. Please refer to the [2022 Management Information Circular](#) for additional details.

Sustainability-Related Policies

See Superior Plus' website for additional information on the range of policies in place:

- Anti-Corruption Policy
- Code of Business Conduct and Ethics
- Communication and Disclosure Policy and Practices
- Health, Safety and Environment Policy
- Health, Safety and Environment Performance Monitoring Reporting Policy
- Health, Safety and Environment Roles and Responsibilities Policy
- Insider Trading Policy
- Competition Compliance Policy
- Privacy Policy
- Whistleblower Policy
- Board Diversity Policy
- Crisis Preparedness and Communication Policy
- Human Rights Policy
- Corporate Social Responsibility Policy
- Majority Voting Policy
- Indigenous Relations Policy

Policies

Superior Plus, and its divisions have sustainability-related policies in place to ensure that employees and stakeholders understand what the company stands for and the requirements that guide our behaviours and practices. Superior's **Code of Business Conduct and Ethics** (Code) outlines our principles and values and guides the behaviour of all directors, officers, employees and independent contractors to avoid conflicts of interest; deal fairly with our investors, 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. There is an annual attestation process to the Code and non-compliance with the Code or other corporate policies are reported in accordance with our **Whistleblower Policy** for which the Audit Committee has oversight responsibility.

Superior's **HS&E Policy** promotes a culture focused on health, safety and the environment that supports our vision to be an injury and accident free workplace and one that complies with leading best practices, including compliance with industry standards and applicable laws. Our objective is to minimize the impact of our operations on the environment and to provide safe and healthy working conditions for our employees, customers, contractors and the communities in which we operate. The policy covers aspects such as promoting a safety culture, identifying risks, providing training and education, supporting continuous improvement, as well as establishing effective systems, including regular review and reporting. The Board's HS&E Committee monitors compliance with the HS&E Policy through regular reporting.

As outlined in our **Human Rights Policy**, Superior Plus respects internationally recognized principles on human rights, as set out in the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, including commitments to equal opportunity, protection from discrimination or harassment, the freedom of association and the prohibition of forced or child labour, to name a few. Superior Plus also recognizes the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). See the Contributing to Society section of this report for more information on our **Indigenous Relations Policy**, as well as our **Corporate Social Responsibility (CSR) Policy**. Other sustainability-related policies can be accessed using the sidebar, or by visiting our website (www.superiorplus.com).

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. In 2021, five corporate policies were updated and we adopted an **Information Technology Policy**.



Management Systems

Superior has a number of management systems in place, such as the HS&E management system, the Process Safety Management (PSM) system and Pipeline Integrity Management system (PIMs) to effectively manage sustainability-related risks and opportunities, including climate. Following the sale of the Speciality Chemicals business, the Divisional HS&E Committee reviewed and refined the HS&E management system in 2021 to adapt the system to meet the needs of our Energy Distribution business. More information on these systems can be found in the Operating Safely section of this report. These systems undergo regular audits to ensure they remain effective. For example, our corporate PSM audits are conducted every five years.

Risk Management

Beyond the Board, risk is a core function at all levels of management. Our Enterprise Risk Management (ERM) Program, aligned with ISO 31000, provides a consistent approach to identifying and managing risks to help us achieve our objectives, allowing for more effective decision-making and allocation of resources. The ERM Program involves the Management team and subject matter experts from U.S. Propane and Canadian Propane, led by the Corporate Risk and Compliance team. Risks are initially identified through divisional plans and then assessed and ranked through individual surveys. Our process is collaborative and allows for input at various levels across our organization to effectively rank the issues. Results are analyzed and risks which have been identified as “critical” are presented to the Management team for discussion and validation. The Audit Committee receives quarterly updates on our risk report and mitigation measures, including that of our critical risks. The other Board Committees also receive reports pertaining to the risks within their mandate at each regularly scheduled Board meeting.

Information Technology and Cyber Security

Superior utilizes a number of information technology (IT) systems for the management of its business and the operation of its facilities. Superior has continued to mature its approach to technology planning and continually assesses and monitors its cyber security risk. In an effort to mitigate such risks, Superior has employed a fully managed third-party cyber security service that deploys industry leading technology, conducted comprehensive mandatory employee training and utilizes monitoring software to protect its systems.

Although the technology systems Superior utilizes are intended to be secure, on December 12, 2021, Superior experienced a security breach and was alerted to a ransomware cyber-attack on its IT systems. Superior temporarily disabled certain IT systems while it investigated the incident and in order to safely bring such systems back online. Superior immediately engaged third-party experts to evaluate the event, implement security counter-measures, and assist with restoration of Superior’s IT environment. Superior was able to quickly restore operations after the cyber-attack, to continue making deliveries to customers with no material impact to operations, including customer deliveries, service, or billings, and notified affected individuals.

How Board Committees Help Manage Risk

The Board Committees help identify, assess and monitor principal risks in five categories:

Strategic: Risks that may impact Superior’s strategic goals, long-term value and growth



Financial: Risk factors impacting financial, derivatives, market, credit, liquidity and IT/cybersecurity



Operational: Risks related to internal processes, people and systems



Compliance: Risks arising from failure to comply with applicable laws, regulations, standards, and internal policies



Reputational: Risks that may impact Superior’s relationships, brand and reputation



Stakeholder Engagement

We engage with many stakeholders and rightsholders, including customers, communities, Indigenous peoples, government and regulators, investors and employees. We believe in building genuine relationships and strive to communicate honestly, listen, be available and responsible, and receive feedback to learn and improve how we operate.

Stakeholders, including investors, credit rating agencies, banks and insurance companies are increasingly looking for information on ESG issues. This Sustainability Report, along with Superior's other public reports, aim to provide information that our stakeholders care about and hold us accountable to our actions and performance.

The table below provides examples of how we engage, key topics of interest and how we add value to our stakeholders and rightsholders. For more information on our approach to community and Indigenous relations please see the Contributing to Society section of this report.

Stakeholder	How we engage	Key topics of interest	How we add value
Customers	<ul style="list-style-type: none"> Customer contact centres Customer web portal and mobile app Net promoter score survey Customer satisfaction survey Sales relationships superiorpropane.com, superiorpluspropane.com and superiorgasliquids.com 	<ul style="list-style-type: none"> Products and services Customer satisfaction 	<ul style="list-style-type: none"> Offer alternative and cleaner fuel options that are competitively priced Positive customer experience Reliable product delivery
Communities	<ul style="list-style-type: none"> Community events and investment initiatives Local business associations superiorpropane.com, superiorpluspropane.com, and superiorgasliquids.com 	<ul style="list-style-type: none"> Local employment Public safety Environmental performance Community investment 	<ul style="list-style-type: none"> Training and employment opportunities Employee volunteering, community development and investments
Indigenous Peoples	<ul style="list-style-type: none"> Direct engagements Community events Advanced Business Match (ABM) forums Canadian Council for Aboriginal Business (CCAB) events Indspire bursary program 	<ul style="list-style-type: none"> Energy transition Environmental protection Employment Business development Youth development 	<ul style="list-style-type: none"> Training, employment and business development opportunities Annual bursaries
Government and regulators	<ul style="list-style-type: none"> Direct engagements Industry associations Multi-stakeholder initiatives 	<ul style="list-style-type: none"> Product and services Regulatory compliance 	<ul style="list-style-type: none"> Taxes paid to governments support social services and other programs
Shareholders and investors	<ul style="list-style-type: none"> Annual shareholder meeting Investor Day Quarterly earning calls Analyst meetings and conference calls Biannual perception study Responding to and engaging on ESG surveys 	<ul style="list-style-type: none"> Business results Growth plans Corporate governance Sustainability goals, policies, and performance including on climate change 	<ul style="list-style-type: none"> Financial returns Integration of sustainability into business processes to improve performance
Employees	<ul style="list-style-type: none"> Direct meetings Company communications including townhalls Engagement survey Training 	<ul style="list-style-type: none"> Support during COVID-19 Career growth and development Wellness, safety and commitment Competitive salaries and benefits Employee engagement and development 	<ul style="list-style-type: none"> Inclusive and safe workplace Career growth and learning opportunities Competitive salaries and benefits

Customer Initiatives

We are in the business of providing reliable and efficient liquid fuels such as propane and heating oil to our customers. We strive to provide industry-leading customer service that makes us the provider of choice and creates customer loyalty.

Across U.S. and Canada, Superior established a Customer Digital Enablement Strategy to increase the digital adoption of our customer-related systems to make it easier for customers to do business with us. We have made updates to our digital customer-related systems so that customers can receive delivery updates, request deliveries, see tank levels, view balance and pay bills. In Canada, we released new digital functionality called Promise Date Applications. Customers can place orders and confirm delivery dates easily through the interactive voice response call centers or mySUPERIOR™ portal and application. These options provide customers more flexibility and control over managing their accounts and usage and reduces the likelihood of customers running out of propane. Next year, Superior will continue to drive digital technologies for customers, including tank sensors, route optimization, auto-delivery, auto-billing and increase usage of the mySUPERIOR™ portal and App to increase the overall experience and the “ease of doing business” with Superior. These customer initiatives and digital technologies will also drive operational efficiencies and will have the added benefit of reducing our fleet mileage and thereby lowering our GHG emissions. We will continue to enhance these digital applications with more real-time communications. We will also communicate and provide tips to our customers to better explain the benefits of these changes.

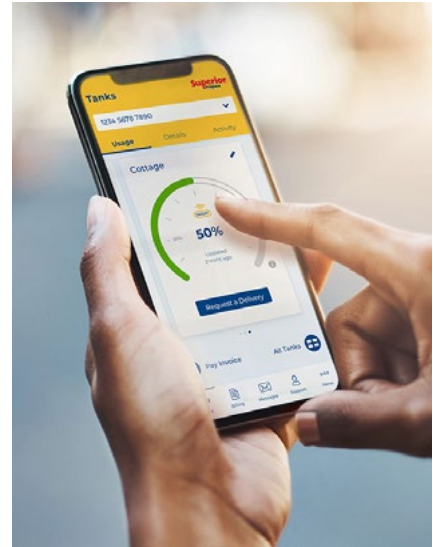
To support our growth and ensure we meet our customers’ expectations, in 2021, in the U.S., we created two new specialized customer service teams. These senior teams are empowered to do what it takes to support residential customer retention and loyalty. In 2021, these teams supported one region within the U.S., and in 2022 we look forward to expanding our support to other regions. We also have customer service representatives who proactively build customer relationships and identify potential issues before they arise for our commercial customers. Typically, our commercial team speaks with over 2,000 customers every month, and we anticipate scaling this up further next year.

Working with Indigenous Communities

Superior Propane works with more than one third of First Nations, Inuit and Métis communities across Canada, helping to reduce dependency on diesel fuel by being the trusted propane supplier for heating and power solutions that fit economic and environmental needs. In 2021, in Canada, we delivered approximately 17 million litres of propane to Indigenous communities and peoples. In addition to the commercial relationship with Indigenous communities, 3% of our Canadian workforce self-identifies as Indigenous.

Customer Satisfaction

Customer Net Promoter Score (NPS) and customer feedback are surveyed daily – when any of our customers raise concerns, it is assigned to an employee for follow-up and closure. In 2021, there was a decline in both Superior Propane’s and U.S. Propane’s Net Promoter Scores to 55 and 56, respectively. Wholesale propane costs were higher in 2021 as compared to 2020 driven by the significant increase in crude oil prices (West Texas Intermediate or WTI), which resulted in prices being approximately 30% higher in the U.S. and approximately 74% higher in Canada.¹⁴ This had an overall impact on customer satisfaction with Superior and propane as a heating fuel. In Canada, a new survey provider and methodology was introduced in 2021 which may have also influenced the decline in the score. Additionally, in the U.S., with the new acquisitions, there may be an adjustment period for customers as they learn more about us and our systems. Looking forward, we will continue to review our customers’ journey and experiences – from onboarding to delivery to payment – to evaluate opportunities for improvement.



We have made updates to our digital customer-related systems so that customers can receive delivery updates, request deliveries, see tank levels, view balance and pay bills.

¹⁴ Source: U.S. Energy Information Administration

How Superior Works to Support Customers with Financial Challenges

We support our customers facing financial challenges through a number of mechanisms:

- **Contract options:** We offer customers contract options to help manage their finances. Fixed price contracts take the variability out of propane prices and help customers lock in a set price. Superior's fixed price program is somewhat unique in the industry in that residential customers can lock in a price for an unlimited volume as opposed to pre-selecting their volume. In cold winters, a customer may need more propane than they contracted and our competitors sell that at market price. Our fixed price customers are guaranteed all the propane they need at the locked-in price.
- **Equal payment plans:** These plans allow customers to evenly spread their costs throughout the year each month. It supports residential customers with predictable monthly billing and helps with budgeting so customers will not be faced with a large bill in a particular month.
- **Assistance programs:** U.S. Propane offers discount programs for senior citizens and military members, and works with customers enrolled in Low Income Home Energy Assistance Programs. U.S. Propane has a dedicated administrator who ensures applications' successful implementation and supports over 12,000 customers in assistance programs.

Net Promoter Scores

Net Promoter Scores help us understand how our customers perceive us and reflect the percentage of customers who would recommend our company to friends and family. Data is gathered in a survey that uses a 0–10 point scale. "Detractors" are defined as those who provide a rating of 0–6, "Passives" are defined as those who provide a rating of 7 or 8, and "Promoters" are defined as those who provide a rating of 9 or 10. The NPS score is calculated by subtracting the percentage of "Detractors" from the percentage of "Promoters." NPS can be as low as -100 and can be as high as 100.

Not at all likely			Neutral				Extremely likely			
0	1	2	3	4	5	6	7	8	9	10
Detractors						Passives		Promoters		

Indicator (%)	2019	2020	2021
Net Promoter Score			
Superior Propane	56	64	55
U.S. Propane	55	61	56

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

Investors

In May 2021, we hosted a virtual Investor Day where we shared our *Superior Way Forward* strategic plan, which is our pathway to accelerate growth, improve operational efficiency and maximize shareholder returns. It has six areas of focus:

- **Growing through acquisitions** – making acquisitions in a highly fragmented U.S. propane market and capitalizing on a robust pipeline of small and medium-scale acquisition opportunities and pursuing tuck-in acquisition opportunities in Canada
- **Continuous improvement** – optimizing operational efficiency and investing in innovation and technology to drive improvements
- **Organic growth** – employing effective sales and marketing programs to drive growth
- **Talent management** – continue to attract and retain diverse top talent
- **Commitment to ESG** – continued focus on strong corporate governance and the environment; commitment to safety and employee wellness
- **Strong balance sheet** – long-term leverage ratio target of 3.0x to 3.5x and access to low-cost capital.¹⁵

¹⁵ On February 17, 2022, we updated our targeted leverage ratio to 3.5x to 4.0x as we execute on our accelerated acquisition program.

Industry Memberships

Superior participates in several industry associations to learn and share best practices with other companies in our industry.



The **Canadian Propane Association** is the national association for Canada's propane industry, representing over 400 member companies in every region of the country. Superior Propane is a member, and one of our Vice Presidents is also a Director on the Board. This industry association works with governments and regulators to ensure health and safety, while promoting Canadian propane businesses and provides a forum for us to stay up to date on regulatory and safety requirements.



The **National Propane Gas Association (NPGA)** is the national trade association representing the U.S. propane industry. This industry association works to advance safety and to increase the use of propane through sound public policy.



The **Propane Education & Research Council** is a U.S. non-profit that provides leading propane safety and training programs and invests in research and development of new propane-powered technologies.



We recently joined the **Industry Council of the World LPG Association**, a global association that promotes the use of liquefied petroleum gas (LPG) to foster a safer, cleaner, healthier, and more prosperous world. The association brings together over 300 private and public companies operating in more than 125 countries, develops long-term partnerships with international organizations such as the United Nations and World Health Organization, and implements projects on local and global scales.



We recently joined the **Canadian Hydrogen and Fuel Cell Association (CHFCA)**, a national, non-profit sector association comprising industry, academia, research agencies and other stakeholders focused on advancing the use of clean hydrogen and fuel cell technologies and products.



Emergency Response Assistance Canada is a not-for-profit emergency preparedness and response organization that develops, implements and responds to more than 400 emergency response plans for its members.



The **National Fire Protection Association** is a global self-funded non-profit organization, devoted to eliminating death, injury, property and economic loss due to fire, electrical and related hazards. The association provides information and knowledge through more than 300 consensus codes and standards, research, training, education, outreach and advocacy.

Sustainability Priorities

To identify our key sustainability issues, with the help of a sustainability management consultancy, we conducted an internal and external scan and validated it with several key members across Superior that support our sustainability performance and reporting initiatives.

Through this process we have identified seven key sustainability priorities, which form the focus of this report.



Governance



Employees



Health and safety



Asset integrity and process safety



Energy and greenhouse gases



Communities



Indigenous relations

External Inputs	Internal Inputs
<ul style="list-style-type: none">• Review of what peers consider a priority and report in their sustainability report• Review of voluntary reporting frameworks and standards including the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD)• Feedback from our stakeholders including investors, financial analysts and rating agencies• Analysis of ESG megatrends	<ul style="list-style-type: none">• Align with <i>Superior Way Forward</i> strategic objectives• Review of corporate risk register• Discussions with several members of the management team and other team members across Energy Distribution• Feedback from Board members

Superior is providing additional information about other environmental issues such as water and waste that are not material to our business operations. This report is also guided by SASB's Gas Utilities and Distributors Standard and the TCFD's recommendations. For further information on how we are aligning with the standard and recommendations, please see the SASB and TCFD index tables in the appendix of this report.

Supporting Our People



Our success at Superior depends on our people's talents, dedication and innovation. We have 4,125 employees in the U.S. and Canada, and each of our employees play a crucial role in the delivery of our products and services and drive our organizational culture through their values, ideas and passion.



Employees

To attract and retain a high-performing team, we strive to create an engaging and safe environment where our employees can thrive and do their best work. We do this by building a culture of engaged leadership, respect, promoting diversity and inclusion, and empowering our employees.

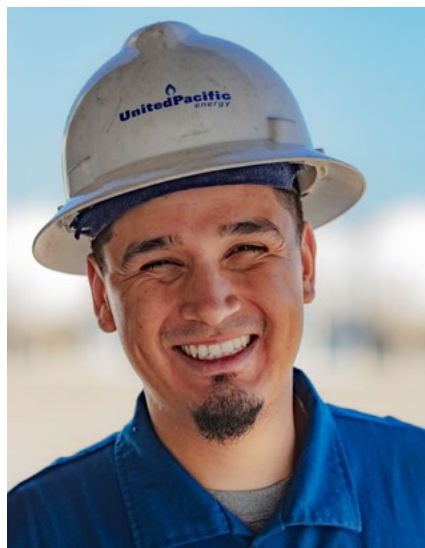
Our human resources management approach is guided by several policies, processes, and systems, including our Human Rights Policy. Our **Human Rights Policy** articulates our commitment to the principles of respect for human rights, diversity and inclusion, freedom of association, collective bargaining, and a safe, harassment-free, and healthy environment.

The Vice President of Human Resources at Superior Plus is responsible for the overall "people" strategy and helps set priorities in collaboration with the Management team from the businesses. Both the Human Resources and Compensation Committee and Governance and Nominating Committee of the Board provide oversight on employee-related matters.

Through the business cycle, we review and renegotiate collective bargaining agreements. Approximately 1.8% of our U.S. Propane employees are currently unionized under two agreements that expire in September 2022 and March 2023 respectively, and a third that expired in March 2021 but continues year-to-year unless there is written notice of termination served with 60 days of prior notice. Approximately 18% of our Canadian Propane employees are currently unionized under three certifications which expire between December 17, 2023 and December 31, 2024.

Workforce Management System

The full launch of the new workforce management system, Ceridian Dayforce, was completed in 2021 and has allowed us to better track employee metrics. Through it, we implemented a new onboarding module enhancing the employee experience at hire and allowing for improved access to information regarding the company and employment. In addition, in the U.S. we implemented an Applicant Tracking module that streamlined recruitment efforts and allowed for valuable reporting on key metrics, including diversity. Through the Ceridian Dayforce system, reporting and monitoring of designated groups is done on a voluntary self-identification basis.



Employment During the Pandemic, New Employees and Turnover

To manage the impact of COVID-19, we continued to ensure that our operating and business practices complied with the recommendations of local health authorities. We maintained employee salaries for those that were absent due to quarantine and/or isolation rules and were given paid time off to get vaccinated. We also conducted an employee survey to seek feedback on the efficiency and appropriateness of Superior's response to COVID-19 and their comfort regarding the return to an office environment. Operating segments also continued communications and engagement with staff including general team meetings, a social club that hosts virtual events, monthly "virtual coffees" with the Management team, as well as celebrations of heritage and diversity days.

In the U.S., our Human Resources team has been heavily focused on supporting the integration and onboarding of employees. This year, we onboarded 292 employees from acquisitions. As part of the integration process, senior leaders from U.S. Propane made multiple visits to meet with team members, provide information about Superior and answer questions.

Across the operating segments, in 2021, Superior's voluntary turnover rate for full-time employees was 10.0%. Turnover was lower than the previous year; however, employee retention was still a challenge due to labour shortages and high competition for key labour in specific skills categories in the U.S and Canada. Although, we have benchmarked our salaries and we are competitive to market, some employees opted to leave for other opportunities elsewhere. Superior reallocated its resources on recruitment, engagement, communications, training and onboarding to support employee retention. For example, in the U.S., we reached out to employees through retention surveys, engagement surveys, an annual Employees Appreciation Day, and relaunched our employee recognition platform where employees and managers could recognize peers with e-cards and points to use towards gifts.

Indicator (%)	2020	2021
Full-time employee voluntary turnover rate	13.6	10.0

In Canada, we also conducted a review of our health benefits program and will be rolling out an enhanced benefits program that honours individuality and celebrates diversity. For example, this enhanced benefits program will provide additional mental health support and introduce coverage for fertility treatments and for people undergoing gender-affirming surgery.

Diversity and Inclusion

In keeping with the values of our company, Superior Plus is committed to the diversity and inclusion of our workforce guided by our corporate Diversity Policy. We believe that greater diversity and inclusion amongst our employees and leadership not only enhances our decision-making, but results in better outcomes for the business and our customers. It also strengthens the value we bring to the communities where we live, work and operate. In 2021, we increased our programming related to diversity and inclusion to include:

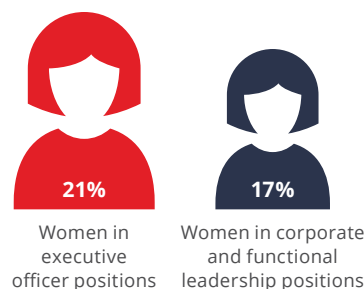
- **Awareness and understanding:** We offered our employees training modules on how to recognize diversity, identify biases and handle discrimination. SGL provided additional webinars to staff on a variety of topics including unconscious bias, reverse racism and linguistic diversity. SGL continued our partnership with the Canadian Center of Diversity and Inclusion to support us with diversity and inclusion training.

- **Networking and professional development:** We organized internal networking events, such as our corporate-sponsored Superior Plus women's network event and have programs to support designated groups such as women, visible minorities and Indigenous peoples.
- **Community outreach:** In the U.S., we used the Women in Propane platforms to highlight women in professional and operative positions and increase representation at external networking events featuring women in professional and leadership positions. We also participated in veteran recruitment through events and job fairs.
- **Resource groups:** In the U.S., we established a Diversity Committee although there was less activity than anticipated in 2021 due to U.S. Propane's focus on onboarding new employees.

This year, we continued a voluntary employee self-identification survey. Of those that responded, 7.2% identified as visible minorities, 1.4% as Indigenous, and 0.7% as persons with disabilities. The percentage of military veterans decreased to 4.2%, although we believe this is due to data quality issues, so we have work to do next year to ensure that the data is reliable. Generally, participation rates in these voluntary surveys are low in the U.S. and Canada.

Indicator (%)	2019	2020	2021
Designated groups (self-identification)			
Visible minorities	Not tracked	6.9	7.2
Military/veterans	Not tracked	10.9	4.2
Indigenous peoples	Not tracked	1.4	1.4
Persons with disabilities	Not tracked	0.2	0.7

We aim to promote gender diversity and in 2021, women represent 27.7% of our workforce, which remained steady compared to last year. One of our achievements this year is identifying and supporting the development of women to grow within our organization. We actively consider gender diversity when reviewing high potential promotable candidates. During the 2021 talent review process, 23% of candidates reviewed were women. Women make up 21% of executive officer positions and 17% of corporate and functional leadership positions within our company. Effective 2019, we also started to track other designated groups such as visible minorities in executive officer positions.



Indicator (%)	2019	2020	2021
Females in the workforce	25 ¹⁶	27.3	27.7
Women in executive officer positions ¹⁷	25	30	21
Women in corporate and functional leadership positions ¹⁸	18	16	17
Visible minorities in executive officer positions	16.7	18.2	28.6

¹⁶ 2019 data includes Speciality Chemicals.

¹⁷ In 2021, as a result of a reorganization, certain roles were transferred from the operations to the corporate office which resulted in the decline from 2020.

¹⁸ We changed the definition for this category in 2020, so numbers are not comparable with 2021 performance.

Building networks and having mentors are essential elements in one's career development. We organized an annual internal Women Management Network that supports networking and training for 35 key managers and high potential women executives. Speakers and participants shared stories and advice on mental health and the impact of COVID-19 on professional and personal life. SGL also rolled out a mentorship program to three women team leaders in SGL to support their development in their first leadership role. As mentioned previously, in the U.S., we used the Women in Propane platforms to highlight women in professional and operative positions and increase their representation.

In 2022, we will continue to integrate our Diversity Policy in all people-oriented processes and further leverage data management capabilities to support our workforce through strategic initiatives. Next year, Superior will be issuing our diversity and inclusion index survey in Canada as part of the engagement survey. The purpose of this survey is to gauge our employees' feelings of inclusiveness. We will examine ways to increase voluntary self-identification, particularly in Canada, so that we can develop better diversity and inclusion programs.

Training and Professional Development

We consider ourselves a people-centred business and seek to support and encourage our employees. In 2021, we advanced development plans and identified gaps in these talent plans, which will inform our future efforts. Additionally, U.S. Propane has a Leadership Development program utilizing a "Book Club" model to build the skills of our leadership and aims to expand this to include new managers.

We also encourage our employees to participate in training opportunities. In 2021, SGL employees spent 1,302 hours on training, which is approximately 2.1 days of training per employee, an increase from 1.4 days as compared to last year. Currently, not all divisions track training hours; however, with the implementation of our learning management system, next year we aim to improve our tracking and reporting of this metric.

Indigenous Employment

At Superior, we recognize the unique and defining features of Indigenous cultures, history, and associated titles and rights. Building and maintaining authentic and trusting relations is essential to our business, which we work to advance through direct engagements as well as participation in community events. For more information on our initiatives related to Indigenous peoples, please see the Community and Indigenous Relations section of this report.



Operating Safely



Safety is one of our top priorities and is a core value at Superior. We have developed policies that establish our expectations and ensure that our employees are operating in a safe manner.



Health and Safety

The **Health, Safety and Environment (HS&E) Policy** articulates our requirements to protect the health and safety of our employees, customers, contractors and communities, the **HS&E Roles and Responsibilities Policy** outlines the expectations we have of Superior's Board and Management team, the **HS&E Performance Monitoring Policy** outlines the minimum standards for health, safety and environmental performance monitoring and reporting of our organization, and the **Crisis Preparedness and Communication Policy** sets out the minimum standard for crisis preparedness and communication protocols during a crisis event. These policies provide a governance framework for health and safety.

Our HS&E Committee of the Board provides oversight of the effective development, monitoring and implementation of systems, programs and initiatives to manage health and safety risks. The Divisional HS&E Committee provides leadership across the operating segments, meets quarterly to review performance, discuss health and safety initiatives, share best practices and reports quarterly to the Board HS&E Committee. Our divisional HS&E leadership is accountable for establishing systems to support our health and safety goals while managers and supervisors are expected to communicate and implement health and safety policies, procedures, plans and ensure that employees have the right training to do their job safely. Each of our operating divisions have a Health & Safety (H&S) department that helps drive Superior's 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. All employees have the right to stop unsafe work and are encouraged to intervene when they see unsafe acts.

Enabling a Strong Safety Culture

As our business grows, we want to continue to build a safety culture and performance that we are proud of. We aim to build a safety culture where safety is the responsibility of every individual at our organization, and one that our people own. In addition, we aim to have a unifying safety culture, which can be difficult as the organizations we acquire may have different cultures and ways of doing business. As part of our commitment to continuous improvement, in 2021, our Divisional HS&E Committee has been focused on improving our organizational safety culture moving from compliance to commitment. As part of the shift to a behavioural based safety culture, the divisions have embraced the DuPont Bradley Curve, a globally recognized model for improving safety culture. Our goal is to establish a culture where individuals take care of themselves and are committed to helping others such as co-workers, customers and communities.

In 2021, the Divisional HS&E Committee reviewed and updated the Health and Safety Management system and governance documents to make sure the system is fit for our Energy Distribution business following the sale of Speciality Chemicals. We also restructured the HS&E department in Canada and upgraded talent to create better alignment with our operational functions to support the shift to a behaviour-based safety culture. This year, in Canada we developed a risk register to prioritize the highest risk activities and ensure we have the right mitigating controls in place to address such risks. Once fully developed, we will establish a similar risk register to prioritize and mitigate the highest risk activities in the U.S. To support employee learning, we implemented a learning management system that covers topics such as hazard identification, handling of products and equipment, and driver safety. U.S. Propane and Canadian Propane continue to have weekly and monthly safety meetings to share learnings and best practices. U.S. Propane also held its first safety leadership summit focused on the core Superior Way tenets and operational safety.

We are committed to continuous improvement and open to feedback. In 2022, we will implement our updated HS&E management framework that the divisions will be required to follow. This framework will cover leadership, culture, management systems, process safety, road safety and field safety.

Driver Training and Safety

Driver safety is a critical component in our health and safety framework. We ensure our employees have the appropriate training and work with trusted, third-party organizations to provide support. In 2021, we introduced initiatives to improve driver safety across our divisions. Through the use of our integrated fleet management systems, we have deployed a virtual observation program to allow managers to provide coaching on safe driving behaviours. In the U.S., the fleet management system is integrated with in-cab cameras to provide more robust data for driver coaching. U.S. Propane has partnered with JJ Keller, a leader in driver safety training programs, to implement a tailored driver training program and provide professional certifications to U.S. Propane's driver trainers. This partnership will allow U.S. Propane to have certified driver trainers across its operating footprint as well as allow U.S. Propane to implement this program more seamlessly when it acquires new businesses. Both U.S. Propane and Superior Propane have established Driver Committees so that we can continue to work with our drivers and develop programs that support the safety of our employees, our customers and the communities we serve.

Contractor Safety

In addition to adhering to local and national industry standards, Superior vets all contractors, partners, third party carriers and drivers to ensure they meet or exceed our company's health and safety expectations prior to performing any work. This includes completing site specific orientation training. Superior Propane piloted the Contractor Compliance Online Management system within the partner channel group where the project was met with great success. As a result, the Online Management system is set to be rolled out in a phased approach to all operations from 2022 to 2023.

Managing the Impact of COVID-19

Superior has been monitoring and adapting protocols based on changing provincial and state health guidelines. We enacted work-from-home plans for office staff and modified operating procedures, including increased cleaning and disinfection, physical distancing measures and additional personal protective equipment for front line employees. We also maintained employee wages during isolation periods to support employees and offered paid time off for vaccinations to reduce the spread of the virus.

Our 2021 Safety Performance

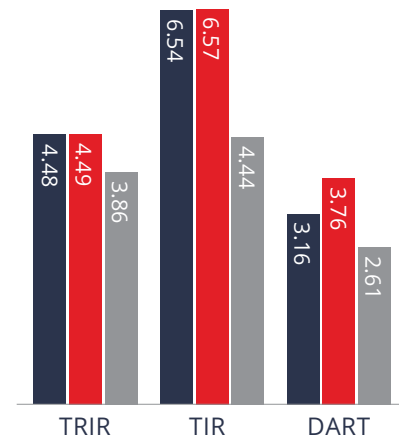
We had zero fatalities but missed our targets for TRIR, TIR and DART as compared to last year. Our organization experienced an increase in incidents in the beginning of 2021. Many of the incidents involved soft tissue injuries related to the handling of products and physical activity associated with pulling on propane hoses. An aging workforce and physically demanding industry were factors that influenced these incidents.

At U.S. Propane and Superior Propane, the TIR is the number of Preventable Motor Vehicle Incidents per one million miles driven (PMVI), which encompasses both preventable on-road and off-road motor incidents. We use a more stringent definition of PMVI (by including off-road motor incidents) that many of our peers do not. In 2021, there was a modest increase to the TIR as compared to the previous year, with most PMVIs occurring on private property.

There was a prompt focus by managers and employees and communication across our organization to share learnings and strengthen our systems and correct our performance. This year we did not conduct an employee safety perception survey, but safety questions will be included in next year's engagement survey.



Health and safety incident rates



2020

2021

2021 Target

TRIR

Total Recordable Injury Rate¹⁹

TIR

Transportation Incident Rate²⁰

DART

Days Away, Restricted Duty or Transferred Incident Rate²¹

¹⁹ 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. $TRIR = \text{Number of recordable injuries} \times 200,000 \div \text{the number of hours worked in the period}$.

²⁰ 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 and includes preventable on-road and off-road incidents. $TIR = \text{Total PMVI} \times 1 \text{ million} \div \text{miles driven in the period}$.

²¹ Days Away, Restricted Duty or Transferred Incident Rate (DART) is an incident where an injured employee required days away, restricted duty or was transferred to another position to recover from their workplace injury. $DART = \text{Number of days away, restricted duty or transferred} \times 200,000 \div \text{the number of hours worked in the period (based on a worksite of 100 employees over a one-year period)}$.

Asset Integrity and Process Safety



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.

The Executive Vice President and Chief Financial Officer oversees the funding to design and maintain our infrastructure and assets. Funding is set annually and reviewed quarterly. Divisions will then put forth their proposals on priorities and capital purchases, including equipment, which their respective Capital Committees review for pre-approval.

We operate market offices typically on rural, industrial or commercial areas which contain propane storage tanks, a cylinder dock, storage, parking for trucks and a warehouse. Our businesses rely on rail, trucking, and other transportation modes to deliver products and receive materials and goods across Canada and the U.S. to service customer demand. A small portion of our business operates distribution pipelines that supply propane to customers in northern Manitoba, northern Saskatchewan and the Northwest Territories. Propane is delivered in pressurized cylinders and bulk volume.

Updates to Asset Integrity and Process Safety Management Systems and Employee Training

We take a lifecycle view to safely maintain and operate our assets. Our Process Safety Management (PSM) system blends different regulatory or standards requirements at all levels of government and includes leading practices. 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.

Superior Propane plans and completes thousands of inspections and preventative maintenance work annually on our facilities, tanks, cylinders and equipment. Through ongoing inspections and preventative maintenance, we complete upgrades; tank, cylinder and equipment refurbishments; and asset disposals. This proactive practice is essential in maintaining the integrity of our facilities, tanks, cylinders and equipment while enhancing the safety for people, the environment and property. Through these measures we are going beyond federal and provincial regulatory compliance requirements.

All of our trucks and tanks are compliant with the technical requirements for truck design as set out by Transport Canada and U.S. Department of Transportation. In addition, our trucks are fitted with internal safety valves to minimize product loss during rollovers and accidents, remote emergency shutdowns, and these safety valves are tested daily. Both U.S. Propane and SGL's UPE operations in the U.S. follow the U.S. Department of Transportation standards regarding cargo tank certifications.

In 2021, we updated our PMS system and Pipeline Integrity Management system. For the Stittco business, we updated the PIMs manual and developed a Safety and Loss Management Program. We provide training to staff to ensure they are aware of the changing management systems and provide training to staff specific to their role. For example, we provided training for employees working at rail facilities and training to employees in British Columbia (B.C.) and Alberta on training on the B.C. Safety Management Plan, and B.C. and Alberta Pressure Equipment Integrity Management. In the U.S., HAZMAT training was conducted virtually to increase the number of participants due to pandemic restrictions.

Looking to the future, we have a number of initiatives planned. We will be undertaking a service transformation, developing a new service and Fixed Asset Integrity Management System, developing an Electronic Safety Management System, and barcoding all equipment to ensure we are able to monitor the lifespan and maintenance of equipment. We will expand the reporting capabilities of these asset integrity and process safety systems so that we can track the number of leak tests conducted, improve the management of the preventative maintenance schedules, generate reports on the results of inspections, track the status of the work orders issued and improve the asset verification capabilities. We will also evaluate opportunities to track and report data through automation by using PowerBI and other tools.

Preparing for Emergencies

Superior takes a proactive approach to keeping our facilities and communities safe and has measures in place to ensure we are ready to respond should an incident occur. Superior has site-specific Emergency Plans that are compliant with local regulatory requirements and consistent with the principles outlined in our **HS&E Policy and Crisis Preparedness and Communication Policy**. In 2021, the Board HS&E Committee approved changes to the Crisis Preparedness and Communication Policy to clarify the definition of what constitutes a crisis event and enhance the communication protocol. Each business has also revised its Crisis Management Plans to align with the corporate level Crisis Preparedness and Communication Policy.

In 2021, Canadian Propane conducted approximately 200 environmental emergency plan (E2 Plans) tabletop exercises according to a pre-determined 5-year plan, and U.S. Propane conducted annual emergency equipment inspections and evacuation exercises. Superior participates in associations in programs including the Emergency Response Assistance Canada and National Fire Protection Association.

Our 2021 Performance

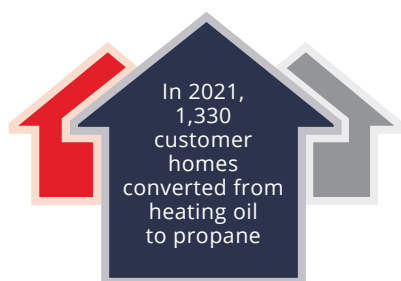
Superior experienced 22 reportable environmental releases. Our Stittco business had zero reportable pipeline incidents. This year, we had one significant asset integrity event at our Barrie operation. There was a prompt evacuation of the site and surrounding area that kept all employees and community members safe, enabled by our past E2 exercises that we conduct regularly and our relationship with the local fire department. Following the incident, both the local fire authority and the Provincial Technical Standards and Safety Authority (TSSA) worked closely with our Regulatory and Technical Team and Ontario Regional Operations Team, which allowed our Barrie plant to successfully reopen in the fourth quarter of 2021, in advance of our peak demand winter season. Investigation and remediation is underway and we aim to share lessons learned with our other locations more broadly once complete to better understand the root cause to prevent incidents like this from occurring in the future.

Indicator (#)	2019	2020	2021
Total reportable releases	41	22	22

Protecting the Environment



As a company focusing on growth, we are conscious of our impact on the environment, and we aim to drive continual improvements in this area.



Energy and Greenhouse Gases

We recognize climate change as one of the largest challenges facing the world and we are committed to being part of the solution. As a company focusing on growth, we are conscious of our impact on the environment, and we aim to drive continual improvements in this area. We are committed to pursuing opportunities in the low carbon energy transition, and are excited about the synergies with our new acquisitions and partnerships examining renewable propane and hydrogen.

Supporting the Energy Transition

Our Energy Distribution business primarily provides propane to our customers for home heating, power appliances and equipment, and other applications. Propane is a versatile and reliable fuel that burns more cleanly and produces significantly less GHG emissions than other hydrocarbons. As such, we see propane as a key feature in the fight against climate change with a role in displacing more carbon-intensive fuels especially in rural and remote communities. We support our customers with converting from carbon-intensive heating oil to propane and provide technical expertise and financial savings as they seek to reduce their carbon footprint. In 2021, Superior converted 750 homes in the U.S. and 580 in Canada from heating oil to propane.

Identifying and Mitigating Climate-Related Risks

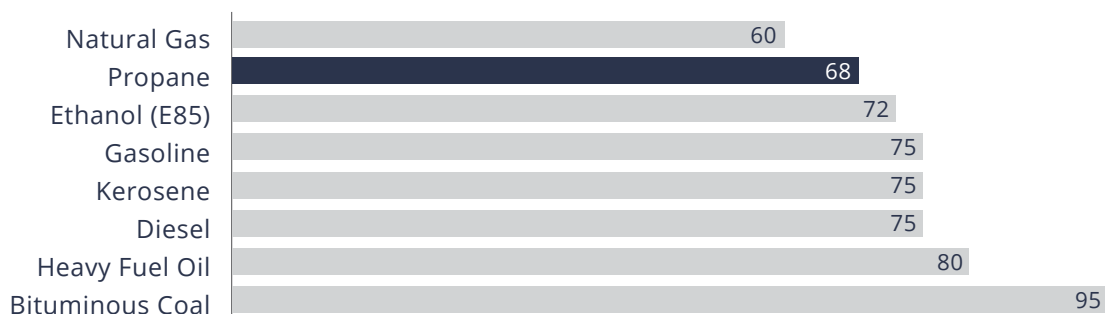
We recognize the growing risks related to climate change and are developing and implementing strong ESG practices to help us better identify, measure and mitigate our risk. Although our ambitions to be part of the solution to fight against climate change are strong, we are taking it one step at a time as we continue to acquire new businesses and work on harmonizing systems and processes. The key steps that Superior undertakes to identify and mitigate climate-related risks include:

1 Monitoring and evaluating external impacts

We regularly monitor global trends and the evolving regulatory landscape at all levels of government, in the U.S. and Canada. Superior has been reviewing the United Nations Framework Convention on Climate Change, in which Canada and the U.S. are signatories. Within Canada, provinces have adopted a range of laws to put a price on GHG emissions, and has recently introduced the *Clean Fuel Standard Act*. In the U.S., both the Houses of the United States Congress also have considered laws to reduce emissions of GHGs. Although Congress has not yet enacted comprehensive U.S. federal carbon pricing legislation, the current executive branch has proposed and implemented various measures to require reductions in GHG emissions and to promote low carbon technologies. For a detailed discussion on these trends, please see Superior's **2021 Annual Information Form**.

End-Use CO₂ Emissions by Fuel

(Kg CO₂ Equivalent/Million BTU)



Source: Canadian Propane Association

2 Identifying and assessing risks through our Enterprise Risk Management process

One of our corporate objectives is to ensure we have appropriate ESG practices in place, including our ability to respond to climate change. Superior has a robust ERM program that involves the Management team and subject matter experts from U.S. Propane and Canadian Propane. We evaluate risks, including climate change, on impacts across a number of risk categories, such as financial, operational, and reputational impact. Through this process, we have identified transitional and physical risks associated with climate change. For more information related to our ERM program, please see the Management section of this report.

The Audit Committee receives quarterly updates on our risk report and mitigation measures and the HS&E Committee of the Board receives quarterly updates on our environmental performance, including reportable environmental releases.

We have not yet conducted a formal physical and transitional climate risk assessment, as we are focused on establishing a baseline of our emissions, but we are committed to continue to evolve our practices in this area, and recognize that investors and regulators are increasingly looking for climate-related information.

3 Measuring our GHG emissions

Measuring our emissions allows us to establish a baseline and identify opportunities for improvement. Currently we measure our Scope 1 emissions, and a portion of our Scope 2 emissions at a few of our corporate offices.

4 Developing mitigation plans

U.S. Propane and Canadian Propane have developed climate-related mitigation plans with input from subject matter experts which are reviewed by the Management team. The Board HS&E Committee also reviews mitigation plans for our material climate-related risks. There are multiple initiatives already in place to reduce our GHG emissions such as through fleet optimization, route optimization, and other digital strategies such as tank monitoring system upgrades.

We do not currently have quantitative targets set related to climate change; however, we are actively investigating opportunities to reduce our GHG emissions, pursue alternative and lower carbon energy opportunities, and develop a mitigation strategy.

Superior's Climate-Related Risks and Potential Financial Impacts

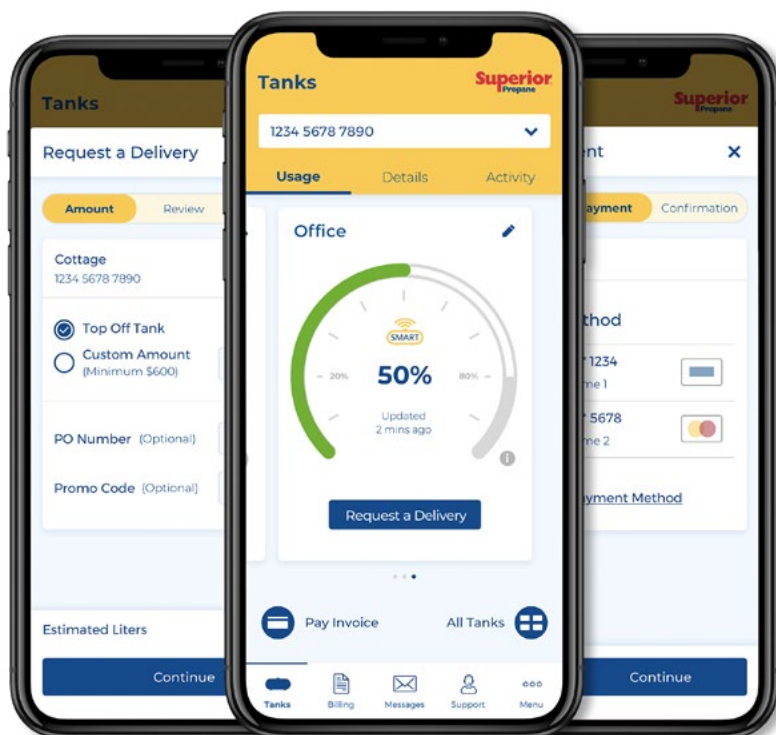
	Climate-Related Risks	Potential Financial Impacts
Transition	Policy and Legal <ul style="list-style-type: none"> In Canada, climate-related legislation includes the <i>Clean Fuel Standard Act</i>, federal backstop on carbon tax and provincial regulations In the U.S., both the Houses of the United States Congress also have considered laws to reduce emissions of GHGs. In addition, a number of U.S. states and municipalities have implemented laws and policies related to climate change, including reducing the emission of GHGs and the carbon intensity of certain fossil fuels 	<ul style="list-style-type: none"> Increase in operating costs due to carbon pricing mechanisms and insurance premiums Impact to the demand of propane and other commodities which could impact our business
	Technology <ul style="list-style-type: none"> Substitution of existing products and services with lower emissions options Costs to diversify into lower emissions technology 	<ul style="list-style-type: none"> Decrease in customer demand for our products Research and development expenditures in new and alternative products and technologies Capital investments in additional technology development
	Market <ul style="list-style-type: none"> Increased upstream costs of oil and natural gas Changing customer behaviour 	<ul style="list-style-type: none"> Changes to revenue and/or profit Reduced demand of our products due to shift in customer preferences
	Reputation <ul style="list-style-type: none"> Shift in stakeholder perception of propane and heating oil to lower emitting products Increased stakeholder attention and negative feedback on hydrocarbons 	<ul style="list-style-type: none"> Reduced revenue of our products due to shift in customer preferences Reduced revenue from negative impact on workforce attraction and retention Reduction in capital availability (e.g. investors, grants, etc.)
Physical	Acute <ul style="list-style-type: none"> Increased severity of extreme weather such as floods, high winds or ice events Chronic <ul style="list-style-type: none"> Sustained precipitation and higher temperatures 	<ul style="list-style-type: none"> Extreme weather events may lead to mechanical malfunctions or infrastructure and equipment damage, which could increase operating costs, reduce revenues and impact our ability to deliver our products. Extreme weather events may also lead to service and delivery delays and disruptions Thawing and freezing on our Stittco business's pipeline infrastructure may result in mechanical malfunctions, increased operating costs and impact to our reputation

Reducing Our Carbon Footprint

We currently have in place various technologies and initiatives focused on reducing our own operational GHG emissions. These include:

- **Dual fuel system:** We continue to maintain a fleet of alternative fuel vehicles that run on a dual-fuel system – either propane diesel or propane gasoline. For example, in the U.S. we have 118 service trucks and 52 bobtails that run on propane autogas. 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 and there is also a reduction in harmful substances (i.e., benzene, particulate matter) released to the atmosphere.²²
- **Fleet safety system:** U.S. Propane utilizes Samsara, an onboard driver-feedback system that encourages drivers to operate their trucks as efficiently as possible to reduce fuel consumption and GHG emissions. It also allows us to make longer term decisions on fleet utilization.
- **Digital tools, including artificial intelligence, tank sensors and delivery software:** These are used to increase delivery efficiency, which reduces kilometres driven to deliver the same amount of product volume.

Additionally, we are looking at other alternative fuel sources as one of the ways Superior is responding to climate change. For example, we entered into an agreement with Charbone Corporation to distribute green hydrogen to customers in Québec as we advance towards an alternative fuels strategy with the goal of offering our existing and future customers options on heat, power, and transportation solutions while reducing GHG and other associated emissions. We have also established a new Alternative Fuels group, and have created a Director of Energy Transition and Partnerships position within Superior Propane. We joined the Canadian Hydrogen and Fuel Cell Association to collaborate and work with major players across the value chain on hydrogen opportunities.



²² According to the Propane Education & Research Council.

Our Energy Use and Greenhouse Gas Emissions

In 2021, our total energy use was 947,119 gigajoules (GJ). Our total Scope 1 GHG emissions were 65,855 metric tonnes of carbon dioxide (tCO₂), an increase from last year, primarily driven by our acquisition activities in the U.S. We saw our Scope 1 emissions intensity per million litres of propane delivered increase by 0.72% to 22.25 tCO₂/millions of L. Our Scope 2 emissions from the electricity and natural gas consumption of our Toronto, Valley Forge and Rochester offices were 117.3 tonnes of carbon dioxide equivalent (tCO₂).

We intend on continuing to find ways to optimize our operations and reduce our emissions using business and digital analytics as well as investigating alternative fuels and expanding our carbon-friendly product offerings.

Indicator (GJ)	2019	2020	2021
Energy Use ²³	900,674	878,365	947,119
Propane	19,620	19,680	6,041
Gasoline	100,610	113,333	141,798
Diesel	780,444	745,352	797,099
Natural Gas ²⁴	Not tracked	Not tracked	249
Electricity ²⁵	Not tracked	Not tracked	1,932

Indicator	Unit	2019	2020	2021
Scope 1 GHG emissions ²⁶	tCO ₂	64,523 ²⁷	61,018 ²⁷	65,855
Total propane volume delivered by Energy Distribution ²⁸	millions of L	3,008	2,763	2,960
Scope 1 GHG emissions intensity ²⁹	tCO ₂ /millions of L	21.45	22.09	22.25
Scope 2 GHG emissions ³⁰	tCO ₂	Not tracked	Not tracked	117.28

²³ Local energy conversion factors were applied, sourced from the U.S. Energy Information Administration and Canadian Energy Regulator.

²⁴ Only includes the Toronto office.

²⁵ Only includes the Toronto, Valley Forge and Rochester offices.

²⁶ Emission factors are sourced from the U.S. Environmental Protection Agency and Canadian National Inventory Report.

²⁷ Data has been restated to reflect changes in the application of local emission factors and reporting errors.

²⁸ Wholesale volumes are not included as products are picked up and delivered by third parties rather than in Superior Plus owned vehicles.

²⁹ Scope 1 GHG emissions intensity is the Scope 1 GHG emissions per volume of propane delivered by Energy Distribution.

³⁰ Emission factors are sourced from the U.S. Environmental Protection Agency's Emissions & Generation Resource Integrated Database (eGRID) and Canadian National Inventory Report.

Other Environmental Issues

Water and Waste

We are committed to responsibly managing our resource use by reducing our water use and managing our waste. In 2021, the sale of the Speciality Chemicals business minimized our environmental liability and our footprint in terms of water use and the handling of hazardous and non-hazardous waste products.

Our operations are not water-intensive as we primarily transport propane. Our water sources include municipal water supplies and wells. Our primary uses of water are for an office environment, such as heating and cooling systems, drinking water and personal hygiene. Generally, water is included as part of our rent, so it is challenging to measure water consumption. This year we have aimed to better understand the water use of our larger corporate offices where many of our employees work, by reaching out to property managers. We were able to obtain information for our Toronto and Valley Forge locations, where it estimated that 395,700 L was consumed in 2021.

Superior also has strong practices in place to manage the storage and delivery of heating oil in the U.S., to ensure there are no spills and impacts to water bodies or sources. We have secondary containment in our storage areas and loading and unloading points, and site inspections and protocols to report on spills and conduct clean-up operations, if needed. For further information on our approach to operating our facilities safely, refer to the Asset Integrity and Process Safety section of this report. Our non-hazardous waste is mainly typical office waste, where we follow local jurisdictional recycling and disposal practices. In addition, we have minimal hazardous waste as we hire a third party to help us refurbish or dispose of storage tanks at the end of their life cycles.



Indicator (L)	2021
Water use	395,700
Toronto office	214,000
Valley Forge office	181,700

Contributing to Society



We seek to develop strong and trusting relationships with the communities where we live and operate.



Community and Indigenous Relations

As guided by our **Corporate Social Responsibility Policy**, we strive to communicate openly and transparently, engage and consult with communities where we work, integrate community considerations into our decision making and business practices, and provide benefits through employment, economic and capacity building opportunities. We are also committed to working collaboratively with Indigenous communities, as articulated in our **Indigenous Relations Policy**. We recognize the unique history of Indigenous peoples and believe in promoting Indigenous relationships in our business operations based on mutual respect and trust. In this, we recognize the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We are dedicated to working with Indigenous communities to support initiatives that strengthen their cultures, interests and aspirations.

Supporting Communities

Our approach to community investment builds on engagement and consultation with communities to form or enhance mutually beneficial relationships. We seek to understand the priorities of communities and support initiatives and organizations across four pillars:

- **Community development:** to support broader social and economic development in a community.
- **Diversity and inclusion:** to enhance diversity or to improve conditions for underrepresented groups.
- **Health and wellness:** to support health research, health infrastructure or enhance access to health services.
- **Youth:** to enhance physical conditions, educational opportunities or children's general health and well-being.



Approximately
50% increase in support
of not-for-profit
organizations in 2021

In 2021, Superior provided \$474,253 in support to a range of not-for-profit organizations across the U.S. and Canada, up approximately 50% from the previous year. Here are some of our highlights from 2021:

- **Feeding America and Local Food Banks:** We ran the Heat with Heart campaign in partnership with Feeding America, the largest domestic hunger relief organization in the U.S. for the second year in a row and raised a total of \$150,000 USD (or approximately \$190,000), the equivalent of 1.5 million meals. These funds supported Feeding America's national office as well as 50 local food banks located in the communities that we serve. Many of our offices in the U.S. and Canada also contribute to food banks to support communities in need.
- **Breast Cancer Research Foundation (BCRF):** Since 2010, we have partnered with the BCRF to support their mission to prevent and cure breast cancer by advancing the world's most promising research. We donate \$0.02 per gallon of every gallon delivered from our pink bobtails and tank wagons, with a minimum donation commitment of \$50,000 each year. In 2021, we delivered close to two million gallons from our six pink trucks. Also, during Breast Cancer Awareness Month, we held an employee fundraising campaign, raising over \$6,000 from employees, with an additional \$3,000 that was matched by Superior Propane.
- **Canadian Cancer Society:** We supported a number of programs and initiatives, including the COVID-19 Emergency Fund that helps the growing need from Canadians looking for answers to their cancer questions via digital and virtual ways; Plaid for Dad initiative that helps Canadian families facing prostate cancer; the Metastatic Breast Cancer Research; and the Wig Bank Program that provides new or donated wigs to cancer patients.
- **Princess Margaret Foundation – Weekend to Conquer Cancer:** Since 2016, we have participated in the annual fundraising campaign for Princess Margaret Foundation to support cancer treatment. In 2021, our corporate team finished in the top 10 with over \$42,000 raised. We have also participated in the Road Hockey to Conquer Cancer since 2019 and have raised over \$20,000 for the Princess Margaret Foundation through this event.
- **Other initiatives and programs:** We support many initiatives that our employees care about, including the Canadian Red Cross Society, Alberta Children's Hospital Foundation, Centre of Hope Fort McMurray, MLSE Foundation, Canadian Women's Foundation, Project Warmth, Habitat for Humanity, Angel Tree, Salvation Army, and much more.

In addition to providing financial support, many of our employees are active in their communities. For example, in the U.S., some of our employees utilize their specialized training in propane and handling of hazardous materials to serve as volunteer firefighters.

Looking forward, we will continue to work with communities, support initiatives that are aligned with our focus areas, and that communities and our employees care about.

Indicator (\$)	2019	2020	2021
Total community investments	117,192	316,138	474,253



**Rotary Club of Cambridge
(Preston & Hespeler)'s Crystal Drop Gala
2022**

Employees from the new Cambridge office attended the Gala in support of Water First Education and Training Inc. Superior Propane was a sponsor at the event.

Advancing Our Reconciliation Journey

We believe it is important to support initiatives that help cultivate prosperous First Nations, Inuit and Métis communities, with a focus on education and employment opportunities. Superior Propane and SGL are actively taking steps to advance its reconciliation journey by:

- enhancing our supplier network
- providing education, skills building and employment opportunities
- developing recruitment strategies to grow the Indigenous workforce
- conducting mandatory employee Indigenous awareness training, and
- increasing awareness among stakeholders by sharing stories on Superior Propane's social media channels.

In honour of the First Nations children whose remains were found buried at former residential schools, Superior Propane donated \$5,000 to the Na-mi-quai-ni-mak (I remember them) Community Support Fund to support community-based healing and remembrance. We believe building awareness and understanding is a fundamental step in our path to reconciliation. We have an Indigenous awareness training module that new employees are required to complete as part of their onboarding. We also provide additional training for general and regional leaders who work with and hold relationships with Indigenous peoples across Canada and our customer-facing employees.

Indicator (%)	2020	2021
Employees that received Indigenous awareness training ³¹	100.0	94.4

**Orange Shirt Day
2021**

Nearly 1,400 Superior employees have completed training to learn about the history of Canada's Indigenous peoples. We encourage you to wear an orange shirt in the spirit of healing and reconciliation, and to show support to Indigenous peoples across Canada.



³¹ As a first step, in 2020 the Indigenous awareness program was delivered to a targeted audience of leaders as well as professionals that had direct interaction with Indigenous communities. In 2021, Indigenous awareness training was offered to Superior Propane and Superior Plus headquarters employees.

Bursaries to Support Indigenous Youth

Annually, Superior Propane awards 12 educational bursaries to First Nations, Inuit and Métis students through its partnership with Indspire's Building Brighter Futures program to assist them with their post-secondary education so they can achieve their greatest potential. Superior also provides national sponsorship of the Outland Youth Employment Program's (OYEP) annual Indigenous summer life skills and employment training camps.

Partnerships with Indigenous Peoples

We formed new partnerships with Indigenous communities and businesses in 2021 including:

- **Michipicoten First Nation:** We have a long-standing relationship with the community and Council to provide propane to fuel their community and business operations. This year, we partnered with the Michipicoten Development Limited Partnership (MDLP) to define a revenue sharing agreement for fuel for the Prodigy Gold project. We are also in conversations with Michipicoten around a community benefits agreement on the Island Gold project. Through these opportunities we hope to support employment within the community.
- **Red Rock Indian Band:** Through our Fuel Supply and Equipment Agreement with a Joint Venture of all the community members, we have seen growth with equipment installations and upgrades.
- **Anokiigamig Construction Limited Partnership (ACLP):** We are part of a joint venture that includes the Naichtchewenin First Nation, Rainy River First Nation, and Big Grassy Narrows, and two non-Indigenous partners to provide support to the Newgold mining operations in northwestern Ontario. Through this partnership, we have committed to community investment to the Naitcatchewenin First Nation to support initiatives related to employee training and development, youth scholarships and elders. We are also actively involved with propane power generation for land-based operations and aquaculture farming.
- **Bear Claw Energy:** In partnership with Bear Claw Energy, we provide propane prime power solutions that services communities and mining industries on the Tahltan traditional territory in British Columbia.
- **Tsuut'ina First Nation:** Through our partnership, we are supporting new major development on and off reserve within the Calgary (Canada) region. This includes constructions related to heat and power generation, evaluation of employment opportunities and annual post-secondary scholarships.

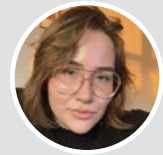
Additionally, we are a national sponsor of the Advanced Business Match (ABM) network, where we attend business-matching forums hosted by ABM in an effort to connect with community and community representatives to develop business relationships. We are also committed to working with the Canadian Council for Aboriginal Business (CCAB) to enhance our Indigenous supplier network and strengthen our connections with Indigenous businesses and support economic development.

It is our intention to continue to foster relationships with Indigenous communities and businesses and build partnerships in the years to come. Looking to the future we are evaluating opportunities to expand our product offerings through carbon-friendly portable energy products as part of the energy transition to lower carbon solutions.

OYEP Program scholarship winners



Norlynn
Red Rock Indian
Band, ON



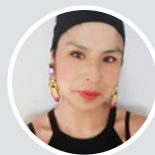
Iako
Kahnawá:ke, QC



Christina
Sweetgrass
First Nation, SK



Brady
Métis First Nation
British Columbia, BC



Tania
Blood Tribe, AL



Leanne
Acadia First Nation, NS



OYEP Graduation Ceremony 2021

Superior Propane representatives travelled to Puntchesakut Lake Provincial Park, BC to represent Superior Propane at the OYEP graduation ceremony. Program sponsors were acknowledged at the start of the grad ceremony and Superior Propane representatives had a chance to engage with some of the grads and their families.

Appendix

Performance Table

Topic	Performance Indicator	Unit of Measure	2019	2020	2021
About Superior Plus	Volume of propane delivered by Energy Distribution ³²	millions of L	3,008	2,763	2,960
	Delivery locations	#	382,738	824,280	779,437
	Economic value generated	\$ millions	2,171.6	1,806.9	2,392.6
Board Diversity	Females on the Board of Directors	%	22.0	20.0	22.2
Customers	Net promoter scores				
	Superior Propane	Score	56	64	55
	U.S. Propane	Score	55	61	56
Stakeholder and Indigenous Relations	Indigenous awareness training ³³	% of employees	–	100.0	94.4
Workforce	Total workforce	#	3,680	3,877	4,125
	Full-time employee voluntary turnover rate	%	Not tracked	13.6	10.0
	Females in workforce	%	25 ³⁴	27.3	27.7
	Women in executive officer positions ³⁵	%	25	30	21
	Women in corporate and functional leadership positions ³⁶	%	18	16	17
	Visible minorities in executive officer positions	%	16.7	18.2	28.6
	Unionization rate	%	Not tracked	10.0	8.6
	Designated groups (voluntary self-reporting)				
	Visible minorities	%	Not tracked	6.9	7.2
	Military/veterans	%	Not tracked	10.9	4.2
	Indigenous peoples	%	Not tracked	1.4	1.4
	Persons with disabilities	%	Not tracked	0.2	0.7

³² Wholesale volumes are not included as products are picked up and delivered by third parties rather than in Superior Plus owned vehicles.

³³ As a first step, in 2020 the Indigenous awareness program was delivered to a targeted audience of leaders as well as professionals that had direct interaction with Indigenous communities. In 2021, Indigenous awareness training was offered to Superior Propane and Superior Plus headquarters employees.

³⁴ 2019 data includes Speciality Chemicals.

³⁵ In 2021, as a result of a reorganization, certain roles were transferred from the operations to the corporate office which resulted in the decline from 2020.

³⁶ We changed the definition of this category in 2020, so numbers are not comparable with 2021 performance.

Topic	Performance Indicator	Unit of Measure	2019	2020	2021
Health and Safety	Fatalities	#	0	0	0
	Total Recordable Injury Rate (TRIR) ³⁷	Rate	4.43	4.48	4.49
	Transportation Incident Rate (TIR) ³⁸	Rate	5.92	6.54	6.57
	Days Away, Restricted Duty or Transferred Incident Rate (DART) ³⁹	Rate	2.86	3.16	3.76
Asset Integrity and Process Safety	Total reportable releases	#	41	22	22
Energy Use and Greenhouse Gases	Energy Use ⁴⁰	GJ	900,674	878,365	947,119
	Propane	GJ	19,620	19,680	6,041
	Gasoline	GJ	100,610	113,333	141,798
	Diesel	GJ	780,444	745,352	797,099
	Natural Gas ⁴¹	GJ	Not tracked	Not tracked	249
	Electricity ⁴²	GJ	Not tracked	Not tracked	1,932
	Total GHG emissions	tCO ₂	64,523	61,018	65,972
	Scope 1 GHG emissions ⁴³	tCO ₂	64,523 ⁴⁴	61,018 ⁴⁴	65,855
	Scope 2 GHG emission ⁴⁵	tCO ₂	Not tracked	Not tracked	117.28
Community Investment	Scope 1 GHG emissions intensity ⁴⁶	tCO ₂ /millions of L	21.45	22.09	22.25
	Total investments	\$	117,192	316,138	474,253

³⁷ 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. 2019 data for TRIR includes the Speciality Chemicals business.

³⁸ 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 and includes preventable on-road and off-road incidents. TIR = Total PMVI x 1 million ÷ miles driven in the period. 2019 data for TIR includes the Speciality Chemicals business.

³⁹ Days Away, Restricted Duty or Transferred Incident Rate (DART) is an incident where an injured employee required days away, restricted duty or was transferred to another position to recover from their workplace injury. DART = Number of days away, restricted duty or transferred x 200,000 ÷ the number of hours worked in the period (based on worksite of 100 employees over a one-year period). 2019 data for DART includes the Speciality Chemicals business.

⁴⁰ Local energy conversion factors were applied, sourced from the U.S. Energy Information Administration and Canadian Energy Regulator.

⁴¹ Only includes the Toronto office.

⁴² Only includes the Toronto, Valley Forge and Rochester offices.

⁴³ Emission factors are sourced from the U.S. Environmental Protection Agency and Canadian National Inventory Report.

⁴⁴ Data has been restated to reflect changes in the application of local emission factors and reporting errors.

⁴⁵ Emission factors are sourced from the U.S. Environmental Protection Agency's Emissions & Generation Resource Integrated Database (eGRID) and Canadian National Inventory Report.

⁴⁶ Scope 1 GHG emissions intensity is the Scope 1 GHG emissions per volume of propane delivered by Energy Distribution.

SASB Index Table

Superior Plus is reporting against the metrics listed within the Sustainability Accounting Standards Board Infrastructure Sector – Gas Utilities and Distributors Standard.

Topic	Code	Metric	Response, Link or Additional Information
Energy Affordability	IF-GU-240a.1	Average retail gas rate for (1) residential customers, (2) commercial, (3) industrial customers, and (4) transportation services only	Propane distribution is a local, relationship-based business, and competition is driven by price and level of service. Propane commodity prices are not rate regulated. Superior manages pricing at the corporate, regional and local market level. It is mostly based on a margin above product and transportation costs which are typically passed onto customers but is also affected by the local costs of other fuels. For more information on Superior's approach to support customers, please see the Stakeholder Engagement section of this report.
	IF-GU-240a.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	Propane commodity prices are not rate regulated. For more information on Superior's approach to support customers, please see the Stakeholder Engagement section of this report.
	IF-GU-240a.3	Number of residential gas disconnections for non-payment, percentage reconnected within 30 days	Superior does not disconnect customers for non-payment. For more information on Superior's approach to support customers experiencing financial challenges, please see the Stakeholder Engagement section of this report.
	IF-GU-240a.4	Discussion of impact of external factors on customer affordability	Propane is a commodity whereby supply and demand can be impacted by a number of factors including catastrophic events, natural disasters, severe weather, disease, and war. These factors can influence our business including costs of our products and services. For further information on risks to our business, please see Superior's Annual Information Form .

Topic	Code	Metric	Response, Link or Additional Information
End-Use Efficiency	IF-GU-420a.1	Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)	Not applicable to Superior Plus, as propane commodity prices are not rate regulated.
	IF-GU-420a.2	Customer gas savings from efficiency measures by market	Not applicable to Superior Plus, as propane commodity prices are not rate regulated.
	IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV)	These indicators apply to the Canadian Propane's Stittco utility business in Manitoba and Hay River in the Northwest Territories. (1) 0 (2) 0 (3) 0
	IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel	These indicators apply to Canadian Propane's Stittco utility business in Manitoba and Hay River in the Northwest Territories. (1) 0% (2) 0%
	IF-GU-540a.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected	These indicators apply to Canadian Propane's Stittco utility business in Manitoba and Hay River in the Northwest Territories. (1) 0% as the division does not operate transmission pipelines (2) 34%
	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Please see the Asset Integrity and Process Safety section of this report.
Activity Metric	IF-GU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	This indicator has been modified to apply to the company's context. Superior has many delivery locations across North American to support customers with the delivery and purchase of propane and heating oil. (1) 548,485 (2) 127,378 (3) 1,365
	IF-GU-000.B	Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	This indicator has been modified to be consistent with how it is reported within Superior's other disclosures such as the Management Discussion and Analysis (MD&A). Superior reports by residential, commercial and wholesale segments in the MD&A. Superior's industrial customers fall under the commercial customer segment. Propane delivered is noted in millions of litres. (1) 904 (2) 1,448 (3) 1,079 (4) N/A
	IF-GU-000.C	Length of gas (1) transmission and (2) distribution pipelines	(1) 0 km (2) 91 km

TCFD Index Table

Topic	Recommended Disclosure	Response, Link or Additional Information
Governance <i>Disclose the organization's governance around climate related risks and opportunities</i>	Describe the board's oversight of climate-related risks and opportunities	Please see the Corporate Governance and Energy and Greenhouse Gases sections of this report.
	Describe management's role in assessing and managing climate-related risks and opportunities	Please see the Management and Energy and Greenhouse Gases sections of this report.
Strategy <i>Disclose the actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</i>	Describe the climate-related risk and opportunities the organization has identified over the short, medium, and long term	Superior evaluates climate-related risks and opportunities but has not delineated it into the short, medium and long term. Please see the Energy and Greenhouse Gases section of this report.
	Describe the impact of the climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Superior evaluates the impact of corporate risks, including climate-related risks and opportunities on a number of categories including financial, operational and reputational. For more information, please see the Energy and Greenhouse Gases section of this report.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate-related scenario analysis has not been undertaken at this time.
Risk Management <i>Disclose how the organization identifies, assesses, and manages climate-related risks</i>	Describe the organization's processes for identifying and assessing climate-related risks	Information on Superior's Enterprise Risk Management (ERM) process is described in the Management and Energy and Greenhouse Gases sections of this report.
	Describe the organization's processes for managing climate-related risks	Please see the Energy and Greenhouse Gases section of this report.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Please see the Energy and Greenhouse Gases section of this report.
Metrics and Targets <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Superior currently measures and discloses Scope 1 emissions and Scope 1 emissions intensity. Scope 2 emissions for a selection of Superior's corporate offices are disclosed. For more information, please see the Energy and Greenhouse Gases section of this report.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Disclosure of Scope 1 emissions, Scope 2 emissions and Scope 1 emissions intensity per sales volume can be found in the Energy and Greenhouse Gases section of this report.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Superior is committed to being a part of the climate solution. Superior is in the process of exploring how it can establish a baseline of its emissions, as it continues to acquire organizations and harmonize its processes, before establishing targets.

Forward-Looking Information and Non-GAAP Financial Measures

Forward-Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior and its businesses. Such information is typically identified by words such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “plan”, “forecast”, “future”, “outlook”, “guidance”, “may”, “project”, “should”, “strategy”, “target”, “will” or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: the objectives of the Superior Way Forward strategic plan, our developing strategy to distribute low carbon and renewable energy to our customers, including our initial hydrogen distribution project, inclusion of additional sustainability objectives in our executive compensation program, plans to enhance our sustainability reporting, our sustainability hiring plans, board diversity objectives, improvements to our customer digital experience, expansion of our customer outreach and communication activities, changes to our employee benefits programs, implementation of a new HS&E strategy and management framework and expansion of our internal HS&E reporting.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third-party sources, and the historic performance of Superior’s businesses. Such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior, the assumptions set forth under the “Financial Outlook” section in our Management’s Discussion and Analysis accompanying our financial statements for the fourth quarter and the year ended December 31, 2021 (“MD&A”). The forward-looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, our actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, the anticipated impact of the COVID-19 pandemic and the economic recession, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital,

and the risks identified in (i) our MD&A under the heading “Risk Factors” and (ii) Superior’s most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on Superior’s forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior Plus LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Non-GAAP Financial Measures

Sometimes we use Non-GAAP financial measures, which are financial terms that do not have a standardized meaning under generally accepted accounting principles. Refer to the “Non-GAAP Financial Measures” section on page 42 of our 2021 annual MD&A available on our profile on SEDAR at www.sedar.com for more information on how we calculate them.



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