2017 Sustainability Report

energir

the new Gaz Métro

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1. Caution regarding forward-looking statements

Certain statements in this Sustainability Report may be forward-looking under applicable securities laws. These forward-looking statements can reflect the intentions, initiatives, expectations and opinions of the Énergir Inc. management team ("Management"), which could concern, namely, sustainable development issues that apply to Énergir Inc. and Énergir, L.P. business and certain risks and opportunities for Énergir Inc. and Énergir, L.P. operations related, in particular, to climate change, the energy transition, environmental management and the social acceptability of their operations. These risks and opportunities can have an impact on Énergir Inc.'s or Énergir, L.P.'s growth, operating results, returns, perspectives or future business opportunities. Such forward-looking statements would be based on information that is currently available to Management and assumptions regarding future events. Forward-looking statements involve known and unknown risks and uncertainties, and other factors beyond Management's control. A number of factors could cause actual Énergir Inc. and Énergir, L.P. results to differ significantly from the present expectations as expressed in the forward-looking statements.

For a review of some risk factors, please refer to Énergir Inc.'s Management's Discussion and Analysis (MD&A) for the year ended September 30, 2017, and to subsequent quarterly MD&As that report or might report changes in these risk factors. These reports are available at www.sedar.com under the Énergir Inc. profile.

Although these forward-looking statements are based on what Management believes to be reasonable assumptions, Management cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Sustainability Report, and Management assumes no obligation to update or revise them to reflect new events or circumstances, except as required pursuant to applicable securities laws. Readers are cautioned not to place undue reliance on these forward-looking statements.

2. Message from the President and Chief Executive Officer

2017 Sustainability Report

Think energy with consistency

Evidence of sustainability

The company is not an island. It is part of the community. It transforms the community's talent and resources into goods and services that contribute to the economic and social life of the community. The dynamic relationship between the company and the community is that of a living organism in its ecosystem. If you accept that analogy, then sustainability is obvious, with all its complexity.

Part of the solution

Since energy is at the centre of all activities, the willingness to connect with our environment inspired the founding of our company 60 years ago. We evolved based on a desire for consistency. Creating value, because that's the company's mission; adapting our solutions to the needs of the communities to ensure growth; becoming involved in the discussion in order to move in harmony with the times and the issues. In this movement, we have advanced our profession of gas distributor; we have added renewable energies to our solutions; we have imagined our action differently and developed our mission. We were the first energy company in Québec to integrate energy efficiency into its business strategy and commercial offering. Our expansion is and will be achieved through helping more customers consume less. This is how we plan to remain relevant and to be part of the solution.

Stakeholder relations

I would like to introduce our third Sustainability Report, designed in accordance with the Global Reporting Initiative (GRI) guidelines. We publish a full report every other year. This one reports on 2017 based on the most recent GRI standards, namely the Sustainability Reporting Standards (SRS). To prepare for this report, we held consultations with nearly 200 internal and external stakeholders. This includes employees, suppliers, customers, citizen groups interested in energy issues, environmental groups, and community organizations. They are representative of groups and individuals from the community with which we

interact. Together, we discussed our strategic orientations, supply chain initiatives, environmental practices as well as our community and philanthropic action. These highly constructive exchanges are the reflection of a healthy and modern relationship between a company and its community.

I will try here to reflect the extent of these discussions, which serve as a framework for this report, by identifying topics that raised questions and the interest of our stakeholders.

An evolving approach to sustainable development

This third report highlights how we have evolved with respect to this exercise. We have gained some maturity in how we understand and integrate sustainable development. In the beginning, there was a company that was committed to transparency and groups that believed in active community engagement. This remains, of course, but our relationship with our stakeholders has grown deeper and stronger. Our dialogue is more extensive. The company with the answers is now also the company with questions. Discussions lead to even greater shared understanding.

I would like to thank the stakeholders who took part in this reflection and analysis process. With respect to the previous publication, the reader will be interested in a number of developments that have marked our consistent growth as a company.

Internal actions

Consultations with stakeholders often focused on the consistency that has to exist between Énergir, the company that adheres to the principle of sustainable development internally, and Énergir, the company that is actively involved in the energy transition as part of its growth strategy. Aligning our internal action plan for sustainability with our business priorities has been highly interesting.

As such, internally, Énergir has continued to make progress over the period in question in several significant areas.

Sustainable development governance has been reinforced and refined in particular with ISO 14001 recertification for, namely, measuring the organization's greenhouse gas footprint and with a more active involvement of our Board of Directors in the evolution of our approach.

We initiated a responsible gas procurement process aimed at the dual objective of ensuring increased procurement traceability and promoting producers that will have adopted the best practices to reduce the impacts of their operations, namely methane emissions. As part of this initiative, Énergir is partnering with the

Pembina Institute, an Alberta-based non-governmental organization known for its public policy analyses that focus on the energy transition.

We have also continued to work on our social acceptability initiatives, in particular, to increase awareness of local realities among construction teams in the field, to better gather comments from citizens affected at various levels, and to direct the efforts of all to an improvement in stakeholder satisfaction indicators and, we hope, greater social acceptability of our projects.

Corporate priorities

These internal improvement actions are intended to be consistent with our company's ambition to play an active and pivotal role in the energy transition. This role is achieved through a shift in our business model, which relies on three main pillars.

1. Increasing our energy efficiency efforts

Énergir implemented its first energy efficiency programs in 2001. This was a first in Québec. In fiscal 2017, nearly 4,700 projects were added for a total of over 120,500 completed projects in energy efficiency since the beginning. These projects represent annual savings of 497 million m^3 of natural gas for our customers and will reduce annual emissions by 954,500 tonnes of greenhouse gases. Through its energy efficiency action, Énergir is a key player in the reduction of GHGs in Québec.

2. Offering diversified energy solutions to replace petroleum products

In order to reach GHG emission reduction objectives in Québec, Québec's 2030 Energy Policy, in its key targets, provides for a 40% reduction in petroleum products consumed in Québec by 2030 and identifies natural gas as a solution that would achieve this target. Énergir works in various ways to offer solutions to replace petroleum products:

We are expanding our natural gas distribution network, which allows businesses and institutions to reduce fuel oil. In 2017, we added an extension of the network in Bellechasse between Lévis and Sainte-Claire, connected the Asbestos industrial park, and announced extensions in the Appalachians and in Portneuf.

We are developing the potential for liquefied natural gas (LNG) and compressed natural gas (CNG). In the fiscal year covered by the report, we added a new liquefaction train at our LSR plant, which has tripled our production capacity. With LNG and CNG, we can replace diesel in transportation sectors and in remote regions. Therefore, we are now supplying LNG to ferries; a growing number of heavy trucks and delivery truck or garbage collection fleets have been converted to CNG; we have opened additional refueling stations; and we deliver LNG to the Renard diamond mine in the Nord-du-Québec region.

The place of natural gas in the energy transition is sometimes misunderstood, underestimated, even criticized. We undoubtedly need to continue to better explain it. It is worth the effort to stop and look at the potential for this solution: if we assess the anticipated impact of the two prior measures (the increase in energy efficiency and the development of diversified solutions for the replacement of petroleum products, including the steady increase in the presence of renewable natural gas in our network), these solutions alone will save up to 2,818,000 tCO2e of GHGs by 2030. This number is the equivalent of 11% of the GHG emission reduction target of 37.5% by 2030.

3. Developing renewable energies

Beyond these activities related to our natural gas distribution, Énergir is also an increasingly active player today in the field of renewable energies. This includes the steady increase in the presence of renewable natural gas in our network. We took a major step in late 2017 when the first municipal producer, the City of Saint-Hyacinthe, started the injection of renewable natural gas (RNG) produced locally from organic waste into Énergir's network. It is now a tangible reality: in Québec, we are producing renewable energy from waste.

Other initiatives are underway in this niche of recycling our organic waste. For example, we are working on a process to produce local and renewable natural gas from forest waste in partnership with G4, a company based in British Columbia and Greenfield Global. A pilot project will hopefully soon be underway in Québec. Since the potential for residual forest biomass is great, this technology could allow us to further meet our customers' desire to reduce GHG emissions and use a new, local energy source to replace petroleum products.

We produce wind power with the Seigneurie de Beaupré wind farms, which are one of the largest wind energy production sites in Canada and which still have enormous potential for development, while our subsidiaries in the United States are leaders in the production and distribution of renewable energy, namely hydroelectricity, wind energy and solar energy.

We have also solidified our presence and expertise in the area of solar energy by merging our U.S. operations with the Standard Solar company, a company involved in the development and installation of solar photovoltaic systems.

+ + - + + = future

In the fiscal year covered by this report, Énergir rolled out a new strategic plan that will guide the company's development over the next five years. The plan does not include any interruptions but is essentially a continuation of our action plan aimed at positively contributing to the energy transition, which is an obvious response to the risk inherent to climate change.

The strategic plan is symbolically represented by a mathematical formula: + + - + + = future. We would like to help more customers and communities to better consume increasingly sustainable energies. This is our way of developing our company, and still achieving greater relevance.

An accurate reflection of who we are

In late 2017, as part of the 60th anniversary celebrations of the 1957 founding of our company, Gaz Métro became Énergir. This is our new name. And it is not simply a cosmetic change. Our new name is a reflection of our company's evolution. Ten years ago, nearly all of our operations were related to natural gas. Today, approximately 45% of our assets are non-gas related. Our natural gas operations have expanded, because natural gas is a preferred solution to replace petroleum products; however, the growth of our renewable energy operations is even more significant. The new name reflects the role that we play in the energy transition: proposing a number of solutions to meet a variety of needs in a consistently more sustainable way. Plus, Énergir stems from the verb energize. Because to make the energy transition, you have to take action. We combine energy and engineer. We combine energy and future. We say Énergir.

We say it with pride, because we believe in the relevance of our action; we also say it with humility, because we recognize the progress that we still need to make on the road to even more sustainable development.

Progress to be achieved

In this sense, we should improve our ability to better address our stakeholders' concerns regarding our natural gas procurement process. The technical complexity of determining the origin of an extraction method for an energy that we distribute but do not produce has always been a challenge. These complex issues concern us and we have decided to see them as an opportunity to do better. This conveys the innovative nature of our responsible approach to gas procurement mentioned above.

We should also perhaps get down to work on some of our occupational health and safety programs. The year 2017 was unfortunately a step back with 25 lost-time incidents involving the loss of productive work, compared to 16 incidents in the previous year. At the time of writing, internal investigations were still determining the causes of the incidents that prevented us from reaching our objective. We need to be able to better ensure the safety of our most valuable assets: our people.

Placing humans to at the heart of our preoccupations

We are proud to build a company of women and men who are focused on tomorrow. Our stance as an organization has never been to follow a comfortable business model, but rather to see the future as an opportunity to do better. Yet, we are living in a time where the future can seem unpredictable. Fundamental changes feed into each other and shape a new reality that is still fluid. The threat of climate change, the new wave of artificial intelligence, the hardening of the political discourse in several countries are all forces that redefine societies and the world.

Contributing to a better future is an effort; it is work that requires openness, a memory, resourcefulness, humility and cooperation. When political discourse divides people instead of bringing them together, when technology challenges employment as we know it, when the economy intensifies existing inequalities, we find ourselves in a curiously led world in which humans could appear to be useless to humanity.

Replacing humans at the heart of our actions is also taking into account changes that must occur. In recent months, many women said #metoo before they said #timesup. An international movement emerged for justice and equality for women, which shook up existing power structures and raised awareness.

This movement is spreading to include diversity within companies and in decision-making bodies. Diversity is the hallmark of creativity. The same goes for ideas. Companies make the best decisions when they know how to draw out their organization's intelligence. So we need to combine our ideas, talents and viewpoints. This means both women and men of course, but more than that: youth

and seasoned people as well as citizens and newcomers. We need to try to create combinations of genres and ideas, cultural breeding grounds. This is the only way forward.

The emergence of the concept of sustainable development allowed human societies to reconnect with their ecosystems, and the future should bring the reconnection of humans with humanity. We will succeed by including them and getting them involved, by being connected to our communities.

3. About this report

3.1.1. Notes to the reader and general information about Énergir

GRI 102-1, 102-4, 102-5, 102-46, 102-48, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

In November 2017, Gaz Métro Limited Partnership launched its new identity and changed its corporate name to Énergir, L.P. To facilitate the reading of the Sustainability Report, "Énergir, L.P." will be referred to as "Énergir".

This change reflects the company's considerable growth over the last 10 years. A decade ago, nearly all of its operations were related to natural gas. Since then, Énergir has become diversified and primarily invested in new forms of increasingly renewable energy, in Québec and in the United States, directly and through its subsidiaries. Today, the production and distribution of electricity and the offer of non-gas-related energy services represent almost 45% of Énergir's assets, on a consolidated basis.

This report covers the core business of Énergir, namely the distribution of natural gas in Québec (QDA). The aim is to gradually expand the indicators to operations outside QDA in future Sustainability reports.

In some instances, to meet stakeholder expectations or to present complete data or information, we included our subsidiaries when the information was available. This is the case for indicators about economic value. Indicators are defined in the report's index.

The period in question for performance indicators is the 2017 fiscal year (October 1, 2016 to September 30, 2017), unless otherwise indicated. For some management approaches and highlights, current information as of May 1, 2018 is used.

The contents of this report cover the priority topics determined by Énergir's internal and external stakeholders. To find out how Énergir established these topics, see the section on **materiality assessment**.

During fiscal 2017, no significant change occurred in Énergir's size, structure or capital. Énergir is continuing its sustainable development process and the annual updating of its performance indicators, and it intends to release a full sustainability report every two years. Énergir (formerly Gaz Métro) released its previous Sustainability Report on June 16, 2016.

This report has been prepared in accordance with the GRI Standards: Core option. The performance indicators presented in the Sustainability Report have not undergone an external audit, unless otherwise stated.[1] Nonetheless, they were revised and approved by all the internal authorities accountable for sustainable development and information disclosure at Énergir, including the Disclosure Committee and the Management Committee.

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

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

Click here to see the GRI content index.

GRI 102-3

Please address any questions concerning this report to:

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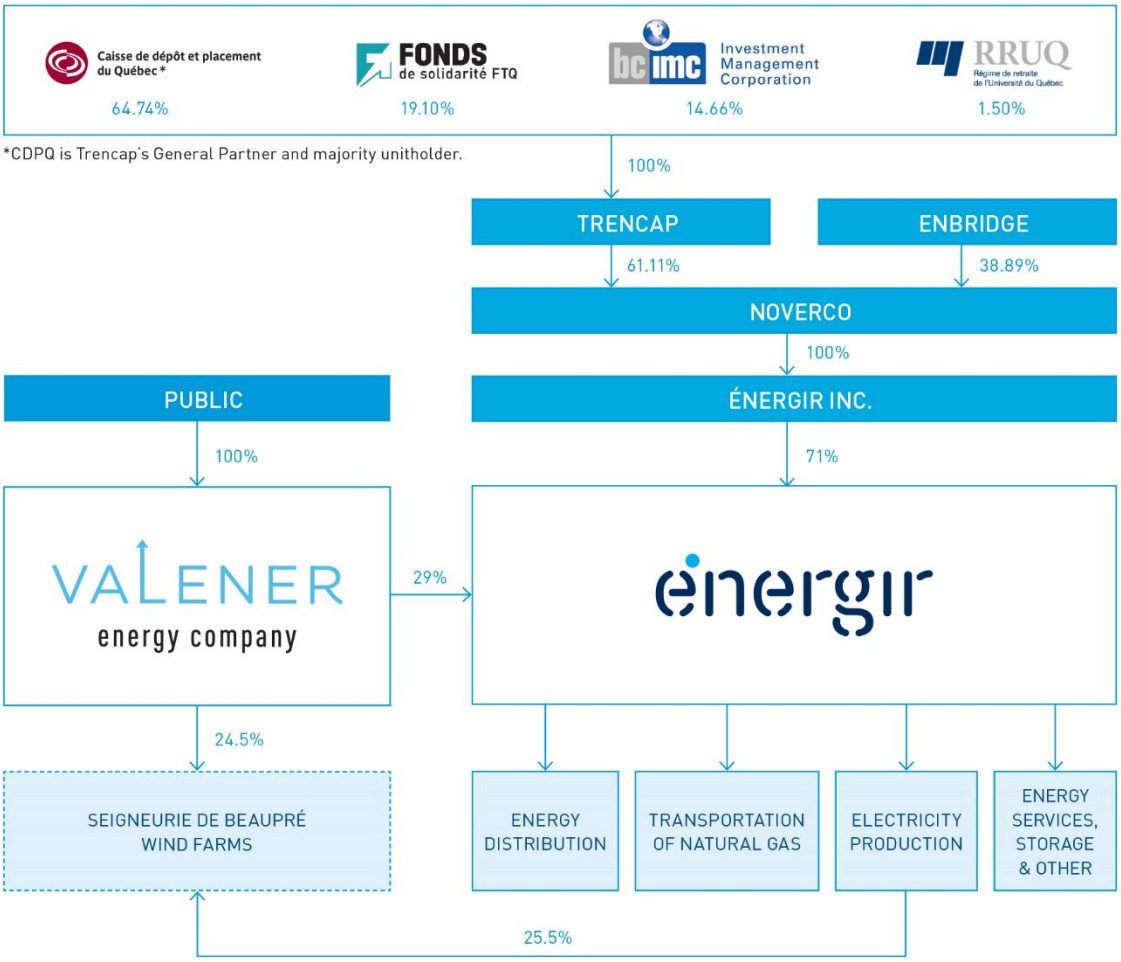
4. Company profile

4.1. About Énergir

With more than $7 billion in assets, Énergir is a diversified energy company, whose mission is to find increasingly sustainable ways to meet the energy needs of its 520,000 customers and the communities it serves. The leading natural gas distributor in Québec, Énergir also produces electricity from wind power through its subsidiaries. Through its subsidiaries in the United States, the company operates in 15 states where it produces electricity from hydraulic, wind and solar sources, while serving as the leading electricity distributor and the sole natural gas distributor in Vermont. Énergir values energy efficiency and invests both resources and efforts in innovative energy projects such as renewable natural gas and liquefied and compressed natural gas. Through its subsidiaries, it also provides a variety of energy services. Énergir aspires to become the partner of choice for those striving for a better energy future.

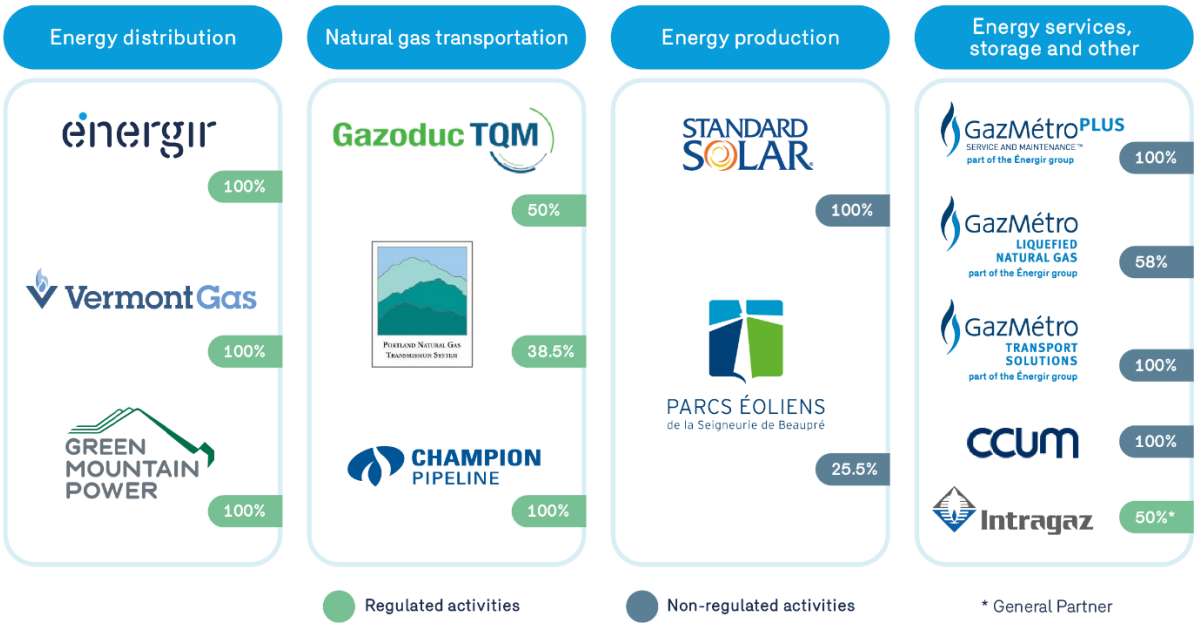
Énergir's ownership structure and four primary sectors of activity, as well as its main related enterprises, are presented below.

4.1.1. GRI 102-5 - Ownership and legal form



4.1.2. GRI 102-2 - Activities, brands, products and services

The data shows the situation as at September 30.



4.1.3. GRI 102-13 - Associations in which Énergir is a member (Affiliations)

Alliance québécoise de l'efficacité énergétique (AQEE)
American Gas Association (AGA)
Canadian Gas Association (CGA)
Canadian Urban Transit Association (CUTA)
Association de professionnels en droit de passage et immobilier du Québec
Association des chefs en sécurité incendie du Québec (ACSIQ)
Québec Road Builders and Heavy Construction Association (QRBHCA)
Association des industriels de l'est de Montréal (AIEM)
APL Énergies
Association québécoise de la production d'énergie renouvelable (AQPER)
Association québécoise du gaz naturel (AQGN)

BOMA Québec
Canadian Natural Gas Vehicle Alliance (CNGVA)
Centre d'expertise et de recherche en infrastructure urbaines (CERIU)
The Canadian Club
Chambre de commerce de l’est de Montréal
Chamber of Commerce of Metropolitan Montreal (CCMM)
CIRANO
Conseil des entreprises en technologies environnementales du Québec (CETEQ)
Montreal Council on Foreign Relations (MCFR)
Conseil du patronat du Québec (CPQ)
Conseil patronal de l'environnement du Québec (CPEQ)
Energy Solutions Center (ESC)
Écotech Québec
Espace québécois de concertation sur les pratiques d'approvisionnement responsables (ECPAR)
Info-Excavation
Fédération des chambres de commerce du Québec (FCCQ)
Jeune Chambre de commerce de Montréal (JCCM)
Manufacturiers et exportateurs du Québec
Réseau en ventilation et qualité de l'air intérieur des habitations (RVQAIH)

4.1.4. GRI 102-12 – External initiatives - 2017

Énergir is a partner in the Sustainable Montréal 2016-2020 plan of the City of Montréal and voluntarily implements initiatives to contribute to the plan's objectives.

Énergir is one of the founding members of the Espace québécois de concertation sur les pratiques d'approvisionnement responsable ("ECPAR"), whose goal is to incorporate sustainable development into supply chains and shape best practices in this area. Énergir believes in the importance of responsible procurement and sustainability promoted by the organization and has adopted responsible procurement practices, namely in its calls for tender for the purchase of goods and services.

Énergir is a partner and advisory committee member for SWITCH, l'Alliance pour une économie verte au Québec, whose objective is to institute innovative solutions to accelerate the transition to a Québec economy that creates wealth and respects the environment.

Énergir joined 15 public institutions and major private corporations in 2017 by committing to buy more goods and services from social economy businesses, as part of L'économie sociale, j'achète!, an initiative launched by the Conseil d'économie sociale de l'île de Montréal (CESIM).

4.1.5. GRI 102-6 - Markets served

Énergir's clientele falls into three categories:

Énergir Serves nearly 205,000 Customers

Category	Residential		Commercial		Industrial	
	Data	Percentage	Data	Percentage	Data	Percentage
Customers	141,639	69.8%	53,282	26.3%	7,986	3.9%
Volumes	20.40 Bcf	9.8%	64.01 Bcf	30.8%	123.65 Bcf	59.4%
Distribution revenues	$112.0M	20.5%	$254.3M	46.4%	$181.2M	33.1%

4.1.5.1. GRI 102-45 - Entities included in the consolidated financial statements

For additional information about the entities included in the consolidated financial statements, refer to Énergir's MD&A, as well as Énergir's annual consolidated financial statements, for the 2016 and 2017 fiscal years ending September 30, all included with those from Valener Inc. and available on the www.sedar.com website under the Valener Inc. profile.

4.2. Employment data

4.2.1. GRI 102-7 - Total employees - 2017

Énergir had almost 1,500 employees on September 30, 2017.

CSN unionized jobs[2]	Mainly technical and trade positions
COPE[3] unionized jobs - Office	Mainly office clerk positions
COPE unionized jobs - Representatives	Sales representative positions
Specialized managers	Advisor, analyst and coordinator positions, etc.
Managers	Department leader, group leader and senior advisor positions
Executives	Directors
Senior management	Senior vice presidents, vice presidents, assistant vice presidents, and the president and CEO

	Regular			Temporary			Grand total		
	Woman	Man	TOTAL	Woman	Man	TOTAL	Woman	Man	TOTAL
Unionized jobs (CSN)	62	400	462	1	4	5	63	404	467
Unionized jobs (COPE – Office)	191	178	369	11	6	17	202	184	386
Unionized jobs (COPE – Representative category)	13	23	36	0	1	1	13	24	37
Specialized managers	167	190	357	11	6	17	178	196	374
Managers	62	118	180	1	3	4	63	121	184
Executives	10	19	29	0	0	0	10	19	29
Management Committee	2	9	11	0	0	0	2	9	11
Total	507	937	1,444	24	20	44	531	957	1,488

[2] Confédération des syndicats nationaux
[3] Canadian Office and Professional Employees' Union

4.2.2. GRI 102-8 - Total employees by region

	Regular	Temporary	Total
Head office (Montréal)	950	34	984
Montreal East	117	1	118
Montérégie	82	2	84
Québec	56	4	60
Montreal West	60	0	60
Laurentides	51	1	52
Mauricie	44	0	44
Estrie	33	0	33
LSR Plant	24	0	24
Saguenay-Lac-Saint-Jean	15	1	16
Abitibi-Témiscamingue	12	1	13
Total	1,444	44	1,488

4.2.3. GRI 102-8 Information on employees and other workers

Total number of people compensated by type of employment contract

See the indicator Labour Practices and Decent Work – Employment – GRI 102-8 – Total employees by employment type and kinds in the "Social" category to determine the total number of compensated people by type of employment contract.

Major variations in the number of employees

There are no particular seasonal variations in Énergir's personnel.

4.3. Governance

4.3.1. GRI 102-18 - Governance structure - 2017

Board of Directors and Management Committee

The Board of Directors of Énergir Inc., as Énergir's general partner, oversees but is not responsible for the day-to-day management of operations. This role is delegated to the president and CEO and other executives that make up the Management Committee.

The Board of Directors is responsible for approving policies that have an impact on a number of areas of sustainable development. For example, the Community Investment Policy makes it possible to better orient our philanthropic efforts and generate added value for the community. The Environmental Policy is used to establish and clearly communicate the environmental protection objectives, both to employees and the public. Other policies, such as the company's Code of Ethics and the Policy Respecting Disclosure of Information, also guide actions at Énergir.

The members of the Management Committee manage the company's operations, by approving the structure, business plans and budgets, and represent Énergir to all those with whom the company has dealings (customers, investors, financial markets, regulatory agencies, government authorities, etc.). The members of the Management Committee take into consideration the economic, social and environmental aspects in their decisions and orientations.

Various committees of the Board of Directors

The Audit Committee assists the Board of Directors in its responsibilities for oversight of accounting procedures and reporting financial information, internal control systems, financial management, and financial risk management.

The Occupational Health and Safety and Environment Committee assists the Board with its environmental management responsibilities. It also approves Énergir's standards and responsibilities in the area of occupational health and safety. This committee is also responsible for monitoring appropriateness and currency with respect to the legislation in force and industry practices.

To help discharge its responsibilities for the pension fund, the Board of Directors formed a Pension Fund Committee that has responsibilities and powers delegated to it by the Pension Committees with respect to the Investment Policy for funds held in the master trust made up of the assets of Énergir employee pension plans.

The Human Resources and Corporate Governance Committee is responsible for examining all aspects of human resources that fall within the Board's jurisdiction and has the final decision for some of these. It is also responsible for examining how the Board and its committees supervise the management of the affairs of Énergir Inc. and Énergir, evaluating the efficiency of the Board and its committees in this area, and making recommendations to the Board to improve corporate governance.

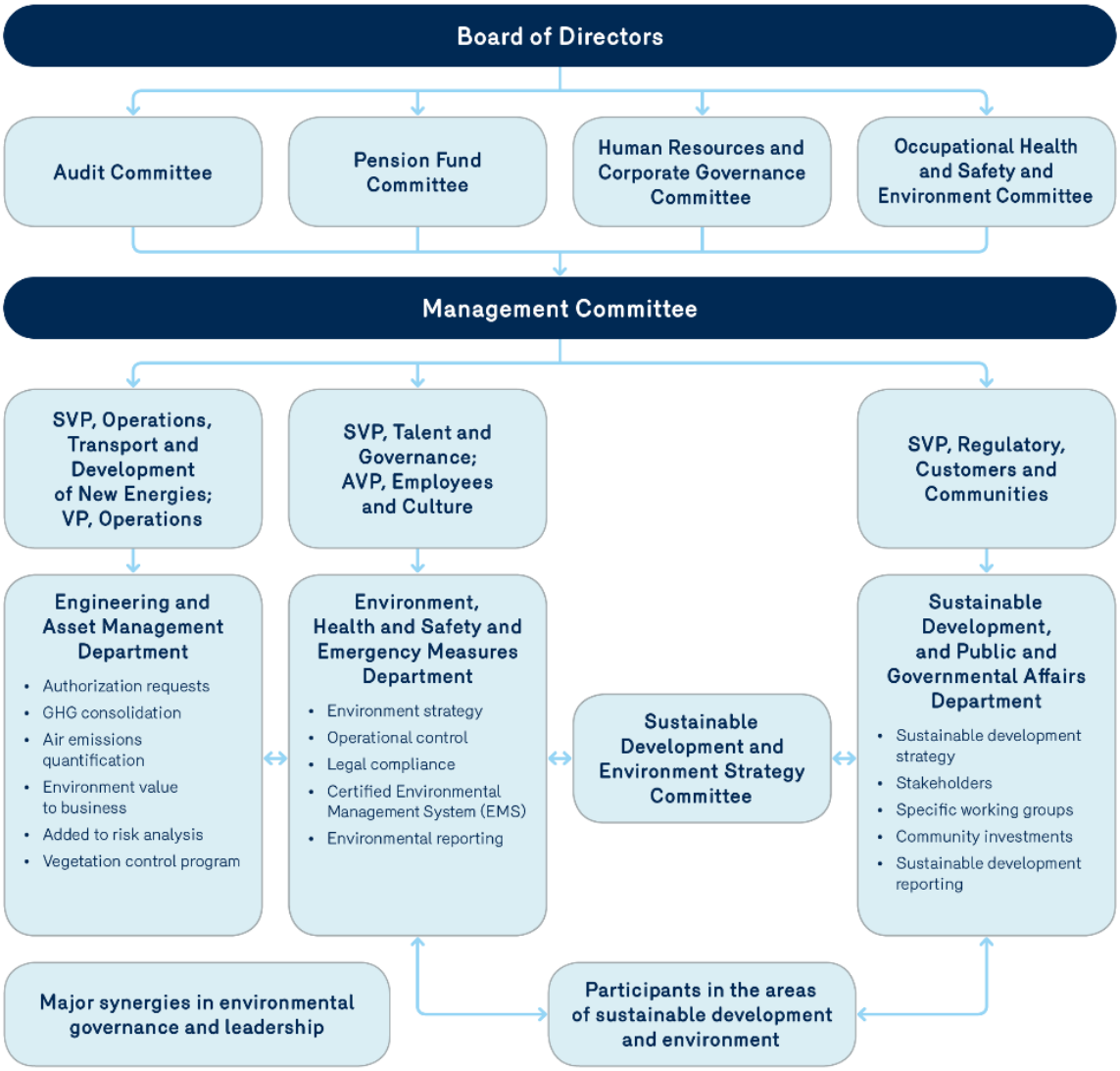
The company's complete governance structure can be found in Énergir Inc.'s 2017 Annual Information Form, which is available on the www.sedar.com website under the Énergir Inc. profile. A presentation of the governance structure is also presented on Energir's website.

4.3.2. GRI 102-18 - Sustainable development governance structure

Énergir has adopted an internal governance structure that promotes the integration of sustainable development values and principles in setting objectives and strategies and in its actions across the organization.

Énergir has been ISO 14001 (version 2004) certified since 2010 and obtained recertification under the new 2015 version in the spring of 2018. As part of the implementation of the new version of the ISO 14001 standard (2015 version), the governance structure was revised to ensure proper synergy between the main departments of the Environmental Management System ("EMS"), namely the departments of environment, sustainable development and engineering, as well as various levels of accountability and strategic review.

The new governance model adopted by the Management Committee and the Board of Directors for sustainable development and the environment is as follows:



Sustainable Development, and Public and Governmental Affairs Department

The Sustainable Development, and Public and Governmental Affairs Department is responsible, under the sustainability component: i) for the sustainable development strategy; ii) for the analysis of the relevance of the issues; iii) for the sustainable development accountability and reporting process; and iv) for the coordination of projects in line with the continuous improvement of the sustainable development process. It must ensure that these processes function properly and that major ties with the EMS are maintained. Furthermore, this department, in partnership with the Environment, Health and Safety and Emergency Measures Department, is responsible for coordinating meetings of the Sustainable Development and Environment Strategy Committee, for following up on recommendations from the committee as well as decisions from the

Management Committee and the Board's Occupational Health and Safety and Environment Committee pertaining to sustainable development.

Moreover, the Sustainable Development team is responsible for applying Énergir's Community Investment Policy.

Engineering and Asset Management Department

The Engineering and Asset Management Department is responsible for providing support to teams in obtaining the required authorizations for construction projects that affect the environment. These requests are submitted to the appropriate authorities that deliver the authorizations in question. This department also ensures that the annual statement is prepared for greenhouse gas (GHG) inventory and that air emissions, including GHGs, resulting from Énergir operations and the consumption of natural gas by its customers, are quantified. In addition, this department is responsible, in particular, for including the "environment" value to business in the risk analyses performed as part of asset management and the vegetation control in the transmission line easements program.

Environment, Health and Safety and Emergency Measures Department

The Environment, Health and Safety and Emergency Measures Department is responsible for ensuring that the environmental management processes are effective under the environment component. It makes sure that the company's strategic orientations are in line with EMS operations. It ensures that the Management Committee is informed of items pertaining to the EMS that require approval or that deserve special attention. It makes sure that the Management Committee and the Occupational Health and Safety and Environment (OHS-Env) Committee are informed of the EMS's environmental performance and efficiency, when appropriate.

Participants in the areas of sustainable development, environment and reporting

Énergir's sustainable development initiative is based on collaboration among staff from various departments at Énergir. A number of participants have been identified to play a variety of roles, such as:

- To develop continuous improvement initiatives and make an active contribution to advancing progress on a project;
- To examine areas of concern;
- To support the writing of the Sustainability Report and ensure the information it contains is accurate.

Sustainable Development and Environment Strategy Committee

The Sustainable Development and Environment Strategy Committee is made up of directors from various areas of expertise across the company. The role of the Committee is to:

- Advise, assess and implement the actions called for in the sustainable development and environment strategy;

- Discuss the strategic aspects of legal compliance as well as development and improvement projects that have an environmental impact;
- Guide and validate aspects of the EMS and the sustainable development initiative;
- Issue notices and recommendations to the sustainable development and environment teams.

Management Committee

Members of the Management Committee take the environment into consideration in relation to the guiding principles set out in the company's strategic framework pertaining to occupational health and safety and respect for the environment. The role of the Management Committee is to ensure that environmental performance is monitored and to approve the objectives and strategic aspects related to environmental management. The Management Committee also makes recommendations on changes to the Environmental Policy to the Occupational Health and Safety and Environment Committee, which, if the committee approves, recommends the changes be adopted by Énergir Inc.'s Board of Directors. The Environmental Policy makes it possible to identify and clearly communicate the objectives with regard to preventing pollution and protecting the environment.

The Management Committee's role in Énergir's sustainable development initiative is to approve the sustainable development objectives and strategy. The vice presidents on the Management Committee first approve the data from their respective areas for reporting then the Management Committee validates the contents of the Sustainability Report.

Board of Directors

The Board of Directors of Énergir Inc., as Énergir's general partner, makes sure that the corporate strategy, including the strategic environmental orientations, is deployed. The Board is also responsible for adopting the Environmental Policy.

An annual report on the performance and environmental risks is submitted to the Board. The resulting decisions are sent to the persons concerned in order to make the necessary changes to carry out the company's operations in accordance with the strategy deployed.

In addition, the Sustainable Development, and Public and Governmental Affairs Department provides Énergir Inc.'s Board of Directors with a copy of the Sustainability Report for information purposes, every two years.

Board of Directors – Occupational Health and Safety and Environment Committee

The OHS-Env Committee assists the Board with its environmental management responsibilities. The OHS-Env Committee monitors the company's environmental performance from a strategic standpoint. OHS-Env Committee meetings are held quarterly

to review the results and make the required decisions (quarterly reporting). The decisions are sent to the appropriate persons to make the necessary changes.

Board of Directors – Human Resources and Corporate Governance (HRCG) Committee

The HRCG Committee facilitates the exchange of ideas on various sustainable development aspects that will have an impact on EMS operations. The Sustainable Development, and Public and Governmental Affairs Department reports every two years on the progress made in the sustainable development initiative to the HRCG Committee of Énergir Inc.'s Board of Directors.

At this meeting, Énergir's orientations and approach with regard to sustainable development are presented, namely the issues, risks and business opportunities related to sustainable development, as well as a review of the priority projects and their progress.

5. Materiality assessment

5.1.1. GRI 102-46 - Defining report content and topic boundaries - 2017

For Énergir, the process of determining report content reflects the changing interests within the company and also the result of discussions with stakeholders.

We applied GRI's principles to determine the report's content.

5.1.1.1. Identification of the issues

The benchmarking of sustainable development issues included in internal documents, such as Énergir's strategic plan and the risk analysis process, is an input in the discussion.

Also, individual meetings with stakeholders were preferred in order to analyze the 2015 report in greater detail (especially the topics which were presented) and thus gather additional relevant information.

Other inputs, such as environmental aspects and impacts identified through the environmental management system review to obtain ISO 14001 :2005 certification, particularly helped to improve sustainable development issues and make sure the list of issues was as comprehensive as possible.

With regard to external inputs in the discussion, the issues raised in other Sustainability reports from companies that are active in the energy industry were also reviewed. Comments received from stakeholders during the feedback session that was held after the last Sustainability Report was released were taken into consideration. Lastly, during our discussions, internal and external stakeholders also had opportunities to suggest new topics they thought were relevant.

Internal inputs	External inputs
Major risk assessment	Benchmarking of energy sector company reporting practices
2018-2023 Strategic plan	Sustainability Accounting Standards Board, Oil & Gas – Midstream
Sustainable Development Roadmap	2030 Quebec Energy Policy
Énergir 2013 and 2015 Sustainability reports	
External stakeholder feedback and consultation	

GRI 102-46

Aspect	Description
1. Internal energy consumption	Energy consumption (electricity, natural gas, fuel) in buildings, for operations and the vehicle fleet.
2. Water management	Water management in Énergir operations and offices.
3. Management of the environmental impact of developing the natural gas network	Management practices and systems implemented to mitigate the environmental risks and impacts associated with the company's gas network extension and natural gas distribution activities. Includes management practices and consideration of biodiversity.
4. Management of waste and spills	Management of residual and hazardous materials in buildings and operations as well as contaminant spills.
5. Air emissions	Management of greenhouse gases, other atmospheric pollutants (e.g. NO_x, SO_2), fugitive leaks, and the impact of climate change.
6. Energy efficiency and technological innovation	Programs and initiatives enabling customers to reduce their natural gas consumption. Search for new natural gas applications and other energy solutions.
7. Goods and services procurement practices	Procurement approach that includes the evaluation and selection of goods and services suppliers based on responsible procurement criteria.
8. Legal compliance and business ethics	Compliance with legislation and regulations, regulatory influence and voluntary business ethics initiatives.
9. Gas supply	Description of the natural gas supply chain and the organization's practices and procedures, including the choice of suppliers, the traceability of natural gas, and the environmental and social impacts of gas production.
10. Performance and economic benefits	Growth of the company, economic benefits from the development of the natural gas network and changes in the price of natural gas.
11. Natural gas and the energy transition	The role of natural gas in a lower-carbon economy as well as innovative and renewable energy solutions (liquefied natural gas and biomethane).

Aspect	Description
12. Social acceptability	Concerns related to the social and environmental aspects of natural gas distribution and gas network improvement projects. Relations with Indigenous communities and stakeholders who are involved in the projects.
13. Service accessibility	Territorial accessibility to the natural gas network and practices and programs to assist low-income customers and customers having payment difficulties.
14. Safety of the gas network	Risk outreach and communication initiatives, preventive maintenance programs, and policies pertaining to emergency measure management, operational continuity and network recovery (emergency response time, management system).
15. Occupational health and safety	Outreach programs and management systems that foster a safe, healthy work environment for Énergir's employees, and the partners and suppliers. Includes management of workplace accidents and absenteeism.
16. Employment and workplace	Measures implemented to foster equality, diversity, non-discrimination, skills development and employee mobilization.
17. Community involvement	Staff involvement and execution of projects supported by Énergir's community investment program.
18. Customer satisfaction	Monitoring of the quality of customer service, complaint management, and speed of service.

GRI 102-46

Indicators are defined in the report's index.

GRI 102-46

Our approach

To apply the principle of relevance, nearly 200 internal and external stakeholders were surveyed in October 2017 and asked to prioritize the issues to be included in the report.

The sustainable development team verified whether aspects of reporting were exhaustive. This was carried out in two parts: first through an organized workshop consisting of a small group representing external stakeholders, and second by asking the Sustainable Development Strategy Committee to validate them and the Management Committee to approve them in December 2017. This process was also presented to the Board of Directors for information purposes.

Following publication of the report, Énergir's sustainable development team will examine the possibility of conducting another stakeholder survey.

5.1.2. GRI 102-49 - Significant changes to the report - 2017

The list of sustainable development issues deemed to be relevant has not significantly changed since the previous 2105 Sustainability Report.

Changes to the list of relevant issues

A few changes were made to the list of relevant issues to help internal and external stakeholders understand the issues. Note that by creating these groups, Énergir kept all the performance indicators that were presented in the 2015 report and added some content to the 2017 report.

Environment category

To mitigate the redundancy in the list of environmental issues, it was deemed preferable to group the "Management of the environmental impact of the gas network" and "Biodiversity management" aspects, to create the "Management of the environmental impact of developing the natural gas network" aspect. In addition, the "Contaminant leaks and spills" and "Waste management" aspects were combined to form the "Management of residual materials and spills" aspect. Lastly, the "Research and development" aspect from the Economy category was combined with "Energy efficiency" to form the "Energy efficiency and technological innovation" aspect.

Economy category

The "Legal compliance" and "Regulatory context" aspects were combined to form the "Legal compliance and business ethics" aspect. Furthermore, "The price of natural gas" and "Growth and development" aspects were combined to form the "Performance and economic spinoffs" aspect. Lastly, the "Natural gas and the energy transition" aspect includes some elements that were formerly presented in the "Growth and development"

aspect, such as Énergir's actions and accomplishments in replacing petroleum products and reducing greenhouse gas emissions.

GRI 102-49

Social category

The only group that was created in the "Social" category combines the "Training and skills development", "Work environment" and "Succession and retirement management" aspects. These issues and the related indicators are now found under "Employment and workplace."

5.1.3. GRI 102-40 - List of stakeholder groups - 2017

Énergir identified then grouped its external stakeholders into 11 distinct categories:

1) shareholders, partners and investors;
2) industry associations;
3) customers (commercial, industrial or institutional and corporate);[4]
4) goods and services suppliers;
5) natural gas suppliers;
6) community groups;
7) environmental groups;
8) Régie de l'énergie intervenors;
9) certified natural gas partners;
10) public authorities (cities and municipalities);
11) universities and research chairs.

Several internal stakeholder groups were also consulted. Selection criteria were established to ensure the company's departments and hierarchical levels were well represented. The sustainable development team also called on those who were actively involved in Énergir's sustainable development initiative, namely:

1) collaborators participating in the sustainability approach;
2) Management Committee;
3) members of the Board of Directors;
4) corporate team (multi-departmental working group representing the various employment categories in the company);
5) representatives from Énergir's subsidiaries.

[4] For additional information on Énergir's approach to reaching residential customers, please go to the section on "Key topics and concerns raised" presented further down in this section.

5.1.4. GRI 102-42 and 43 - Identification of stakeholders and approach - 2017

Selecting stakeholders for materiality assessment is a key step in preparing for the sustainable development reporting process.

Several internal participants, namely from Gas Supply, General Secretariat, Business Development and Renewable Energy, DATECH Group (internal team of consultants) and Sales, actively contributed to identifying stakeholders, to ensure relevant and representative discussions. In such a selection exercise, identifying stakeholders who have a good understanding of Énergir's role and its operations and with whom Énergir has business ties helps ensure that determining which issues take priority and what content is included in the report is a value-added exercise.

Énergir also works with its stakeholders in other contexts, to nurture the spirit of collaboration and continuous improvement. These initiatives include:

- discussions with unions;
- distribution of the Supplier Code of Conduct and supplier surveys to goods and services suppliers;
- discussions with environmental groups as well as gas suppliers concerning the development of the responsible gas procurement process;
- discussion groups with customers (on improving our bills in particular);
- various exchange activities with other companies through different industry associations.

5.1.5. GRI 102-44 - Key topics and concerns raised - 2017

In May 2017, Énergir organized discussion group activities in order to reach residential and commercial customers. The workshops were aimed at learning more about their expectations with regard to Énergir's sustainable development initiative, including disclosing its extra-financial performance. The following points illustrate the main conclusions from the workshops:

- The presence of efficient and concrete energy efficiency programs to encourage the reduction of energy consumption, in particular, those offering rebates with the purchase of more energy-efficient appliances/devices correspond to customer expectations when it comes to sustainable development. It would therefore be important to put more emphasis on Énergir's existing programs to increase client awareness.
- The lack of customer knowledge regarding Énergir's activities, namely when it comes to the safety of its facilities, the environment, its actions to limit its greenhouse gas emissions and those of its customers, justifies stepping up communication efforts. These efforts will better educate the population about the company, its operations and its actions to limit its footprint and that of its customers on the environment.
- The importance given to natural gas procurement by the population deserves some attention from Énergir, in particular with regard to issues surrounding shale gas.

- Énergir is expected to increase its efforts in the campaign aimed at educating the public on its orientations with regard to renewable energy, namely its objective of distributing increasing amounts of renewable natural gas, such as biomethane produced at the Saint-Hyacinthe biomethanation plant.

These customers have also requested to simplify access to the content of Énergir's Sustainability Report. It is therefore justified to pursue efforts to produce the company's Sustainability Report while keeping in mind that the information presented in the latter must be summarized, in plain language and easy to understand.

GRI 102-44

Subsequently, as part of the materiality assessment, a validation workshop was organized in December 2017 with a group of various stakeholders. Below are the categories of stakeholders who participated in this exercise:

- Shareholders
- Industry associations
- Customers
- University researchers
- Environmental groups
- Régie de l'énergie intervenors
- Municipal representatives

During the workshop, which allowed for the validation of the 10 priority aspects to be explained in greater detail in the 2017 Sustainability Report, the members made a number of additional requests. The main requests are as follows:

- Beyond content containing the results and performance of the sustainable development initiative over the past year, it would be important for sustainability disclosure to also include strategic content regarding the direction of the company's action plan, particularly in the context of the energy transition that is ongoing in Québec in an age where the fight against climate change is particularly relevant.

- Énergir's extra-financial disclosure should ideally include the operations of its subsidiaries and communicate in a transparent manner the relative importance of the renewable energy developed in its energy portfolio.

Following these suggestions, Énergir will add a new section on its corporate website dedicated to its extra-financial performance, which will present the highlights based on the topic stakeholders would like to know more about, in a more accessible format. Full disclosure in accordance with GRI requirements will be made on the Metrio platform. In addition, new indicators were created in the Natural gas and the energy transition section to provide an accurate picture of Énergir's operations in Québec with regard to natural gas deployment in transportation sectors and regions to replace petroleum products and the development of renewable energy.

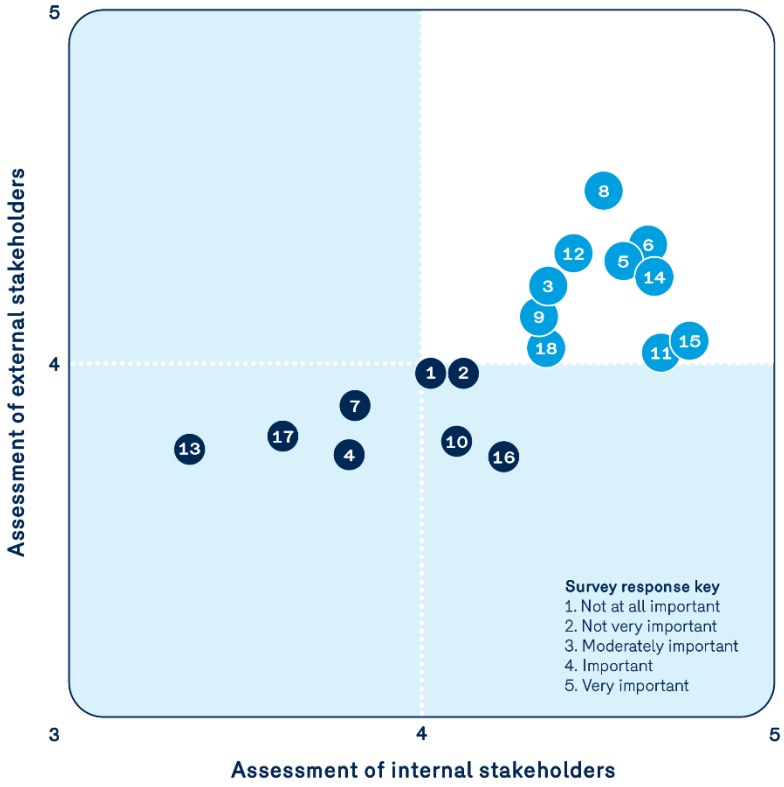
5.1.6. GRI 102-47 - List of material topics (materiality matrix) - 2017

In 2017, out of the 287 stakeholders asked to participate in the online consultation process, 188 of them replied, for a response rate of 67%.

Categories	Respondents	Contacted	Rate of response
Shareholders, partners and investors	5	6	83%
Industry associations	19	32	59%
Customers	16	32	50%
Management Committee	**11**	**12**	**92%**
Participants in the sustainability approach	**41**	**53**	**77%**
Corporate team	**11**	**15**	**73%**
Representatives from Énergir's subsidiaries	**6**	**8**	**75%**
Goods and services suppliers	6	11	55%
Natural gas suppliers	7	14	50%
Community groups	22	33	67%
Environmental groups	8	17	47%
Régie de l'énergie intervenors	5	8	63%
Certified natural gas partners	4	9	44%
Public authorities	9	18	50%
Universities and research chairs	9	9	100%
Members of the Board of Directors	**9**	**10**	**90%**
Total	**188**	**287**	**67%**

2017 Materiality matrix

Importance of issues on a scale of 1 to 5



1 Internal energy consumption
2 Water management
3 Management of the environmental impact of developing the natural gas network
4 Management of waste and spills
5 Air emissions
6 Energy efficiency and innovation
7 Goods and services procurement practices
8 Legal compliance and business ethics
9 Natural gas supply
10 Performance and economic benefits
11 Natural gas and the energy transition
12 Social acceptability
13 Service accessibility
14 Safety of the gas network
15 Occupational health and safety
16 Employment and working conditions
17 Community involvement
18 Customer satisfaction

GRI 102-47

Our sustainability performance disclosure approach

At the end of the consultation process, ten (10) out of the eighteen (18) proposed topics were given a priority rating of 4 or higher by both internal and external stakeholders (in order of importance). The issues that stakeholders considered to be priorities will be discussed in depth in this Sustainability Report.

The boundaries of the topics discussed in the report help explain where the impacts of sustainable development are felt in our value chain.

The 10 priority aspects	Description of the aspect	Impacts and boundaries of the aspects
1) Legal compliance and business ethics	Compliance with legislation and regulations, regulatory influence and voluntary business ethics initiatives.	The social and environmental impacts are associated with governance and information disclosure. The boundaries of this issue cover natural gas distribution in Québec.

GRI 102-47

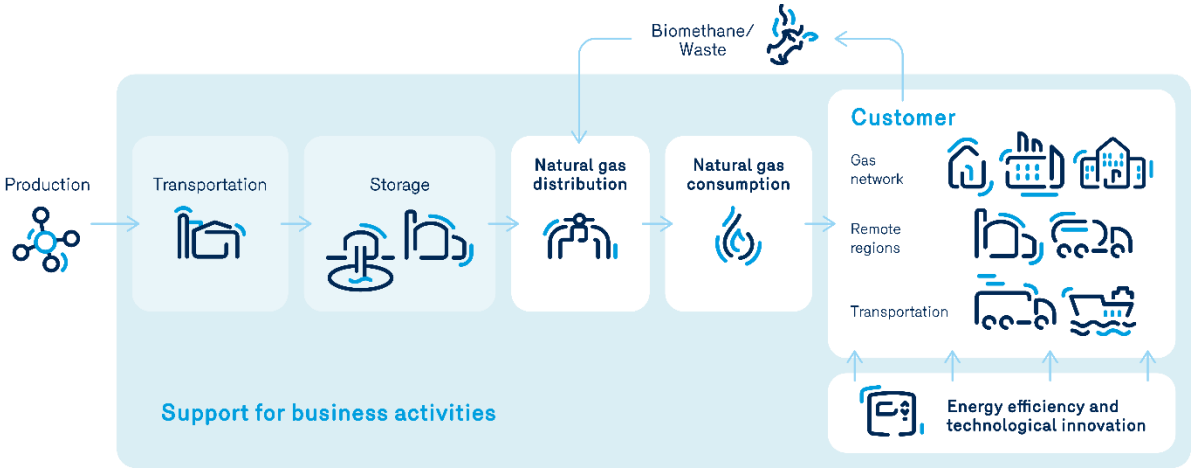
2) Air emissions	Management of greenhouse gases, other atmospheric pollutants (e.g. NO_x, SO_2), fugitive leaks, and the impact of climate change.	Environmental impacts on the air and climate associated with this issue are felt along the entire value chain. The boundaries cover natural gas distribution activities in Québec.
3) Energy efficiency and technological innovation	Programs and initiatives enabling customers to reduce their natural gas consumption. Search for new natural gas applications and other energy solutions.	The impacts are associated with natural gas consumption (GHG emissions, energy cost). The boundaries of this issue primarily concern the consumption of natural gas by residential, commercial and industrial customers in Québec.
4) Safety of the gas network	Risk outreach and communication initiatives, preventive maintenance programs, and policies pertaining to emergency measure management, operational continuity and network recovery (emergency response time, management system).	The impacts have to do with the safety of the public and communities near the gas network. The boundaries of this issue cover natural gas distribution in Québec.
5) Social acceptability	Concerns related to the social and environmental aspects of natural gas distribution and gas network improvement projects. Relations with Indigenous communities and stakeholders who are involved in the projects.	The impacts are associated with environmental and social concerns that communities have regarding the implementation and maintenance of natural gas infrastructures. The boundaries of this issue cover natural gas distribution in Québec.
6) Occupational health and safety	Outreach programs and management systems that foster a safe, healthy work environment for Énergir's employees, and the partners and suppliers who represent the company. Includes management of workplace accidents and absenteeism.	The social impacts are associated with the work environment. The boundaries of this issue cover staff, partners and suppliers involved in the distribution of natural gas in Québec.

GRI 102-47

7) Management of the environmental impact of developing the natural gas network	Management practices and systems implemented to mitigate the environmental risks and impacts associated with the company's gas network extension and natural gas distribution activities. Includes management practices and consideration of biodiversity.	The environmental impacts (on biodiversity) associated with the implementation and maintenance of gas infrastructures. The boundaries of this issue cover natural gas distribution in Québec.
8) Natural gas and the energy transition	The role of natural gas in a lower-carbon economy as well as innovative and renewable energy solutions (liquefied natural gas and biomethane).	The environmental impacts on the air and climate are associated with the use of natural gas to replace more emissive combustibles and fuels. The boundaries cover natural gas distribution and consumption activities in Québec.
9) Gas supply	Description of the natural gas supply chain and the organization's practices and procedures, including the choice of suppliers, the traceability of natural gas, and the environmental and social impacts of gas production.	The social impacts (on the community) and environmental impacts (GHG emissions and water management) associated with this issue occur before the value chain. The boundaries cover natural gas production and transportation activities outside of Québec. Énergir is not involved in exploration or operation activities at natural gas production sites.
10) Customer satisfaction	Monitoring of the quality of customer service, complaint management, and speed of service.	The social impacts are associated with the quality of customer service. The boundaries of this issue cover natural gas distribution in Québec.

Value chain

The following diagram sets out the major phases in the natural gas value chain, and the role that Énergir and its subsidiaries play in each phase.



Sustainability performance tracking platform

The eight (8) issues that, at the end of the prioritization process, are not included in this report will nevertheless be disclosed on the sustainability performance tracking platform.

The Metrio disclosure platform allows us to disclose all our sustainability performance indicators and will be updated annually while the Sustainability Report will continue to be released every two years. Click here to access Énergir's **sustainability performance tracking** platform.

6. Priority aspects

6.1. Social acceptability

Concerns related to the social and environmental aspects of natural gas distribution and gas network improvement projects. Relations with Indigenous communities and stakeholders who are involved in the projects.

6.1.1. Management approach – GRI 103-1,2,3 – Social acceptability

This section focuses specifically on the social acceptability of Énergir's projects. To find out more about the issues related to the social acceptability of natural gas, its origin and its production methods, please go to the "Natural gas supply" section.

Énergir serves over 300 municipalities throughout Québec Énergir's operations may have impacts on and consequences for some local communities, in terms of safety, quality of life or environmental quality. For this reason, Énergir maintains an ongoing dialogue with stakeholders, particularly neighbours of the natural gas network and Québec municipalities.

Énergir launched a social acceptability initiative a few years ago; it has gradually been rolled out to teams in charge of various types of network, construction, major activities or engineering improvement projects. Over time, feedback from internal and external stakeholders has helped improve the initiative.

As every project is unique, having a reflection process that is tailored to its specific context is important. In any case, the planning stage remains key to better understanding the community where the project is being implemented and to reduce the impacts and maximize the benefits. Experience over the last few years has shown us that stakeholders must be identified in advance, and that a dialogue with them facilitates better integration of the project into the community.

The initiative's main components are as follows:

- Before confirming a major project, we initiate a dialogue and discussions with the local stakeholders to ensure we have an accurate understanding of the community's needs. The aim is to carry out projects that take the community into consideration and mitigate impacts.

- Using a quick reference tool deployed to the teams involved, we identify projects that might raise concerns or lead to more significant impacts and that would require a more in-depth analysis.

- We conduct an analysis based on an impact grid and implement an action plan, which may include consultation with or information from stakeholders, and mitigation measures.

- Follow-up on measures is performed regularly in order to make the necessary corrections.

Over the last few years, certain elements have evolved to formalize Énergir's commitment:

- Management of interactions with stakeholders: An accountability system was implemented to keep track of communications with stakeholders. This platform is accessible at any time and allows us to monitor in real time the progress made in ongoing initiatives, based on the projects, the stakeholders involved and the nature of the discussions.

- Internal collaboration on the issue of social acceptability of projects is gaining maturity and becoming a formal part of internal procedures for project teams.

- Every three years, Énergir representatives meet with elected officials and stakeholders from all municipalities and RCMs served by the natural gas network to raise awareness about safety and prevention in the gas network and to better equip them in their efforts to plan emergency measures. At this time, the coordination of work activities is one of the topics discussed at these meetings.

- In December 2013, the Union des municipalités du Québec and Énergir announced the signing of a historic framework agreement on the coordinated management of public spaces for urban infrastructure networks. Later, in December 2016, the Fédération québécoise des municipalités and Énergir also signed a similar agreement aimed at facilitating the management of initiatives related to their urban infrastructure networks. In this regard, under the agreements, an annual lump sum of 2% of the value of the implementation and improvement activities will be paid to municipalities, the costs will be equally shared for relocating gas facilities at the request of the municipalities, and the trench performance will be managed by Énergir.

- We have also launched a global discussion on our relations with Canadian Indigenous peoples, holding meetings with various community leaders and raising awareness within our teams. In addition, meetings were held with various communities to share ideas on specific projects.

For fiscal 2017, gradually rolling out the use of the assessment criteria chart for projects with a broader scope allowed us to flag 70 projects deemed to be more sensitive. Énergir's work teams were able to follow the progress of the projects and develop an appropriate strategy. For examples of such projects, go to the "Examples of impact and stakeholder relations management mechanisms" indicator in the "Social acceptability" section.

Feedback from internal teams is vital to the integration of the management approach. Their comments will allow us to improve the processes and adequately assess the impacts.

The stakeholder management platform recently integrated into operations allows us to more effectively and thoroughly analyze interactions with the community.

6.1.2. Performance indicators – Social acceptability

6.1.2.1. Social acceptability – Examples of impact and stakeholder relations management mechanisms

The projects presented here are examples of more sensitive initiatives that were identified using our assessment criteria chart for impacts from our activities.

1- Énergir's Saguenay network reinforcement project

Background

During the period from May 2016 to November 2017, Énergir carried out activities to improve and reinforce its transmission network to Saguenay. These activities were necessary to enhance the natural gas network's capacity and to be able to serve existing customers and new customers upon request.

In concrete terms, these activities involved changes to Énergir's compression site, located at Saint-Maurice, where gas flows are managed for the area and for the Saguenay distribution network. At the same time, construction of a new compression station in La Tuque was also required, at the junction of an existing line that feeds the City of La Tuque, to reinforce the network.

Measures

Since the work was carried out at two separate locations, Saint-Maurice and La Tuque, potential issues were identified in both communities.

In Saint-Maurice, preliminary meetings and discussions enabled us to identify specifc concerns before the work started: notably, the noise from the construction work to be carried out at the compression station, which was located near a residential neighbourhood, and the perception of danger associated with the work on Énergir's transmission line.

In light of these issues, the team sought to identify the best way to mitigate the impacts and to communicate the information to address the concerns of the communities.

Following a meeting with municipal administrators, it was decided to organize open-house days, in May 2016, to present the project to Saint-Maurice residents, inform them of the presence of the gas network in the area and address their questions and preoccupations regarding safety. Furthermore, Énergir used the findings from the noise study to reassure residents who were concerned about safety and they were satisfied with the information they received after the event.

In La Tuque, the planned location for the new compression station was 5 km east of the city, in the forest, near the land used by students from the École forestière de La Tuque. Groups likely to be affected by the construction activities were contacted well before the

work began. A number of measures were chosen to mitigate the various impacts related to the work.

For safety reasons, a few weeks before the construction work was to begin, signs were posted to warn hikers and hunters to be careful. A phone line dedicated to the project was also set up at the same time, and the number was distributed to residents in the area.

Given the presence of cottages along the road leading to the identified site and given that it had been anticipated that the transportation of construction materials and equipment to the site would be a potential irritant, a letter explaining the nature of the project and the project schedule was sent to those residents. This letter was followed by individual meetings with some of the residents who had questions. An individual was identified to represent the residents, who were regularly informed of the various aspects of the project, particularly the schedule of heavy transport on the road.

Since frequent traffic on the road would likely increase dust in the air, dust suppressants were applied several times.

In addition, to reduce as much as possible the impact of increased traffic on the road, Énergir made a forest road accessible for detours, which helped keep some heavy trucks off the main road on their way to the construction site.

As a precaution, major efforts were made to raise awareness among the construction site workers to ensure they limited their speed when travelling on the road.

Lastly, it is important to note that training workshops at the École forestière near the Énergir site also resulted in successful cooperation. Énergir called on the advice and expertise of personnel and students from the École forestière to help clear the land for the compression site and remove snow from the road to maintain access during winter. Since Énergir needed to dispose of the logs resulting from the deforestation, the company saw an opportunity to increase synergy and cooperation with the École forestière. The funds generated through the sale of the cut logs was donated to the school's foundation, the Corporation pour le développement de la forêt du Haut Saint-Maurice, for the benefit of the students.

Furthermore, numerous initiatives implemented by Énergir over the two-year lifespan of the project helped to not only mitigate the impacts of the construction work, but also to build ties with the surrounding communities.

2- Deployment of LNG marine fuel supply solution at the Port of Montréal

Background

Since April 2017, a liquefied natural gas (LNG) marine fuel bunkering solution has been available for all shipowners passing through the Port of Montréal, thanks to Énergir and its subsidiaries.

This bunkering system using LNG, which is a cleaner fuel, now enables local and foreign shipowners to comply with increasingly stringent standards for polluting emissions on North America's waterways and in emission control areas worldwide.

This important step in the deployment of LNG to fuel up ships in Québec follows the decision made by the Société des traversiers du Québec, who by 2015 had already started using LNG in Matane for its ferry, the F.A.-Gauthier. Already used elsewhere in the world, especially in Europe, LNG has been chosen by maritime transport companies that are looking for less polluting fuels in order to meet the new emission standards set by the International Maritime Organization (IMO).

Given that LNG's properties and its usage as a maritime fuel are not widely known here, this project's deployment in the Port of Montréal was expected to raise questions and even some concerns.

Before the first fuelling activities began, it was important for Énergir to clearly explain how this solution would be deployed, while at the same time working to make sure that LNG's properties were better understood.

Measures

As part of its efforts to effectively inform and consult the stakeholders involved, Énergir has been working closely with the Montreal Port Authority whose docks would be used to give shipowners access to LNG as a more eco-friendly fuel.

In early fall 2016, after the stakeholders who might be interested in or affected by the project had been identified, we organized a meeting with the Port of Montréal's Good Neighbourhood Committee so that the project could be presented. The committee made up of a diverse range of targeted stakeholders was considered the forum for addressing potential concerns about the project. By presenting the project at that meeting, Énergir was able to gain an understanding of the concerns related to the security of the LNG supply chain from the liquefaction, storage and regasification plant as well as concerns about the frequency of LNG deliveries to the port, which were a potential noise issue for residents in the area. It was agreed that those stakeholders would be sent additional information on the project's impact study and the delivery frequency. That information was provided in the spring of 2017 and did not lead to further questions from them.

Concurrently, in the months prior to the first LNG bunkering operation at the Port of Montréal, meetings were held with operators using neighbouring docks and with the Port's

dockworkers. Thanks to those meetings, Énergir and the Montreal Port Authority were able to align their operations for the targeted docks, open a communications channel with the neighbouring businesses concerned and, most importantly, ensure that all the planned security measures were implemented successfully.

3- Reinforcement of Énergir network at Université de Montréal's Outremont campus

Background

In June 2017, Énergir carried out work on its network in order to increase the volume of natural gas available for the construction of Université de Montréal's new Outremont campus.

More specifically, the reinforcement work in the Outremont borough involved installing new natural gas lines in the area bounded by the streets Laurier West, Bernard, Hutchison and Bloomfield, a busy neighbourhood where another of the borough's major worksites was already underway.

In that context, the additional traffic obstructions caused by Énergir's work and the need to maintain access to businesses at certain stages of that work were rapidly identified as problematic.

Measures

From the outset, a meeting with the Outremont borough (at the political and communications levels) was identified as a way to develop an action plan that would align Énergir's communications initiatives with those of the borough. Following a meeting with the borough prior to the project, it was agreed that weekly follow-ups would be done with the borough's public works department to keep them informed about construction work progress and detect potential issues that would require targeted communications. One of the measures taken by Énergir coming out of those discussions was to hire the same signage firm that the borough used for its neighbouring worksite, ensuring that the signage would be consistent on both sites.

At the same time, a communications channel was opened with the Laurier West and Bernard Avenue merchant associations as soon as the work started so that the affected businesses could be kept up to date, especially about expected traffic obstructions.

Other stakeholders located along the route, including certain schools and restaurants near Énergir's worksite, were also kept informed individually, which allowed us to identify suitable mitigation measures at specific stages of the work. Among other measures, we installed a worksite fence covered in geotextile near the patio of a restaurant located along the route and arranged to have an Énergir project technician on site at all times as an intermediary between the contractor and the businesses.

Even though Énergir's work was carried out in a sector already affected by other work, which led to more questions and requests for action, our efforts to coordinate

communications among the various organizations and apply appropriate mitigation measures ultimately had a positive impact and were appreciated by the community.

6.1.2.2. Social acceptability – Number of complaints about Énergir's work

	2015	2016	2017
Complaints	12	19	12

The number of complaints about Énergir's construction work declined in 2017. The complaints submitted were related to vehicle driving and employee behaviour (5), new customer connections (3), work to improve the network (3) and land rehabilitation (1). All of the company's teams involved in work of this kind continue to focus their efforts on ensuring an outstanding approach for customers and citizens. Those teams also help raise awareness among the contractors hired every year by Énergir.

For complete information about the complaints received by Énergir, please refer to the "Customer satisfaction" section.

6.1.2.3. GRI 413-2 - Operations with significant actual and potential negative impacts on local communities - 2017

The EMS lists activities liable to have an environmental impact on local communities. Impacts are then analyzed and prioritized according to five considerations: regulatory compliance, public opinion, cost-benefit analysis, risk frequency and risk severity. The analysis identifies potentially significant environmental impacts for Énergir. The priorities that ensue from this enable the development of action plans, procedures or risk mitigation measures. It should be noted that any changes to Énergir's activities are also examined so that the environmental impacts can be updated and any risks mitigated.

During fiscal 2017, the environmental aspects were updated. Among the 139 different activities evaluated, 322 aspects were recorded in the EMS. Based on the evaluation, close to 30% of those activities were considered to have a significant potential impact requiring control measures to be applied. The activities, which vary in nature, touch on the following areas:

- excavation and managing lands and waste materials
- installation, maintenance and management of the natural gas distribution network
- natural gas odorizers
- vehicle use and maintenance
- storage and handling of materials and equipment

The table below presents various aspects grouped according to their potential environmental impact.

Potential environmental impact	Aspects of Énergir's activities concerned
Depletion of energy and natural resources	Electricity consumption
	Water consumption
	Raw material consumption
	Fossil fuel consumption
Increase in the greenhouse effect and climate change	Greenhouse gas emissions Natural gas leaks
Air pollution	Air emissions
Water pollution	Discharge into the ground
	Discharge of water potentially contaminated with harmful substances
	Hazardous material spill
Soil contamination	Hazardous material spill
Environmental contamination*	Hazardous material disposal
	Hazardous material spill
	Use of pesticides
Environmental deterioration	Underground natural gas migration
	Fire or explosion
	Natural environment disruption
Annoyances	Noise
	Odour
Note: The term "environmental contamination" refers to a combination of many kinds of contamination (air, water, soil).	

A new version of the ISO 14001 standard governing the environmental management system was published during the 2015 calendar year to reflect changes in Énergir's expectations and markets. In conjunction with the rollout of the new version of the standard, various EMS components were reviewed and enhanced.

In order to minimize the impacts of its most significant environmental aspects, the employees are trained regarding different operational procedures. For example, in order to preserve sensitive environments during construction or maintenance work, it is strictly forbidden to navigate through marshland, peat bogs and bodies of water unless certain conditions are set. In order to reduce GHG emissions, Énergir carries out leak detection activities on its gas network in order to undertake proper maintenance activities as early as possible. Also, vehicle idling time is limited. Sound management of residual hazardous materials helps prevent spills and the management of contaminated materials during construction work is carried out according to the applicable regulation in order to limit the release of contaminants into the environment.

6.2. Natural gas supply

Description of the natural gas supply chain and the organization's practices and procedures, including the choice of suppliers, the traceability of natural gas, and the environmental and social impacts of gas production.

6.2.1. Management approach - GRI 103-1,2,3 - Natural gas supply

Énergir's supply chain covers all the steps required to provide a high-quality, reliable natural gas distribution service.

In order to supply its customers, Énergir relies on a varied portfolio of transportation and storage tools with expiry dates spread out over time. Énergir has transportation capacity on the TransCanada PipeLines Limited (TCPL) and Union Gas Limited (Union Gas) systems that it uses to deliver natural gas to its exclusive distribution area from either Dawn, Ontario, or Western Canada. The storage capacities contracted or owned by Énergir enable it to manage fluctuations in its customers' consumption. Énergir has contracted storage capacity in Québec and at Dawn. Énergir buys the natural gas required to supply its customers or receives natural gas from customers who have opted to secure their own supply of natural gas. On an annual basis, Énergir submits its supply plan to the Régie de l'énergie for approval.

Most of the gas volumes distributed by Énergir are purchased by customers directly from suppliers of their choosing. During fiscal 2017, approximately 37.3% of the natural gas volumes distributed (82.2 PJ) were purchased directly by Énergir for resale to customers at cost, generating no profit. Énergir buys gas volumes from various intermediaries such as banks or brokers as well as natural gas producers. The remaining volumes are purchased by customers directly from suppliers of their choosing.

Natural gas supply context

Historically, most of Énergir's natural gas supplies have come from Western Canada. In November 2016, Énergir made an important shift in its procurement choices by transferring its main supply receipt point from Empress, Alberta, to Dawn. Over the past few years, Énergir has gradually increased the share of its supplies originating from Dawn, which has lowered total supply costs because it is closer to the territory served.

The natural gas transported from Empress originates from the Western Canada Sedimentary Basin (WCSB). The natural gas transported from Dawn comes from the WCSB as well as various regions of the U.S. such as the Rockies, Mid-Continent and Marcellus. The natural gas delivered to the Énergir network is produced from both traditional and non-traditional deposits, including shale, mainly because the production of natural gas from non-traditional sources is growing in North America.

Given that North American natural gas networks are interconnected, it is not possible to pinpoint the exact location that a natural gas molecule was produced beyond the Empress and Dawn receipt points. That is why is it difficult to determine the precise share represented by each production source in Énergir's distribution network.

Énergir is not involved in any exploration activities or natural gas production site operations. Nevertheless, we are sensitive to and share the concerns of our customers and stakeholders about the origins of the natural gas we deliver, the type of basin, production methods and their impacts, and we understand that it would be advantageous to have more information in that regard.

Responsible gas procurement

Among our efforts to further reduce the environmental footprint of the product we distribute while continuing to meet customer demand, Énergir is taking a close look at the potential of renewable natural gas (RNG) and is continuing to work on expanding supplies of RNG and making it available to as many customers as possible through our natural gas network.

Additionally in 2017, we initiated a responsible gas procurement process aimed at reducing the environmental footprint of the natural gas we distribute. The process has two goals:

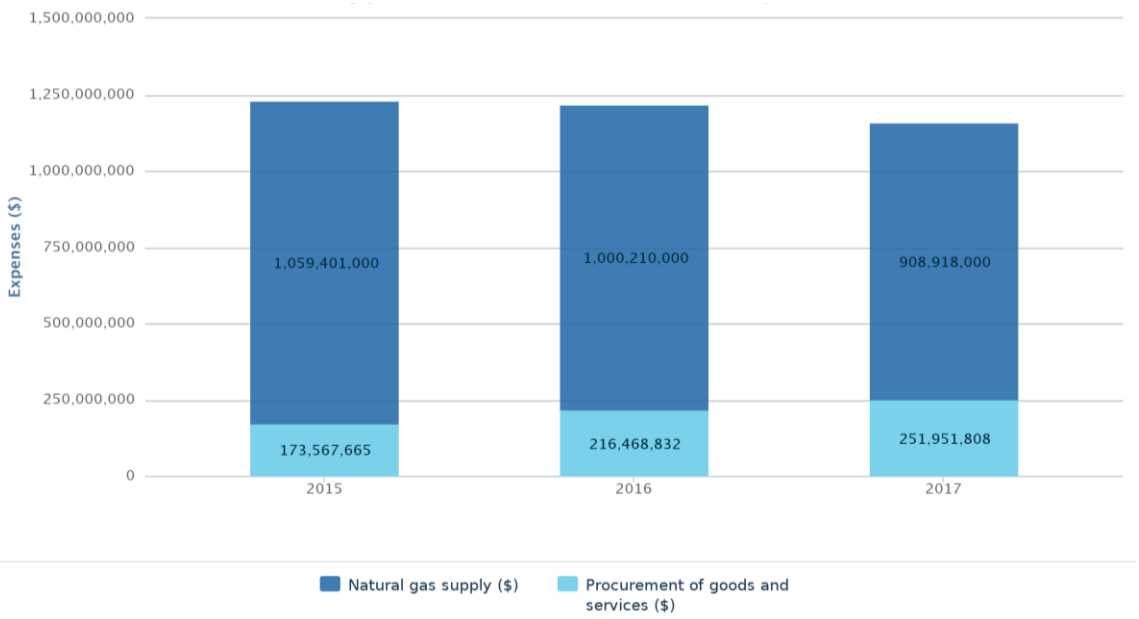
1) buy directly from producers so that our natural gas supplies are easier to track;
2) buy from producers that have adopted some of the best practices to reduce the impacts of their operations.

To reach those goals, Énergir has been working with the Pembina Institute, a non-governmental organization that was founded in Alberta and now promotes the transition to lower-carbon energy in Canada. With expertise in public policy and best energy practices, the Pembina Institute is advising Énergir on the development of responsible procurement criteria. The aim of this collaborative effort is to design an evaluation method for identifying the natural gas producers that have implemented the best practices in terms of minimizing the impacts of their operations on communities and the environment, especially methane emissions.

In fiscal 2018, Énergir would like to review the responsible production criteria with its stakeholders, roll out a pilot project with proactive producers and eventually make our first natural gas purchases under the new process.

6.2.2. Performance indicators

6.2.2.1. GRI 102-9 - Procurement expenditures



The main reason for the nearly 10% decrease in natural gas procurement costs between 2016 and 2017 was the relocation of the supply structure to Dawn. The commodity cost of natural gas increased over the period but the average cost of transportation and balancing supply tools fell.

The increase in expenses associated with goods and services during fiscal 2016 compared with fiscal 2015 was explained by major non-recurrent projects and IT improvement projects, which continued in 2017.

6.2.2.2. GRI 102-9 - Overview of natural gas supply

				2015	2016	2017
Total volume distributed (PJ)				222.8	211.3	220.3
Natural gas supplied by Energir (network gas)	Percentage of total volume distributed			39.0	35.4	37.3
	Volume distributed as network gas (PJ)			87.0	74.9	82.2
	Breakdown of purchases by point	Empress	Percentage of network gas	39.4	38.6	40.0
			Volumes (PJ)	34.3	28.9	32.9
			Number of suppliers	20	26	29
			Percentage of total volume distributed	15.4	13.6	14.9
		Dawn	Percentage of network gas	60.5	61.4	57.4
			Volumes (PJ)	52.6	46.0	47.2
			Number of suppliers	12	24	24
			Percentage of total volume distributed	23.6	21.8	21.4
		Parkway	Percentage of network gas	-	-	2.6
			Volumes (PJ)	-	-	2.1
			Number of suppliers	-	-	8
			Percentage of total volume distributed	-	-	1.0
		Energir territory	Percentage of network gas	0.1	0.0	0.0
			Volumes (PJ)	0.1	0.0	0.0
			Number of suppliers	1	1	0
			Percentage of total volume distributed	0.0	0.0	0.0
Natural gas purchased by customers (direct purchases)	Number of clients			3,774	3,946	4,026
	Percentage of total volume distributed			61.0	64.6	62.7
	Volume distributed as direct purchases (PJ)			135.8	136.4	138.1
	Direct purchase with transport by Energir	Empress	Percentage of direct purchase volume (%)	96.2	97.6	11.1
			Volume (PJ)	130.7	133.1	15.3
			Number of clients	3,706	3,932	0
			Percentage of total volume distributed	58.7	63.1	6.9
		Dawn	Percentage of direct purchase volume (%)	0.0	0.0	86.3
			Volume (PJ)	0.0	0.0	119.1
			Number of clients	0	0	4,015
			Percentage of total volume distributed	0.0	0.0	54.1
	Direct purchase with transport by customer	Energir territory	Percentage of direct purchase volume (%)	3.8	2.4	2.7
			Volume (PJ)	5.1	3.2	3.7
			Number of clients	68	14	11
			Percentage of total volume distributed	2.3	1.5	1.7

The increase in the volumes of natural gas removed between fiscal 2016 and 2017 was attributable to economic growth.

Direct purchases

Énergir's customers have the option of buying their natural gas directly from the supplier of their choice. In those cases, customers generally put Énergir in charge of moving the natural gas from the indicated supply locations to the customers' respective facilities. A few customers take on the responsibility of having the natural gas delivered to Énergir's distribution network. In fiscal 2017, direct-purchase contracts accounted for about 62.7% of total volumes delivered to customers, compared with approximately 64.6% the previous year.

System gas

System gas volumes represented approximately 37.3% of total volumes delivered in fiscal 2017 versus about 35.4% the previous year. System gas is used to supply Énergir customers who have not opted to buy directly from another supplier.

To serve system gas customers, Énergir currently has annual procurement contracts with a number of suppliers. The price paid by Énergir is based on a recognized index published according to the prices for a specified period at the hubs in Alberta (Aeco), Ontario (Dawn) and Louisiana (Henry), as applicable, plus a markup negotiated between the parties. Énergir also buys natural gas from time to time in order to adapt to fluctuations in demand and network operating conditions.

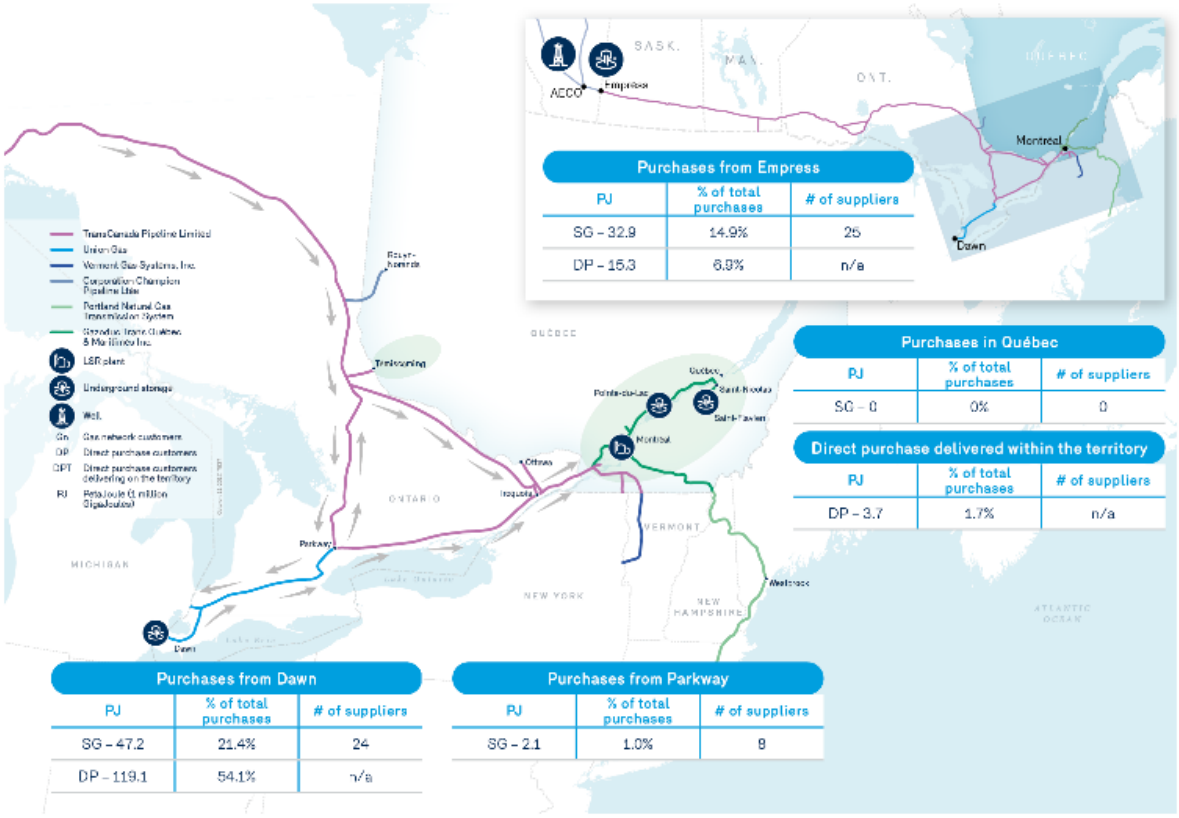
In fiscal 2017, 40% of the natural gas needed by Énergir to serve system gas customers was purchased from the Empress, Alberta, hub (in comparison with 38.6% the previous year), while 57.4% came from the Dawn, Ontario, hub (versus 61.4% the previous year) and 2.6% from the Parkway, Ontario, hub (compared with 0% the previous year).

Transportation

Other than the two gas pipelines operated by Champion Pipeline Corporation Limited, the only two pipelines that supply Énergir belong to TransCanada PipeLines Limited (TCPL) and Transquébec & Maritimes (TQM), the latter being an operational subcontractor for TCPL. Énergir has put together a transportation capacity portfolio that is diversified in terms of due dates and points of origin. Most of those capacities will be available until October 31, 2024.

Énergir has transportation contracts with TCPL for most of the natural gas volumes moved to the territory covered by its exclusive distribution rights. Since November 1, 2016, most of those contracts have been used to transport natural gas from the Dawn or Parkway hubs in Southern Ontario. Énergir also has transportation contracts with Union Gas between Dawn and Parkway.

Gas supply map



6.2.2.3. GRI 102-10 - Significant changes to the supply chain - 2017

Historically, most of Énergir's natural gas supplies have come from Western Canada. Over the past few years, Énergir has gradually increased the share of its supplies originating from Dawn, which has lowered total supply costs because it is closer to the territory served.

However, in December 2016, Énergir made an important shift in its procurement choices by transferring its main supply receipt point from Empress, Alberta, to Dawn, Ontario.

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

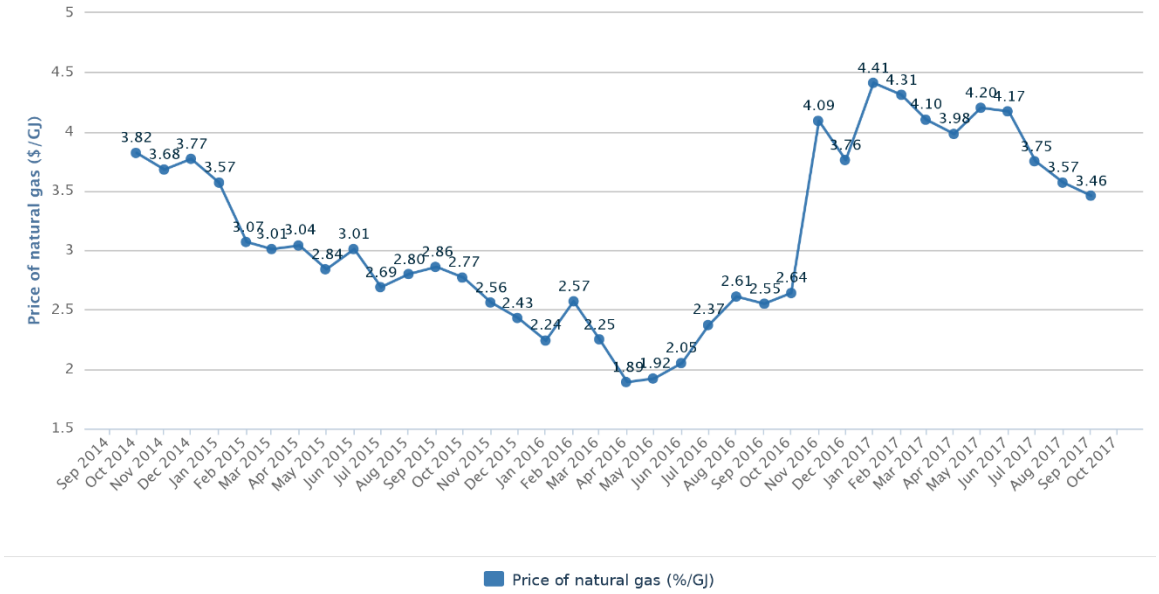
		2015	2016	2017
Gas volume (PJ)	**Local**	0.1	0.0	0.0
	Total	222.8	211.3	220.3
Expenses	**Local**	750,000.0	62,000.0	0.0
	Total	1,059,401,000.0	1,000,210,000.0	908,918,000.0

In fiscal 2017, Énergir did not distribute renewable natural gas in its network. However, toward the end of the 2017 calendar year, the first biomethane injections were done from the City of Saint-Hyacinthe's organic waste reclamation centre.

Low local volumes in 2016 of 0.012 PJ is due to the fact that one supplier provided a very small amount of the natural gas produced in Québec from reclaiming residual materials (biomethane).

All other requirements being equal, the "local" criterion is applied to encourage suppliers with a place of business in the province of Québec.

6.2.2.5. GRI 102-9 - Natural gas price



The commodity price of natural gas increased as of November 1, 2016 after our natural gas supply was moved to Dawn. By moving the gas supply from Empress in Western Canada to Dawn in Southern Ontario, we were able to achieve a competitive, reliable supply cost. Thanks to Dawn's geographic proximity to the Énergir territory, the change in supply points lowered the costs of transportation to Énergir's network, more than offsetting the higher commodity cost. This relocation also ensured proximity to the production basins in the U.S. Northeast, which are growing rapidly.

That being said, natural gas consumers benefited from a low commodity price in 2017. The price matched the average for the past seven years.

6.3. Legal compliance and business ethics

Compliance with legislation and regulations, regulatory influence and voluntary business ethics initiatives.

6.3.1. Management approaches

6.3.1.1. GRI 103-1,2,3 - Legal compliance

It is essential for Énergir to comply with the legislation and regulations governing its operations. Various measures have been implemented on a proactive basis to ensure that the applicable legal requirements are met, primarily in terms of the environment, workplace health and safety, marketing communications and network security.

We have taken a diligent approach that focuses mainly on monitoring bills tabled at the National Assembly of Québec and Canada's House of Commons as well as draft federal and provincial regulations published in the government gazettes. At the municipal level, regulatory monitoring is done by requesting information whenever necessary from the cities and municipalities where our natural gas network is located.

Environmental compliance

The environment is an important consideration for Énergir. For example, Énergir's ISO 14001-certified EMS (2015 version) ensures that the impacts of our operations on the environment are evaluated and that measures are continuously taken to reduce those impacts. Legal monitoring of environmental issues is included in an EMS procedure targeting Énergir's operations. The purpose of that legal monitoring procedure is to identify new legal obligations that apply to Énergir's operations and inform the relevant individuals about them on a timely basis. The procedure is reviewed when the ISO 14001 certification is renewed or when quarterly maintenance audits are done, ensuring that the effectiveness of that management approach is evaluated.

Under the Greenhouse Gas Cap-and-Trade System (C&T System), Énergir is required to offset greenhouse gas (GHG) emissions attributable to i) its natural gas transportation and distribution activities and ii) the use or combustion of the natural gas it distributes for consumption in Québec (except for GHG emissions attributable to establishments covered directly by the C&T System). Consequently, Énergir introduced a new C&T service in its pricing, effective January 1, 2015, to recover from applicable customers the costs of purchasing emission allowances to offset the GHG emissions resulting from natural gas combustion, as reported to the Minister of Sustainable Development, the Environment and the Fight against Climate Change.

6.3.2. Performance indicators – Legal compliance

6.3.2.1. GRI 307-1 - Non-compliance with environmental laws and regulations

	2015	2016	2017
Notice of legal non-compliance	1	0	2
Criminal penalty	0	0	0
Pecuniary administrative penalty	0	0	0

In October 2016, Énergir received a Québec non-compliance notice for having emitted, deposited, issued or discharged a contaminant or allowed the emission, deposit, issuance or discharge of suspended matter into a watercourse. It should be noted that a non-compliance notice is not a court ruling.

In September 2017, Énergir received a notice from Environment and Climate Change Canada for having failed to promptly report a leak of various substances to the competent authority. It should be noted that the notice does not constitute i) a ruling as to Énergir's criminal or civil liability or ii) an administrative decision.

6.3.2.2. Legal compliance – Civil claims or criminal proceedings related to public safety issues that resulted in a conviction or out-of-court settlement

	2015	2016	2017
Amicable settlement	0	0	5
Conviction	0	0	0

An incident related to a natural gas leak occurred on February 3, 2014. The event led to five claims from third parties who incurred property damage. Since the claims were settled out of court on May 5, 2017, they are covered in this report. It should be noted that Énergir filed warranty proceedings against the insurer of the contractor that installed the natural gas line at issue. That contractor is no longer in business. The proceedings are still underway.

6.3.2.3. GRI 416-2 - Non-compliance with regulations concerning the impacts of products and services on health and safety

	Type of Notice		Consequence of a Notice		
	Notice of non-compliance	Notice of violation	Number of fines	Fine ($)	Non-pecuniary penalty
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0

6.3.2.4. GRI 417-3 - Non-compliance with laws, regulations and voluntary codes concerning marketing communications[5]

	Type of Notice		Consequence of a Notice		
	Notice of non-compliance	Notice of violation	Number of fines	Fine ($)	Non-pecuniary penalty
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0

6.3.2.5. GRI 419-1 - Non-compliance with laws and regulations in the social and economic area[6]

	Type of Notice		Consequence of a Notice		
	Notice of non-compliance	Notice of violation	Number of fines	Fine ($)	Non-pecuniary penalty
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0

[5] Notices of non-compliance or of violation, fines or non-monetary sanctions under legislation (other than those defined in the GRI 307-1 and GRI 419-1) governing advertising and marketing (including the *Consumer Protection Act*, the *Competition Act*, the *Telecommunications Act* and *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, also called Canada's Anti-Spam Legislation).*

[6] Notices of non-compliance or of violation, fines or non-monetary sanctions under legislation (other than those defined in the GRI 307-1) in the social and economic area (including the *Act Respecting Occupational Health and Safety*, the *Income Tax Act*, the *Charter of Human Rights and Freedoms,* the *Canadian Charter of Rights and Freedoms*, the *Charter of the French Language* and the *Competition Act*), which also include those governing Énergir, L.P.'s main activities (the *Act respecting the Régie de l'énergie*, the *Building Act*, the *Gas, Water and Electricity Companies Act*, the *Electricity and Gas Inspection Act* and *An Act respecting the mode of payment for electrical and gas service in certain buildings*).

6.3.3. GRI 103-1,2,3 - Regulatory approach

Regulatory framework

Énergir's natural gas distribution activity in Québec is regulated by the Régie de l'énergie, an economic regulation agency that oversees and defines the framework of the energy sector. In particular, the Régie sets the rates and service conditions for Québec natural gas consumers. The Régie also performs other functions, including overseeing the activities of distributors such as Énergir, determining their rate of return, specifically authorizing investments of $1.5 million or more and reviewing consumer complaints.

In the territory covered by its distribution network, Énergir has the obligation to supply and deliver natural gas to anyone who requests it and to deliver natural gas to consumers who purchase natural gas from a third party. Existing and future customers can refer to the Conditions of Service and Tariff, which define the responsibilities of the distributor and the customer.

Regulatory approach

To go beyond its regulatory obligations and maintain good relations with the Régie de l'énergie, Énergir has set up a regulatory consultation process based on cooperation and dialogue. In addition to compulsory meetings, consultations are organized four times a year with Régie intervenors before files are submitted to the Régie. Énergir issues a calendar of regulatory files in advance and takes part in various committees of the Canadian Gas Association (CGA) and American Gas Association (AGA) to discuss best regulatory practices.

The process is always being upgraded through efforts to continuously improve regulatory file efficiency. In doing so, Énergir occasionally proposes changes to the procedures and submission rules. We also take part in public meetings with intervenors from the Régie during administrative tribunal week to go over success stories and areas for improvement and rethink operating procedures.

Political and regulatory influence

Playing a proactive role in the development of renewable natural gas (RNG), Énergir proposed a series of measures to the Régie in July 2017 to help make RNG more competitive and encourage biomethanization projects in Québec.

To promote our solutions for sustainable economic development and GHG reduction, we actively participated in public consultations at the provincial and federal levels concerning energy and natural resources, GHG reduction targets and the road and maritime transportation industry.

We would like to highlight in particular our participation in the public consultations on sustainable mobility organized at the provincial level by Transition énergétique Québec and the Ministère des Transports, de la Mobilité durable et l'Électrification des transports.

On the federal scene, we contributed to the consultations done by Generation Energy, Infrastructure and Communities, and Environment Canada.

Énergir also occasionally meets with public office holders responsible for the above issues and holds regular discussions with various stakeholders on public policy issues pertaining specifically to the environment, energy and economic development. This is done transparently, and Énergir and some of its employees are registered in the Québec and federal registries of lobbyists.

To make its positions known on public policy issues, Énergir also collaborates with various groups such as the Association industrielle de l'Est de Montréal, the Association québécoise pour la production d'énergie renouvelable, the Conseil du patronat du Québec, the Conseil patronal en environnement du Québec, Écotech Québec, the Fédération des chambres de commerce du Québec and the Switch Alliance.

6.3.4. Performance indicators – Regulatory approach

6.3.4.1. Investment projects over $1.5 million approved by the Régie de l'énergie

Investment projects category	Investment (M$)
Network and Ministère des Transports	1.856
Property and Information Technology	2.964
Total	4.820

The amounts for Énergir investment projects valued at $1.5 million or more approved by the Régie de l'énergie depend on the number and size of network extension projects, pipeline relocations to accommodate work by the Ministère des Transports (MTQ) (Network and MTQ category), real estate investments and IT needs (Buildings and IT category). Year to year, the amounts of projects approved may differ significantly.

In the Network and MTQ category for fiscal 2017, one network extension project for $1.9 million was approved and no MTQ projects were approved. In fiscal 2016, the network extension project in the Bellechasse region ($39.9 million) and the route modification project for the acquisition and rehabilitation of Pétromont lines and connection to Énergir's gas system ($20.4 million) accounted for $60.3 million of the $64.7 million approved.

In the Buildings and IT category for fiscal 2017, one real estate project for $3.0 million was approved and no IT projects were approved. In fiscal 2016, two IT projects were approved for a total of $19.8 million.

6.3.4.2. Number of regulatory affairs outside Québec for which Énergir is an intervenor

	2015	2016	2017
National Energy Board	3	7	5
Ontario Energy Board	1	1	0
Total	4	8	5

Énergir intervenes in cases regarding transportation services outside its territory to defend and protect its customers' interests and ensure that the transportation rates required by transporters (TransCanada Pipelines Limited and Union Gas Limited) are fair and reasonable.

The number of regulatory affairs outside Québec for which Énergir was registered as an intervenor went from eight to five in fiscal 2017, including three that were already underway the previous year. This is explained by the fact that some cases were finalized, including the one before the Ontario Energy Board and four before the National Energy Board (NEB). Énergir registered with the NEB as an intervenor in two new cases concerning long-term fixed-price transportation service.

6.3.5. GRI 103-1,2,3 - Business ethics

Énergir is a modern company whose culture comprises an ethical dimension.

A Code of Ethics has been in effect since 2002. It applies to Énergir's employees and directors. As part of a multi-faceted process, they have to make a commitment to respect the Code when they first join Énergir and whenever a major change is made to the Code.

Every day, Énergir's activities intersect with a whole range of fundamental considerations, including economic development, environmental protection, customer and investor satisfaction, community relations and public authority relations. The Code of Ethics is a tool that gives every employee guidelines for acting with integrity in their day-to-day actions.

In April 2015, Énergir's Code of Ethics was revised, retaining its fundamental character by:

- relying on fundamental values of accountability, performance and respect;
- promoting quality relationships with stakeholders;
- setting out the commitments, principles and rules that must be applied by all Énergir employees and those representing the organization;
- addressing all Énergir employees and directors.

The four commitments in Énergir's Code of Ethics are as follows:

- Act with integrity;
- Foster a respectful and safe work environment;
- Protect the interests of Énergir;
- Respect the environment and encourage involvement in the community.

A process spanning a number of years is underway to ensure that ethics are entrenched in Énergir's culture and that employees are equipped with the tools they need to develop good reflexes. The following actions were taken in recent years:

- Training for managers about ethical leadership.
- Updated Code of Ethics that reflects Énergir's values, uses concrete scenarios to better illustrate concepts and identifies resource persons and tools to help employees when necessary.
- Ethics hotline so that employees can anonymously submit their concerns and complaints or report a situation that they legitimately believe breaches the Code of Ethics. The Board of Directors is kept informed about reported calls and cases on a quarterly basis.

Since this approach was introduced, greater prominence has been given to protecting the gains achieved in terms of ethical culture. For follow-up purposes, an annual report on ethics-related achievements is submitted to the Board of Directors.

Code of Conduct governing transactions between affiliates

The transactions between Énergir and its subsidiaries and between its regulated gas distribution activities in Québec and its other activities are subject to the Code of Conduct governing transactions between affiliates. The primary purpose of this Code of Conduct is to make certain that the business activities of Énergir's affiliated entities or non-regulated activities are not cross-subsidized by the customers of Énergir's regulated gas distribution business in Québec as well as to ensure that decisions made by Énergir with respect to its non-regulated activities or its affiliated companies take into account the interests of the customers of its regulated business.

Every year, each Énergir vice president and director must attest that this Code of Conduct has been respected and that, to their knowledge, this Code of Conduct has not been violated. In addition, training about the Code of Conduct is given to the relevant managers. The Code of Conduct is available on Énergir's intranet. It was approved by the Board of Directors of Énergir Inc. and by the Régie de l'énergie.

Supplier Code of Conduct

Énergir also has a Supplier Code of Conduct that can be summarized as follows:

- Sets out Énergir's expectations with regard to its suppliers in terms of sustainable development and responsible business practices;
- Must be consulted by all suppliers registered on Énergir's supplier management site;
- Is integrated into Énergir's general conditions for the purchase of goods and services as well as into its calls for tender.

6.3.6. Performance indicators - Ethics

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

Since Énergir's Code of Ethics was updated in 2015, we have maintained the approaches developed to enable the relevant individuals, including Énergir's employees, directors and agents, to act in accordance with their commitments.

To do so, Énergir has continued to use the methods outlined below:

- Online training (including a video featuring Énergir's President):
  - taken by 1,323 people since it was launched in April 2015 and by 109 people in fiscal 2017;
  - required for all new employees within 30 days of joining Énergir, as part of the orientation program;
  - available online for anyone who is interested in a refresher.

- Ethics page on the intranet:
  - brings together all the tools and information about ethics commitments and appropriate behaviours;
  - provides easy access to the Code of Ethics, which has been visited 1,835 times since it was put up in 2015.

- Ethics hotline:
  - allows employees to confidentially submit a concern or complaint whenever they feel the need;
  - available 24 hours a day, 7 days a week.

- Misconduct management process in collaboration with the human resources advisory services that investigate any harassment complaints under the Code of Ethics.

- A quarterly internal certification process requiring all executives and subsidiaries (GMP, NNEEC, VGS and SSI) to disclose any non-compliance with the Code of Ethics within their respective organisations.

- An annual certification process by internal control requiring project managers of major projects to sign a commitment and project technicians (unionized) to make a verbal commitment.

- relating more specifically to cybersecurity and one of the four commitments in the Code of Ethics (protecting Énergir's interests):
  - cybersecurity intranet page visited 641 times since it went live in May 2016;
  - online cybersecurity training completed by 1,401 people since it was launched in May 2016;
  - four notices issued to inform personnel about relevant issues in fiscal 2017.

In short, since this approach was introduced, in order to protect the gains achieved in terms of ethical culture, we have focused on continuing the ethics training for all new company employees, maintaining control measures and monitoring the status of ethics needs and achievements by preparing a report for the Board of Directors.

6.4. Energy efficiency and technological innovation

Programs and initiatives enabling customers to reduce their natural gas consumption. Search for new natural gas applications and other energy solutions.

6.4.1. Management approach – Energy efficiency and technological innovation

Énergir has been promoting energy efficiency among its customers since the early 2000s and has shown through the years that it is very effective in delivering its energy efficiency programs. In fact, Énergir was the only energy distributor to have largely exceeded the target in the Québec government's 2015 Energy Policy.

Énergir is a key player in Québec's energy transition in cooperation with all stakeholders. Moreover, we would like to take advantage of our close relationship with customers and partners as well as our ability to have an impact in the market so that we can, among other things, step up our actions in terms of energy efficiency, which is a priority for the Québec government in reducing GHG emissions. Énergir therefore intends to play a prominent role in the drive to achieve energy efficiency by helping customers use less of the energy it distributes while making better use of that energy.

Against that backdrop, we are rolling out various programs and initiatives that enable customers to reduce their natural gas consumption and we are always on the lookout for new innovations to develop new applications for natural gas or new energy solutions.

Since 2001, Énergir has helped deploy more than 120,500 energy efficiency projects that enabled its customers to save 497 million cubic metres of natural gas, reducing GHG emissions by nearly a million tonnes.

In addition to its personnel, Énergir can turn to a network of over 200 external partners to roll out programs among the widest possible group of participants without adding costs.

We make sure that a program management framework is in place so that participating customers enjoy maximum benefits in the form of financial assistance representing about 85% of the budgets authorized by the Régie de l'énergie in 2017. That program-based financial assistance covers a large share of the extra costs associated with more efficient technologies and reduces the time needed to achieve a return on the investment. Énergir customers can therefore look forward to a higher return on their investment and can reduce their GHG emissions in comparison to the use of standard technologies.

Énergir also makes sure that gains are maximized at the best possible cost. With an average of $15.1 per tonne of GHGs prevented, Énergir's portfolio of programs includes solutions that are very profitable for its customers.

We systematically measure the satisfaction of energy efficiency program participants during our evaluation process. The average satisfaction rate for program participants in 2017 was 89%. Énergir also surveys customers when designing new programs in order to ensure that their needs are being met by the program offering.

In addition, the satisfaction of the engineers that accompany their clients in energy efficiency programs is measured on a regular basis. For instance, the engineers consulted during the winter of 2017 confirmed that Énergir's natural strengths were the simplicity of its program offering, the quality of service, its administrative flexibility and the speed in answering questions. They gave average marks between 8.5 and 9.0 out of 10 for the programs they were involved in.

Énergir's energy efficiency programs are carefully evaluated by external experts on a regular basis in order to update the programs' basic parameters and identify potential improvements that can then be integrated into the programs and processes so that results can be maximized.

By approving Énergir's budgets and programs, the Régie plays an important role in overseeing how the program portfolio evolves and what its economic and environmental impacts will be.

Natural gas technologies: Technology intelligence plan to support the development of increasingly high-performance solutions for using natural gas in all its forms

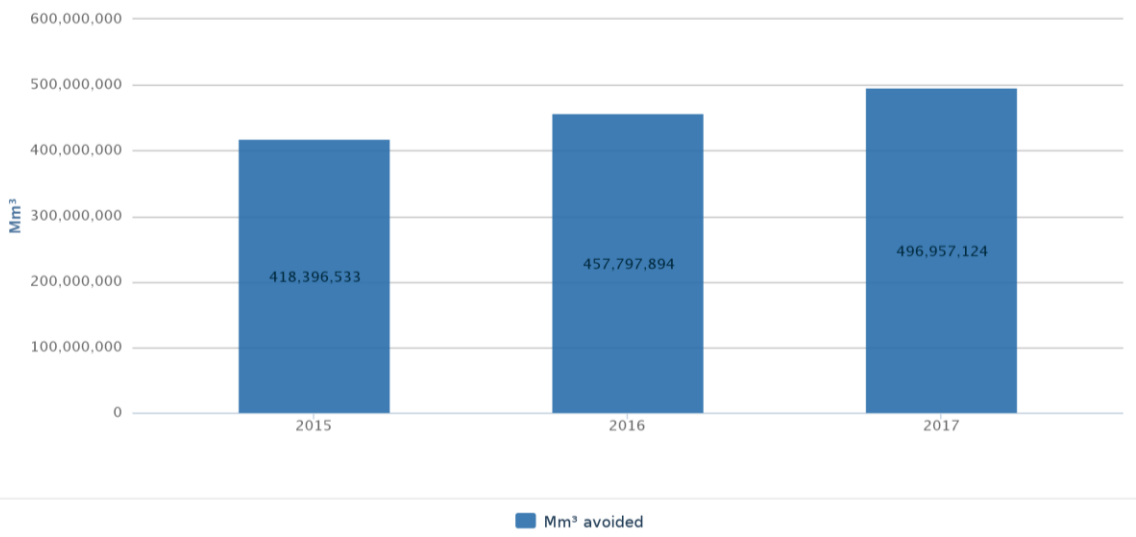
Drawing on its internal expertise and close partnerships with key players in the market, such as the Natural Gas Technologies Centre (NGTC), distributors and installers of gas-powered equipment, engineering firms and North American gas distributors, Énergir has adopted a structured approach toward innovation:

- helping manufacturers offer products adapted to the specific needs of the Québec market;

- supporting the development of new technologies to create high-performance energy solutions that meet the new needs of the various markets using natural gas (buildings, industry, transportation), whether in gas, compressed or liquefied form and whether used alone or, increasingly, in combination with renewal energies.

6.4.2. Performance indicators – Energy efficiency and technological innovation

6.4.2.1. GRI 302-5 – Reductions in energy requirements of products and services (customers)



This table shows cumulative gains in millions of cubic metres avoided since 2001. Énergir's energy efficiency programs generated savings of 39.1 million cubic metres (39,159,230 m³), which is essentially the same as the 39.4 million cubic metres saved in fiscal 2016.

Results for fiscal 2017 were made possible through financial assistance totalling over $15 million, which enabled customers to carry out 4,665 energy efficiency projects.

6.4.2.2. Research and development highlights – 2017

Énergir is always looking for ways to optimize customers' use of natural gas and manage its gas network more effectively.

That is why Énergir is an important member of the NGTC, a unique technological development organization in Canada.

Founded in 1992, the NGTC is a non-profit organization whose mission is to build partnerships with a diverse clientele in order to develop technologies that help use energy more wisely. The NGTC's activities focus notably on:

- technological development
- assessment of energy performance
- technological transfer
- technology watch

in the fields of:

- classic natural gas
- renewable energies combined with natural gas
- production of renewable natural gas

Moreover, Énergir relies on the DATECH Group, a team of specialized Énergir engineers who work closely with commercial representatives to offer customers the technological solutions that are most efficient and best suited to their needs.

In 2017, a number of projects were carried out to optimize the use of natural gas in the housing, building, industrial, transportation and new energy sectors. Here are examples of projects that illustrate the close collaboration between the Énergir's DATECH Group and the NGTC:

1. On-site testing under real conditions to measure condensing boiler performance. One of the aims of this project was to obtain confirmation for the Régie de l'énergie that the data used by Énergir for its various programs reflects reality.
2. Conversion of diesel engines into diesel-blend engines, which are hybrids powered by diesel and natural gas. These projects identified the most promising conversion technologies and the most favourable conditions for that type of conversion.

Other projects were designed to optimize the use of Énergir's gas network, mainly as it relates to network integrity, lower costs and operational health and safety. The following two projects are good examples:

1. Creation of a horizontal valve changing tool that allows valves to be safely replaced in a horizontal position without having to cut off the gas supply.
2. Bimodal project that allows the resin in pipes measuring 2 inches or less to be replaced so that the network's integrity can be enhanced.

6.5. Air emissions

Management of greenhouse gases (GHGs), other atmospheric pollutants (e.g. NO_x, SO_2), fugitive leaks, and the impact of climate change.

6.5.1. Management approach – Air emissions

Climate change is caused primarily by rising concentrations of GHGs, i.e. carbon dioxide (CO_2) and methane (CH_4), in the atmosphere. This can be attributed to human activity such as the use of fossil fuels. Énergir certainly recognizes this reality.

Given the nature of the company's activities, there are two main types of climate change impacts: emissions related to operating a gas network and emissions related to the combustion of natural gas used by customers. Emissions associated with the production phase fall outside the parameters of our operations. Énergir tries to encourage its gas suppliers to reduce their emissions through its responsible gas procurement process described in the "Natural gas supply" section.

The evaluation of Énergir's GHG emissions is governed by an EMS procedure ensuring that legal requirements are met.

Obligations pursuant to federal regulations

Since the GHGs emitted over the course of a calendar year exceed the threshold set annually by the "Notice with respect to reporting of greenhouse gases" under the *Canadian Environmental Protection Act, 1999*, Énergir must file an annual report on its GHG emissions to the federal Minister of Environment and Climate Change, in accordance with the Notice. For the 2017 calendar year, this threshold was set at 10,000 tonnes or more of CO_2 equivalent.

Énergir is also required to produce an annual report to the federal Minister of Environment and Climate Change regarding certain substances if it meets the conditions set out in the "Notice with respect to the substances in the National Pollutant Release Inventory" issued under the *Canadian Environmental Protection Act, 1999*. This Notice is published every one or two years. Énergir must also send a copy of this report to the Québec Minister of Sustainable Development, the Environment and the Fight against Climate Change.

Obligations pursuant to Québec regulations

Since January 1, 2015, Énergir must compensate for the GHG emissions i) attributable to its network and ii) those related to the combustion or use of natural gas it has distributed to a portion of its customers, according to the *Regulation respecting a cap-and-trade system for greenhouse gas emission allowances* under the *Environment Quality Act*. In addition, pursuant to the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere*, Énergir must also annually report those emissions (of GHGs and certain atmospheric contaminants) to the Minister of Sustainable Development, the Environment and the Fight against Climate Change.

Obligations pursuant to municipal regulations

A report of air emissions from the LSR plant is produced annually for the City of Montréal. Énergir is also a partner in the Sustainable Montréal plan and voluntarily implements initiatives to contribute to the plan's objectives. In addition, Énergir is a member of the mobilizing team for Low-carbon Montréal whose mission is to reduce the Montréal community's GHG emissions, especially in the transportation sector.

Greenhouse Gas Cap-and-Trade System (C&T System)

As mentioned earlier, the C&T System requires Énergir to offset its own GHG emissions and those attributable to its customers' use or combustion of the natural gas Énergir distributes for consumption in Québec (except for emissions attributable to establishments subject to the C&T System). Consequently, Énergir introduced a new C&T System service in its pricing, effective January 1, 2015, to recover from applicable customers the costs of purchasing emission allowances to offset those emissions.

Énergir can participate in the carbon market by means of auctions held jointly by Québec, Ontario and California or by carrying out mutual agreement transactions for emission units and offset credits. Énergir purchased offset credits that led to an investment of over $7.5 million for eight projects, which gave us the opportunity to encourage Québec businesses that are endeavouring to reduce GHGs. These projects have made it possible to permanently reduce GHG emissions by more than 500,000 metric tonnes of CO_2 equivalent by eliminating GHGs found in old refrigerators and biogas from landfills. Énergir is committed to prioritizing purchases of offset credits originating from innovative projects that help fight climate change and that stimulate Québec's green economy, and now that of Ontario as well. Furthermore, Énergir is pursuing efforts to reduce its GHG emissions and those of its customers by means of energy efficiency initiatives and by adopting renewable natural gas supply sources (biomethane).

As a regulated company, Énergir submits applications to the Régie de l'énergie every year for approval of its coverage strategies for each compliance period under the regulation respecting the C&T System as well as to integrate the costs associated with such system into its rates.

Environmental Management System (EMS)

Énergir's EMS provides the framework for managing its GHG emissions, primarily through its Environmental Policy. In this Policy, Énergir undertakes to reduce its own GHG emissions beyond the targets set in Québec's commitments. As a result, Énergir aims to reduce the GHG emissions generated from its operations by 20%, compared with 1990, by 2020. Several steps have been taken over the years to achieve this objective. As part of the performance incentive mechanism, the Régie de l'énergie had also approved a GHG emissions management plan for Énergir which provided for annual reductions of its emissions by 350 tonnes of CO_2 eq. over five years (2008 to 2012), for a total of 1,750 tonnes of CO_2 eq. through the implementation of recurring projects or programs. Although the mechanism no longer applies, Énergir decided to continue applying this management plan during subsequent years.

It should be noted that Énergir's next GHG emission reduction target will have to take into account the 37.5% reduction target for 2030, compared with 1990 levels, set by the Québec government in 2015.

In addition, an operational procedure specifically covers the calculation of Énergir's GHG emissions. GHGs were identified in the EMS as significant aspects and risks as well as risks and opportunities. The company therefore has to set targets in order to mitigate those impacts.

Please refer to the approach for managing the environmental impact of the gas network (GRI 103-1, 2, 3) for more detailed information about the EMS.

GHG emissions are evaluated through the EMS. The Environmental Policy is updated if the scope of activities changes. The risks and opportunities analysis and the objectives and targets analysis are reviewed each year. Lastly, the efficiency of the EMS is confirmed during the annual audits (internal and external). The complete EMS cycle is therefore spread over three years and is completed when the EMS is certified by an independent registrar.

6.5.2. Performance indicators

6.5.2.1. GRI 305-1 – Direct greenhouse gas emissions (Scope 1)

	2014	2015	2016
Combustion (delivery points and LSR Plant, excludes administrative offices)	8,820.8	9,264.5	10,029.7
Purges	7,976.0	4,266.2	7,644.7
Fugitive leaks	17,968.5	28,746.9	16,242.5
Flares	9.1	91.8	30.9
Damage by third parties (atmospheric emissions)	7,400.9	8,157.3	8,039.2
Total direct GHG emissions (tons of CO_2 eq.)	42,175.3	50,526.7	41,987.0

The data for the **GRI 305-1 - Direct greenhouse gas emissions (Scope 1)** indicator includes emissions that must be reported under the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere*. To comply with the regulation, the reported GHGs are based on the calendar year.

For the 2016 calendar year, fugitive GHG emissions were calculated using emission factors based on the number of leaks with the benchmark generally used by the gas industry, which is described in the *Methodology Manual: Estimation of Air Emissions from the Canadian Natural Gas Transmission, Storage and Distribution System* published by Clearstone Engineering Ltd. This benchmark is now recognized under the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere*.

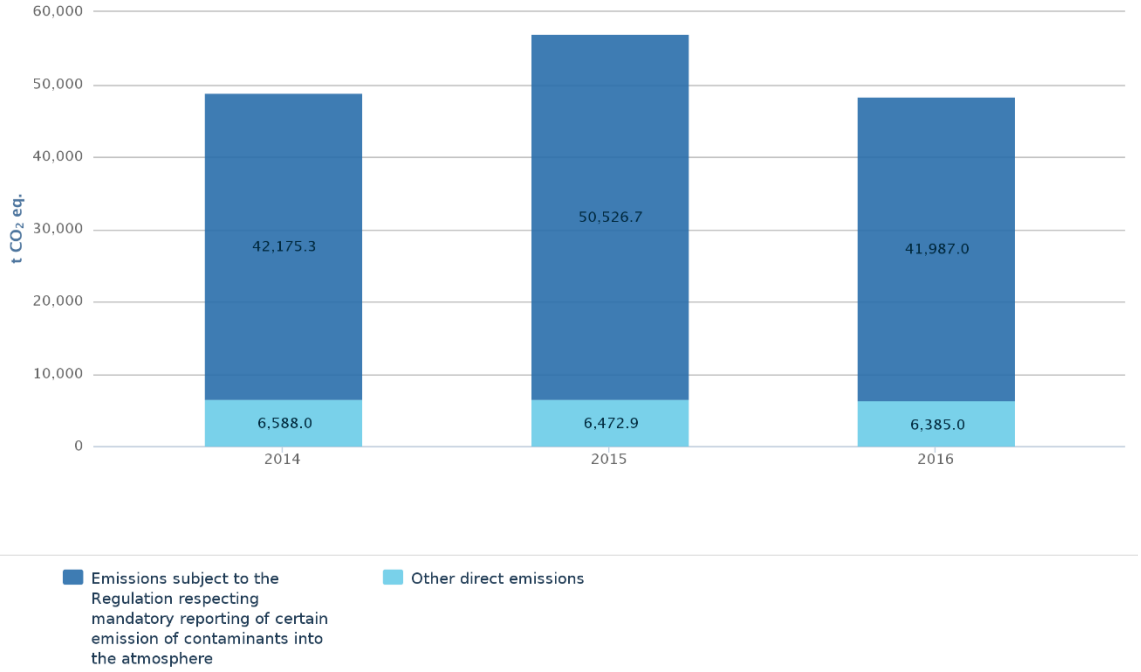
However, for the 2015 calendar year, these emissions were calculated using the methodology based on components (such as the number of kilometres of network and the number of building connections) set out in the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere*. According to Énergir's internal estimates, if the benchmark published by Clearstone Engineering Ltd. had been used for the 2015 calendar year, the results would have been similar to those for 2016.

6.5.2.2. GRI 305-1 – Other direct emissions (t CO_2 eq.)

	2014	2015	2016
Vehicle fleet combustion	5,169.0	5,170.6	5,122.4
Buildings combustion	1,419.0	1,302.3	1,262.6
Total	6,588.0	6,472.9	6,385.0

Since the GHG emissions report submitted to the Minister of Sustainable Development, the Environment and the Fight against Climate Change under the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere* does not have to include emissions from Énergir's vehicle fleet or buildings, those figures are presented separately.

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



No biogenic emissions of CO_2 were reported for Énergir.

The data for the **GRI 305-1 - Total direct GHG emissions (Scope 1)** indicator includes emissions that must be reported to the Minister of Sustainable Development, the Environment and the Fight against Climate Change under the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere* as well as emissions produced by Énergir's vehicle fleet and buildings.

To comply the regulation, the reported GHGs are based on the calendar year.

6.5.2.4. GRI 305-2 – Indirect greenhouse gas emissions (Scope 2)

	2014	2015	2016
Electricity consumption (t éq. CO_2)	85.0	49.2	22.2
Total indirect GHG emissions (tons of CO_2 eq.)	85.0	49.2	22.2

Indirect emissions result from producing electricity, heat or cold. For Énergir, indirect emissions are related to the consumption of electricity (Scope 2).

The reduction in GHG emissions related to electricity consumption was attributable to the lower emission factor provided by Hydro-Québec, which went from 1.0 kg CO_2 eq./MWh to 0.4 kg CO_2 eq./MWh.

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

	2015	2016
GHG emissions subject to SPEDE (t CO_2 eq)	6,490,691.0	6,379,146.0

GHG emissions subject to the C&T System correspond to the "Use of sold products" category in Scope 3 of the Greenhouse Gas Protocol.

The GRI 305-3 – Other indirect greenhouse gas emissions (Scope 3) indicator tracks annual emissions attributable to the use of fuels distributed to customers for consumption in Québec, excluding transportation fuels (other than vehicle gasolines or diesel fuel) used by an emitter for its establishments covered by the C&T System regulation if the emitter is required to offset its GHG emissions under the regulation. Emissions produced by emitters subject to the C&T System are excluded from this indicator.

The difference between the 2015 and 2016 data is not significant and is directly related to the change in natural gas consumption by the relevant customers.

6.5.2.6. GRI 305-1 and GRI 305-2 – Total direct and indirect GHG emissions

	2014	2015	2016
Emissions subject to the Regulation respecting mandatory reporting of certain emission of contaminants into the atmosphere (Scope 1)	42,175.3	50,526.7	41,987.0
Other direct emissions (Scope 1)	6,588.0	6,472.9	6,385.0
Indirect emissions (Scope 2)	85.0	49.2	22.2
Total	48,848.3	57,048.8	48,394.2

During the 2016 calendar year, Énergir emitted 48,394 tonnes of CO_2 eq.

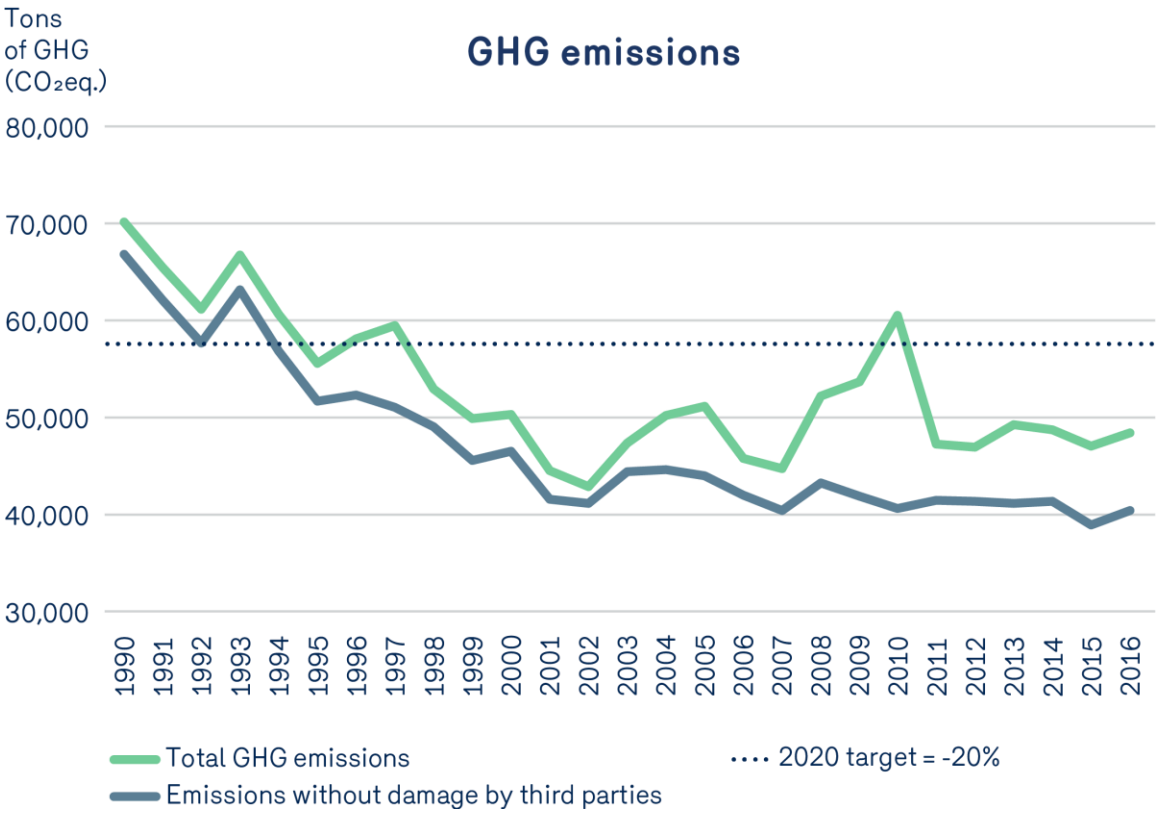
6.5.2.7. GRI 305-4 – GHG emissions intensity - 2017

	2014	2015	2016
Volume of natural gas delivered (Mm³)	5,701	5,629	5,712
GHG emission intensity (tons of CO_2 eq./ Mm³)	8.57	10.14	8.47
Variation in intensity of emissions compared with 1990 (%)	-35.4	-23.5	-36.1

The data is based on the calendar year.

The intensity ratio for GHG emissions illustrates the GHG emitted for every million cubic metres of natural gas distributed.

6.5.2.8. GRI 305-5 – Reduction of GHG emissions - 2017



N.B.: For the 2015 calendar year, GHG emissions were corrected using emission factors based on the methodology described in the *Methodology Manual: Estimation of Air Emissions from the Canadian Natural Gas Transmission, Storage and Distribution System* published by Clearstone Engineering Ltd. which is henceforth recognized by the *Regulation respecting mandatory reporting of certain emissions of contaminants into the*

atmosphere. There is no significant difference between the amount of GHG emitted during calendar 2016 compared with calendar 2015.

Énergir is on track to exceed the GHG emission reduction target set out in its Environmental Policy, i.e. reducing the GHG emissions generated from its operations by 20%, compared with 1990, by 2020. As with all companies that have been working to reduce their own GHG emissions for a number of years, Énergir's additional reduction projects are becoming increasingly complex and require greater collaboration between the company's various sectors.

In 2016, Énergir carried out a project that enabled it to reduce its GHG emissions by 450 tonnes over a one-year period by replacing a Jonquière delivery station boiler.

6.5.2.9. GRI 305-7 – NOx, SOx and other significant air emissions

	2014	2015	2016
Carbon monoxide (CO)	6.300	6.700	7.200
Sulphur dioxide (SO_2)	0.050	0.060	0.045
Nitrogen oxides, expressed as NO_2 (NOx)	7.600	8.000	8.600
Volatile organic compounds (VOC)	0.420	0.440	0.470
Total particles (TPM)	0.050	0.050	0.055
Total particles with a diameter equal to or less than 10 microns (PM10)	0.050	0.050	0.055
Total particles with a diameter equal to or less than 2,5 microns (PM_{2-5})	0.050	0.050	0.055
Total emissions (tonnes)	14.520	15.350	16.480

Emissions are calculated based on the calendar year.

6.6. Management of the environmental impact of developing the natural gas network

Management practices and systems implemented to mitigate the environmental risks and impacts associated with the company's gas network extension and natural gas distribution activities. Includes management practices and consideration of biodiversity.

6.6.1. Management approach – Environmental management

Énergir places a great deal of importance on protecting the environment. Pursuant to its Environmental Policy updated in August 2017, Énergir is committed to showing leadership, rigour and determination in pursuing environmental actions that are part of its activities related to its Québec gas distribution network by pipeline and its natural gas liquefaction, storage and regasification plant. We have also made the same commitment to customers and the general public in a context of sustainable development.

Énergir's commitment to action covers three areas: i) protection of the environment and prevention of pollution; ii) promotion of energy efficiency and reduction of pollution; and iii) collaboration with and consultation of interested parties.

In accordance with the legislative and regulatory framework in force at the Québec and federal levels, Énergir implicitly applies the precautionary principle in many of its activities, whether through its ISO 14001-certified (2004 version) EMS or its asset management and performance improvement programs. Énergir has a duty to better inform the public of the risks associated with natural gas transportation and distribution.

In addition, through its risk and asset management process, Énergir identifies and monitors significant issues and risks on an ongoing basis in order to improve prevention and, as applicable, mitigation.

Environmental Management System

To mitigate or reduce environmental risks, in 2001 Énergir was the first natural gas distributor in Canada to put in place an ISO 14001-certified EMS. Since then, the certification has been renewed every three years and verified in the meantime through certification maintenance audits. Maintaining the EMS enables us to identify consistent strategic orientations for the environment, to set environmental objectives and targets and to monitor the results obtained. In February 2018, Énergir adopted and deployed an implementation strategy for the 2015 version of that standard.

Our certified EMS covers the following:

- Activities related to Énergir's Québec gas distribution network by pipeline, including specific activities involving operations, maintenance and development;
- Planning, distributing and deploying emergency measures;
- Operating and maintaining a vehicle fleet and refuelling stations;
- Conducting environmental management of buildings, workshops and assets.

All these activities can have an impact on local communities. Significant risks are generally related to the following areas:

- Managing hazardous materials;
- Managing contaminated water and soils;
- Air emissions;
- Respecting legal and regulatory obligations.

The EMS enables monitoring for legal compliance and helps Énergir continually improve its performance. Risks are thereby mitigated, notably by instituting operational and management procedures, awareness-raising programs and training for employees, suppliers and subcontractors, and internal surveillance audits.

Roles and responsibilities for managing environmental issues are shared among a number of actors:

- The Management Committee's role is to ensure that sufficient resources are assigned to the implementation and continuous improvement of the EMS. It also ensures that environmental performance is monitored and approves the Environmental Policy and strategic aspects related to environmental management.
- Managers ensure that EMS requirements are applied in their units and report any issues or changes to the EMS coordinator.
- Members of the Management Committee and the Occupational Health and Safety and Environment Committee (reporting to the Board of Directors) approve the quarterly and annual environmental reports submitted to them.
- Lastly, all personnel receive initiation training on the environment, which includes a presentation of the content of the Énergir Environmental Policy.

Evaluation of the process

The Environmental Policy must be updated if the scope of Énergir's activities changes. The risks and opportunities as well as the objectives and targets must be reviewed on an annual basis. The efficiency of the EMS is measured over a three-year cycle by means of annual internal and external audits. The purpose of the external audit is recertification in the first year of the cycle and maintenance in the following two years.

6.6.2. Performance indicators – Biodiversity

6.6.2.1. GRI 304-1 – Rights-of-way in protected areas and areas of high biodiversity value - 2017

Environmental characterization studies are done every year in Énergir's rights-of-way. These rights-of-way are strips of land where natural gas pipelines are buried, and generally only transmission rights-of-way and major projects are covered by this indicator.

In 2017, 208.5 hectares were characterized in this way, bringing the total to 1,379.2 hectares characterized since 2012 when that indicator was introduced. These environmental characterization studies revealed that, for fiscal 2017, 14.4 hectares of Énergir rights-of-way were located in protected areas or areas of high biodiversity value.

A few characterizations were done in fiscal 2017 to plan major projects: Thetford 2 and Saint-Marc-des-Carrières, which are described in more detail in the "Natural gas and the energy transition – Extension of the gas network" section. Furthermore, sensitive elements in transmission rights-of-way were characterized to perform vegetation management work, in particular in the Québec City, Montréal, Laurentians and Lanaudière regions. Lastly, characterizations of more limited areas were done to prepare for pipeline maintenance projects.

This indicator is partial because impacts are identified and evaluated for specific projects, since the information is not available for all operating sites.

6.6.2.2. GRI 304-2 – Significant impacts of activities, products and services on biodiversity - 2017

Management of the environmental impact of Énergir's activities

Énergir is always seeking to reduce the environmental impact of activities involved in building and operating its gas network, and minimize its environmental footprint.

As part of its ISO 14001-certified environmental management system, the "Identification and evaluation of environmental aspects" procedure guides the process to identify the significant environmental aspects and impacts resulting from the company's main activities. The aspects and impacts are analyzed and prioritized according to five factors: regulatory compliance, public opinion, cost-benefit analysis and environmental risk frequency and severity. Mitigation measures such as objectives, environmental targets, training programs or procedures are then implemented to control the risk of Énergir's main activities.

Some of Énergir's main activities can have an environmental impact; however, during an evaluation of Énergir's main activities and in an effort to update this indicator, no new substantial impacts were identified that disrupted a natural environment, including the biodiversity of protected areas or areas of high biodiversity value.

In addition, for specific projects, in particular those carried out within protected areas, areas of high biodiversity value, near watercourses or in wetlands covered by an authorization certificate, a project-specific analysis of the worksite allows us to characterize the habitats and species present or potentially present and thus apply appropriate protection measures, where applicable, to minimize the impact of the construction or operating activities on biodiversity.

6.6.2.3. GRI 304-4 – Number of sensitive species in Énergir rights-of-way - 2017

Environmental characterization studies are done every year in Énergir's rights-of-way. These rights-of-way are strips of land where natural gas pipelines are buried, and generally only transmission rights-of-way and major projects are covered by this indicator.

In 2017, 208.5 hectares were characterized in this way, bringing the total to 1,379.2 hectares characterized since 2012 when that indicator was introduced. These biological characterizations revealed that, for fiscal 2017, 23 sensitive species were potentially present in Énergir's rights-of-way for mains.

Several characterizations were done during fiscal 2017 to plan major projects: Thetford 2 and Saint-Marc-des-Carrières. Furthermore, sensitive elements in transmission rights-of-way were characterized to perform vegetation management work, in particular in the Québec City, Montréal, Laurentians and Lanaudière regions. Lastly, characterizations of more limited areas were done to prepare for pipeline maintenance projects.

This indicator is partial because impacts are identified and evaluated for specific projects, since the information is not available for all operating sites.

Using the knowledge obtained from the characterization studies about the location of sensitive species and areas of high biodiversity value, those species can be taken into consideration when we plan and carry out our work. For example, specific timeframes for doing work can be determined to avoid sensitive periods during the reproductive cycle of species such as the copper redhorse. Work methods can also be adapted, for instance, to avoid affecting individual members of species such as the wood turtle. In addition, the worksite perimeter can be adjusted or limited to avoid crushing individual ostrich fern specimens.

6.7. Natural gas and the energy transition

The role of natural gas in a lower-carbon economy as well as innovative and renewable energy solutions (liquefied natural gas and biomethane).

6.7.1. Management approach – Natural gas and the energy transition

Énergir believes that natural gas can play a crucial role in the energy transition to a lower-carbon economy.

The foundation of our approach in Québec is based on three general orientations:

1- Energy efficiency

Énergir is actively committed to **energy efficiency**. The basic reason is that the only truly green energy is the one we succeed in doing without. In addition to environmental benefits, substantial savings are generated for customers. The programs that we have implemented since 2001 have saved customers $170 million annually. In terms of GHGs, the approximately 120,500 energy efficiency initiatives supported by Énergir have had the cumulative impact of preventing close to one million tonnes of GHG emissions for customers. For more information about our energy efficiency approach, please refer to the *Energy efficiency and technological innovation* section (GRI 103-1,2,3).

2- Renewable natural gas

Énergir is working on making its gas supply greener by developing **renewable natural gas** (RNG). Our dedicated RNG development team has been playing an active role in maximizing the availability of RNG, a locally produced clean energy, for our customers through the gas network already in place. Énergir's existing gas infrastructures are therefore instrumental in this initiative.

The RNG can originate from two primary sources: organic waste reclamation and residual forest biomass. For example, Saint-Hyacinthe was the first city in Québec to produce energy from biomethanization and inject it into Énergir's network, taking another step on the path toward energy self-consumption. Deployed in partnership with Énergir, this initiative heats the city's buildings and fuels some of its vehicles, while reducing GHG emissions. The projected GHG reductions from energy substitution add up to approximately 25,000 tonnes per year.

Énergir proposed a series of measures to the Régie de l'énergie in July 2017 to help make RNG more competitive and encourage biomethanization projects in Québec.

A three-point action plan has been developed in order to move in that direction:
1) Set a minimum level of RNG content for system gas;
2) Market and promote the voluntary purchase of RNG;
3) Actively support the technological development of RNG production (forest biomass).

3- Natural gas as a replacement for coal and petroleum products

Énergir believes that natural gas can play a role in the energy transition by replacing in some instances coal and petroleum products, which emit more GHGs and pollutants. That is completely in line with public policy goals.

Using natural gas instead of petroleum products means that GHG emissions are reduced by up to 32% when fuel oil is replaced and by up to 25% when diesel is replaced in the transportation sector. This also has a significant positive impact on air quality because the combustion of natural gas, unlike petroleum products, produces virtually none of the fine particles that are a major contributor to smog.

Consequently, natural gas can make a difference by filling in for these higher-emission sources in the following cases:

1. Industrial or mining sites that have to use petroleum products for purposes such as generating electricity;

2. Regions bordering on the network but that are not yet supplied with natural gas and therefore use fuel oil and propane;

3. Road and maritime transportation that is highly dependent on petroleum products.

Natural gas in remote regions

The natural gas and electricity distribution networks unfortunately do not supply all regions of Québec. In various industrial sectors, liquefied natural gas (LNG) is an excellent solution for replacing diesel or fuel oil.

Through its subsidiary Gaz Métro LNG (GMLNG), Énergir has in recent years been marketing LNG produced at its Montréal plant. To meet its objectives and supply LNG to a number of those regions and other markets, Énergir partnered with Investissement Québec to add a new liquefaction unit at its existing Montréal plant, tripling the facility's production capacity. The work was completed in the spring of 2017 so that many customers can now benefit from it.

Network extensions

Various sectors and regions bordering on the gas network would like to have access to natural gas and all the economic and environmental benefits that it provides. For regions such as Bellechasse, where the gas network extension was completed in December 2016, access to natural gas is often a key factor in ensuring a strong local economy.

During summer 2017, two new major gas network extension projects were announced:

- Saint-Marc-des-Carrières
- Appalaches RCM and Beauce-Sartigan

Ultimately, these projects will improve the competitiveness of companies in these regions, and reduce their carbon footprint.

Natural gas as marine fuel

As is the case in the freight and passenger transportation sector, LNG can be used as fuel for maritime transportation and is a cost-effective solution that is already available to help cut polluting emissions. In addition to supplying LNG for the F.-A.-Gauthier ferry operated by the Société des traversiers du Québec since summer 2015, Énergir, through its subsidiary GMLNG, set up an LNG bunkering solution at the Port of Montréal in spring 2017. Steps are also being taken with the Port of Québec to deploy a similar solution. Groupe Desgagnés has already been taking advantage of the LNG available on the St. Lawrence River since summer 2017.

Whether by deploying new LNG supply infrastructures or making other ports LNG-ready, Énergir will continue to develop and strengthen its LNG supply chain and expertise in the maritime sector to support the development of this cleaner fuel.

Natural gas as road transportation fuel

In the heavy transport sector, natural gas is a solution that is already available. A truck that runs on liquefied or compressed natural gas emits up to 25% fewer GHGs than diesel. If renewable natural gas is used, the reduction is 99.4%.

In addition, using natural gas for freight transportation almost entirely eliminates (up to 99% reduction) the air pollution emissions that cause various health issues.

More and more transportation companies are switching to natural gas as fuel. That is the case for C.A.T., which transports freight across North America and now has 100 natural gas-powered vehicles making up one-third of its vehicle fleet. Ricova, which specializes in integrated recycling management, has also purchased 21 new natural gas-powered vehicles.

The Blue Road natural gas refuelling network in Québec and Ontario now consists of 10 public stations and 17 private stations.

6.7.2. Performance indicators – Natural gas and the energy transition

6.7.2.1. Extension of the gas network

Two gas network extension projects were announced in fiscal 2017:

1- Network extension project in the Appalaches and Beauce-Sartigan RCMs

Covering a distance of about 52 km, this project is going ahead in the Appalaches and Beauce-Sartigan regional county municipalities (RCMs). In the Appalaches RCM, we are building and commissioning a gas pipeline in the municipalities of Sainte-Clotilde-de-Beauce and Adstock and in the Thetford Mines airport and Black Lake areas. In the Beauce-Sartigan RCM, the goal is to build and commission a gas pipeline to serve the

municipality of Saint-Éphrem-de-Beauce. A group of 45 customers is targeted initially, accounting for 3.26 million cubic metres of natural gas consumption.

Overall, the project will have positive impacts on the environment by preventing up to 1,383 tonnes of GHG emissions annually[7]. It is clear that many commercial and industrial customers could switch to natural gas in the coming years, which would therefore lower their GHG and air pollutant emissions.

2- Saint-Marc-des-Carrières project

The goal of this project in the administrative region of the Portneuf RCM (western sector) is to build and commission a gas pipeline about 14.5 km long serving the Saint-Marc-des-Carrières municipality.

Overall, the project will have positive impacts on the environment by preventing up to 385 tonnes of GHG emissions annually[8]. A group of 33 customers is targeted initially, accounting for an estimated 1.86 million cubic metres of natural gas consumption.

6.7.2.2. Natural gas as road transportation fuel

During the 2017 fiscal year, Énergir served 35 customers who used natural gas as fuel.

The 10 public and 17 private refuelling stations in Québec and the nearly 760 vehicles powered by natural gas reduced GHG emissions by 12,255 tonnes of CO_2 equivalent[9] in fiscal 2017.

6.7.2.3. Natural gas in remote regions and as marine fuel

In fiscal 2016, one of Énergir's subsidiaries supplied the equivalent of 7.7 million cubic metres of LNG to two customers operating in remote regions and in the maritime transportation sector, which reduced GHG emissions by approximately 7,600 tonnes of CO_2 equivalent[10].

In 2017, that volume reached 24.6 million cubic metres of natural gas, a sharp increase from the previous year, thanks in particular to higher liquefaction capacity at our LSR plant after the work was completed in April 2017. The GHG reductions for the three customers is estimated at over 22,300 tonnes of CO_2 equivalent[11].

[7] Calculations of greenhouse gas emission reductions are based on the baseline data proposed by Transition énergétique Québec :
http://www.transitionenergetique.gouv.qc.ca/fileadmin/medias/pdf/Facteurs_emissions.pdf
[8] Idem
[9] Idem
[10] Idem
[11] Idem

6.8. Occupational health and safety

Outreach programs and management systems that foster a safe, healthy work environment for Énergir's employees, and the partners and suppliers who represent the company. Includes management of workplace accidents and absenteeism.

6.8.1. Management approach – GRI 103-1,2,3 - Occupational health and safety

The health and safety of Énergir's employees, contractors, suppliers and customers as well as the general public are core elements of the company's strategic planning and day-to-day activities.

Over the past few years, significant progress has been made in occupational health and safety (OHS) at Énergir, particularly as it relates to the quality of accident investigations and close calls, prevention programs and technical specifications, compliance with established rules, the importance of cultivating a strong OHS culture and the precise, dynamic structure of the different OHS committees set up in the various business offices. Our École de technologie gazière plays an important role in delivering training content and developing our employees' full potential. In addition, union partners are central to the discussions about OHS priorities and actions.

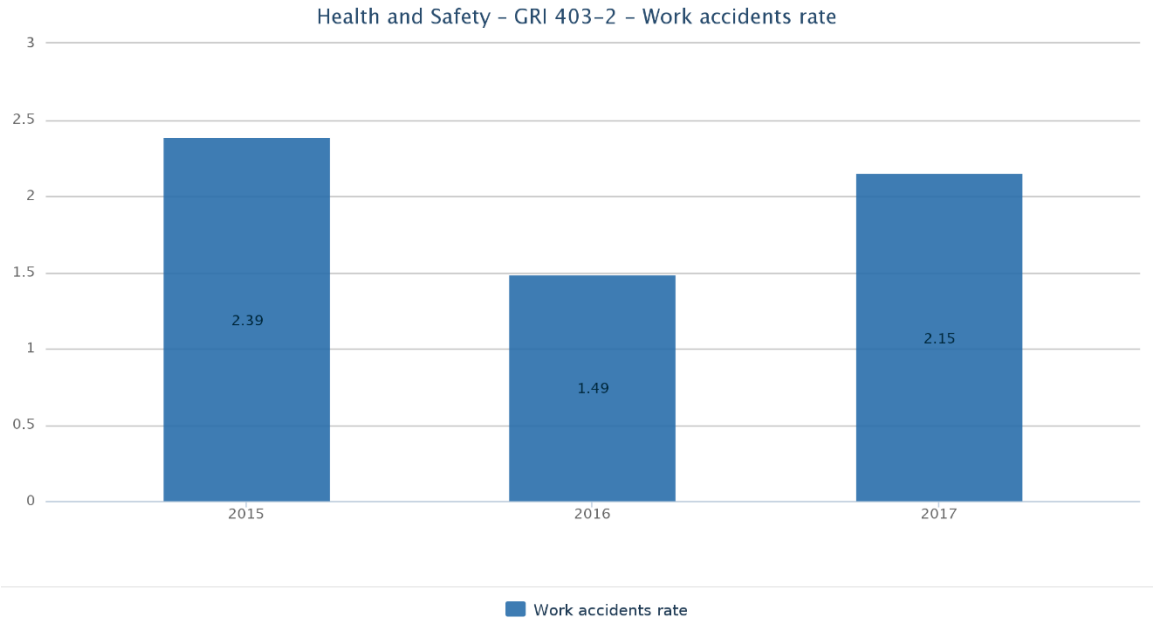
An in-depth review of Énergir's OHS programs and performance was undertaken in 2017. A 2018-2020 OHS roadmap has been drawn up and the aim by the end of the three-year plan is to gain better control over all critical risks, take charge of prevention at all company levels and strengthen the skills and good behaviours that will help ensure better OHS performance and improve all employee health and well-being management programs.

Various performance indicators have been implemented to monitor processes and actions. The traditional indicators tracking frequency, total frequency and severity are also used.

The effectiveness of the OHS management system is measured through annual internal audits, specific program compliance audits and reporting on OHS performance to both the Management Committee and the Board of Directors' Occupational Health and Safety and Environment (OHS-Env) Committee.

6.8.2. Performance indicators – Occupational health and safety

6.8.2.1. GRI 403-2 - Work accident rate

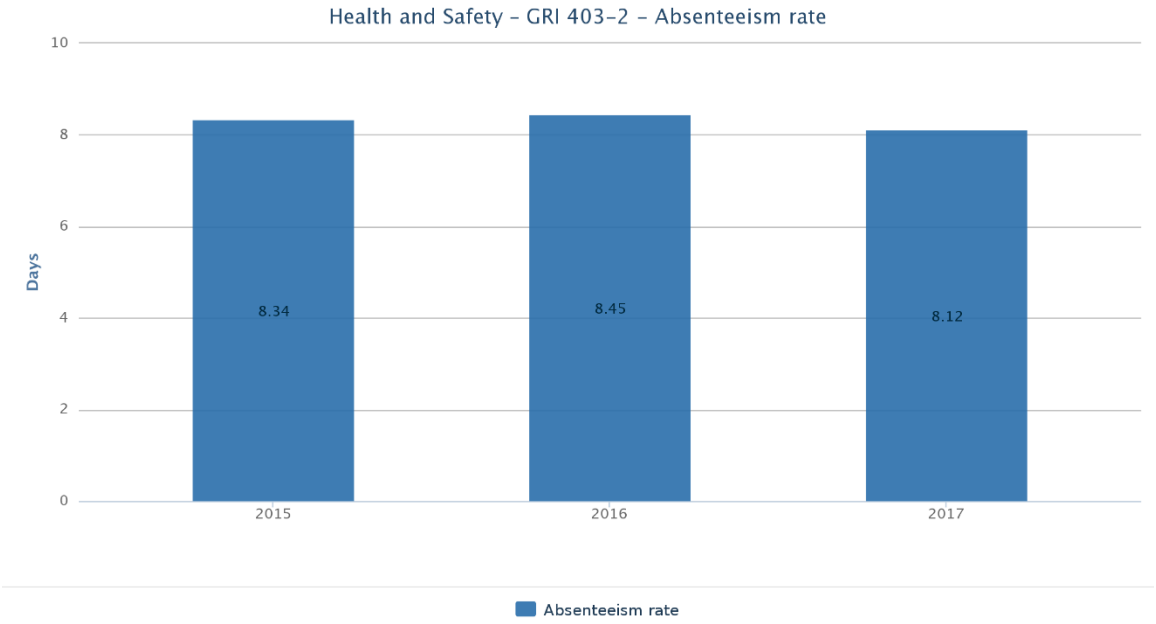


The formula is based on the number of work accidents with loss of time (beyond the day of the incident), multiplied by 200,000, divided by the total number of hours worked.

For the 2017 fiscal year, we had 25 events with loss of time compared with 16 in 2016. The cumulative frequency rate was 2.15 compared with 1.49 in 2016. This result was not sufficient to reach the target threshold. The number of events reported increased significantly in 2017. Part of the increase in events is related to falls on icy surfaces or other surfaces. Since the new season 2017-2018, the wearing is mandatory of the heel or the non-slip sole with crampons in the presence of ice.

During the first quarter of fiscal 2018, Énergir's senior management confirmed its position in support of five event prevention aspects. The goal of the various orientations identified in the OHS roadmap is "zero injuries, zero regrets." A number of initiatives have been launched to pursue our prevention efforts and ultimately enhance performance.

6.8.2.2. GRI 403-2 - Absenteeism rate

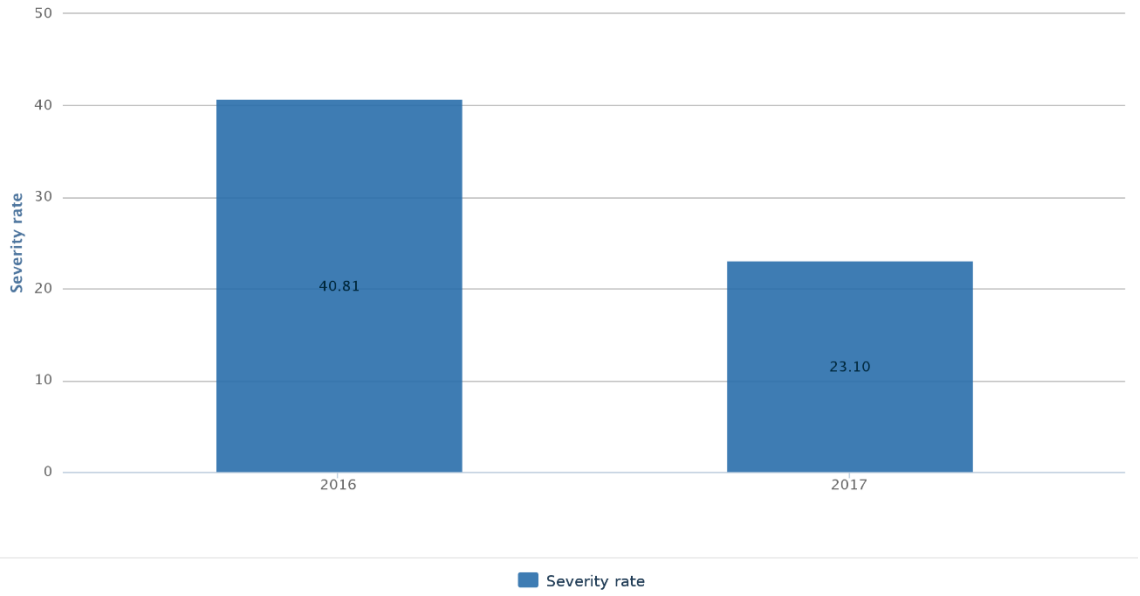


In fiscal 2017, the number of days of absence per person was 8.12 compared with 8.45 in 2016. Although this result decreased slightly, it is relatively stable compared with the increases from previous years. Cases related to orthopedics (41%) and psychology (24%) represent nearly 65% of disability absences. The number of absence files rose from 229 in fiscal 2016 to 253 in fiscal 2017.

In June 2017, Énergir re-organized the training for managers on workplace presence management. This exercise will allow us to standardize our practices in the management of absences as much in personal illness as during work accidents.

The absenteeism rate is calculated based on the average number of days missed per employee.

6.8.2.3. Severity rate of work accidents



A total of 268 days were lost between October 1, 2016 and September 30, 2017, compared with 466 for the same period of the previous fiscal year. The cumulative severity as at September 30, 2017 was therefore 23.10, compared with 40.81 in 2016, representing a drop of nearly 17 points, which is substantial given the significant number of events with loss of time.

The severity rate remained low throughout the fiscal year. Further effort was made to get people back to work as quickly as possible. However, since the events that occurred during the year were not serious, we were able to get employees back to work quickly and safely.

6.8.2.4. GRI 403-4 – Health and safety topics covered in formal agreements with trade unions - 2017

Numerous occupational health and safety topics are covered in the three collective agreements governing labour relations at Énergir. All agreements therefore address a range of health and safety concerns, including health and safety committee activities, personal protective equipment, and compensation in the event of an accident.

Everything occurs within the framework of the partnerships established with the unions; workplace prevention issues are discussed with the unions at the different joint health and safety committee meetings.

Two joint committees with the CSN and the Canadian Office and Professional Employees' Union (COPE, affiliated with the Fédération des travailleurs et travailleuses du Québec or FTQ) are mandated to provide their opinions on broad guidelines for managing workplace

health and safety. These committees meet several times a year, and their progress is documented.

The collective agreement for union employees represented by the CSN addresses compensation for work accidents and provisions for prescribed safety gear (protective clothing, footwear and equipment). Equipment and clothing are selected following consultation with the union.

Énergir also has 20 sector committees specific to various sites and activities that meet at least four times a year. Reports on each meeting allow progress to be monitored. The main objective is to establish best practices in terms of prevention and controlling the risks specific to each workplace.

6.9. Customer satisfaction

Monitoring of the quality of customer service, complaint management, and speed of service.

6.9.1. Management approach – Customer satisfaction

Énergir fully considers the interests and expectations of its customers and is committed to being a forward-looking company in the energy field.

Customer experience and satisfaction

With a view to ensuring complete customer satisfaction and maintaining service quality, Énergir has set customer satisfaction objectives. Two surveys are used to gauge satisfaction: the "Indicatif client" survey and the major industry customer survey. Énergir has conducted both surveys in their current form systematically and on an annual basis for over 10 years. They enable us to monitor changes in customer satisfaction and needs over time. Those goals are also approved by the Régie de l'énergie, which wants to ensure that Énergir maintains a high level of service quality for its entire clientele.

In addition, in 2017, one of Énergir's strategic planning initiatives focused on the customer experience. More specifically, it was intended to make customers a central concern for employees. The company relies on its employees to act as ambassadors and ensures that they are fully prepared to answer customers' questions. In addition, customer collaboration stories are shared at every level of the company so that the day-to-day decisions of all employees remain centred on customers.

In 2017, Énergir also took action to deepen its customer knowledge and customize its products, services and communications in order to increase customer satisfaction. Through its marketing plan, the company monitors changes in customers' expectations and makes sure that its business offering evolves along with them. Always looking to meet customers' needs, the sales sector reorganized its teams to bring them closer to the various regions and adjust its offering according to regional market concerns.

Response time policy

To offer high-quality customer service, Énergir has established telephone response time thresholds for its various customer segments and operating sectors. The percentage compliance with response time policy indicator measures the percentage of calls answered within the prescribed time limits.

Since Énergir is responsible for customer and public security, emergency calls received anywhere on its territory are handled on a priority basis 24 hours a day.

Complaints management

In 2003, Énergir adopted an integrated complaints management directive and created an Office of the Complaints Coordinator. The directive shows Énergir's commitment to finding solutions that will sustain good business relations with current and potential customers. Customer Service is responsible for this directive, and managers must see to the directive's application with their staff. Internal associates from the various departments represent the company to its customers and are responsible for handling and resolving

complaints in their respective departments. Monthly, quarterly and annual reports are prepared and presented to Énergir's senior management.

Complaints allow us to gauge the effectiveness and efficiency of business processes as well as the impact of behaviours and methods. From the standpoint of continued improvement, Énergir uses its integrated management system to follow up on complaints and take corrective action as needed.

Other metrics

Énergir has a customer satisfaction measurement program, based on a number of key performance indicators. It includes a survey and allows us to actively listen to all our customers who have recently been in contact with the company in specific predefined situations (contact with customer service or technical services, new natural gas connection).

Those indicators are monitored every quarter to ensure that the targets set by Régie de l'énergie are achieved. In addition, the indicators have an impact on employees' annual bonuses.

A "closing the loop" process was introduced for the customer satisfaction survey in 2014 and was integrated into the complaints management system. Its purpose is to follow up with dissatisfied customers who gave a rating of 5 or less out of 10 for any of the satisfaction indicators and who indicated that they wanted Énergir to review their file. Cases of customer dissatisfaction identified by the survey are handled in the same way as standard complaints, except for the processing time.

By monitoring those indicators and "closing the loop," we can identify possible improvements at any time so that we can deliver the best possible customer experience, regardless of whom the customer contacted within the company.

6.9.2. Performance indicators – Customer satisfaction

6.9.2.1. Customer satisfaction survey results

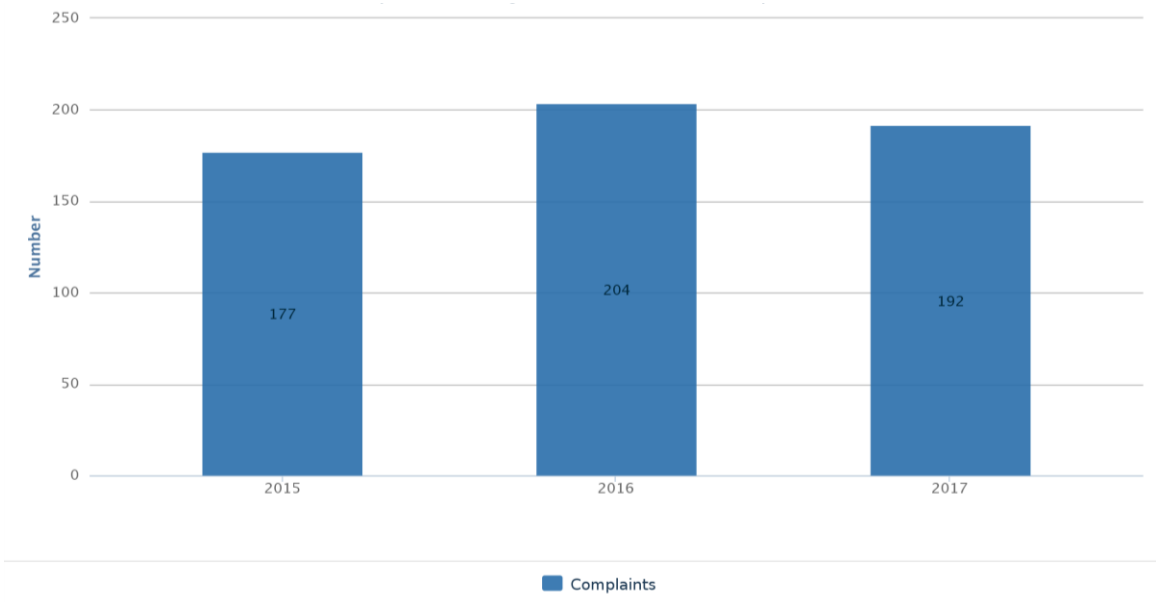
	2015	2016	2017
Customer satisfaction	93.8	93.2	95.1
New customer satisfaction	91.7	-	-
Major industry market satisfaction	90.0	84.0	94.0

Énergir would like to prioritize satisfaction indicators for all its customers. Since its customer base includes the new customer segment, new customer satisfaction will no longer be analyzed separately and will no longer be presented in this report, which explains the absence of data for fiscal 2016.

The results for fiscal 2017 for the customer satisfaction index are excellent. In fact, this is the highest peak for this indicator. The percentage of satisfied surveyed clients surpasses the 90% mark, reaching 95.1% in fiscal 2017, compared to 93.2% in fiscal 2016. This success is attributable to a strong performance of all stakeholders, including customer service.

The level of satisfaction of large corporate customers towards the company is statistically higher compared to the result of the previous year; 94% for fiscal 2017 compared to 84% in fiscal 2016. This is an excellent result, well above the 80% target, which is the result of the corporate effort. In fact, the actions taken over the last year to inform its clientele and show greater transparency have been noticed and appreciated.

6.9.2.2. Number of complaints



We received 192 complaints in 2017 versus 204 in 2016, for a decrease of 12 (-5.9%).

6.9.2.3. Percentage compliance with the complaints processing time and complaints resolution time

	Number of complaints	Complaints processed within response times (%)	Complaints resolved within response times (%)s
2015	177	97.70	97.80
2016	204	100.00	100.00
2017	192	100.00	100.00

Complaints processing means that an agreement was reached with the customer on the chosen method and required time to resolve the complaint. The count of two business days starts the day after the complaint is received (objective: 95%).

The complaints resolution time refers to the time between the date the complaint is received and the date the file is closed, depending on the complaint type (objective: 92%).

6.9.2.4. Customer service – Percentage compliance with the response time policy

	Results (%)
2015	95.71
2016	97.74
2017	94.66

Even though the percentage compliance with the response time policy declined in fiscal 2017, the results exceeded the Régie de l'énergie target. The results for fiscal 2016 were exceptional, while our 2017 performance was more in line with our regular level.

To monitor the quality of its customer service, Énergir has established quality thresholds for the telephone response time for its various customer segments and operating sectors. Whether in response to emergency calls or customer calls, the response time is between 20 and 180 seconds. Emergency calls are taken by Customer Service during normal business hours and by the Control Office outside these times. The percentage compliance with response time policy indicator measures the percentage of calls answered within the prescribed time limits.

6.10. Safety of the gas network

Risk outreach and communication initiatives, preventive maintenance programs, and policies pertaining to emergency measure management, operational continuity and network recovery (emergency response time, management system).

6.10.1. Management approaches – Safety of the gas network

6.10.1.1. GRI 103-1,2,3 – Operation of the gas network

Operation of the gas network

Énergir's primary objective in operating its network is to offer an uninterrupted supply of natural gas in a manner that is environmentally friendly and safe for its employees, customers and the public. To accomplish this, it makes ongoing efforts to protect the public and installations through rigorous maintenance and network improvement programs.

Our network safety measures are founded, first and foremost, on preventive maintenance, corrective maintenance and asset management based on risk level and business values. Énergir's commitment to managing the safety of its network also means adopting various policies and procedures, including:

- the Énergir Occupational Health and Safety Policy;
- the integrity management programs for the distribution and transmission networks, which were incorporated into the asset management strategy implemented several years ago;
- the Emergency Measures Management System;
- the Operational Recovery and Continuity System.

Integrated process

Énergir has developed an integrated management system (IMS) that covers the three certified management systems:

- EMS certified under the ISO 14001 standard
- Quality system for the Network Technology Department's prefabrication workshop certified under the ISO 9001 standard
- Quality system for the Measurements Department certified under Measurement Canada's S-A-01-2006 standard

The IMS also covers the Safety and Loss Management System developed and deployed under the CAN/CSA-Z662 standard, for which Énergir has obtained certification. Énergir must comply with the CAN/CSA-Z662 standard ("Oil and gas pipeline systems") for the design, construction, operation, maintenance and improvement of its natural gas pipelines in Québec.

The IMS system has enabled the sharing of procedures for these systems. Other management systems are also integrated to the IMS, such as:

- the Major Projects Quality System based on the ISO 9001 standard;
- the Security Management Program (CSA Z246.1);

- the Emergency Measures Management System;
- the Operational Recovery and Continuity System;
- the Occupational Health and Safety System.

Objectives and a timeline are established annually and followed up on regularly, to ensure the performance of our management systems. These objectives are updated during the integrated management review, which allows Énergir managers to understand the value of, efficiency of and potential improvements to these systems.

Risk mitigation – Asset management program

Énergir has developed a network asset management strategy based on best practices. The asset management strategy is a risk-centred initiative. It is intended to strike a balance between risk, cost and performance.

The operationalization of the asset management strategy allows Énergir to forecast investments required over the coming years.

Preventing damage by third parties

Énergir encourages contractors to adopt best industry practices to reduce the risk of damage to its property. A third-party damage prevention program, managed in conjunction with Info-Excavation, the Régie du bâtiment du Québec and the Commission des normes, de l'équité, de la santé et de la sécurité du travail, raises awareness among the main stakeholders, particularly municipalities and excavation contractors.

Énergir also participates in Info-Excavation's efforts to promote best practices in this field. Furthermore, Énergir contributes to efforts to have the Québec government pass a bill with respect to preventing damage by third parties (like in Ontario), alongside Info-Excavation. At the federal level, through Info-Excavation and the Canadian Common Ground Alliance, Énergir is also working to have Bill S-229 adopted so that underground infrastructure safety can be assured.

Distribution and transmission network integrity management programs

Énergir's network is under the jurisdiction of the Régie du bâtiment du Québec and is designed, operated and maintained in accordance with the Régie's requirements. Nevertheless, in many cases, Énergir's technical specifications exceed those in the Building Act and its regulations. In addition, in compliance with the CSA Z662 standard ("Oil and gas pipeline systems"), Énergir has developed distribution and transmission network integrity management programs. These integrity management programs cover the network's entire lifespan and mainly involve documenting all methods of collecting, investigating and analyzing information about network integrity, including preventive maintenance programs. The programs provide for specific activities aimed at maintaining all of Énergir's assets such as leak detection in all mains, building and equipment connections, verification of the cathodic protection systems in the steel networks, verification of the measuring and pressure regulator stations, and verification of the natural gas odorizers. Énergir's goal is to complete all of the approximately 55,000 activities

scheduled each year. A performance indicator is used to monitor the activities carried out. The results of certain targeted activities are also included in the annual report submitted to the Régie de l'énergie.

Assignor awareness program

The primary aim of this program is to remind landowners who have granted a servitude (easement) to Énergir of the guidelines they need to follow consider regarding the use of their property. To accomplish this, the following actions are taken:

- Information leaflet about the servitude is mailed annually to all assignors. Every three years, that mailout is replaced by an in-person meeting between each assignor and an Énergir representative, as described below.

- Assignor contact information is updated mainly by referring to returned mailouts with the wrong address, calls from assignors and data on Québec municipal assessment rolls from the Ministère des Affaires municipales et de l'Occupation du territoire (MAMOT).

- Prexim database is updated by the Real Estate Expertise and Surveying team.

- Visits are made to the assignors according to a three-year cycle to inform them in more detail about the uses permitted, uses permitted with written authorization from Énergir and uses prohibited. A reminder is also given about the need to obtain written authorization from Énergir before undertaking any construction, drilling, digging, grading or other activity on the land that is subject to the servitude (such as ground disturbance or movement). In the event the assignor is not home, the information is left in the mailbox.

- Telephone number of the Real Estate Expertise and Surveying team is included in the mailouts or handouts given to assignors so that they can ask any questions they may have. Assignors can also call our customer service lines, in which case the calls are transferred to the Real Estate Expertise and Surveying team.

Program for risk disclosure to municipalities

The main purpose of this program is to raise awareness among elected officials and municipal stakeholders about gas network safety and prevention and assist them in their efforts to plan emergency measures.

Énergir meets with the municipalities it serves to inform them of various safety elements that need to be considered when residing or working near a natural gas network.

The following stakeholders are invited to take part in the meetings:

- Mayor or acting mayor
- General manager
- Municipal representatives
- Fire department director and/or assistant director

- Police department director and/or assistant director (if applicable)
- Sûreté du Québec director and/or assistant director (if applicable)
- Public works department director and/or assistant director
- Economic development officer
- Urban planning department director and/or assistant director
- Public health regional manager and/or representative
- Municipal coordinator and/or public safety representative

The main topics covered in the meetings are:

- Énergir's network and activities
- Best practices for land development near a gas network
- Preventive and corrective measures for ensuring network safety and integrity
- Scenario planning for transmission main emergency measures
- Prevention program measures
- Awareness programs for assignors and anyone living near the network

The program is managed by the Sustainable Development, and Public and Government Affairs team. Under this program, a meeting with each municipality is organized every three years. These meetings will continue.

6.10.1.2. GRI 103-1,2,3 – Emergency measures management

Emergency measures management

Énergir has an emergency measures management and operational continuity program that applies equally to natural and technological events and events caused by human activity.

Énergir must comply with the Construction Code and Safety Code under the Building Act for the design, construction, operation, maintenance and improvement of its natural gas pipelines in Québec. Moreover, the CAN/CSA Z662 standard to which these codes refer creates an obligation to develop, implement and update a documented Safety and Loss Management System for pipeline networks to ensure people's safety and protect the environment and property.

Emergency response timeframe

Énergir aims to respond to emergency situations within 35 minutes of receiving an emergency call. A performance indicator measures the percentage of occasions on a monthly basis that we reached the site of an emergency within the target timeframe, for the entire territory served.

Responsibilities

The training of Énergir employees for emergency interventions is supervised by an operational emergency plan that reflects the company's risks. Énergir organizes simulation training and exercises for each sector, need and region so that its employees are as prepared as they can be for emergencies.

Evaluation of the process

Objectives and a timeline are established annually and followed up on weekly to ensure our teams' performance. These objectives are updated during the integrated management review, which allows Énergir managers to understand the value of, efficiency of and potential improvements to these systems.

The target for the emergency response time compliance rate is 92%. The Régie de l'énergie is informed about this indicator on an annual basis.

6.10.2. Performance indicators – Safety of the gas network

6.10.2.1. Safety of the gas network – Preventive maintenance programs

	2015	2016	2017
Number of completed activities	55,030.0	56,772.0	56,961.0
Preventive activities completion rate in relation to activities forecast at the start of the year (in %)	98.2	99.8	99.7

Énergir strives to ensure the safety of its distribution network through preventive maintenance programs. These programs include specific activities aimed at maintaining all of its assets.

6.10.2.2. Safety of the gas network – Emergency response time compliance rate

	Results (%)
2015	95.0
2016	94.4
2017	94.3

Énergir aims to respond to emergency situations within 35 minutes of receiving the call. This indicator measures the percentage of occasions on a monthly basis that we reached the site of an emergency within the target timeframe, for the entire territory served.

7. GRI content index

GRI Content Index

2017 Sustainability Report

GRI 102-55

This report has been prepared in accordance with the GRI Standards: Core option. This report has not undergone an external audit.

GRI Standard	General Disclosures (in accordance with Core option)	Page number and hyperlinks	External verif.
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational Profile**		
	GRI 102-1 Name of the organization	*Page 11, Metrio*	*NV*
	GRI 102-2 Activities, brands, products, and services	*Page 14, Métrio*	*NV*
	GRI 102-3 Location of headquarters	*Page 12, Métrio*	*NV*
	GRI 102-4 Location of operations	*Page 11, Métrio*	*NV*
	GRI 102-5 Ownership and legal form	*Page 11, Métrio*	*NV*
	GRI 102-6 Markets served	*Page 16, Métrio*	*NV*
	GRI 102-7 Scale of the organization	*Page 17, Métrio*	*NV*
	GRI 102-8 Information on employees and other workers	*Page 18, Métrio*	*NV*

	GRI 102-9 Supply chain		*Pages 46 to 49, Métrio*		*NV*
	GRI 102-10 Significant changes to the organization and its supply chain		*Page 50, Métrio*		*NV*
	GRI 102-11 Precautionary principle or approach		*Page 74*		*NV*
	GRI 102-12 External initiatives		*Page 15, Métrio*		*NV*
	GRI 102-13 Membership of associations		*Page 14, Métrio*		*NV*
	Strategy				
	GRI 102-14 Statement from our President		*Pages 4 to 10, Métrio*		*NV*
	Ethics and integrity				
	GRI 102-16 Values, principles, standards and norms of behavior		*Page 59, Métrio*		*NV*
	Governance				
	GRI 102-18 Governance structure		*Pages 19-24, Métrio*		*NV*
	Stakeholder engagement				
	GRI 102-40 List of stakeholder groups		*Page 28, Métrio*		*NV*
	GRI 102-41 Collective bargaining agreements		*Métrio*		*NV*
	GRI 102-42 Identifying and selecting stakeholders		*Page 29, Métrio*		*NV*
	GRI 102-43 Approach to stakeholder engagement		*Page 29, Métrio*		*NV*
	GRI 102-44 Key topics and concerns raised		*Pages 29-30, Métrio*		*NV*
	Reporting practice				
	GRI 102-45 Entities included in the consolidated financial statements		*Page 16, Métrio*		*NV*

	GRI 102-46 Defining report content and topic boundaries		*Pages 11, 24-27, Métrio*		*NV*
	GRI 102-47 List of material topics		*Pages 31-34, Métrio*		*NV*
	GRI 102-48 Restatements of information		*Page 11, Métrio*		*NV*
	GRI 102-49 Changes in reporting		*Pages 27-28, Métrio*		
	GRI 102-50 Reporting période		*Page 11, Métrio*		*NV*
	GRI 102-51 Date of most recent report		*Page 11, Métrio*		*NV*
	GRI 102-52 Reporting cycle		*Page 11, Métrio*		*NV*
	GRI 102-53 Contact point for questions regarding the report		*Page 12, Métrio*		*NV*
	GRI 102-54 Claims of reporting in accordance with the GRI Standards		*Page 11, Métrio*		*NV*
	GRI 102-55 GRI Content Index		*Page 11, Métrio*		
	GRI 102-56 External assurance		*Page 11, Métrio*		*NV*

GRI Standard		Management Approach and Topic-specific disclosures		Page number		Omission		External Vérif.
Social acceptability								
• **GRI 103 : Management Approach**		• 103-1 Explanation of the material topic and its Boundary		*36-37, Métrio*				NV
		• 103-2 The management approach and its components		*36-37, Métrio*		Some components of the management approach, such as targets are missing		NV
		• 103-3 Evaluation of the management approach		*37, Métrio*		Mechanisms to evaluate the managerial approach, the results of the evaluation and the adjustments are not disclosed.		NV

GRI Standard	Management Approach and Topic-specific disclosures	Page number	Omission	External Vérif.
• **GRI 413 : Local Communauties 2016**	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	*42-43, Métrio*	Economic, social and potential cultural impacts are not addressed in the risk analysis currently undertaken. Only environmental impacts are considered.	NV
Procurement practices				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*44, Métrio*		NV
	• 103-2 The management approach and its components	*44-45, Métrio*	Some components of the management approach are missing such as targets and objectives.	NV
	• 103-3 Evaluation of the management approach	*45, Métrio*	Mechanisms to evaluate the managerial approach, the results of the evaluation and the adjustments are not disclosed.	NV
• **GRI 204 : Procurement practices 2016**	• GRI 204-1 Proportion of spending on local suppliers	*50, Métrio*	In this report we present only data for gas suppliers. However, the data on the goods and services suppliers is presented on our Métrio platform.	NV
Legal compliance and business ethics				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*52 and 55, Métrio*		NV
	• 103-2 The management approach and its components	*53 and 55-56, Métrio*	Some components of the management approach are missing such as commitments, policies, targets and objectives.	NV
	• 103-3 Evaluation of the management approach	*52 et 55 Métrio*		NV

GRI Standard	Management Approach and Topic-specific disclosures	Page number	Omission	External Vérif.
• **GRI 307 : Environmental compliance 2016**	• GRI 307-1 Non-compliance with environmental laws and regulations	*53, Métrio*		NV
• **GRI 416 : Customer health and safety 2016**	• GRI 416-2 Incidents of non-compliance concerning the health and safety of products and services	*54, Métrio*		
• **GRI 417 : Marketing and labeling 2016**	• GRI 417-3 – Incidents of nin-compliance concerning marketing communications	*54, Métrio*		
• **GRI 419 : Socioeconomic compliance 2016**	• GRI 419-1 - Non-compliance with laws and regulations in the social and economic area	*54, Métrio*		
• **GRI 103 : Management Approach Business Ethics**	• 103-1 Explanation of the material topic and its Boundary	*57, Métrio*		NV
	• 103-2 The management approach and its components	*57-58, Métrio, Web site*		NV
	• 103-3 Evaluation of the management approach	*58, Métrio*		NV
Energy efficiency and technological innovation				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*60, Métrio*		NV
	• 103-2 The management approach and its components	*60-61, Métrio*		NV
	• 103-3 Evaluation of the management approach	*60-61, Métrio*		NV
• **GRI 302 : Energy 2016**	• GRI 302-1 – Energy consumption within the organization	*Métrio*		NV
	• GRI 302-3 – Energy intensity	*Métrio*		NV
	• GRI 302-4 – Reduction of energy consumption	*Métrio*		NV
	• GRI 302-5 - Reductions in energy requirements of products and services	*62, Métrio*		NV
Air emissions				

GRI Standard	Management Approach and Topic-specific disclosures	Page number	Omission	External Vérif.
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*64-65, Métrio*		NV
	• 103-2 The management approach and its components	*65-66, Métrio*		NV
	• 103-3 Evaluation of the management approach	*66, Métrio*		NV
• **GRI 305 : Emissions 2016**	• GRI 305-1 - Direct (Scope 1) GHG emissions	*66-68, Métrio*		NV
	• GRI 305-2 - Energy indirect (Scope 2) GHG emissions	*69, Métrio*		NV
	• GRI 305-3 Other indirect (Scope 3) GHG emissions	*69, Métrio*		NV
	• GRI 305-4 – GHG emissions intensity	*70, Métrio*		NV
	• GRI 305-5 - Reduction of GHG emissions	*70-71, Métrio*		NV
	• GRI 305-7 - NOx, SOx and other significant air emissions	*72, Métrio*		NV
Gestion de l'impact environnemental du développement du réseau gazier				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*73, Métrio*		NV
	• 103-2 The management approach and its components	*73-74, Métrio*		NV
	• 103-3 Evaluation of the management approach	*74, Métrio*		NV
• **GRI 304 : Biodiversity 2016**	• GRI 304-1 – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	*74-75, Métrio*		NV
	• GRI 304-2 – Significant impacts of activities, products, and services on biodiversity	*76, Métrio*		NV
	• GRI 304-4 – Species with habitats in areas affected by operations	*77, Métrio*		NV

GRI Standard	Management Approach and Topic-specific disclosures	Page number	Omission	External Vérif.
• **GRI 306 : Effluents and waste**	• GRI 306-2 – Waste by type and disposal method	*Métrio*		NV
	• GRI 306-3 – Significant spills	*Métrio*		NV
• **GRI 303 : Water**	• GRI 303-1 – Water withdrawal by source	*Métrio*		NV
Natural gas and the energy transition				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*78-80, Métrio*		NV
	• 103-2 The management approach and its components	*78-82, Métrio*	Some components of the management approach are missing such as targets and objectives.	NV
	• 103-3 Evaluation of the management approach	*78, Métrio*		NV
Occupational health and safety				
• **GRI 103 : Management Approach**	• 103-1 Explanation of the material topic and its Boundary	*82, Métrio*		NV
	• 103-2 The management approach and its components	*82, Métrio*		NV
	• 103-3 Evaluation of the management approach	*82, Métrio*		NV
• **GRI 403 : Occupational Health and Safety 2016**	• GRI 403-2 – Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	*83-84, Métrio*	Some information could not be collected, especially to disaggregate data by sex and for Énergir's contractors and to specify the types of work accidents. Information is currently unavailable.	NV
	• GRI 403-4 – Health and safety topics covered in formal agreements with trade unions	*85-86, Métrio*		NV
Customer satisfaction				
	• 103-1 Explanation of the material topic and its Boundary	*87-88, Métrio*		NV

GRI Standard		Management Approach and Topic-specific disclosures		Page number		Omission		External Vérif.
• **GRI 103 : Management Approach**		• 103-2 The management approach and its components		*87-88, Métrio*				NV
		• 103-3 Evaluation of the management approach		*87-88, Métrio*				NV
Safety of the gas network								
• **GRI 103 : Management Approach Safety of the gaz network**		• 103-1 Explanation of the material topic and its Boundary		*92-95 and 96, Métrio*				NV
		• 103-2 The management approach and its components		*92-95 and 96, Métrio*				NV
		• 103-3 Evaluation of the management approach		*92-95 and 96, Métrio*				NV

8. Glossary

Units of measure and general terms

BCF	Bioconcentration factor
CH_4	Methane
CNG	Compressed natural gas
CO_2	Carbon dioxide
CSA	Oil and Gas Pipeline Systems
CSA-Z246	Security Management System certification
CSA-Z662	Safety and Loss Management System certification
DIMP	Distribution Integrity Management Program
EMS	Environmental Management System ISO 14001:2008 certified
Eq.	Equivalent
GHG	Greenhouse gases
GHG Protocol	Greenhouse Gas Protocol
HRCG	Human Resources and Corporate Governance Committee
IMS	Integrated management system
in.	Inch
ISO 9001	Quality Management System certification
ISO 14001	Environmental Management System certification
kg	Kilogram
km	Kilometre
LNG	Liquefied natural gas
m^3	Cubic metre
MW	Megawatt
MWh	Megawatt-hour
NG	Gaseous natural gas
NO_x	Nitrogen oxides
OHS	Occupational Health and Safety
PJ	Petajoule
QDA	Québec Distribution Activity
RDO	Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere
RNG	Renewable natural gas
Scope 1	Sum of direct emissions produced by burning fossil fuel resources owned or controlled by an organization
Scope 2	Sum of indirect emissions resulting from the purchase or production of electricity
Scope 3	Broadest framework for calculating GHG emissions
SO_2	Sulfur dioxide
SO_x	Sulfur oxides
SST-Env	Occupational Health and Safety and Environment
C&T system	Regulation respecting a cap-and-trade system for greenhouse gas emission allowances
TIMP	Transmission Integrity Management Program
t	Tonne
WCSB	Western Canada Sedimentary Basin

Organizations and entities

AGA	American Gas Association
CESIM	Conseil d'économie sociale de l'île de Montréal
CGA	Canadian Gas Association
CSN	Confédération des syndicats nationaux
NGTC	Natural Gas Technologies Centre
DATECH	A group of specialized Énergir engineers
ECPAR	Espace québécois de concertation sur les pratiques d'approvisionnement responsable
FTQ	Fédération des travailleurs et travailleuses du Québec
GMLNG	Gaz Métro Liquefied Natural Gas
GMP	Green Mountain Power
GRI	Global Reporting Initiative
ISO	International Organization for Standardization
MAMOT	Ministère des Affaires municipales et de l'occupation du territoire
RCM	Regional county municipality
MTQ	Ministère des Transports du Québec
NEEC	Northern New England Energy Corporation
IMO	International Maritime Organization
NEB	National Energy Board
PCGN	Certified Natural Gas Partner (CNGP)
Régie	Régie de l'énergie du Québec
RBQ	Régie du bâtiment du Québec
COPE-SEPB	Syndicat des employées et employés professionnels et de bureau
SSI	Standard Solar Inc.
STQ	Société des traversiers du Québec
SWITCH	L'Alliance pour une économie verte au Québec
TCPL	TransCanada PipeLines Limited
TQM	Trans Québec & Maritimes Pipeline
UMQ	Union of Quebec Municipalities
Union Gas	Union Gas Limited
LSR plant	Natural gas liquefaction, storage and regasification plant
Valener	Valener Inc.
VGS	Vermont Gas Systems

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