

# Climate Resiliency Report



## Fact Sheet – 2021

### President’s Message



“Over the past year, we have built our corporate strategy for the next ten years, and even beyond. This report presents the progress we have made in our thinking, the work done at Énergir and the actions we will undertake to contribute towards a low-carbon economy.

Our objective is to decarbonize our natural gas network and focus on high value-added activities for the Quebec energy system, for which we expect to have a sustainable competitive advantage.

Énergir believes its business model is resilient for 2030 according to a scenario in which global warming is limited to not more than 2 degrees Celsius above preindustrial levels.

There is still work to be done to refine our strategies for 2050, but we are on the right track, and our intention is clear: we want to steer our operations to become completely carbon neutral.”

**Éric Lachance**  
President and Chief Executive Officer

### Greenhouse Gas Emission Scenarios

In line with TCFD recommendations, Énergir relied on four quantitative scenarios from independent agencies that describe several possible global GHG emission trajectories in the 2030-2050 timeframe and then used recognized methods to scale them for Quebec. The use of these scenarios allows for the consideration of the potential impacts of the previously identified climate risks and opportunities could have on the resiliency of Énergir’s business models.

The Status Quo Scenario represents a future where few actions are taken to limit global warming.

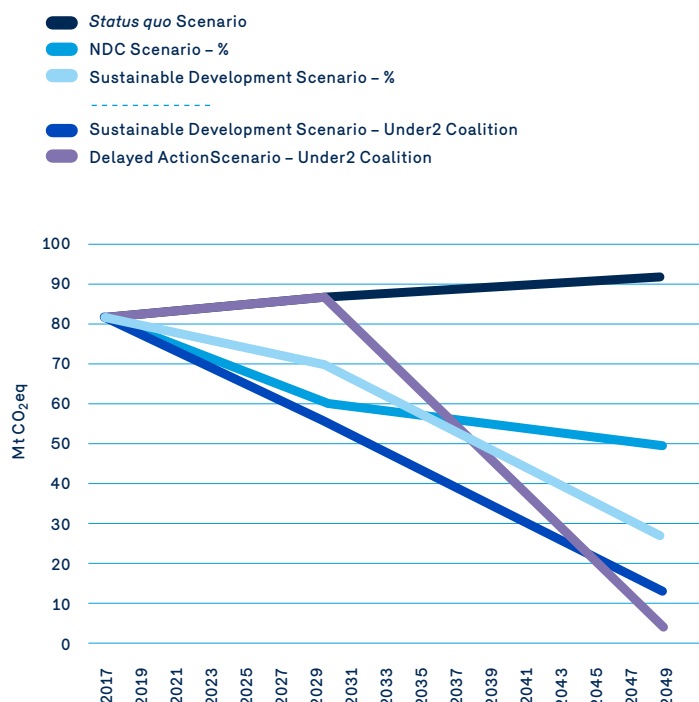
The NDCs embody the commitments of each Paris Agreement signatory country reduce their national GHG emissions and adapt to the effects of climate change.

The Sustainable Development Scenario and the Delayed Actions Scenario are consistent with a world where global warming is limited to 2 degrees or less by 2100 compared to preindustrial levels. According to these scenarios, the quantities of natural gas distributed could stay constant or decrease slightly by 2030 and then decrease more sharply by 2050.

Énergir’s business model focuses on the creation of value rather than volumes distributed as well as on the decarbonization of the gas network.

Vision 2030-2050 is consistent with GHG emissions reductions trajectories in scenarios that limit global warming to 2 degrees or less.

Potential GHG emission trajectories according to the retained scenarios as they apply to Quebec



# Énergir

## Vision 2030-2050

### » Natural Gas Distribution in Québec

To address climate risks and opportunities, Énergir's Vision 2030-2050 should position the company as a central player in the transition to a lower-carbon economy. It is based on the five following orientations:

1. Accelerating the growth of long-term energy efficiency efforts
2. Increase the injection of renewable natural gas into the gas network
3. Develop a strong complementarity with electricity
4. Diversify Énergir's activities to foster new growth drivers
5. Continue to replace more polluting energy with natural gas, especially in the industrial and freight transportation sectors

2030

**-30% of GHG emissions**

related to the use of natural gas in the building sector

2050

**-70% of GHG emissions related to the use of natural gas by all of Énergir's customers**

Énergir's strategy focuses on our customers' emissions (Scope 3 type) related to natural gas use for heating purposes in the building sector (residential, commercial and institutional markets) with a reduction in GHG emissions of about 30% by 2030 compared to 2020.

By 2050, the approach supporting this strategy is set to help achieve carbon neutrality in buildings, resulting in a reduction of about 70% of GHG emissions related to the use of natural gas by all of Énergir's customers. In the meantime, Énergir will seek to identify other solutions to support customers in a transition to carbon neutrality by 2050.

## Énergir's Metrics and Targets

Indicateur	Mesure 2020	Cible d'Énergir 2030
<b>1</b> Direct emissions from Énergir's activities: <sup>1</sup> e.g., fugitive emissions, combustion, fleet. Indirect emissions from Énergir's activities: e.g., electricity use	<ul style="list-style-type: none"> <li>• <b>Direct Emissions (Scope 1):</b> 54,605.8 tonnes CO<sub>2</sub> eq. in 2019;</li> <li>• <b>Indirect Emissions (Scope 2):</b> 16.2 tonnes CO<sub>2</sub> eq. in 2019;</li> <li>• <b>Total Emissions:</b> 54,622 tonnes CO<sub>2</sub> eq. in 2019;</li> <li>• <b>GHG Reductions:</b> 22.1% reduction from 1990 levels.</li> </ul>	<b>-37.5%</b> by 2030, from 1990 levels.
<b>2</b> Energy efficiency	<ul style="list-style-type: none"> <li>• Annual reduction of 82,062 tonnes of CO<sub>2</sub> eq. in 2020 resulting from energy efficiency.</li> <li>• Énergir's energy efficiency program results achieved savings of 42.7 million cubic metres in 2020.</li> </ul>	<b>1Mt in GHG reductions</b> between 2020 and 2030.
<b>3</b> RNG	<ul style="list-style-type: none"> <li>• 0.1%: Percentage of RNG volumes injected into our gas network in 2020.</li> <li>• Annual reduction of 12,408 tonnes of CO<sub>2</sub> eq. for customers who consumed RNG in 2020.</li> </ul>	<b>10% of RNG injected by Énergir,</b> or 430 Mm <sup>3</sup> and 1Mt of reductions in 2030.
<b>4</b> Responsible Procurement of Natural Gas Initiative	<ul style="list-style-type: none"> <li>• 15% of network gas in 2020 was purchased as part of this initiative.</li> </ul>	<b>100%</b> of fossil natural gas supplies contracted by Énergir as part of the Responsible Procurement of Natural Gas Initiative.
<b>5</b> Complementarity/ Bi-energy <sup>2</sup>	<ul style="list-style-type: none"> <li>• GHG reductions related to bi-energy conversion efforts.</li> </ul>	<b>0.5 million tonnes of GHG reductions</b> by 2030.
<b>6</b> Overall GHG reductions in the building sector <sup>2</sup>	<ul style="list-style-type: none"> <li>• Annual overall reductions in the building sector in 2020.</li> </ul>	<b>30% reduction in Énergir customers' GHG emissions</b> in the building sector by 2030 compared to 2020 levels.

1. Direct Greenhouse Gas Emissions (Scope 1) data include emissions that must be reported under the *Mandatory Reporting regulations for certain emissions of contaminants into the atmosphere* (RDO). To comply with the RDO, GHG declarations are based on the calendar year. That is why the 2019 data are presented in this report.

2. The information expected to be released in a future report.