

Climate Resiliency Report

This 3rd report presents the progress in the important transformation taking place at Énergir, which is having Énergir evolve from a natural gas distributor to an diversified energy company and a key partner in the implementation of a just energy transition.

2022

Fact Sheet

energir imagine energy differently

President's Message



Over the past year, we have achieved major milestones of our corporate vision. In Quebec, for example, our actions are guided by our strong desire to step up our energy efficiency efforts, accelerate the injection of renewable natural gas (RNG), develop a strong complementarity with the electricity grid and develop new sustainable drivers. In Vermont, Green Montain Power and Vermont Gas Systems have made green hydrogen, geothermics, storage as well as carbon neutral and renewable supply integral themes of their portfolio of decarbonization achievements, while creating value. The goal of these initiatives is to make the energy we distribute carbon neutral by 2050.

This year, we also launched the ESG approach that we use to integrate ESG factors into our corporate culture and business model. Énergir is committed to playing an active role in a changing world. We are aware of our role, responsibilities, and limitations.

We are annually reviewing our strategies, experimenting with new ways of doing things, developing solutions to favour RNG and help our customers reduce their fossil natural gas consumption and emissions. This evolution is demanding, especially as the change must also come from within: our business is redefining and transforming itself. Énergir's commitment is unwavering, as is that of all members of its personnel. It is mainly their massive support and enthusiastic mobilization that gives us the energy to do better. Our thanks go out to all of them.

Éric Lachance
President and Chief Executive Officer

2022 Climate resiliency report highlights

ESG approach

Implementation of ESG factors into our corporate culture and business model.

Revision of our commercial approach

Énergir's sales representative therefore become **decarbonization agents** and will now be compensated based on the GHG emission reductions they will have helped generate.

Governance



Énergir's managerial personnel short-term incentive will be aligned with strategic ESG objectives including the reduction of GHG emissions (as of October 1, 2022)

Decarbonization ambitions

2030

30% reduction in emissions from the buildings Énergir serves

2050

Net zero emissions related to the energy Énergir will distribute

Vision 2030-2050

- Accelerating** as quickly as possible our energy efficiency efforts
- Rapidly increase** its customers' RNG consumption
- Reducing** the consumption of fossil natural gas in the building sector
- Diversifying** Énergir's activities

» Our measures aimed at contributing to decarbonization



Énergir uses climate metrics and targets to track the impact of its strategic decarbonization initiatives. These metrics are available on [Énergir's Sustainability Performance Tracking Platform](#).

Metric	Performance 2022	Énergir 2030 Targets
1 Initiative for the responsible procurement of natural gas	<ul style="list-style-type: none"> Purchase of 33% of system gas as part of this initiative in 2022. 	Purchase of 100% of fossil system gas by Énergir as part of the initiative for responsible procurement of natural gas.
2 Direct emissions from Énergir's activities ¹ (e.g. leaks, combustion, fleet) Indirect emissions from Énergir's activities (e.g., electricity consumption)	<ul style="list-style-type: none"> Direct emissions (Scope 1): 63,531.7 tonnes of CO₂ eq. in 2021²; Indirect emissions (Scope 2): 17.1 tonnes CO₂ eq. in 2021; Total direct and indirect emissions: 63,548.8 tonnes CO₂ eq. in 2021; <p>These measures represent a 21.1% reduction from 1990 levels.</p>	GHG emission reduction of 37.5% by 2030, from 1990 levels.
3 Energy efficiency	<ul style="list-style-type: none"> Cumulative reduction of 263,058 tonnes CO₂ eq. resulting from energy efficiency in fiscal years 2020, 2021 and 2022; Reduction of 98,728 tonnes CO₂ eq. resulting from energy efficiency in fiscal 2022 (including a reduction of 38,927 tonnes CO₂ eq. for customers in the buildings sector); Énergir's energy efficiency programs have allowed for savings of 51.4 million cubic metres of natural gas during fiscal year 2022. <p>✔ Target for 2022 exceeded (48.5 Mm³).</p>	GHG emission reduction of 1 million tonnes CO₂ eq. between 2020 and 2030.
4 RNG	<ul style="list-style-type: none"> Consumption of a volume of over 27 million cubic metres of RNG (0.44% of total) by Énergir's customers in fiscal year 2022; GHG emission reduction of 52,265 tonnes CO₂ eq. for customers who consumed RNG in fiscal year 2022 (including a reduction of 16,167 tonnes CO₂ eq. for customers in the buildings sector); Below the target for 2022 (1% of total consumed). 	Consumption of 10% of RNG by Énergir's customers, namely 567 Mm ³ and GHG emission reduction of 1 million tonnes CO ₂ eq. by 2030.
5 Complementarity / Dual-energy ³	<ul style="list-style-type: none"> Approval of application for residential offering by the Régie de l'énergie du Québec. No GHG emission reduction in fiscal year 2022, as the first customer agreements were entered into in the fall. The first reductions will be recorded in fiscal year 2023. 	GHG emission reduction of 0.5 million tonnes CO₂ eq. by 2030.
6 Total reduction of GHG emissions in the buildings sector	<ul style="list-style-type: none"> GHG emissions increase of 2.6% since fiscal year 2020, namely 110,585 tonnes CO₂ eq. due to increased economic activities in the post-pandemic recovery and despite all efforts to reduce GHG emissions. However, Énergir remains convinced that its GHG emission reduction targets will be reached regardless of demand changes beyond its control. 	GHG emission reduction of 30% for Énergir's customers in the buildings sector compared to 2020 levels by 2030.

1. Direct GHG 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 2020 data are presented in this report. Detailed information on emissions (Scope 1, Scope 2 and the energy distributed) is available in the annual sustainable development report at <https://energir.metrio.net/?locale=fr>.

2. In fiscal year 2021, Énergir emitted 63,532 tonnes of CO₂ eq., representing a 14.5% rise in GHG emissions compared to 2020. This increase is due mainly to the fact that in calendar year 2021, the *Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere* required a global warming potential of 25 to be used for methane emissions instead of a global warming potential of 21. This amendment had the effect of increasing the GHG emissions emitted into the atmosphere for the same quantity of natural gas. Had a global warming potential of 25 been used to calculate Énergir's GHG emissions for calendar year 2020, those emissions would have been 63,372 tonnes of CO₂ eq.

3. The information should be disclosed in a future report.